



**CITY COUNCIL AGENDA**  
**Revised**

**NOTICE TO READERS:** City Council meeting packets are prepared several days prior to the meetings. Timely action and short discussion on agenda items is reflective of Council's prior review of each issue with time, thought and analysis given.

Members of the audience are invited to speak at the Council meeting. Citizen Communication (Section 7) and Citizen Presentations (Section 12) are reserved for comments on any issues or items pertaining to City business except those for which a formal public hearing is scheduled under Section 10 when the Mayor will call for public testimony. Please limit comments to no more than 5 minutes duration except when addressing the City Council during Section 12 of the agenda.

1. Pledge of Allegiance
2. Roll Call
3. Consideration of Minutes of Preceding Meetings
4. Report of City Officials
  - A. City Manager's Report
5. City Council Comments
6. Presentations
7. Citizen Communication (5 minutes or less)

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to remove an item for separate discussion. Items removed from the consent agenda will be considered immediately following adoption of the amended Consent Agenda.

8. Consent Agenda
  - A. Purchase of Water Treatment Chemicals
  - B. Emergency Expenditures for Snowstorms
  - C. Extended Reclaimed Water Master Plan Change Order
  - D. Table Mountain Animal Center Annual Assessment
  - E. Termination of the Colorado Rapids Training Facility Lease Agreement
  - F. Spillway Improvements at Hyland Hills Golf Course Pond I
  - G. IGA with the City of Thornton re 128<sup>th</sup> Avenue Bridge Replacement over I-25
  - H. Bond and Disclosure Counsel Service Agreements for Bonds and Certificates of Participation
  - I. Second Reading Councillor's Bill No. 3 re FY2006 Budget Amendment
  - J. Second Reading Councillor's Bill No. 4 re Vacation of Easements within Country Club Highlands Filing #1
9. Appointments and Resignations
  - A. Appointments to the Rocky Flats Stewardship Council
10. Public Hearings and Other New Business
  - A. Public Hearing re Inclusion of Property within the City of Westminster 136<sup>th</sup> Avenue GID
  - B. Councillor's Bill No. 5 re Inclusion of Property within the City of Westminster 136<sup>th</sup> Avenue GID
  - C. Resolution No. 6 re Recovery Contract Interest Rate
  - D. Councillor's Bill No. 6 re Ordinance Changes re Property Code and Administrative Penalty Citation
  - E. Councillor's Bill No. 7 re 2006 4<sup>th</sup> Quarter Budget Supplemental Appropriation
  - F. Councillor's Bill No. 8 re Refunding Series 1997A and Series 2002 Sales and Use Tax Revenue Bonds
  - G. Councillor's Bill No. 9 re Refunding Series 1997B Revenue Bonds
  - H. Councillor's Bill No. 10 re Refunding Series 1998 and Series 1999 Certificates of Participation
11. Old Business and Passage of Ordinances on Second Reading
12. Citizen Presentations (longer than 5 minutes), Miscellaneous Business, and Executive Session
  - A. City Council
  - B. Executive Session – Discuss the appointment of Board and Commission members pursuant to WMC section 1-11-3(C)(9) and CRS 24-6-402(4)(f).
13. Adjournment

**GENERAL PUBLIC HEARING PROCEDURES ON LAND USE MATTERS**

- A.** The meeting shall be chaired by the Mayor or designated alternate. The hearing shall be conducted to provide for a reasonable opportunity for all interested parties to express themselves, as long as the testimony or evidence being given is reasonably related to the purpose of the public hearing. The Chair has the authority to limit debate to a reasonable length of time to be equal for both positions.
- B.** Any person wishing to speak other than the applicant will be required to fill out a “Request to Speak or Request to have Name Entered into the Record” form indicating whether they wish to comment during the public hearing or would like to have their name recorded as having an opinion on the public hearing issue. Any person speaking may be questioned by a member of Council or by appropriate members of City Staff.
- C.** The Chair shall rule upon all disputed matters of procedure, unless, on motion duly made, the Chair is overruled by a majority vote of Councillors present.
- D.** The ordinary rules of evidence shall not apply, and Council may receive petitions, exhibits and other relevant documents without formal identification or introduction.
- E.** When the number of persons wishing to speak threatens to unduly prolong the hearing, the Council may establish a time limit upon each speaker.
- F.** City Staff enters a copy of public notice as published in newspaper; all application documents for the proposed project and a copy of any other written documents that are an appropriate part of the public hearing record;
- G.** The property owner or representative(s) present slides and describe the nature of the request (maximum of 10 minutes);
- H.** Staff presents any additional clarification necessary and states the Planning Commission recommendation;
- I.** All testimony is received from the audience, in support, in opposition or asking questions. All questions will be directed through the Chair who will then direct the appropriate person to respond.
- J.** Final comments/rebuttal received from property owner;
- K.** Final comments from City Staff and Staff recommendation.
- L.** Public hearing is closed.
- M.** If final action is not to be taken on the same evening as the public hearing, the Chair will advise the audience when the matter will be considered. Councillors not present at the public hearing will be allowed to vote on the matter only if they listen to the tape recording of the public hearing prior to voting.

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE CITY COUNCIL MEETING  
HELD ON MONDAY, FEBRUARY 12, 2007 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE

Mayor McNally led the Council, Staff, and audience in the Pledge of Allegiance.

ROLL CALL

Mayor McNally, Mayor Pro Tem Kauffman and Councillors Dittman, Kaiser, Lindsey, Major, and Price were present at roll call. J. Brent McFall, City Manager, Martin McCullough, City Attorney, and Carla Koeltzow, Deputy City Clerk, also were present.

CONSIDERATION OF MINUTES

Councillor Major moved, seconded by Kaiser, to approve the minutes of the regular meeting of January 22, 2007, as written and presented. The motion passed unanimously.

CITY MANAGER'S REPORT

Mr. McFall requested that Council table Item 8B on the consent agenda for two weeks. It will be brought back before Council once the extra contractor's costs are assessed. He reminded Council that there would not be a study session next Monday night, February 19<sup>th</sup> due to the President's Day Holiday. Mr. McFall pointed out that this was the appropriate time to handle Items 10F, G & H which refinance the City's debt obligations. A net of approximately \$2.7 million will be saved by passing the three emergency ordinances without extending the life of the debt. The City continues to have outstanding bond ratings which provide a stable outlook. Also noted was the executive session scheduled at the conclusion of this meeting to address appointments to the Boards and Commissions.

CITY COUNCIL COMMENTS

Councillor Lindsey reported that several Councillors attended an event at the Colorado History Museum to accept the Stephen H. Hart award, given for the City's commitment to preserving its heritage. The City was only one of eight recipients in Colorado to receive this award.

Mayor McNally reported that Massage Envy, located in the Shops at Walnut Creek, had its grand opening. She attended the Jefferson County Leadership Class of 2007 where the County's Mayors participated in question and discussion sessions. The Broomfield / Westminster Open Space Foundation and Boards met to discuss the Master Plan for the Metzger Farm. Both councils and communities will be involved in the several phases of design and determining uses for these 160 acres of open space.

CITIZENS COMMENT

Jane Fancher, 7260 Lamar Court, made comments in regards to Item 10D, Property Code and Administrative Penalties. She agreed that something needed to be done about graffiti but had concerns that the ordinance would punish victims. She requested that the City put more effort into catching the perpetrators with cameras or checking cars for taggers and then making an example out of them. She also would like the 11-4-10 rules for home occupations be more strictly enforced.

Larry Dean Valente of Westminster also addressed Council in regards to Item 10D. He agreed that graffiti needed to be cleaned up fast but that the proposed ordinance was too stringent and would be a hardship to businesses. With only a seven day window to remove graffiti before penalties are imposed, the victim is being punished.

CONSENT AGENDA

The following items were submitted for Council's consideration on the consent agenda: Award the bids for the purchase of Ferric Chloride to Kemiron Companies, Caustic Soda to DPC Industries, and based on the report and recommendation of the City Manager, award the Sodium Hypochlorite bid to Treatment Technology on an as-needed basis in an amount not to exceed \$522,400; authorize a change order in the amount of \$8,000 to HDR Inc. for additional services for the 2006 Extended Reclaimed Water Master Plan; authorize payment of \$73,353.63 to Table Mountain Animal Center for the City's 2007 assessment for animal sheltering services; authorize the City Manager to sign a lease termination agreement between the City and Kroenke Sports Enterprises LLC; authorize the City Manager to execute a contract for the construction of spillway improvements at the Hyland Hills Golf Course with the low bidder, Tarco, Inc., in the amount of \$95,485 and authorize a total project budget of \$105,034, which includes a \$9,549 construction contingency; authorize the City Manager to execute an Intergovernmental Agreement with the City of Thornton regarding the funding, design, contract administration and construction of the proposed bridge replacement on 128<sup>th</sup> Avenue over I-25; authorize the City Manager to execute an agreement with Sherman & Howard, for bond counsel services, for a total fee not to exceed \$23,000, plus actual expenses not to exceed \$2,500 as to the \$22 Million Sales and Use Tax Refunding Revenue Bonds and \$14 Million Parks, Open Space and Trails Bonds, and a total fee not to exceed \$35,000, plus actual expenses not to exceed \$1,200 as to the \$32 Million Certificates of Participation; authorize the City Manager to execute an agreement with Kutak Rock, for disclosure counsel services, for a total fee not to exceed \$18,000, plus actual expenses not to exceed \$500, as to the \$22 Million Sales and Use Tax Refunding Revenue Bonds, a total fee not to exceed \$12,500, plus actual expenses not to exceed \$500, as to the \$14 Million Parks, Open Space and Trails Bonds, and a total fee not to exceed \$20,000, plus actual expenses not to exceed \$500, as to the \$32 Million Certificates of Participation; second reading of Councillor's Bill No. 3 amending the FY2006 budgets of the General and Fleet Maintenance Funds; and second reading of Councillor's Bill No. 4 vacating easements within Lots 1 through 19 and Lots 62 through 65 of the Country Club Highlands Subdivision Filing No. 1.

It was moved by Councillor Major and seconded by Councillor Price to approve Items 8A and C through J on the consent agenda as presented. The motion passed unanimously.

Councillor Major moved to table agenda Item 8B, Emergency Expenditures for Snowstorms, until all expenses could be assessed. Councillor Price seconded the motion and it passed unanimously.

APPOINTMENTS TO THE ROCKY FLATS STEWARDSHIP COUNCIL

A motion was made by Councillor Dittman and seconded by Councillor Kaiser to re-appoint Councillor JoAnn Price as Director and Jim Arndt and Ron Hellbusch as Alternate Directors to represent the City of Westminster on the Rocky Flats Stewardship Council. The motion passed unanimously.

PUBLIC HEARING RE INCLUSION OF PROPERTY WITHIN THE 136<sup>TH</sup> AVENUE GID

At 7:17 p.m. a public hearing was opened to consider the inclusion of the Ramirez Properties, LLC within the City of Westminster 136<sup>th</sup> Avenue General Improvement District. The 10.44 parcel is located at the southwest corner of 136<sup>th</sup> Avenue and Huron Street. Mr. McFall stated that Staff was available for any questions. No one spoke in favor or in opposition. The public hearing was declared closed at 7:18 p.m.

COUNCILLOR'S BILL NO. 5 RE INCLUSION OF PROPERTY WITHIN THE 136<sup>TH</sup> AVENUE GID

Councillor Dittman moved, seconded by Major, to pass Councillor's Bill No. 5 on first reading to include the Ramirez Properties, LLC within the City of Westminster 136<sup>th</sup> Avenue General Improvement District. Upon roll call vote, the motion carried unanimously.

RESOLUTION NO. 6 RE RECOVERY CONTRACT INTEREST RATE

A motion was made by Mayor Pro Tem Kauffman and seconded by Councillor Kaiser to adopt Resolution No. 6 establishing the 2007 calendar year interest rate for non-City funded public improvement recovery contracts at 10.25 percent and an interest rate of 4.17 percent for City-funded public improvements. Upon roll call vote, the motion carried unanimously.

COUNCILLOR'S BILL NO. 6 RE PROPERTY CODE AND ADMINISTRATIVE PENALTY CITATION

Councillor Dittman moved, seconded by Kaiser, to pass Councillor's Bill No. 6 on first reading amending the Westminster Municipal Code as it relates to changes affecting property maintenance standards, and adopting an administrative penalty citation program including changes to the jurisdiction of the Board of Adjustment and Appeals. Upon roll call vote, the motion carried unanimously.

COUNCILLOR'S BILL NO. 7 RE 2006 4<sup>th</sup> QUARTER BUDGET SUPPLEMENTAL APPROPRIATION

Councillor Major moved, seconded by Price, to pass Councillor's Bill No. 7 on first reading providing for supplementary appropriations to the 2006 budget of the General, General Capital Improvement, Water, Wastewater and Open Space Funds. Upon roll call vote, the motion carried unanimously.

At 7:31 p.m., for the last three items on the agenda, Mayor McNally excused herself from the council chambers citing a conflict in interest posed by employment at Hanifen, Imhoff Inc. The gavel was passed to Mayor Pro Tem Kauffman who conducted the remainder of the meeting.

COUNCILLOR'S BILL NO. 8 RE REFUNDING SERIES 1997A & 2002 SALES & USE TAX REVENUE BONDS

Councillor Price moved, seconded by Dittman, to pass Councillor's Bill No. 8 as an emergency ordinance, approving the sale of Revenue Refunding Bonds to refund the Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds, and direct the Mayor Pro Tem, Finance Director and City Clerk to sign necessary documents on behalf of the City. Upon roll call vote, the motion passed unanimously with Mayor McNally abstaining.

COUNCILLOR'S BILL NO. 9 RE REFUNDING SERIES 1997B REVENUE BONDS

Councillor Dittman moved, seconded by Major, to pass Councillor's Bill No. 9 as an emergency ordinance, approving the sale of Revenue Refunding Bonds to refund the Series 1997B (POST) Revenue Bonds in the amount not to exceed \$14,920,000, and to direct the Mayor Pro Tem, Finance Director and City Clerk to sign necessary documents on behalf of the City. Upon roll call vote, the motion passed unanimously with Mayor McNally abstaining.

COUNCILLOR'S BILL NO. 10 RE REFUNDING SERIES 1998 & 1999 CERTIFICATES OF PARTICIPATION

Councillor Lindsey moved, seconded by Dittman, to pass Councillor's Bill No. 10 as an emergency ordinance, in the amount not to exceed \$33,000,000 to refund the Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard). Upon roll call vote, the motion passed unanimously with Mayor McNally abstaining.

CITIZEN PRESENTATIONS

Jane Fancher, 7260 Lamar Court, added to her earlier comments in regards to graffiti. She stressed that the punishment for those convicted of doing graffiti should be severe and published to deter others from committing the crime.

Nancy Thompson of Westminster asked Council for suggestions on what Citizens can do to be proactive and fight graffiti. Councillor Dittman and Mr. McFall addressed her question.

ADJOURNMENT

There was no further business to come before the City Council, and the Mayor Pro Tem adjourned the meeting at 7:43 p.m.

ATTEST:

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Mayor

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Deputy City Clerk



## Agenda Item 8 A

**WESTMINSTER**  
**COLORADO**

### Agenda Memorandum

City Council Meeting  
February 12, 2007



**SUBJECT:** Purchase of Water Treatment Chemicals

**Prepared By:** Carl F. Pickett, Purchasing Officer

#### **Recommended City Council Action**

Award the bids for the purchase of Ferric Chloride to Kemiron Companies, Caustic Soda to DPC Industries, and based on the report and recommendation of the City Manager, determine that the public interest will be best served by awarding the Sodium Hypochlorite bid to Treatment Technology at the unit prices indicated on the bid tabulation on an as-needed basis in an amount not to exceed \$522,400.

#### **Summary Statement**

- Adequate funds for the purchase of water treatment chemicals were included in the approved 2007 Water Resources Division Budget.
- Three chemicals will be purchased in large quantities in 2007. They are: Ferric Chloride, Caustic Soda, and Sodium Hypochlorite.
- In November 2006, the Multiple Assembly of Procurement Officials (MAPO) issued a bid for water treatment chemicals. These joint purchase bids are being recommended for the purchase of Ferric Chloride, Caustic Soda, and Sodium Hypochlorite.

**Expenditure Required:** Not to exceed \$522,400

**Source of Funds:** Utility Fund - Water Resources Division Budget

**Policy Issue**

Should the City accept the MAPO bids for Water Treatment Chemicals or seek bids separately for the City of Westminster?

**Alternative**

Reject the MAPO bid and re-bid the chemicals. This is not recommended as the bids received through MAPO are valid bids that the City would most likely not be able to improve upon.

**Background Information**

As part of the 2007 Budget, City Council approved the purchase of water treatment chemicals for the City’s water supply. Information regarding each chemical and its approximate annual usage and bid price follows:

| CHEMICAL            | APPROXIMATE QUANTITY | PRICE      | EXTENDED PRICE | VENDOR               |
|---------------------|----------------------|------------|----------------|----------------------|
| Ferric Chloride     | 400 tons             | \$539 ton  | \$215,600      | Kemiron Companies    |
| Caustic Soda        | 200 tons             | \$584 ton  | \$116,800      | DPC Industries       |
| Sodium Hypochlorite | 100 tons             | \$1900 ton | \$190,000      | Treatment Technology |

Ferric Chloride is used for coagulation/clarification in the treatment process at the Semper Water Treatment Facility. Caustic Soda is used for pH control. The low bidder for Sodium Hypochlorite, DPC Industries, has had quality control problems over the past year. Staff is recommending the only other bidder of the product, Treatment Technology, for award of this chemical. Chlorine is used for disinfection in the water treatment facilities. These chemicals are used at the Semper Water Treatment Facility and the Northwest Water Treatment Facility. The usage numbers are approximate since this is for the whole year’s usage, and factors such as weather and demand are unpredictable. The approximate usage figures are based on last year’s actual usage.

This bid was put out on behalf of MAPO, a cooperative of state, municipal, county, special district, school district and other local government agencies. This is a competitive bid and offers greater volume and lower prices to the City than the City can obtain on its own. Westminster City Code 15-1-4-A1 specifically states that this is an acceptable form of purchasing for the City.

Fourty-three chemicals were put out on the MAPO bid. Twenty-one water chemical vendors responded to the bid notification. They were American Pride; Baker Tanks; Basic Chemical Solutions; BHS Marketing; Cal Pacific Carbon; Carus Chemical Corp; DPC Industries; Dimmitt Sulfur Products Ltd; Industrial Chemicals; Interstate Chemical; General Chemical Performance Products, LLC; Harcos Chemicals; Kemiron North America; Mississippi Lime; Nalco Company; NORIT; Peak Polymer; Polydyne; Thatcher Company; Treatment Tech.; and Univar.

The low bids for the two chemicals, Ferric Chloride to Kemiron in the annual approximate amount of \$215,600, Caustic Soda to DPC Industries in the annual approximate amount of \$116,800, and the second low bid for Sodium Hypochlorite to Treatment Technology in the annual approximate amount of \$190,000 meet all specifications and requirements set by the City.

The annual estimated cost of the chemicals is within the amount previously approved by City Council for this expense.

Respectfully submitted,

J. Brent McFall  
City Manager





**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Emergency Expenditures for Snowstorms

**Prepared By:** Ray Porter, Street Operations Manager

**Recommended City Council Action**

Based on the report and recommendation of the City Manager, determine that the public interest was best served by awarding emergency snow removal contracts to the following vendors: Brannan Sand and Gravel Company - \$73,095; AISA Civil Company - \$39,553; West Valley Construction - \$119,179; Integrated Solutions - \$61,140; Tom Calabrese Trucking Inc. - \$52,055; Concrete Management Corp - \$31,690; and Envirotech Inc. - \$79,000. Ratify these expenditures/purchases and authorize any payments of invoices not previously paid to these firms.

**Summary Statement**

- The Westminster Municipal Code requires that all purchases over \$50,000 be brought to City Council for formal consideration except in an emergency.
- In a case of emergency affecting the public’s safety, City Council may waive all requirements for formal bidding. In such cases the City Manager may direct the appropriate Department Head to procure emergency needs by informal, open market procedures as expeditiously as possible.
- The December 20 blizzard of 2006 triggered a series of eight snowstorms that dictated the use of contractors through January 19, 2007.
- The above mentioned seven contractors widened arterial and collector roadways, cleared snow and ice from residential streets and hauled 40,000 cubic yards of snow away from 20 arterial/major collector roadways and from all school sites prior to the schools re-convening class after the Christmas/New Years break.
- A 1,000-ton order for deicing salt had to be placed with Envirotech Inc. The City’s supplier, Independent Salt Company, is rationing orders throughout Colorado requiring purchasing additional deicing salt from the only other available supplier.
- Funds for these expenditures have been covered temporarily within the Street Operations Division budget and may require some relief later in the year. Staff anticipates that 2006 carryover funds will be available to cover these expenses.

**Expenditure Required:** 2006 - \$ 150,814  
2007 - \$ 320,501

**Source of Funds:** General Fund – Street Operations Division 2006 and 2007 budget

**Policy Issue**

Should City Council retroactively approve these expenditures for snow removal services that total \$150,814 in 2006 and \$320,501 in 2007?

**Alternative**

Do not approve the expenditures recommended. Staff does not recommend this alternative because it may establish a negative policy for major snowstorms in the future, creating an inability to get private contractor assistance in severe storms, thus jeopardizing public safety.

**Background Information**

Public Works and Utilities has responded to eight snow events commencing with the December 20 “Blizzard of 2006” and continuing through the month of January, 2007, and up to February 2, 2007. City crews and contractors worked 12-hour shifts around the clock December 20, 2006 through January 4, 2007 taking a break on Christmas Day and New Years Day.

Contractors (9 graders and 13 loaders) and city crews (1 grader and 4 loaders) commenced ice removal one lane (12'-15') wide on all residential streets on January 8, 2007 and continued this effort through January 19, 2007. Other City crews (17 tandems with plows) worked according to the City’s snow policy and cleared arterials and secondaries before undertaking residential streets. The City and contractors attempted to clear a path on every residential street in the City and in most cases were successful on the third attempt. The cold inclement weather and high winds throughout the month of January hindered this effort. Staff estimates about 10% of residential streets, primarily cul-de-sacs, will have hard packed ice until warmer temperatures are experienced. City crews will monitor these streets and provide service as weather permits.

In addition to the above-mentioned contractual work, two contractor crews (with assistance from City crews) hauled 40,000 cubic yards of snow away from 20 arterial/major collector roadways over eight night shifts beginning December 26, 2006 through January 10, 2007.

A 1,000-ton order for deicing salt was placed with Envirotech Inc. The City’s supplier, Independent Salt Company, is rationing orders throughout Colorado requiring purchasing additional deicing salt from the only other available supplier.

Staff will be carefully evaluating the 2007 Street Operations Division budget once this 2006-2007 winter season is done. A recommendation and method to replenish the affected accounts will be submitted later in 2007.

Respectfully submitted,

J. Brent McFall  
City Manager



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Extended Reclaimed Water Master Plan Change Order

**Prepared By:** Dan Strietelmeier, P.E., Senior Engineer  
Abel Moreno, Capital Projects and Budget Manager

**Recommended City Council Action**

Authorize a change order in the amount of \$8,000 to HDR Inc. for additional services for the 2006 Extended Reclaimed Water Master Plan.

**Summary Statement**

- HDR Inc. substantially completed the 2006 Extended Reclaimed Water Master Plan (ERWMP) for the City in August 2006. The results of the Master Plan were reviewed with the City Council in September, 2006. HDR work was performed under a \$166,478 “not-to-exceed” contract approved by City Council on January 9, 2006.
- City Staff added work to the original scope of work that was necessary for the successful completion of the project.
- Funds are available in the Reclaimed Water Treatment Facility Expansion project budget to cover the change order costs (current account balance of \$283,000).
- Upon authorization of the change order and final payment to the consultant, Staff will be closing out the Reclaimed Water Treatment Facility Expansion project account and returning the remaining \$275,000 to the Utility Fund Capital Project Reserve.

**Expenditure Required:** \$8,000

**Source of Funds:** Utility Fund – Reclaimed Water Treatment Facility Expansion

**Policy Issue**

Should the City modify a “not-to-exceed” contract to compensate a consultant for the additional services authorized by Staff and transfer the funds from the Reclaimed Water Treatment Facility Expansion project account?

**Alternative**

The City could choose not to pay the requested change order amount of \$8,000. There is one remaining deliverable item that is expected from HDR is the final report, which will be delivered upon final payment. Staff does not recommend this alternative since the City directed the additional out of scope work items at a time when it appeared funds would be remaining from the original contract.

**Background Information**

Staff has determined that City Council is required to authorize a change order and transfer of funds since the contract was authorized by City Council as a “not-to-exceed” contract. Staff initially intended to administratively approve the change order, given the dollar amount of the change order was less than a total of 10 percent cumulative change orders. However, because the HDR contract was authorized as a “not-to-exceed” contract, City Council action is required, regardless of the dollar amount of the change.

**Extended Reclaimed Water Master Plan**

The “not-to-exceed” contract with HDR for the 2006 Extended Reclaimed Water Master Plan did not include any contingency funds. The Master Plan provided an analysis of the Reclaimed System needs for serving 2,600 Acre Feet (AF) and 3,500 AF of average year irrigation demand, or firm yield water supply as these demands would be removed from the City’s potable system. The results of the analysis for developing a 2,600 AF Reclaimed system were presented to City Council in September, 2006.

During the Master Plan study, Staff identified several work tasks that HDR could efficiently perform that would supplement the information that URS Corporation was providing under the Water and Sewer Infrastructure Study scope of work. Staff authorized the additional services anticipating that there would be money left over in the original contract amount to cover these costs. Unfortunately, the full HDR contract amount was spent. However, funds are available in the Reclaimed Water Treatment Facility Expansion project budget to cover the change order. The Reclaimed Water Treatment Facility Expansion budget was used to fund the original HDR contract.

The additional scope items performed by HDR included a condition assessment of the existing reclaimed water treatment and delivery system, which required obtaining feedback from City operations staff, observing operations, reviewing pertinent drawings, specifications and construction cost data for the facilities. Based on the condition assessment, HDR developed an estimate of the remaining useful life and replacement cost for major reclaimed water treatment facility (RWTF) system components and for major reclaimed water distribution system components. From the results, a Capital Improvements Plan including the required future funding was developed. HDR concluded that both the existing RWTF and the reclaimed water distribution system appear to be very well maintained and in good condition. Based on the estimated useful lives for the various system components, the City will need to plan for major repair and replacement costs beginning in year 2020, not including the Reclaimed Water Treatment Facility expansion from 6 Million Gallons per Day (MGD) to 10 MGD. HDR is in the process of finalizing their report and Staff recommends a transfer of \$8,000 from the Reclaimed Facility Expansion Utility Fund Capital Improvement Project appropriation holding account to fund the change order.

Respectfully submitted,

J. Brent McFall  
City Manager



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Table Mountain Animal Center Annual Assessment

**Prepared By:** Janice Kraft, Neighborhood Services Administrator

**Recommended City Council Action**

Authorize payment of \$73,353.63 to Table Mountain Animal Center for the City's 2007 assessment for animal sheltering services.

**Summary Statement**

- On November 25, 1996 City Council authorized the City Manager to enter into an intergovernmental agreement (IGA) for the provision of all animal sheltering functions for the City of Westminster to be located at Table Mountain Animal Center (TMAC). Westminster is party to this intergovernmental agreement with Jefferson County, Lakewood, Wheat Ridge, Arvada, Golden, Morrison, Mountain View and Edgewater. Annual contributions to the operating costs of TMAC are shared by these nine entities and are determined by an assessed valuation based on population. The intergovernmental agreement restricts these assessments paid to TMAC to no more than 50% of the annual operating costs. The remaining amount is to be obtained through fundraising efforts.
- The \$73,353.63 is \$853.63 more than the amount budgeted for this expense. This is due to the fact that Table Mountain was only able to provide a preliminary estimate of the assessment prior to adoption of the 2007/2008 budget. This overage will be absorbed within the 2007 General Fund Police Department Operating Budget.

**Expenditure Required:** \$73,353.63

**Source of Funds:** 2007 General Fund - Police Department Operating Budget

**Policy Issue**

Should City Council authorize the expense of \$73,353.63 for Westminster's 2007 assessment of operating costs for Table Mountain Animal Center?

**Alternative**

The City could examine alternatives to obtaining animal sheltering services from Table Mountain Animal Center. Staff has examined alternatives for this service in the past and has not found a cost effective option. Boulder Valley Humane Society has recently approached Staff with two possible alternatives, but if either of these options were to materialize, the time horizon would be two to five years out.

**Background Information**

In November 1996 City Council directed the City Manager to enter into an agreement with Table Mountain Animal Center for the provision of all animal sheltering functions, effective January 1, 1997. This intergovernmental agreement set out the method for calculating each participating agencies assessment for TMAC operating expenses. An annual operating budget is to be established by the TMAC Manager and approved by a Board of Directors made up of representatives of each of the nine participating agencies. Each of those participating entities' contribution to that operating budget is determined based on population. No more than 50% of TMAC's annual operating budget is funded through these assessments. The remaining amount comes through fundraising efforts by the Table Mountain Animal Center Foundation Board. Historically, the City's assessment has increased by about 5% per year. The increase from the 2006 assessment amount to the 2007 assessment is just under 3%.

Table Mountain Animal Center and its Board of Directors have been working on a project to address some significant building deficiencies and space constraints at their current facility. Sholar Architecture has performed a building deficiency study, a preliminary building program to identify future space needs, and a schematic design to make an initial cost estimate for a new facility. The Jefferson County Board of Commissioners and the City Managers from the TMAC participating agencies are evaluating options for funding construction of a new facility. An agreement has been reached by this Managers group that involves adoption of a county-wide animal licensing program. The fees collected from the dog licensing program would be funneled to Table Mountain Animal Center. All or a portion of licensing fees could be applied to the capital costs for construction of a new facility. The remaining costs for construction would need to be obtained through a fund raising effort by the Table Mountain Animal Center Foundation Board and a separate Capital Campaign Implementation Committee. Details of the license fee amount and how the fees collected would be disbursed are still under discussion by the Commissioners and City Managers. The final details would be outlined in an intergovernmental agreement. Staff will return to Council at a future date with an amendment to the existing Animal Code which will adopt the county-wide licensing program.

Respectfully submitted,

J. Brent McFall  
City Manager



**WESTMINSTER  
COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Termination of the Colorado Rapids Training Facility Lease Agreement

**Prepared By:** Bill Walenczak, Director of Parks, Recreation and Libraries

**Recommended City Council Action**

Authorize the City Manager to sign a lease termination agreement between the City of Westminster and Kroenke Sports Enterprises LLC.

**Summary Statement**

- A Colorado Rapids Training Center lease agreement between the City of Westminster and Anschutz Soccer Inc. was signed on March 2, 1998, and was to be in effect until February 5, 2009.
- On July 27, 2004, Kroenke Sports Enterprises – (the new owner of the Colorado Rapids) took over the obligations of the original lease agreement from Anschutz Soccer Inc.
- The Colorado Rapids will be moving to a new soccer training facility and stadium in Commerce City in March 2007 and wish to terminate their existing lease at their Westminster training facility.
- Staff has negotiated a lease termination agreement with Kroenke Sports Enterprises that includes a lump sum payment to the City of Westminster of \$78,000.
- The Rapids will also vacate the Westminster facility by March 8, 2007.
- This lump sum payment amounts to approximately one year and three months' worth of advance lease payments leaving the Rapids free of paying the remaining eight months of their lease obligations.
- Existing monthly lease payments are \$4,966.97 per month.

**Expenditure Required:** \$0

**Source of Funds:** N/A

**Policy Issue**

Should City Council accept Kroenke Sports' lump sum offer of \$78,000 to release them from the remaining terms of their Rapids training facility lease with the City of Westminster?

**Alternatives**

1. City Council could reject Kroenke Sports' settlement offer and require them to fulfill the remaining obligations of their current lease through February 5, 2009. This alternative is not recommended by Staff due to the potential for contract issues to arise with the lease, which could in turn drag out the monthly payment process and prohibit the City from seeking immediate alternative uses for the facility.
2. City Council could direct Staff to seek a greater settlement amount from Kroenke Sports. This alternative is also not recommended because Staff believes they have negotiated the maximum settlement amount that Kroenke Sports is willing and can afford to pay.

**Background Information**

On March 2, 1998, the City Manager signed a lease agreement with Anschutz Soccer (the then owner of the Rapids) to construct and lease a training facility to the newly-formed Colorado Rapids Soccer Team of Major League Soccer (MLS). The lease became effective when the Rapids received a certificate of occupancy on February 5, 1999, and would run for ten years with an option to renew for an additional ten years. On July 27, 2004, Kroenke Sports Enterprises (the new owner of the Rapids) assumed all of the obligations of the original lease. The terms of the lease included a yearly payment to the City of \$59,603.64 (the cost plus approximately 7% interest to build the facility). The facility construction was funded from 1998 Certificates of Participation (COPs) that included funding for the construction of other City projects.

Because the COPs were issued for 20 years, Staff would like to lease the facility to a user that would produce an equal or greater revenue stream. By allowing the City an additional year and three months without a loss of revenue, Staff is hopeful that a new lessee can be found without an interruption of revenue.

Staff has been researching potential uses that would be compatible with the health and fitness theme of the Fitness Center. User possibilities include sports rehabilitation, physical therapy, or other health and wellness-related uses. Other recreation centers in the metropolitan area have forged similar successful partnerships. The total size of the facility is 5,200 sq. ft., which breaks down to a current lease rate of \$11.47 per square foot.

The Colorado Rapids have been excellent partners with the City of Westminster. The City has received positive media coverage over the years as the home of the Rapids. The Rapids have conducted several youth soccer clinics for the community and donated to our Service Clubs. The relationship has been a win-win for both parties.

The Rapids would have preferred building a new stadium in Westminster, but the City had neither the land nor resources to make such a deal work. Now that the Rapids will have a new soccer-only stadium, Major League Soccer's future in Colorado is secure. City Staff wishes the Rapids much success in the future and will always remember them being a part of the Westminster community, just as the Rapids will remember the City as being a significant reason why Major League Soccer came to Colorado.

Respectfully submitted,

J. Brent McFall  
City Manager



# City of Westminster



**Hyland Hills Golf Course**

Pump House

Pond 1 Spillway

Sheridan Blvd

City Center Dr

Yates St

Wagner Ln

Wolf St

Winona St

100th Ave

101st Pl

99th Pl

Vain Ct

Raleigh St

99th Pl

99th Ct

98th Way

97th Ct

98th Ct

98th Ave

Wolf Ct

99th Ave

Hyland Green Pl

500

0

500 Feet

1 inch equals 500 feet



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Spillway Improvements at Hyland Hills Golf Course Pond 1

**Prepared By:** John Burke, Senior Engineer

**Recommended City Council Action**

Authorize the City Manager to execute a contract for the construction of spillway improvements at the Hyland Hills Golf Course with the low bidder, Tarco, Inc., in the amount of \$95,485 and authorize a total project budget of \$105,034, which includes a \$9,549 construction contingency.

**Summary Statement**

- For many years, residents in the Hyland Greens subdivision have experienced flooding due to stormwater flows overtopping the Farmers' High Line Canal. In early 2004, the City in cooperation with the Hyland Hills Parks and Recreation District constructed a concrete overflow weir in the canal diverting stormwater flows to Pond 1 on the Hyland Hills Golf Course. Hyland Hills was not obligated to accept the diverted flows through the golf course, but they agreed to do so with the understanding that the City would perform subsequent improvements to protect the golf course from flooding damage.
- This proposed project is the second phase of construction to alleviate potential damage to the Hyland Hills Golf Course pump house located on Pond 1. A concrete spillway will be constructed on the embankment of Pond 1 to channelize the 100-year storm event to protect the pump house (see attached drawing).
- Storm Water Utility funds were utilized to pay the engineering design fees and will also be used for this construction project.
- Construction plans for the proposed improvements were prepared and the project was publicly bid. Six bids were received, and the lowest bidder was Tarco, Inc. with a bid of \$95,485.

**Expenditure Required:** \$105,034

**Source of Funds:** Storm Water Utility Fund

**Policy Issue**

Should the City proceed with the award of the bid for the construction of The Courses at Hyland Hills Pond 1 Spillway Improvement Project?

**Alternative**

The City Council could choose to delay the construction of this project. This alternative is not recommended due to the fact that the Hyland Hills Park and Recreation District allowed the canal diversion project to protect Hyland Greens residents that also put their pump house at risk. There is adequate funding through the Stormwater Utility for this project.

**Background Information**

For many years, single family residents in the Hyland Greens subdivision experienced flooding due to stormwater flows overtopping the Farmers' High Line Canal. In early 2004, the City in cooperation with the Hyland Hills Park and Recreation District constructed a concrete overflow weir in the canal diverting stormwater flows to Pond 1 on the golf course.

The diversion structure constructed in the canal allows the irrigation flows to continue within the canal, but diverts the major stormwater runoff into Pond 1 of the Hyland Hills Golf Course. This diversion put the golf course Pond 1 pump house at potential risk for damage during a 100-year storm event. This project will make improvements to the spillway on Pond 1 to contain the 100-year storm event and protect the pump house from damage.

The notice of the construction package for this project was advertised in the Daily Journal, and bids were opened on January 11, 2007. Six contractors submitted bids with the low bid of \$95,485 being presented by Tarco Inc. The bid results are as follows:

| <b>Contractor</b>     | <b>Bid</b>   |
|-----------------------|--------------|
| Tarco, Inc.           | \$95,485.00  |
| RMH Construction      | \$96,187.13  |
| BT Construction       | \$99,111.00  |
| Goodland Construction | \$108,487.50 |
| Belair Excavating     | \$109,039.73 |
| Jag's Enterprises     | \$116,345.20 |

The low bidder, Tarco, Inc., has met all of the bid requirements and has successfully completed projects for the City of Westminster in years past. Staff is recommending award of the contract to Tarco, Inc. Construction will be coordinated with golf course staff and should begin in early March.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment – Vicinity Map



**WESTMINSTER  
COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Intergovernmental Agreement with the City of Thornton - 128<sup>th</sup> Avenue Bridge Replacement over I-25

**Prepared By:** Richard M. Kellogg, Jr., Senior Projects Engineer

**Recommended City Council Action**

Authorize the City Manager to execute an Intergovernmental Agreement (IGA) with the City of Thornton regarding the funding, design, contract administration and construction of the proposed bridge replacement on 128<sup>th</sup> Avenue over I-25.

**Summary Statement:**

- The Cities of Westminster and Thornton previously entered into an IGA with the Colorado Department of Transportation (CDOT) for the design and construction of the 128<sup>th</sup> Avenue Bridge over I-25 (the “Design and Construction IGA”). City Council approved this IGA on January 8, 2007.
- The Design and Construction IGA provides that the two cities are responsible for an equal share of the total cost to expand the overpass from two to four lanes. The total incremental cost for the design and construction of this expansion is \$1,644,852 (\$125,724 for design and \$1,519,128 for construction).
- The Cities will be equally responsible for payment of \$62,862 (\$125,724 total) directly to CDOT for the additional design effort to expand the overpass from two to four lanes.
- Funds for the City’s share of the design (\$62,862) are available in the New Development Participation account of the General Capital Improvement Project Fund. Funding for the construction of this project will initially be provided by the City of Thornton, but the City of Westminster’s portion of this expense (\$759,564) will be reimbursed to Thornton over time with shared tax revenues.
- The Design and Construction IGA also provides that the City of Thornton shall be responsible to CDOT for the entire total overpass expansion construction cost and that the City of Westminster shall reimburse the City of Thornton for its equal share of the construction cost in accordance with a separate intergovernmental agreement, which is the subject of the agenda memorandum.
- Both cities are parties to the “Interstate 25 Corridor Growth Area Intergovernmental Agreement” dated November 10, 2004 (“Revenue Sharing IGA”), which provides for the sharing of sales tax revenues within the I-25 corridor.
- The cities desire to enter into an agreement whereby the City of Thornton is reimbursed by Westminster for its share of the overpass expansion construction costs (\$759,564) with the City of Westminster’s tax shared revenues through the Revenue Sharing IGA.
- The City of Thornton’s City Council passed and adopted “A Resolution Approving an Intergovernmental Agreement between the City of Thornton, Colorado and the City of Westminster, Colorado for the Financing of the Design and Construction of the 128<sup>th</sup> Avenue and Interstate 25 Overpass” at their regular meeting on December 12, 2006.

**Expenditure Required:** \$62,862 for design  
\$759,564 for construction

**Source of Funds:** General Capital Improvement Project Fund for design  
Revenue Sharing IGA for construction

**Policy Issue**

Should the City continue with the effort to provide a new four-lane replacement bridge on 128<sup>th</sup> Avenue over I-25 and enter into an intergovernmental agreement with the City of Thornton so the project can proceed to construction?

**Alternative**

Since the City has already committed to participation in the expansion of the bridge from two lanes to four lanes with Council's previous approval of the Design and Construction IGA, no alternative to the recommended action could be identified. It is recommended that the City Council operate in the best interests of citizens along the north I-25 corridor by approving this IGA so that a four-lane bridge can be provided on 128<sup>th</sup> Avenue over I-25.

**Background Information**

Following an emergency project of approximately two years ago to repair structural defects in the 128<sup>th</sup> Avenue Bridge over I-25, CDOT determined that the bridge should be demolished and replaced in 2007. While the State acknowledged its responsibility to fund the bridge replacement project, Westminster and Thornton officials were dismayed to learn that CDOT would only construct a new bridge of identical width (i.e. two lanes) to the old bridge despite the fact that current traffic volumes on this portion of 128<sup>th</sup> Avenue indicate the need for a four-lane facility. After some intense negotiations with CDOT, representatives of the two cities concluded that an adequately sized bridge at this location could only be achieved through financial participation from Westminster and Thornton. Operating in the best interests of its citizens, the cities agreed to pay for the incremental difference in cost between a two-lane bridge and a four-lane bridge. The Westminster City Council confirmed its commitment to this project by approving a three-way Design and Construction IGA with CDOT and Thornton on January 8, 2007.

That Design and Construction IGA did not address in detail the manner in which the two cities would share the costs of this work. The purpose of the IGA that is the subject of this agenda memorandum is to confirm the cost-sharing proposal that has been negotiated between the staffs of the two cities. Each city will pay \$62,862 directly to CDOT for the incremental difference in cost for the design of a four-lane bridge instead of a two-lane bridge. Thornton has agreed to "front" the total of the incremental difference in cost for the construction of a four-lane bridge instead of a two-lane bridge (\$1,519,128, or \$759,564 per city). Westminster's share of the construction cost will be paid back to Thornton from Westminster's one-third (1/3) share of the sales tax revenue generated within Thornton's portion of the revenue-sharing corridor along I-25 as provided for in the Revenue Sharing IGA. Interest will accrue on the amount of Westminster's indebtedness at the actual net effective interest rate at which Westminster's debt was issued for the 144<sup>th</sup> Avenue/I-25 Interchange Project. In other words, the terms of payment of Westminster's portion of the 128<sup>th</sup> Avenue Bridge Replacement Project will be the same as the terms of payment of Thornton's portion of the 144<sup>th</sup> Avenue/I-25 Interchange Project. Council will recall that the City of Westminster "fronted" Thornton's share of the cost of the 144<sup>th</sup> Avenue/I-25 Interchange.

CDOT has already commenced with the design of the new bridge, so it is anticipated that the project will be bid for construction in May or June of this year. At this time, it is estimated that the project will be completed in the spring or summer of 2008. Once again, 128<sup>th</sup> Avenue will be closed to traffic for the entire duration of the construction, thus marking the third time in the past three years that it has been necessary to detour traffic away from this portion of the arterial street – once for CDOT's emergency repairs to the bridge, a second time for the Adams 12 School District's roadway work associated with the construction of Mountain Range High School and, now, for the bridge replacement. City Staff will ensure that CDOT provides significant advance notice to users of this route regarding the upcoming closure of the road.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment – IGA with Thornton for 128<sup>th</sup> Avenue Bridge Replacement

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF THORNTON  
AND THE CITY OF WESTMINSTER FOR THE FINANCING OF THE DESIGN AND  
CONSTRUCTION OF THE 128TH AVENUE AND INTERSTATE 25 OVERPASS**

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2006, by and between the CITY OF THORNTON, a Colorado home rule municipal corporation ("Thornton"), and the CITY OF WESTMINSTER, a Colorado home rule municipal corporation ("Westminster") (or collectively referred to as the "City or Cities, Party or Parties").

WITNESSETH:

WHEREAS, Section 18(2)(a) of Article XIV of the Colorado Constitution and Sections 29-1-201, *et seq.*, and 29-20-105 of the Colorado Revised Statutes authorize and encourage governments to cooperate by contracting with one another for their mutual benefit; and

WHEREAS, the Colorado Department of Transportation ("CDOT") has approved Project No. BR0253-192 for the improvement and expansion of the 128<sup>th</sup> Avenue and I-25 Overpass (the "Overpass Project").

WHEREAS, the Cities, along with CDOT, entered into an Intergovernmental Agreement dated \_\_\_\_\_, 2006, for the Overpass Project (the "CDOT IGA"), incorporated herein as Exhibit A, and

WHEREAS, the Overpass Project includes two additional lanes on the 128<sup>th</sup> Avenue overpass (the "Expansion"); and

WHEREAS, the CDOT IGA provides that the Cities are responsible for an equal share of the total cost of the Expansion in the total amount of \$1,644,852 (the "Expansion Costs"), and

WHEREAS, the CDOT IGA further provides that Thornton shall be responsible to CDOT for the total Expansion Costs, and that Westminster shall reimburse Thornton for its half share of such costs in accordance with the provisions of a separate intergovernmental agreement to be entered into between Thornton and Westminster; and

WHEREAS, the Cities are parties to that certain "Interstate 25 Corridor Growth Area Intergovernmental Agreement," dated November 10, 2004, (the "Revenue Sharing IGA"), which provides, among other things, for the sharing of sales tax revenues within the I-25 Corridor between 132nd Avenue to the south, 150th Avenue to the north, Huron Street to the west and Washington Street to the east; and

WHEREAS, the Parties desire to enter into an agreement whereby Thornton is reimbursed by Westminster for its share of the Expansion Costs with Westminster's tax

shares revenues generated through the Revenue Sharing IGA in accordance with the provision contained herein.

NOW, THEREFORE, in consideration of the promises and conditions contained herein the Cities hereto agree as follows:

1. The Parties shall equally share the Expansion Costs. Thornton shall be responsible to pay to CDOT the Expansion Costs in accordance with the terms of the 128<sup>th</sup> Avenue CDOT IGA.

2. Following the completion of construction of the Expansion, Thornton shall provide Westminster an accounting of the Expansion Costs as provided by CDOT.

3. Westminster shall be responsible to pay no more than one-half of the Expansion Costs plus interest at the actual net effective interest rate at which Westminster's debt was issued for the 144<sup>th</sup> Avenue Interchange. Immediately following the completion of construction of the Expansion, Thornton shall provide Westminster an accounting of the actual construction costs, and the parties agree that the Finance Directors of the cities shall determine Westminster's actual construction cost principal. The repayment amount shall be based upon the actual construction cost principal and the actual net effective interest rate as provided herein which amount shall thereafter be deemed Westminster's portion of the Expansion Costs limited by the conditions in Paragraph 4 below. Interest shall begin accruing based upon the actual timing of Thornton's payments for the Expansion.

4. Westminster's payment shall be paid from Westminster's 1/3 share of the sales tax revenue generated within Thornton's portion of the revenue-sharing corridor along I-25 as provided for in the Revenue Sharing IGA. Westminster's share of the sales tax revenue generated within Thornton's portion of the revenue-sharing corridor along I-25 shall first be used to pay off the above referenced obligation. In the event there are insufficient sales tax revenues generated from Westminster's 1/3 share of the sales tax revenue as provided for in the Revenue Sharing IGA to pay Westminster's share of the Expansion Costs, Westminster shall have no obligation to provide funds to make up any difference upon termination of the Revenue Sharing IGA. Additionally, Westminster shall have the ability to prepay the remaining principal amount of Westminster's share of the Expansion Costs at any time from any source of funds. The pay-off amount would be equal to only the amount of unpaid principal at the time of prepayment. If prepayment is made by Westminster, no further interest shall be due and Westminster shall have no further payment obligations under this Agreement or the CDOT IGA.

5. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation with respect to either Party. All financial obligations of the Parties under this Agreement are subject to annual appropriation. Notwithstanding the foregoing, however, the Parties covenant and agree that they will use their utmost good faith and best efforts to annually appropriate the funds necessary to meet their financial obligations under this Agreement. In the event either Party fails to appropriate the funds necessary to

meet its obligations under this Agreement, the Parties agree that they shall negotiate in good faith a supplemental agreement, the purpose of which shall be to make whole the unpaid Party as a result of such non-appropriation.

6. This Agreement shall terminate the earlier to occur of the following: a) full payment of Westminster's portion of the Expansion Costs; or b) February 1, 2026.

7. Any notice required by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the Party to whom such notice is to be given at the address set forth below, or at such other address as has been previously furnished in writing, to the other Party or Cities. Such notice shall be deemed to have been given when deposited in the United States mail.

City of Thornton  
City Manager  
9500 Civic Center Drive  
Thornton, CO 80229

City of Westminster  
City Manager  
4800 West 92nd Avenue  
Westminster, CO 80031-6399

8. Each Party hereto shall be responsible for any suits, demands, costs or actions at law resulting from its own acts or omissions.

9. This Agreement represents the entire Agreement between the Cities concerning the financing of the Expansion and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the Cities.

10. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in the County of Adams, State of Colorado.

11. If any article, section, paragraph, sentence, clause or phrase of this Agreement is held to be unconstitutional or invalid for any reason, such holding shall not affect the validity, enforceability or constitutionality of the remaining provisions of this Agreement.

12. A waiver by any Party of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party.

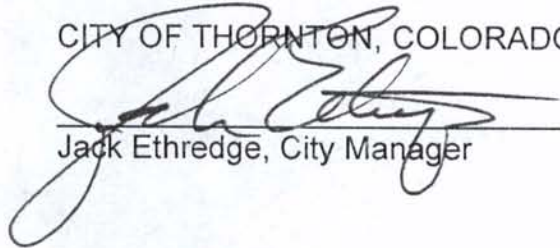
13. The captions of the paragraphs are set forth only for the convenience and reference of the Cities and are not intended in any way to define, limit or describe the scope or intent of this Agreement.



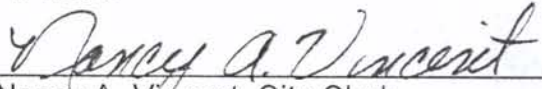
14. The Cities acknowledge that each Party, their officers and employees, are relying on, and do not waive or intend to waive, by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. 24-10-101 et seq., as it is from time to time amended, or otherwise available to the Cities, their officers, or employees.

IN WITNESS WHEREOF, the Cities here have executed this Agreement to be effective as of the date first above written.

CITY OF THORNTON, COLORADO

  
\_\_\_\_\_  
Jack Ethredge, City Manager

ATTEST:

  
\_\_\_\_\_  
Nancy A. Vincent, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Margaret Emerich, City Attorney

CITY OF WESTMINSTER, COLORADO

\_\_\_\_\_  
Brent McFall, City Manager

ATTEST:

\_\_\_\_\_  
Linda Yeager, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Martin McCullough, City Attorney



## Agenda Item 8 H

**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Bond and Disclosure Counsel Service Agreements for the \$22 Million Sales and Use Tax Refunding Revenue Bonds, \$14 Million Parks, Open Space and Trails Bonds and \$32 Million Certificates of Participation

**Prepared By:** Martin R. McCullough, City Attorney  
Bob Smith, Treasury Manager

**Recommended City Council Action**

Authorize the City Manager to execute the following agreements for special legal counsel services in connection with the proposed issuance of \$22 Million Sales and Use Tax Refunding Revenue Bonds, Series 2007A, \$14 Million Parks, Open Space and Trails Bonds, Series 2007B, and \$32 Million Certificates of Participation, Series 2007, in a form acceptable to the City Attorney's Office:

1. An agreement with Sherman & Howard, for bond counsel services, for a total fee not to exceed \$23,000, plus actual expenses not to exceed \$2,500 as to the \$22 Million Sales and Use Tax Refunding Revenue Bonds and \$14 Million Parks, Open Space and Trails Bonds, and a total fee not to exceed \$35,000, plus actual expenses not to exceed \$1,200 as to the \$32 Million Certificates of Participation.
2. An agreement with Kutak Rock, for disclosure counsel services, for a total fee not to exceed \$18,000, plus actual expenses not to exceed \$500, as to the \$22 Million Sales and Use Tax Refunding Revenue Bonds, a total fee not to exceed \$12,500, plus actual expenses not to exceed \$500, as to the \$14 Million Parks, Open Space and Trails Bonds, and a total fee not to exceed \$20,000, plus actual expenses not to exceed \$500, as to the \$32 Million Certificates of Participation.

**Summary Statement**

- All special counsel agreements are subject to approval by the City Council in accordance with City Charter requirements. Sherman & Howard has acted as bond and special counsel for the City on several past financings, including the recent Open Space Sales and Use Tax Revenue Bond issue, the COP issue for the City's Capital Facilities Financing, and the City's previous Park, Open Space, and Trails (P.O.S.T.) bond issue. Kutak Rock has also acted on several past financings as disclosure counsel for the City, including the recent Open Space Sales and Use Tax Revenue Bond issue, the City's Capital Facilities Financing and the previous P.O.S.T. bond issue. The proposed fees are well within the range of fees experienced for similar financings in the past, and will be included as part of the issuance cost for this financing.
- The COP Series 2007 refunding issue will refund the Series 1998 and 1999 COP's issued by the City. The Sales Tax Series 2007A refunding issue will refund the Series 1997A and 2002 Sales Tax Revenue bond issues. The Special Purpose Sales and Use Tax Series 2007B refunding issue will refund the Series 1997B (POST) issue.

- On an ongoing basis, Staff looks for opportunities to reduce debt service costs for bonds that the City issued in earlier years. Staff has been evaluating the benefit of refunding the two COP's and the three Sales and Use Tax financings in order to reduce the debt service on these outstanding financings over their remaining life. At this time, the bond underwriter for the City estimates that the net present value savings of the reduced debt service payments will be about \$1.3 million for the COP refunding issue, about \$0.80 million for the Sales and Use Tax Series 2007A refunding issue, and about \$0.59 million for the Special Purpose Sales and Use Tax Series 2007B refunding issue. It is important to note that the financial benefit of reducing debt service requirements by refunding the outstanding bonds will be obtained without the maturities of the refunding bonds being extended beyond the final maturity of the original bond issues to be refunded.
- Staff will update Council at its meeting on February 12 concerning any changes to the financial benefits of the three proposed refunding issues due to any ensuing changes in the capital markets.

**Expenditure Required:** \$108,500, plus expenses not to exceed \$5,200.

**Source of Funds:** Bond proceeds

**Policy Issue**

Whether or not to retain bond and disclosure counsel on behalf of the City for the upcoming issuance of the City's \$22 Million Sales and Use Tax Refunding Revenue Bonds, \$14 Million Parks, Open Space and Trails Bonds and \$32 Million Certificates of Participation.

**Alternative**

Do not retain special legal counsel for this transaction. This is not recommended because the bond issue cannot be closed without an opinion of bond counsel and an Official Statement prepared by disclosure counsel.

**Background Information**

2007 COP Refunding: This is a refunding of two COP issues, the Certificates of Participation – Series 1998 (Capital Facilities) and Certificates of Participation – Series 1999 (Westminster Mall and Harlan Street Flyover). The approximate size of the Refunding Certificates of Participation – Series 2007 to refund the two prior issues - is about \$32 million. The refunding is being done to reduce the current debt service paid on the refunded issues.

2007A Sales and Use Tax Refunding: This is a refunding of two sales and use tax debt issues, the Sales and Use Tax Revenue Refunding and Improvement Bonds – Series 1997A (various street widening projects and a refunding of the Series 1992 A Sales and Use Tax Revenue Bonds) and the Sales and Use Tax Revenue Bonds – Series 2002 (136th Ave / I-25 Interchange). The approximate size of this Series 2007A refunding is \$22.0 million. As with the COPs, the refunding is contemplated as a way to reduce debt service related to the other two issues that are currently outstanding.

2007B Special Purpose Sales and Use Tax Refunding (POST Project): This is a refunding of the Special Purpose Sales and Use Tax Revenue Bonds (POST Project) Series 1997B bonds. The approximate size of this Series 2007B refunding is \$14 million. As with the other proposed refundings, the intent is to reduce the debt service on the original issue.

As with all public, tax-exempt financings, these financings will require an opinion from a nationally recognized law firm regarding certain tax-related matters. Mr. Dee Wisor of Sherman & Howard has served as the City's bond counsel on numerous other issues and is thoroughly familiar with the City's Charter, ordinances, and outstanding bond covenants.

In addition, federal securities laws require the City to issue an Official Statement in connection with these financings. Kutak Rock is a recognized expert in disclosure matters under the federal securities laws. This firm has acted in this capacity on numerous other bond issues and financings, and is familiar with the City's financial position, the general economic condition of the City, the City's detailed financial information, and other material facts related to the City pertinent to the preparation of a satisfactory Official Statement in connection with this bond issuance.

The fees quoted by the recommended firms are reasonable and in line with past financings, and the familiarity of these firms with the City and its financial and legal documents is very valuable. The efficiencies in retaining these firms are significant and will help assure an expeditious closing of these very important financings.

Respectfully submitted,

J. Brent McFall  
City Manager



**WESTMINSTER**  
**COLORADO**

**Agenda Item 8 I**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Second Reading of Councillor's Bill No. 3 re FY2006 Budget Amendment

**Prepared By:** Barbara Opie, Budget & Special Projects Manager

**Recommended City Council Action**

Pass Councillor's Bill No. 3 on second reading amending the FY2006 budgets of the General and Fleet Maintenance Funds.

**Summary Statement**

- This action is part of the routine year-end housekeeping functions to address certain unanticipated expenses in various budget accounts that could not be absorbed within the operating budget. Each year, contingency funds are budgeted for unanticipated expenses that cannot be absorbed within the adopted operating budget such as the ones included in this agenda memorandum.
- Funds for these transfers are available in the General Funds contingency account.
- City Council action is requested to pass the attached Councillors Bill on second reading
- This Councillor's Bill was passed on first reading on January 22, 2007.

**Expenditure Required:** \$ 0

**Source of Funds:** N/A

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment

BY AUTHORITY

ORDINANCE NO. **3332**

COUNCILLOR'S BILL NO. **3**

SERIES OF 2007

INTRODUCED BY COUNCILLORS  
**Major - Lindsey**

**A BILL**

**FOR AN ORDINANCE INCREASING THE 2006 BUDGET OF THE FLEET MAINTENANCE  
FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2006  
ESTIMATED REVENUES IN THIS FUND.**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2006 appropriation for the Fleet Fund, initially appropriated by Ordinance No. 3162 is hereby increased by \$48,600. This appropriation is due to an increase in the transfer from the General Fund.

Section 2. The \$48,600 increase in the Fleet Fund shall be allocated to City revenue and expense accounts as described in the City Council Agenda Item 10c&d, dated January 22, 2007 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

|            |                 |
|------------|-----------------|
| Fleet Fund | <u>\$48,600</u> |
| Total      | <u>\$48,600</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED  
PUBLISHED this 22<sup>nd</sup> day of January, 2007.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED  
this 12<sup>th</sup> day of February, 2007.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



## Agenda Item 8 J

WESTMINSTER  
COLORADO

### Agenda Memorandum

City Council Meeting  
February 12, 2007



**SUBJECT:** Second Reading of Councillor's Bill No. 4 re Vacation of Easements within Lots 1 through 19 and Lots 62 through 65 of the Country Club Highlands Subdivision, Filing No. 1

**Prepared By:** Justin Hildreth, Senior Civil Engineer

### Recommended City Council Action

Pass Councillor's Bill No. 4 on second reading vacating easements within Lots 1 through 19 and Lots 62-65 of the Country Club Highlands Subdivision Filing No. 1.

### Summary Statement

- Eight foot wide utility easements were granted to the City for public use by the final plat for Country Club Highlands Subdivision Filing No. 1.
- During construction of the subdivision, it became apparent that the utility companies are not going to locate utilities in these easements. Also, it was determined that the eight foot wide utility easements are redundant since there is a blanket utility easement over the subdivision, except where the houses are located. The utilities will be located in existing blanket utility easements.
- A Councillor's Bill authorizing the vacation, and including the legal description of both easements, is attached to this agenda memorandum for action by City Council.
- This Councillor's Bill was passed on first reading on January 22, 2007.

**Expenditure Required:** \$ 0

**Source of Funds:** N/A

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment – Councillor's Bill No. 4

BY AUTHORITY

ORDINANCE NO. **3333**

COUNCILLOR'S BILL NO. **4**

SERIES OF 2007

INTRODUCED BY COUNCILLORS  
**Lindsey - Price**

**A BILL**

**FOR AN ORDINANCE VACATING EASEMENTS WITHIN LOTS 1 THROUGH 19 AND LOTS  
62 THROUGH 65 OF THE COUNTRY CLUB HIGHLANDS SUBDIVISION FILING NO. 1**

WHEREAS, certain easements were dedicated on the Final Plat for Country Club Highlands Subdivision Filing No 1, recorded at Reception No. 20060714000712680 in the records of Adams County; and

WHEREAS, the 8-foot wide utility easements on Lots 1 through 19 and 62 through 65 contain no utility facilities nor is it necessary for future utility purposes; and

WHEREAS, the underlying blanket utility easements will still apply throughout the Country Club Highlands Subdivision, Filing No. 1; and

NOW THEREFORE, THE CITY OF WESTMINSTER ORDAINS:

Section 1. City Council finds and determines that the public convenience and welfare require the vacation of the easements in Sections 2 hereof.

Section 2. Legal Description of Utility Easements: See attached legal descriptions, exhibits A through C.

Section 3. This ordinance shall take effect upon its passage after second reading. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 22<sup>nd</sup> day of January, 2007.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Attorney's Office



**LEGAL DESCRIPTION**  
**EXHIBIT A**  
**11-14-06**

A PARCEL OF LAND BEING A PORTION OF LOTS 1 THROUGH 10, COUNTRY CLUB HIGHLANDS FILING NO. 1 AS RECORDED IN ADAMS COUNTY, COLORADO AT RECEPTION NO. 20060714000712680, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE 6TH P.M. COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE S00°15'22"E ALONG THE EAST LINE OF SAID LOT, A DISTANCE OF 125.59 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING S00°15'22"E ALONG SAID EAST LINE, A DISTANCE OF 8.00 FEET TO A POINT;

THENCE RUNNING THROUGH SAID LOTS THE FOLLOWING FIVE (5) COURSES:

1. S89°58'19"W, A DISTANCE OF 591.78 FEET TO A POINT;
2. S00°15'22"E, A DISTANCE OF 6.00 FEET TO A POINT;
3. S89°58'19"W, A DISTANCE OF 8.00 FEET TO A POINT;
4. N00°15'22"W, A DISTANCE OF 14.00 FEET TO A POINT;
5. N89°58'19"E, A DISTANCE OF 599.78 FEET TO THE POINT OF BEGINNING.

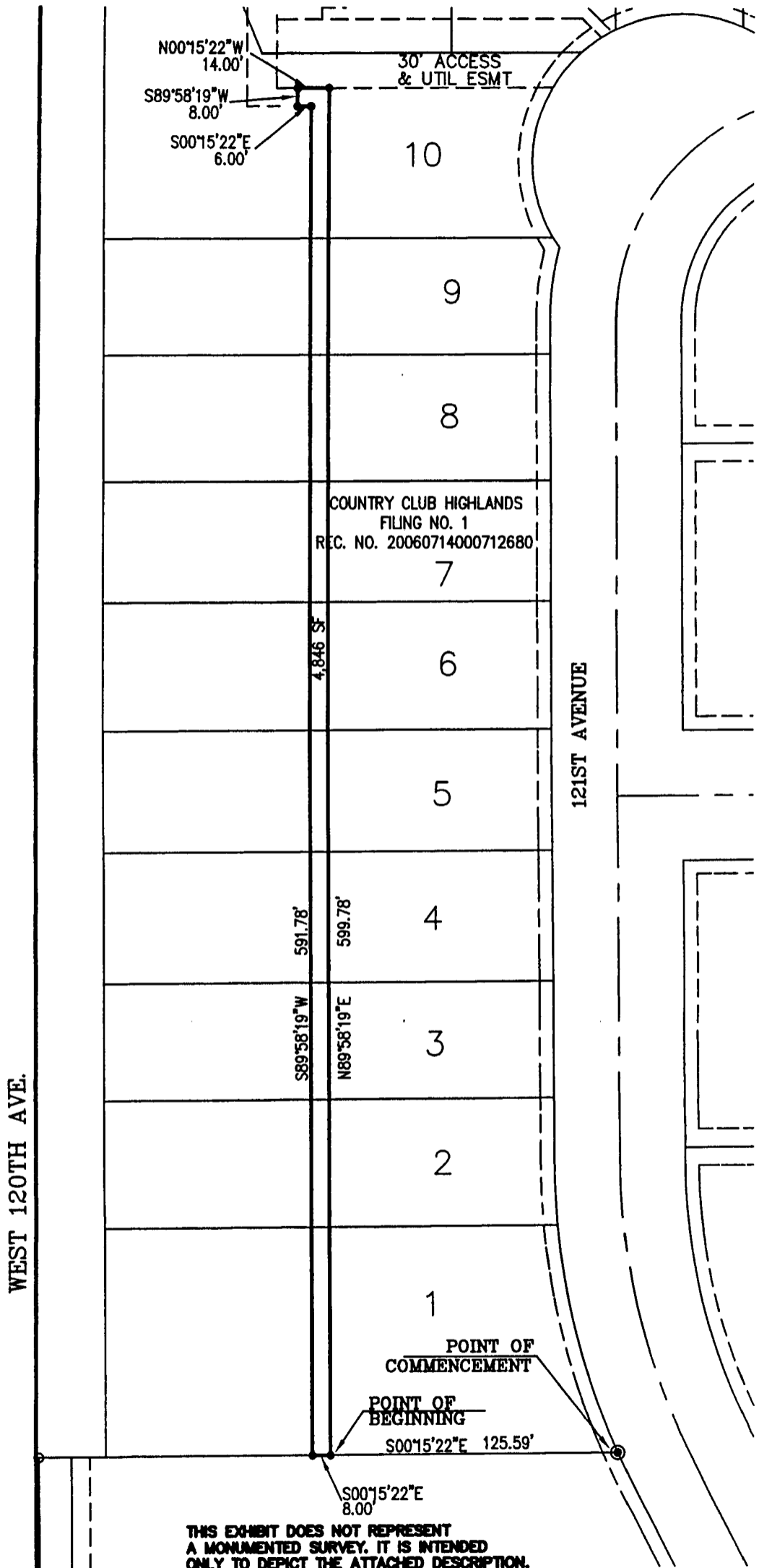
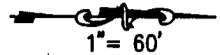
CONTAINING 4,846 SQUARE FEET OR 0.1112 ACRES OF LAND MORE OR LESS.

FOR AND ON THE BEHALF OF ASPEN SURVEYING INC.



ROGER A. VERMAAS,            PLS NO. 24968  
ASPEN SURVEYING, INC.  
2993 SOUTH PEORIA STREET, STE. 150  
AURORA, COLORADO 80014

# EXHIBIT A



THIS EXHIBIT DOES NOT REPRESENT  
A MONUMENTED SURVEY. IT IS INTENDED  
ONLY TO DEPICT THE ATTACHED DESCRIPTION.



ASPEN Surveying, Inc.

2993 So. PEORIA STREET  
SUITE 150  
Aurora, CO 80014  
Phone (303) 750-4590  
Fax (303) 750-0646

**LEGAL DESCRIPTION**  
**EXHIBIT B**  
**11-14-06**

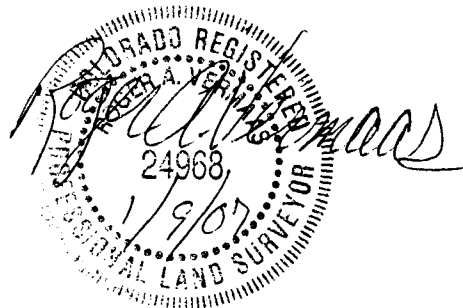
A PARCEL OF LAND BEING A PORTION OF LOTS 11 THROUGH 19, COUNTRY CLUB HIGHLANDS FILING NO. 1 AS RECORDED IN ADAMS COUNTY, COLORADO AT RECEPTION NO. 20060714000712680, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE 6TH P.M. COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WESTERLY 8.00 FEET OF SAID LOTS 12 THROUGH 19 AND THE WESTERLY 8.00 FEET OF THE NORTH 57.27 FEET OF SAID LOT 11.

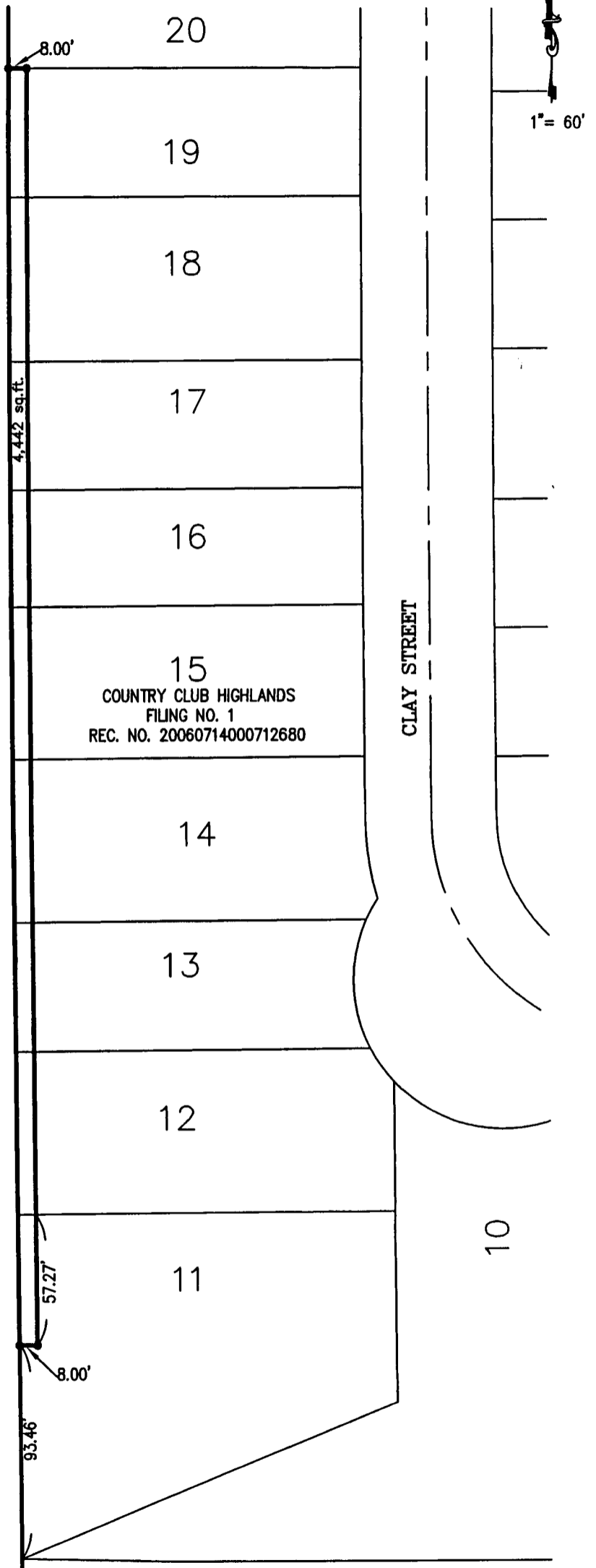
CONTAINING 4,442 SQUARE FEET OR 0.1020 ACRES OF LAND MORE OR LESS.

FOR AND ON THE BEHALF OF ASPEN SURVEYING INC.

ROGER A. VERMAAS,            PLS NO. 24968  
ASPEN SURVEYING, INC.  
2993 SOUTH PEORIA STREET, STE. 150  
AURORA, COLORADO 80014



# EXHIBIT B



THIS EXHIBIT DOES NOT REPRESENT  
A MONUMENTED SURVEY. IT IS INTENDED  
ONLY TO DEPICT THE ATTACHED DESCRIPTION.



ASPEN Surveying, Inc.

2993 So. PEORIA STREET  
SUITE 150  
Aurora, CO 80014  
Phone (303) 750-4590  
Fax (303) 750-0848

LEGAL DESCRIPTION  
EXHIBIT C  
11-14-06

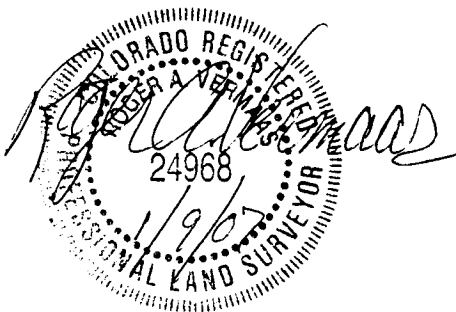
A PARCEL OF LAND BEING A PORTION OF LOTS 62 THROUGH 65, COUNTRY CLUB HIGHLANDS FILING NO. 1 AS RECORDED IN ADAMS COUNTY, COLORADO AT RECEPTION NO. 20060714000712680, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 68 WEST OF THE 6TH P.M. COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE EASTERLY 8.00 FEET OF SAID LOTS 62 THROUGH 65.

CONTAINING 1,952 SQUARE FEET OR 0.0448 ACRES OF LAND MORE OR LESS.

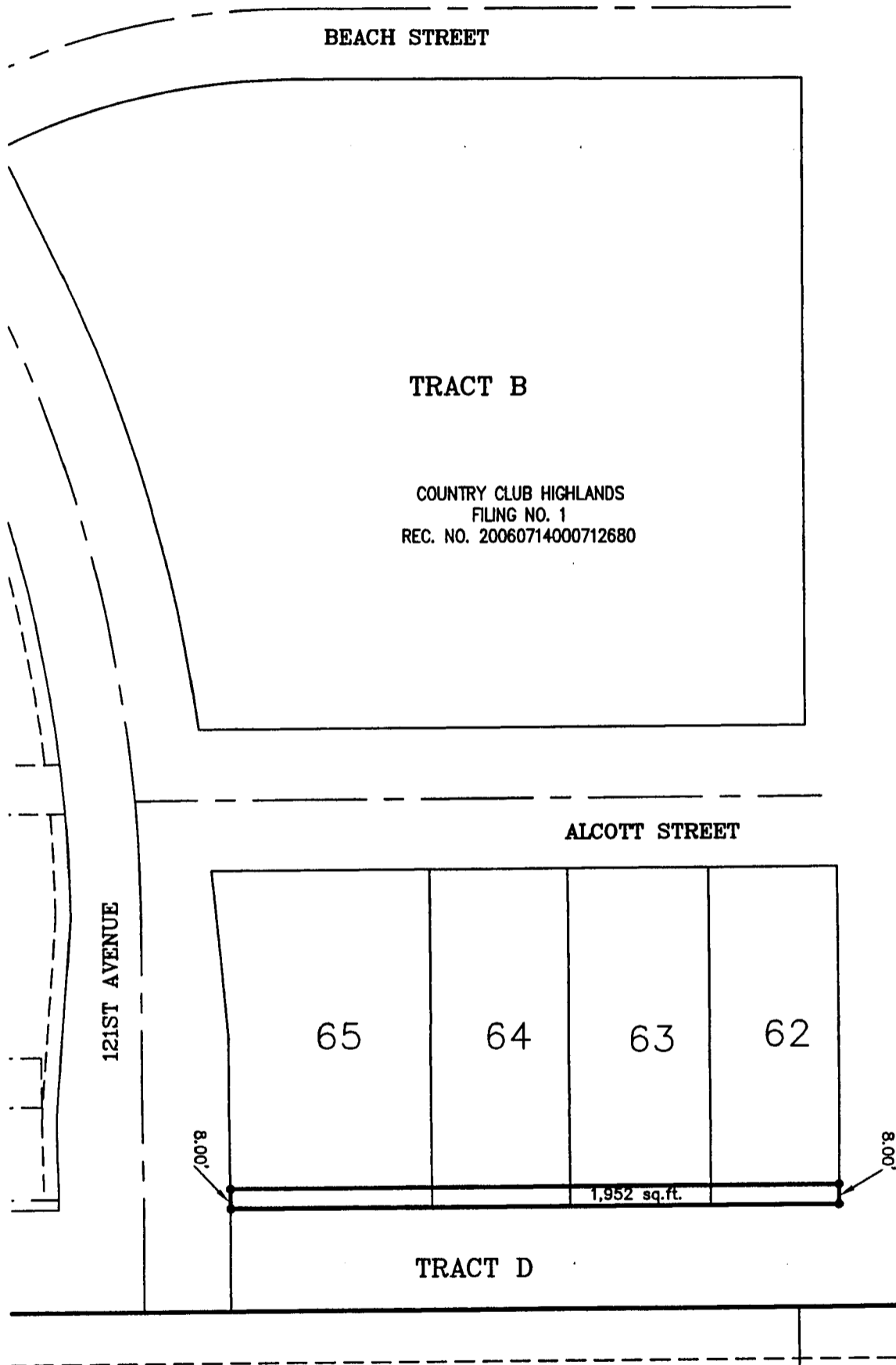
FOR AND ON THE BEHALF OF ASPEN SURVEYING INC.

ROGER A. VERMAAS, PLS NO. 24968  
ASPEN SURVEYING, INC.  
2993 SOUTH PEORIA STREET, STE. 150  
AURORA, COLORADO 80014

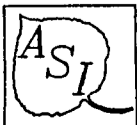


# EXHIBIT C

1" = 60'



THIS EXHIBIT DOES NOT REPRESENT  
A MONUMENTED SURVEY. IT IS INTENDED  
ONLY TO DEPICT THE ATTACHED DESCRIPTION.



ASPEN Surveying, Inc.

2993 So. PEORIA STREET  
SUITE 150  
Aurora, CO 80014  
Phone (303) 750-4590  
Fax (303) 750-0848



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Appointments to the Rocky Flats Stewardship Council

**Prepared By:** Ron Hellbusch, Special Projects Coordinator

**Recommended City Council Action**

Re-appoint City Councillor JoAnn Price as Director and Jim Arndt and Ron Hellbusch as Alternate Directors to represent the City of Westminster on the Rocky Flats Stewardship Council.

**Summary Statement**

- In February 2006 elected officials and Staff from the local governments of Arvada, Boulder, Golden, Northglenn, Westminster, City and County of Broomfield, and Boulder and Jefferson counties and the town of Superior representing the Rocky Flats Coalition of Local Governments formed the Rocky Flats Stewardship Council (RFSC).
- Councillor Jo Ann Price, Director of Public Works and Utilities Jim Arndt, and Special Projects Coordinator Ron Hellbusch were appointed to the RFSC Board on February 13, 2006.
- Upon confirmation by City Council, Staff will draft a letter to the Coalition designating elected and staff representatives for the City.
- Each member provides \$1,000 per annum to the RFSC, to supplement Department of Energy Funds.

**Expenditure Required:** \$1,000

**Source of Funds:** Utility Fund – Rocky Flats Budget

**Policy Issue**

Should City Council formally appoint a City Councillor and two alternates to the Board of Directors of RFSC?

**Alternative**

City Council can appoint other City Councillors or Staff members to serve as the City's Director and its two alternates on the RFSC Board of Directors.

**Background Information**

As successor to the Rocky Flats Local Impacts Initiative formed in 1993, the Rocky Flats Coalition of Local Governments ("Coalition") was established by Intergovernmental Agreement (IGA) dated February 9, 1999, and amended by Amended Intergovernmental Agreement, dated November 3, 2003, by and among the following seven governments: the City and County of Broomfield, the counties of Boulder and Jefferson, the cities of Arvada, Boulder and Westminster, and the Town of Superior, for the purpose of working together to have a coordinated local government involvement in information sharing, advocacy and planning concerning Rocky Flats.

Effective October 13, 2005, the Rocky Flats Environmental Technology Site was declared to be "physically cleaned up" and closed down, with DOE's acceptance of the clean up on December 8, 2005. Regulatory approval of the closure is anticipated to be reached in early 2007.

Section 3120 of the 2005 National Defense Authorization Act, Public Law No. 108-375, directed the Department of Energy Office of Legacy Management to establish a "local stakeholder organization" ("LSO") at the Rocky Flats Site. The DOE Office of Legacy Management provided the Coalition with certain guidance in the establishment of the LSO, based upon the language of the 2005 National Defense Authorization Act, including parameters for the development of an LSO operating plan, and elected official and non-elected membership of the LSO. The RFSC is the LSO for Rocky Flats.

The Agreement that formed this Council must be reviewed every third calendar year. Beginning on the effective date of the agreement, the parties agree to consider whether to continue the Council's existence. An annual report will be prepared at the end of each year of operation in order to evaluate the effectiveness. Any party may withdraw from participation in this Agreement upon 30-day's written notice to the Board of their intent to withdraw.

The signatories of the IGA provide continuing local oversight of activities occurring at the Rocky Flats site, ensuring that local government and community interests are met with regards to long-term stewardship of residual contamination and refuge management; provide a forum to address issues facing former site employees, including but not limited to long-term health benefits and pension programs; and an ongoing mechanism to maintain public knowledge of Rocky Flats and educate successive generations of ongoing needs and responsibilities regarding contaminant management; and support Fish and Wildlife Service in developing the National Wildlife refuge management.

The Board of Directors of the RFSC will consist of twelve members, each with one equal vote. Northglenn will serve on the 2007 Board, rotating with Golden. A Director and two alternates are designated by each local government annually thereafter. Alternates may serve in lieu of Directors in the event of absence, resignation or removal of directors.

The City will provide a formal letter to the Coalition designating elected and staff representatives for the City each February. Local Government staff representatives will meet and work with the RFSC staff to prepare agendas, develop work plans, prepare recommendations for the Board's approval as well as keep the elected official current on Rocky Flats site activities and concerns. Council will be kept apprised by the City's designees of the RFSC's activities and of any recommendation requiring a formal position from the City.

Respectfully submitted,

J. Brent McFall, City Manager



PETITION

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FOR THE INCLUSION OF PROPERTY WITHIN THE  
CITY OF WESTMINSTER 136<sup>th</sup> AVENUE  
GENERAL IMPROVEMENT DISTRICT

---

We, the undersigned, who are the owners of the property described in Exhibit A attached hereto (the "Property"), hereby petition the City Council of the City of Westminster, Colorado, (the "City") as the ex officio Board of Directors (the "Board") of the City of Westminster 136th Avenue General Improvement District (the "District") for the inclusion of the Property within the boundaries of the District, pursuant to section 31-25-618, Colorado Revised Statutes. In support of this petition, we state as follows:

1. The undersigned petitioners for the inclusion of the Property within the boundaries of the District are the fee title owners of the Property.
2. The legal description of the Property has been verified by the City Clerk ex officio Secretary of the Board.
3. The undersigned petitioners request the Board to waive the cost deposit contemplated by C.R.S. section 31-25-618.

WHEREFORE, we ask the Board to take all steps and procedures required by law for the inclusion of the Property within the boundaries of the District, including the publication of notice of the filing of this petition and the mailing of such notice to each elector of the District, and the adoption of an ordinance including the Property within the boundaries of the District.

FEE TITLE OWNER: RAMIREZ  
PROPERTIES, LLC, a New York Limited  
Liability Company

By: \_\_\_\_\_  
Samuel A. Ramirez, Jr.

STATE OF COLORADO )  
 ) SS.  
COUNTY OF ADAMS )

Linda Yeager, Secretary of the Board, being first duly sworn on oath verifies that the facts set forth in this Petition are true to the best of my knowledge, information and belief .

\_\_\_\_\_  
Linda Yeager, Secretary of the Board

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(SEAL)

EXHIBIT A

A parcel of land lying in the County of Adams, State of Colorado, described as follows:

A tract of land located in the NE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Section 28, Township 1 South, Range 68 West of the 6th P.M., more particularly described as follows:

BEGINNING at the Northeast Corner of said Section 28,  
thence S00°00'09"E 951.94 feet along the East line of the NE $\frac{1}{4}$  of said Section 28 to a North line extended Easterly of that tract of land as described in Deed recorded in Book 2347 at Page 154 of the records of Adams County, Colorado;  
thence N89°41'21"W, 596.99 feet parallel with the North line of the NE $\frac{1}{4}$  of said Section 28 and along a North line extended Easterly and a North line of that tract of land as described in said Book 2347 at Page 154 to the West line of the East 596.98 feet of the NE $\frac{1}{4}$  of said Section 28;  
thence N00°00'09"W 951.94 feet parallel with the East line of the NE $\frac{1}{4}$  of said Section 28 and along an East line and an East line extended Northerly of that tract of land as described in said Book 2347 at Page 154 to the North line of the NE $\frac{1}{4}$  of said Section 28;  
thence S89°41'21"E, 596.99 feet along the North line of the NE $\frac{1}{4}$  of said Section 28 to the POINT OF BEGINNING.



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillors Bill No. 5 re Inclusion of Property within the City of Westminster  
136<sup>th</sup> Avenue General Improvement District

**Prepared By:** John Carpenter, Director of Community Development

**Recommended City Council Action**

1. Conduct a public hearing.
2. Pass Councillor's Bill No. 5 on first reading to include property within the City of Westminster 136<sup>th</sup> Avenue General Improvement District (GID).

**Summary Statement**

Ramirez Properties, LLC has signed a petition to include their 10.44-acre parcel located at the southwest corner of 136<sup>th</sup> Avenue and Huron Street within the boundaries of the 136<sup>th</sup> Avenue General Improvement District. A copy of the Petition is attached for Council's information. C.R.S. section 31-25-618 requires a public hearing be held on the proposed inclusion. Notice of such hearing has been published as required by the statute.

**Expenditure Required:** \$ 0

**Source of Funds:** N/A

**Policy Issue**

Should City Council expand the boundaries of the 136<sup>th</sup> Avenue General Improvement District to include property at the southwest corner of 136<sup>th</sup> Avenue and Huron Street?

**Alternative**

Do not add the Ramirez Properties LLC to the 136<sup>th</sup> Avenue General Improvement District. This is not recommended since the Ramirez land would contribute property tax to reimburse the City for the 136<sup>th</sup> Avenue and interchange construction costs.

**Background Information**

In October 1999, the cities of Thornton and Westminster cooperated to construct improvements to 136<sup>th</sup> avenue. Westminster paid for the cost to build 136<sup>th</sup> Avenue between Huron Street and I-25 and 50% of the cost to build the interchange. The City of Thornton paid 50% of the costs to build the interchange and 100% of the cost to build 136<sup>th</sup> Avenue from the interchange east to Washington Street.

The City of Westminster raised its share of the 136<sup>th</sup> Avenue and interchange project costs through the issuance of sales tax revenue bonds. In addition, on August 14, 2000, the City Council formed the 136<sup>th</sup> Avenue General Improvement District (GID) to generate property taxes to reimburse the City for the local property owner's share of the 136<sup>th</sup> Avenue and interchange projects. The GID boundaries included the vacant properties north and south of 136<sup>th</sup> Avenue between I-25 and Huron Street. These property owners dedicated the right of way to the City for 136<sup>th</sup> Avenue and the interchange at no cost. The property owners made no upfront cash contribution for the interchange and 136<sup>th</sup> Avenue construction.

The City Council has the power to levy a property tax of 16 mills within the district as a result of a referendum which was approved by the property owners within the district. Prior to this inclusion, it is projected that the 16 mills will raise approximately \$31,151 in property taxes through the year 2007.

In recent years, developers of the 10.44-acre parcel at the southwest corner of 136<sup>th</sup> Avenue and Huron Street have pursued approval of a retail development on the site. This parcel is not currently within the boundaries of the 136<sup>th</sup> Avenue GID.

As a part of the development review process, the developers were informed of their obligation to pay for improvements to 136<sup>th</sup> Avenue abutting their property funded by the 136<sup>th</sup> Avenue interchange project. Staff encouraged the property owners to include their property within the 136<sup>th</sup> Avenue GID as a means to reimburse the City for their share of 136<sup>th</sup> Avenue and interchange improvement costs. The current property owner, Ramirez Properties LLC, signed a petition to add its property to the 136<sup>th</sup> Avenue GID. The ordinance before Council, if approved, would add the Ramirez Properties LLC to the boundaries of the 136<sup>th</sup> Avenue GID.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachments

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **5**

SERIES OF 2007

INTRODUCED BY COUNCILLORS

---

**A BILL  
FOR AN ORDINANCE INCLUDING PROPERTY  
WITHIN THE CITY OF WESTMINSTER 136<sup>th</sup> AVENUE  
GENERAL IMPROVEMENT DISTRICT**

WHEREAS, a Petition for the Inclusion of Property within the City of Westminster 136<sup>th</sup> Avenue General Improvement District (the "Petition") has been filed with the City Council of the City of Westminster (the "City"), sitting ex officio as the Board of Directors (the "Board") of the City of Westminster 136<sup>th</sup> Avenue General Improvement District (the "District"); and

WHEREAS, the Petition states that it has been signed by the fee title owner of the property which the petitioner seeks to have included within the boundaries of the District; and

WHEREAS, the Petition has been reviewed by the City Clerk and the City Attorney; and

WHEREAS, notice of filing of the Petition has been given and published pursuant to Section 31-25-618, Colorado Revised Statutes; and

WHEREAS, the Board has heretofore conducted a hearing at which all persons having objections to the Petition were given an opportunity to appear and show cause why the Petition should not be granted.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WESTMINSTER, COLORADO, AS THE EX OFFICIO BOARD OF DIRECTORS OF THE CITY OF WESTMINSTER 136<sup>th</sup> AVENUE GENERAL IMPROVEMENT DISTRICT:

Section 1. The Board hereby finds and determines as follows:

a. In accordance with C.R.S. section 31-25-618, the owner of the property described in Exhibit A to this ordinance (the "Property") has filed the Petition with the Board requesting that the Property be included within the boundaries of the District.

b. The Petition accurately describes the Property and such legal description has been verified by the City Clerk ex officio Secretary of the Board.

c. The Board agrees to waive the costs of the inclusion proceedings as requested in the Petition.

d. The City Clerk, as secretary of the Board (the "Secretary") has caused a notice of the filing of such Petition to be given and published, according to the requirements of the pertinent provisions of C.R.S. Title 31, Article 25, Part 6. There are no current electors within the District.

e. The notice states the filing of such Petition, the names of the petitioners, descriptions of the Property sought to be included, and the request of said petitioners. The notice notifies all persons having objections to appear at the office of the Board at the time stated in the notice and show cause why the Petition should not be granted.

f. The Board, at the time and place stated in the notice, has heard the Petition and all objections presented by any person showing cause why said Petition should not be granted and overrules any such objections.

g. The Board has determined to grant the Petition.

Section 2. Inclusion of Property. The Board hereby grants the Petition.

Section 3. Filing of Ordinance. Within ten days after final publication of this ordinance, the City Clerk ex officio Secretary of the Board shall file a certified copy of this ordinance with the County Clerk and Recorder of Adams County. Thereupon the Property shall be included within the boundaries of the District.

Section 4. Severability. If any section, subsection, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or provision shall in no manner affect any remaining provisions of this ordinance, the intent being that the same are severable.

Section 5. Repealer. All orders, resolutions, bylaws, ordinances or regulations of the City, or parts thereof, inconsistent with this ordinance are hereby repealed to the extent only of such inconsistency.

Section 6. Effective Date. This ordinance shall take effect upon its passage after second reading.

Section 7. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 26<sup>th</sup> day of February, 2007.

CITY OF WESTMINSTER 136<sup>th</sup> AVENUE  
GENERAL IMPROVEMENT DISTRICT

\_\_\_\_\_  
Mayor ex officio President

APPROVED AS TO LEGAL FORM:

ATTEST:

\_\_\_\_\_  
City Clerk ex officio Secretary

\_\_\_\_\_  
City Attorney

## EXHIBIT A

A parcel of land lying in the County of Adams, State of Colorado, described as follows:

A tract of land located in the NE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of Section 28, Township 1 South, Range 68 West of the 6<sup>th</sup> P.M., more particularly described as follows:

BEGINNING at the Northeast Corner of said Section 28, thence S00 00'09"E 951.94 feet along the East line of the NE  $\frac{1}{4}$  of said Section 28 to a North line extended Easterly of that tract of land as described in Deed recorded in Book 2347 at Page 154 of the records of Adams County, Colorado;

Thence N89 41'21"W, 596.99 feet parallel with the North line of the NE  $\frac{1}{4}$  of said Section 28 and along a North line extended Easterly and a North line of that tract of land as described in said Book 2347 at Page 154 to the West line of the East 596.98 feet of the NE  $\frac{1}{4}$  of said Section 28;

Thence N00 00'09"W 951.94 feet parallel with the East line of the NE  $\frac{1}{4}$  of said Section 28 and along an East line and an East line extended Northerly of that tract of land as described in said Book 2347 at Page 154 to the North line of the NE  $\frac{1}{4}$  of said Section 28;

Thence S89 41'21"E, 596.99 feet along the North line of the NE  $\frac{1}{4}$  of said Section 28 to the POINT OF BEGINNING.





## Agenda Item 10 C

**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Resolution No. 6 re Recovery Contract Interest Rate

**Prepared By:** Frances A. Velasquez, Secretary

**Recommended City Council Action**

Adopt Resolution No. 6 establishing the 2007 calendar year interest rate for non-City funded public improvement recovery contracts at 10.25 percent and an interest rate of 4.17 percent for City-funded public improvements.

**Summary Statement**

- In accordance with Section 7(F) of Title XI, Chapter 6, of the City Code, Staff requests that City Council establish interest rates on recovery agreements for 2007. For more than 15 years, it has been City practice to add two percent to the Prime Rate for non-City funded recovery contracts. The Prime Rate on January 1, 2007, was 8.25 percent. It is proposed that the recovery interest rate for 2007 on non-City funded public improvements be the Prime Rate plus two percent, or 10.25 percent.
- Staff is proposing that the recovery interest rate on City-funded projects for 2007 be set at 4.17 percent in accordance with the average Bond Buyer 20 Index for 2006, which is consistent with the methodology used to set the rate for the past two years.

**Expenditure Required:** \$0

**Source of Funds:** N/A

**Policy Issue**

Does the City Council concur with the proposed methods of assessing interest on recoveries associated with new private developments and City-funded projects?

**Alternative**

Council could establish a different interest rate for recovery agreements than the proposed rates. This is not recommended as the proposed rates are tied to the established index that provides good credibility for recovery interest paid to developers or the City.

**Background Information**

Several years ago, City Council established a recovery system that enables developers to recover a portion of certain costs associated with public improvements installed with their developments that also benefit adjacent, undeveloped properties. Recovery contracts are executed between the City and the developer. When subsequent development occurs in those areas benefited by the improvements installed by the original developer, the new development is assessed its proportionate share plus interest, which is then returned to the original developer. The recovery system has also allowed the City to be reimbursed for public improvements installed by the City when subsequent private development occurred abutting the improvements.

Prior to 1993, the interest rate used in calculations for recoveries owed on City-funded public improvements was equal to that used on privately funded improvements (i.e., prime rate plus two percent). However, the actual cost of money used to fund City Capital Improvement Projects is usually much less than that charged to private developers. Since the philosophy behind the City's recovery system is one of cost reimbursement, not profit making, it is more equitable to select an interest rate for City-funded projects that more closely approximates the actual cost of money to the City. From 1993 through 2004, Council approved the use of the Municipal Bond Index as the recovery interest rate for City projects. Because this Index is set weekly and can fluctuate greatly throughout the year, Staff proposed a different approach two years ago. In 2005, Council selected the average Bond Buyer 20 Index for the preceding year as a more representative benchmark of the City's true cost of borrowing money. Staff recommends that this method of calculating the interest rate for recoveries associated with City-funded projects be used again this year.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment

RESOLUTION

RESOLUTION NO. **6**

INTRODUCED BY COUNCILLORS

SERIES OF 2007

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**ESTABLISHING THE 2007 RECOVERY CONTRACT INTEREST RATE**

WHEREAS, Section 11-6-7 (F) 1 of the Westminster City Code provides the City Council shall establish the interest rates to be utilized for the assessment of interest costs relating to recovery costs for public improvements; and

WHEREAS, the Westminster City Code provides that such interest rates are to be established from time to time; and

WHEREAS, these interest rates have traditionally been calculated at the beginning of each calendar year; and

NOW, THEREFORE, be it resolved that the City Council of the City of Westminster hereby establish the 2007 calendar year interest rate for any non-City funded public improvement recovery contract to be 10.25 percent and the 2007 calendar year interest rate for City-funded public improvements to be 4.17 percent.

PASSED AND ADOPTED this 12<sup>th</sup> day of February 2007.

ATTEST:

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Mayor

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City Clerk



**WESTMINSTER  
COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillor’s Bill No. 6 re Ordinance Changes re Property Standards and Administrative Penalties

**Prepared By:** Janice Kraft, Neighborhood Services Administrator  
Eugene Mei, Assistant City Attorney

**Recommended City Council Action**

Pass Councillor’s Bill No. 6 on first reading amending the Westminster Municipal Code as it relates to changes affecting property maintenance standards, and adopting an administrative penalty citation program including changes to the jurisdiction of the Board of Adjustment and Appeals.

**Summary Statement**

- Staff presented information to City Council at a Study Session on June 5, 2006, concerning proposed changes to property maintenance standards enforced by Code Enforcement Officers and the establishment of an administrative penalty citation program. Council concurred with the recommendations and directed Staff to return with proposed amendments to the City Code.
- Material changes being proposed to the existing City Code concerning property maintenance standards include:
  1. Reducing by ½ the amount of time that a vehicle can remain stationary on a street – 30 days to 15 days.
  2. A new code section limiting garage sales to one every 90 days, each lasting no more than three consecutive days.
  3. A requirement that a property owner remove graffiti within seven days.
  4. A code section identifying general exterior property maintenance standards addressing items such as roofing, windows, doors, gutters, etc.
- Staff is also recommending the addition of a new chapter to the Municipal Code that establishes an administrative penalty citation for violations of the City’s Property Maintenance Standards set forth in Title VIII, Chapter 1 of the City Code. Under this provision, a warning notice with an explanation of the violation and directions for compliance will be issued. If the property owner fails to comply with the warning notice, an administrative penalty citation may be issued that requires the owner to get property into compliance and mail the assigned fine within ten days or the property owner may file an appeal with the Board of Adjustment and Appeals (BOAA) within that same ten day period. The BOAA may uphold the citation and all penalties, dismiss the citation and all penalties, waive or conditionally reduce the penalties, and may also impose conditions and deadlines to correct the violation or require payment of any outstanding penalties. Penalties assessed on the citation are:
  1. 1st violation, one hundred fifty dollars (\$150)
  2. 2nd violation, five hundred dollars (\$500)
  3. 3rd or subsequent violation, nine hundred and ninety-nine dollars (\$999).
 A failure to pay penalties assessed may result in referring the matter to collections or placement of a lien on the property.

**Expenditure Required:** \$0

**Source of Funds:** N/A

## **Policy Issue**

Should City Council adopt the proposed ordinance changes affecting property standards, and create an administrative penalty process for enforcing such standards, along with modifications of the duties of the Board of Adjustment and Appeals?

## **Alternatives**

1. Do not adopt the proposed changes. Staff does not recommend this alternative as doing so would not facilitate a process that Staff believes will be more streamlined, thus shortening the compliance time for property related code violations. With shortened compliance times Code Enforcement will be able handle more property related code violation cases with the same resources and reduce the burden on the Municipal Court. The proposed changes will strengthen and enhance requirements for the maintenance of property, which supports City Council's Strategic Plan Goals of Beautiful City, Safe and Secure Community and Revitalized Aging Neighborhoods and Commercial Areas.
2. City Council may direct Staff to redraft proposed changes only adopting a portion of the recommendations. This alternative is not recommended as Staff believes what is proposed directly addresses common complaints received by Code Enforcement Officers and is a reflection of issues they observe daily in their field work. The proposed changes will reflect the City's desire to be responsive to concerns expressed in recent citizen surveys. Staff believes a comprehensive program is needed that establishes clear expectations of property maintenance requirements and that includes another tool for the Code Enforcement Officer's use, the administrative penalty citation.

## **Background Information**

Staff made a presentation to City Council at a Study Session on June 5, 2006 that contained information concerning changes to property maintenance ordinances enforced by Code Enforcement Officers and a proposal to adopt an administrative penalty citation. The goal of the program was to affect a reduction in compliance time for code violators. At this Study Session meeting, Council expressed support for the concept and directed Staff to return with an ordinance amendment.

There are five components included in the code amendments:

1. A consolidation of code sections commonly used by Code Enforcement Officers into one chapter titled Property Standards
2. Changes in requirements and additional standards for owners relating to the use and maintenance of their property
3. Adoption of the administrative penalty citation process
4. Changes to the powers and duties of the Board of Adjustment and Appeals
5. Other housekeeping measures to related code sections concerning nuisance abatement, rental housing maintenance and sidewalk obstructions

Information presented to Council in this agenda memorandum will be organized by these five components.

## **Consolidation of Code Sections**

Police Department Code Enforcement Officers enforce a variety of sections from the Municipal Code. The community-at-large most commonly associates code enforcement with regulations pertaining to weeds, junk vehicles, trash and debris, snow and ice removal and graffiti. Code enforcement actually has many more enforcement obligations such as signs, zoning, sidewalk obstructions, excavations, garage sales, accessory structures, illegal dumping, littering, parking complaints, compost piles, fencing, solicitors, storage units, wood burning violations, and home occupation licenses.

Changes being proposed by the consolidation of code sections primarily deal with real property conditions, use, and maintenance. Incorporating these code sections into one chapter will allow Code Enforcement Officers to provide a single, more understandable reference source to property owners. The existing code chapters and/or sections listed below would be incorporated into a new Title VIII, Health and Sanitation, Chapter 1, Property Standards:

- Title VIII, Health and Sanitation, Chapter 1, Abandoned Containers; Walk-In Freezers; Excavations
- Title VIII, Health and Sanitation, Chapter 2, Weeds
- Title VIII, Health and Sanitation, Chapter 3, Prohibiting The Deposit, Accumulation or Storage of Rubbish, Trash, Junk, or Junk Vehicles
- Title IX, Public Ways and Property, Chapter 1, Section 5, Obstruction of Sidewalk; Public Nuisance
- Title IX, Public Ways and Property, Chapter 3, Removal Of Snow and/or Ice

### **Changes, New Requirements, or Additional Standards**

8-1-1: GENERAL INTENT. This is a new section that states the purpose for the adoption of the Property Standards chapter. This section is similar to one that exists in the Rental Housing Code and identifies the objective of preserving and enhancing properties within the City of Westminster. The general intent section also includes a statement that additional requirements may apply to properties being used as rentals. It is Staff's intent that a single family dwelling used for rental purposes must abide by both the new Property Standards Code (exterior maintenance) and regulations defined in the Rental Housing Code (interior life safety requirements).

8-1-2: INTERPRETATION. This section states that applicable development plans and restrictions (e.g., Planned Unit Development or Official Development Plan restrictions) shall govern in the event of a conflict with the requirements of this new chapter. In all other instances of conflict between this new chapter and any other provision of the Code, the more restrictive or higher standard will govern.

8-1-3: DEFINITIONS. This section serves the purpose of laying out definitions common to multiple specific sections within the Property Standards chapter.

8-1-4: COMPOST PILES. This section is materially the same as the existing code, but clarifies the limit of the permissible size of a compost pile and that it shall not be visible from a public right-of-way. New language adds a prohibition for putting household waste (paper, tin cans, rags, bottles, etc), into a compost pile and restricts the compost pile location to a minimum of three feet away from any adjoining property line.

#### 8-1-5: CONTAINERS.

> Dumpsters/roll-offs. The language in this section is consistent with restrictions in the Zoning section of the code, i.e., one and two-family dwellings cannot maintain dumpsters/roll-offs one cubic yard or larger, except for temporary construction purposes. What has been added is a temporary exemption for legitimate uses of such dumpster/roll-offs (e.g. significant "spring cleaning" projects) by written authorization from a Code Enforcement Officer. This written authorization procedure allows the Police Department to verify that the location of the dumpster or roll-off does not present a safety concern or block safe traffic passage on a roadway, and to manage legitimate non-construction uses of large dumpsters/roll-offs. A restriction has been added that requires the property owner to keep trash wholly contained within the confines of the dumpster or roll-off.

> Movable crate/storage unit. This section is new. Code Enforcement Officers have seen an increase in these types of units. They are large metal containers that are designed to be delivered by a truck and either left at a property for temporary storage, picked back up and moved to a new property or stored at a rental facility. The same 30-day time limit applies to these smaller storage units as dumpsters/roll-offs and requires the same written authorization.

8-1-7: GARAGE SALES. This is a new section that restricts the period of time for a sale to three consecutive days in duration and only one garage sale can be conducted in any ninety (90) day period. Code Enforcement receives complaints about property owners who have continual garage sales or sales every weekend. The noise and traffic impact to neighborhoods is considerable. The only restriction to garage sales in the current code is if a garage sale is held for more than twenty-one (21) days per calendar year, sales tax must be submitted.

8-1-8: GENERAL PROPERTY STANDARDS. This is a new section that sets minimum requirements for the exterior maintenance of property. Many of the elements of this section are also requirements contained in the Rental Housing Code. Staff believes there should be similar standards for owner occupied residences as there are for multiple dwelling or rental units.

8-1-9: GRAFFITI. This is a new section that requires property owners to remove graffiti within seven (7) days. Currently there is no definition in the municipal code for graffiti and no specific time requirement for its removal. Code Enforcement Officers currently must use language in the nuisance code that talks about the premises being defective, unsightly, in a condition of disrepair or out of harmony or conformity with the maintenance standards of adjacent properties. Staff believes that graffiti is a unique issue not addressed adequately in the current code language. Code Enforcement Officers will use discretion and grant extensions as appropriate to owners depending on the degree of defacement of their property.

8-1-11: HOUSEHOLD TRASH, JUNK OR DEBRIS. This section primarily recodifies existing code provisions regarding trash, junk, or debris. Household trash is defined in the new code section separately from other junk or debris as storage requirements for the two are unique.

› Household trash storage must consist of containers with tight fitting covers. If stored outside prior to trash removal service, a homeowner will be limited to eight (8) containers. On the day of trash removal service, there is no limitation to the number of containers and plastic bags or cardboard boxes that are deemed suitable. Trash containers can be put out no sooner than twenty-four (24) hours prior to scheduled trash removal service and must be returned to permissible storage within twenty-four (24) hours after scheduled trash removal service.

› Junk or debris must be stored inside a building or garage or may be stored temporarily, for a period of time not to exceed fourteen (14) days, in/on a trailer or in a truck bed, fully covered and secured.

8-1-12: PROHIBITED VEHICLES/VEHICLE ACCESSORIES. There are several changes to the existing code language and new requirements relating to vehicles and vehicle accessories.

› The definition of a prohibited vehicle has been expanded to include descriptors for an inoperable vehicle or one that is not roadworthy. The current code allows for a lawful vehicle that is properly plated to remain stationary on a street for thirty (30) days. The new code reduces that time to fifteen (15) days. Complaints concerning vehicles are over 60% of Code Enforcement's workload. Staff believes that making these changes will allow for timelier resolution to vehicle related neighborhood issues.

› Recreational use vehicles are a clearly defined section of the new code. Ownership of these types of vehicles is becoming more common and many do not have the same type of licensing requirements as a car or truck. This section provides examples of what would be considered recreational use vehicles and requires that they be visibly operable and stored in the backyard, not facing a street, in a building/garage, or on a permissible trailer that bears proper license plates.

› Camper, camper shell or truck bed topper have been broken out separately from vehicles and defined in the new code. Their storage requirements are similar to those of recreational use vehicles with the exception that they will not be able to be stored on a trailer.

8-1-13: PLANT MATERIAL.

› The definition of weeds in the new code contains descriptors that exist in the current code but adds some additional detail about what type of vegetation is not considered weeds. Staff is proposing a limit in height change from the existing (6) inches to twelve (12) inches. Many municipalities in the metro area have height limits greater than six (6) inches. Federal Heights' limit is fifteen (15) inches. Arvada, Broomfield, Boulder, Lakewood, and Wheat Ridge have twelve (12) inch restrictions. Littleton, Northglenn, and Thornton have an eight (8) inch restriction and Englewood and Westminster have a six (6) inch restriction. Turf height limit will be six (6) inches to maintain consistency with the existing Landscape Regulations.

› Noxious plants have been defined in the new code as any plant species designated as such in Title 35, Article 5.5 of the Colorado Revised Statutes (C.R.S.). This C.R.S. section is the Colorado Noxious Weed Act and lists what the State of Colorado Department of Agriculture considers noxious plants and undesirable vegetation. This definition will keep the City's code current with future amendments made by the Department of Agriculture to the noxious plant list.

8-1-14: OPEN WELLS, CISTERNS, AND EXCAVATIONS. Minor changes have been made to this section to increase public safety. The original code required an open well, cistern, etc to have a cover that weighs at least sixty (60) pounds. The new code adds that in lieu of this type of covering, a locked lid would be acceptable. The new code also clarifies that fencing around an excavation be a continuous fence and that it be secured. Excavations due to an active construction project do not need to meet these requirements.

8-1-15: INTERFERENCE. This language has been adopted in other code sections and specifies that it is unlawful to interfere with a Code Enforcement Officer or Peace Officer in the discharge of their duties.

8-1-16: ENFORCEMENT. The existing code currently identifies four conditions as violations that can be summarily abated. They are consolidated into this one section for ease of reference and consistency of notification requirements.

**Adoption of the Administrative Penalty Citation.**

The proposed new Chapter 23, contained within Title I, Administrative, adopts the Administrative Penalty Citation. This citation is another tool for Code Enforcement Officers that will assign financial penalties for violations. The new ordinance is closely modeled after similar ordinances successfully implemented in numerous cities including San Diego and Denver.

The administrative citation process requires the Code Enforcement Officer to first issue a Notice of Violation and Order to Correct (NOV) to the person responsible for creating the code violation or the property owner (the responsible party). The Code Enforcement Officer will attempt to issue the NOV personally to the responsible party and if that person is not available, the NOV will be posted conspicuously on the property and a copy will be mailed to the address shown in the county assessor records as the owner of record. The NOV describes the violation, the action required to correct the violation, and gives a deadline for compliance.

If the responsible party does not correct the violation by the deadline, the City can then issue an administrative citation that imposes an administrative penalty (\$150 for a 1<sup>st</sup> violation) and a deadline for compliance. The service of the administrative penalty citation shall be made in the same manner as the Notice of Violation. The administrative penalty citation will state the code section(s) violated and describe the action required to correct the violation.

After receiving an administrative citation, the responsible party can choose to: (1) correct the violation and pay the penalty within ten (10) days; (2) do nothing; or (3) appeal the administrative penalty citation to the Board of Adjustment and Appeals within ten (10) days, and pay a \$35 processing fee. If the



responsible party does nothing, the administrative penalty may be liened against the real property if the violation relates to a specific property, and the City may issue additional escalating administrative citations in ten (10) day intervals (\$500 for a 2<sup>nd</sup> violation, and \$999 for a 3<sup>rd</sup> and subsequent violation).

If appealed, the BOAA will schedule a public hearing to decide whether to uphold or to dismiss the administrative citation and all penalties, waive or conditionally reduce the penalties, or impose conditions and deadlines to correct the violation or require payment of any outstanding penalties. If the BOAA dismisses the administrative citation and all penalties due to the City's failure to satisfy its obligations under the code, the \$35 processing fee will be refunded to the appellant. The BOAA's written decision is called an administrative enforcement order, and the responsible party may appeal that decision to state district court through a Rule 106 action. Failure to comply with an administrative enforcement order is a misdemeanor that may be prosecuted in Municipal Court.

Staff met with the Board of Adjustment and Appeals on January 3, 2007 and presented a draft of the new Property Standard Code, the Administrative Penalty Citation Code, and the proposed modifications to the code section that sets out the Board's jurisdiction. A "mock-up" of what a Code Enforcement Officer may typically submit in support of his/her position on an appeal of an administrative penalty citation was also provided to BOAA members. At the conclusion of the meeting, the BOAA unanimously passed a resolution endorsing the administrative penalty citation program.

### **Changes to the Powers and Duties of the Board of Adjustment and Appeals**

Title II, Commissions and Boards, Chapter 6, has been amended to expand the BOAA's jurisdiction to encompass appeals of the administrative penalty citation. Furthermore, the ordinance amendment provides that the BOAA shall conduct hearings in accordance with the procedures of Title I, Chapter 23, outlined above.

### **Other Housekeeping Modifications to Related Code Sections**

The following code chapters will be amended as housekeeping measures to prevent duplication or conflict between existing language and language in the new Property Standards Code:

- Title VIII, Health and Sanitation, Chapter 4 Nuisance Abatement, Specific Nuisance Declared
- Title IX, Public Ways and Property, Chapter 1 Sidewalks and Curbs, Obstruction of Sidewalk; Public Nuisance
- Title XI, Land Development and Growth Procedures, Chapter 12 Rental Housing Code, Site Maintenance

Staff will put significant effort into a public education campaign and it is anticipated that Code Enforcement will not strictly enforce the new Property Standards Code until the first part of April. An article will be presented in the April/May issue of the City Edition and in a Weekly Highlights posting. Staff will also work with local media in an effort to get word out to residents and businesses concerning this change.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachment – Property Standards and Administrative Penalties Ordinance

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **6**

SERIES OF 2007

INTRODUCED BY COUNCILLORS

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**A BILL  
FOR AN ORDINANCE AMENDING THE WESTMINSTER MUNICIPAL CODE TO CREATE  
AN ADMINISTRATIVE PENALTY CITATION PROGRAM AND TO MODIFY PROPERTY  
MAINTENANCE STANDARDS**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Title I, W.M.C., is hereby amended BY THE ADDITION OF A NEW CHAPTER 23 to read as follows:

**CHAPTER 23  
ADMINISTRATIVE PENALTY CITATIONS FOR CODE VIOLATIONS**

- 1-23-1: GENERAL INTENT
- 1-23-2: DEFINITIONS
- 1-23-3: AUTHORITY
- 1-23-4: PROCEDURES FOR ISSUANCE OF AN ADMINISTRATIVE CITATION
- 1-23-5: CONTENTS OF ADMINISTRATIVE CITATION
- 1-23-6: APPEAL OF ADMINISTRATIVE CITATION
- 1-23-7: PROCEDURES AND STANDARDS AT ADMINISTRATIVE CITATION APPEAL HEARINGS
- 1-23-8: DUTIES AND POWERS OF THE APPEALS BOARD
- 1-23-9: FALSE INFORMATION OR REFUSAL PROHIBITED
- 1-23-10: FAILURE TO OBEY SUBPOENA
- 1-23-11: FAILURE TO ATTEND ADMINISTRATIVE CITATION APPEAL HEARING
- 1-23-12: FAILURE TO COMPLY WITH ADMINISTRATIVE ENFORCEMENT ORDER
- 1-23-13: PENALTIES ASSESSED
- 1-23-14: FAILURE TO PAY PENALTIES

**1-23-1: GENERAL INTENT:**

(A) The City Council finds that the enforcement of the Westminster Municipal Code is an important public service, and that code enforcement is vital to the protection of the public's health, safety, and quality of life. The City Council further finds that a comprehensive code enforcement system that uses a combination of judicial and administrative remedies is critical to gain compliance with these ordinances.

(B) This Chapter provides for administrative penalties that may be imposed for violation of certain sections of the Westminster Municipal Code. The section of the Westminster Municipal Code specifically affected is:

1. Title VIII, Chapter 1 – Property Standards.

(C) The purpose of this Chapter is to encourage prompt compliance with the Code and prompt payment of any penalties.

**1-23-2: DEFINITIONS:** When used in this Chapter, the following words and terms, unless the context indicates a different meaning, shall be interpreted as follows:

(A) **Board of Adjustment and Appeals** shall mean that Board created and authorized pursuant to Westminster Municipal Code Title II, Chapter 6.

(B) **City** shall mean the City of Westminster.

(C) **Code** shall mean those provisions of the Westminster Municipal Code enumerated in Section 1-23-1(B).

(D) **Enforcement official** shall mean an employee or agent of the City authorized to enforce the ordinances of the City.

(E) **Manager** shall mean the City Manager or the Manager's designee.

(F) **Responsible party** shall mean a person or entity who has violated the Code or, in the case of property violations, the responsible party may also be the property owner, the occupant, or an individual or an entity who, acting as an agent for or in any other legal capacity on behalf of the owner, has authority over property subject to an administrative citation under this Chapter.

### **1-23-3: AUTHORITY:**

(A) Any responsible party violating provisions of the Code may be issued an administrative citation by an enforcement official as provided in this Chapter.

(B) Notwithstanding any other provision of the Code, responsible parties cited under the provisions of this Chapter shall have only the appeal rights granted herein.

(C) Each day a violation exists or continues shall constitute a separate and distinct violation for which a separate administrative citation may be issued. However, once an administrative citation has been issued for a violation of the Code, no additional administrative citation shall be issued for the same violation for ten (10) days or, if the responsible party appeals, until after the appeal has been heard and the responsible party has not complied with an administrative enforcement order of the Board of Adjustment and Appeals ("Appeals Board") within ten (10) days of its issuance or such other time as the Appeal Boards has specified.

(D) A civil penalty assessed by means of an administrative citation may be collected by any means allowed by law.

(E) Enforcement actions are intended to be cumulative in nature. The City may pursue one (1) or more civil, criminal, and administrative actions, fees, fines, sentences, penalties, judgments, and remedies and may do so simultaneously or in succession. The enactment of this administrative remedy shall in no way interfere with the City's right to prosecute violations as criminal offenses.

### **1-23-4: PROCEDURES FOR ISSUANCE OF AN ADMINISTRATIVE CITATION:**

(A) Whenever the enforcement official determines that a violation of the Code exists, the enforcement official shall give a notice of violation and order to correct ("Notice of Violation") to the responsible party. The Notice of Violation shall be in writing and shall describe with reasonable detail the violation so that the responsible party may properly correct it. The Notice of Violation shall provide a reasonable time for correction given the circumstances of the violation, but in no case more than thirty (30) days.

(B) The Notice of Violation shall be served as follows:

1. The enforcement official shall attempt to issue the Notice of Violation to the responsible party at the site of any violation. If the responsible party is not located, a copy of the Notice of Violation shall be left with any adult person residing or working at the site, or if no adult person is found at the site and the violation occurred on private property or on property for which the responsible party has responsibility, then a copy of the Notice of Violation shall be posted in a conspicuous place on the property of the responsible party.

2. If the enforcement official is unable to issue the Notice of Violation to the responsible party personally, then the Notice of Violation shall be sent via first class mail to the responsible party. In the

case of violations occurring on private property where the owner of such property is a responsible party, the Notice of Violation shall be sent to the address shown in the county assessor records for the county in which the property is located. In the case of violations occurring on property for which the responsible party is not the owner, the Notice of Violation shall be sent to the most recent mailing address available to the City for that responsible party.

3. The Notice of Violation shall be deemed served on the date of receipt by the responsible party, if personally served, or upon the fifth day after mailing of the Notice of Violation.

(C) If after service of the Notice of Violation, the Code violation is not timely corrected, an enforcement official may issue an administrative citation to a responsible party.

(D) Service of administrative citation on a responsible party shall be made in the same manner as the Notice of Violation as described in subparagraph B herein, except that the enforcement official shall attempt to obtain the signature of the person receiving the administrative citation on the administrative citation. If that person refuses or fails to sign the administrative citation, the failure or refusal to sign shall not affect the validity of the administrative and subsequent proceedings.

#### **1-23-5: CONTENTS OF ADMINISTRATIVE CITATION:**

(A) The administrative citation shall state the date and location of the violations, and the approximate time the violations were observed. Where applicable, the administrative citation shall identify the property in violation by address or legal description.

(B) The administrative citation shall state the Code sections violated and describe the violations.

(C) The administrative citation shall describe the action required to correct the violations.

(D) The administrative citation shall require the responsible party to correct the violations within a reasonable time given the circumstances, but in no case more than ten (10) days, and shall explain the consequences of failure to correct said violations.

(E) The administrative citation shall state the amount of penalty imposed for the violations.

(F) The administrative citation shall explain how the penalty shall be paid, the time period by which it shall be paid, and the consequences of failure to pay the penalty.

(G) The administrative citation shall identify the right and procedures for appealing the administrative citation.

(H) The administrative citation shall contain the signature of the enforcement official and the signature of the responsible party if it can be obtained.

#### **1-23-6: APPEAL OF ADMINISTRATIVE CITATION:**

(A) A person served with an administrative citation may file a notice of appeal in person or postmarked within ten (10) calendar days from the service of the administrative citation. Compliance with this time limit shall be a jurisdictional prerequisite to any appeal brought under this Chapter. Failure to comply with such time limit shall be deemed to waive the right to a hearing and the adjudication of the issues related to the hearing, provided that proper notice of the administrative citation has been provided.

(B) The notice of appeal shall be made in writing, filed with the City department identified on the administrative citation, and contain the following information:

1. The reasons the appellant believes the administrative citation is objectionable, incorrect or illegal.

2. The amount and type of claim or dispute involved, and the time during which it accrued or occurred.

3. The name, address and telephone number of the appellant.

4. If the appellant is to be represented by another person, the name, address and telephone number of the said representative.

5. The signature of the appellant, legal representative and/or corporate agent.

(C) A processing fee of \$35 shall be paid by cash, check or certified funds simultaneously with the filing of the notice of appeal. The processing fee is not refundable except as provided in Section 1-23-8(L).

(D) If, in the opinion of the Manager, the appeal meets all of the requirements of subparagraphs (A) - (C) of this Section, the Manager shall forward the notice of appeal to the Secretary of the Appeals Board.

(E) If, in the opinion of the Manager, the appeal does not meet all of the requirements of subparagraphs (A) – (C) of this Section, the Manager shall promptly return the appeal and notify the appellant of what requirements the appeal fails to meet.

(F) As soon as practicable after receiving the written notice of appeal, the Secretary to the Appeals Board shall schedule a date, time and location for the hearing, unless, if requested by the appellant and in the sole discretion of the Appeals Board, it is submitted on written brief and supporting material.

(G) Written notice of the date, time and location of the hearing shall be personally served upon or sent by first class mail to the responsible party at least ten (10) calendar days prior to the date of the hearing.

#### **1-23-7: PROCEDURES AND STANDARDS AT ADMINISTRATIVE CITATION APPEAL HEARINGS:**

(A) The procedure and format of the administrative citation appeal hearing shall follow procedures as set forth herein and in W.M.C. section 2-6-4.

(B) Administrative citation appeal hearings are intended to be informal in nature. Formal rules of evidence and discovery do not apply; however, an informal exchange of discovery may be required by the Appeals Board or requested by any party. The request must be in writing. Failure to request discovery shall not be a basis for a continuance.

(C) The parties to an administrative citation appeal hearing shall be the responsible party and the City.

(D) The Appeals Board, at the request of any party to the hearing, may subpoena witnesses, documents and other evidence where the attendance of the witness or the admission of evidence is deemed necessary to decide the issues at the hearing. All costs related to the subpoena, including witness fees in the amount of \$5.00 per witness, and mileage fees at the rate provided for witnesses by statute, shall be borne by the party requesting the subpoena.

(E) The City bears the burden of proof at an administrative citation appeal hearing to establish the existence of a violation of the Code. In the case of an abatement hearing the City bears the burden of proof to establish the existence of a public nuisance.

(F) The standard of proof to be used by the Appeals Board in deciding the issues at an administrative citation appeal hearing is by a preponderance of the evidence.

### **1-23-8: DUTIES AND POWERS OF THE APPEALS BOARD:**

(A) The Appeals Board shall determine whether appeals of administrative citations are valid. In doing so the Appeals Board shall determine whether the administrative citation under appeal was issued in compliance with the requirements of the City ordinances. In each case, the Appeals Board shall be charged with performing all functions relating to the final determination and order, and entertaining petitions or motions made in writing. The Appeals Board shall perform those duties and functions necessary and incidental to determining the matter, issuing subpoenas, authorizing depositions, hearing all evidence, examining all documents, ruling on evidentiary questions, and generally conducting the hearing as a quasi-judicial proceeding.

(B) In the discretion of the Appeals Board, parties to the hearing may be required to file a pre-hearing statement before the case is set for hearing. The pre-hearing statement may include: the issues raised by the appeal; agreed and disputed facts; copies of exhibits not previously included in the record; names of witnesses with a brief statement summarizing their testimony; an estimate of the time necessary to present a party's evidence and other matters as requested by the Appeals Board.

(C) All hearings or, when an appeal is submitted for determination based on written argument and written facts and figures, all examination of such written petitions and papers shall be conducted by the Appeals Board assigned to conduct the hearing or to examine the written material submitted.

(D) The admissibility of evidence shall be encouraged and the Appeals Board shall consider all evidence of probative value. The Appeals Board may utilize its experience, technical competence, and specialized knowledge in the evaluation of evidence presented.

(E) Copies, photographs and photocopies may be admitted into evidence or substituted in evidence in place of original documents.

(F) Witnesses intended to give opinion testimony as experts must be qualified as such, and their qualifications should be submitted in advance to the Appeals Board.

(G) Whenever it appears that an appeal is not properly before the Appeals Board, or that the appellant for some other reason lacks jurisdiction or standing, the case may be dismissed on the motion of any party or the Appeals Board.

(H) Mailings, notices, computations of time, time limitations, service and filings shall conform to the requirements of particular law or ordinance involved.

(I) The written decision of the Appeals Board shall be known as an Administrative Enforcement Order.

(J) The parties may enter into a stipulated agreement which must be signed by both parties. Upon approval and acceptance by the Appeals Board, this agreement shall be entered as the administrative enforcement order. Entry of this agreement shall constitute a waiver of the right to a hearing and the right to appeal.

(K) The Appeals Board may uphold the administrative citation and all penalties, or dismiss the administrative citation and all penalties, or may waive or conditionally reduce the penalties assessed by the administrative citation. The Appeals Board may also impose conditions and deadlines to correct the violation or require payment of any outstanding penalties.

(L) If the Appeals Board dismisses the administrative citation and all penalties due to the City's failure to satisfy its obligations under this Chapter, the appellant's \$35 processing fee shall be promptly refunded.

(M) The Appeals Board has continuing jurisdiction over the subject matter of an administrative citation appeal hearing for the purposes of granting a continuance, ordering compliance by issuing an administrative enforcement order, ensuring compliance of that order, modifying an administrative enforcement order, or, where extraordinary circumstances exist, granting a new hearing. The Appeals

Board may schedule subsequent review hearings as may be necessary or as requested by a party to the hearing to ensure compliance with the administrative enforcement order.

**1-23-9: FALSE INFORMATION OR REFUSAL PROHIBITED:** It shall be unlawful for any person to willfully make a false statement or refuse to give his or her name or address with intent to deceive or interfere with the enforcement official when in the performance of official duties under the provisions of this Chapter. Any person who willfully makes a false statement or refuses to give his or her name or address with intent to deceive or interfere with the enforcement official shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine or by confinement in jail or by both such fine and imprisonment as specified in Section 1-8-1 of this Code.

**1-23-10: FAILURE TO OBEY SUBPOENA:** It is unlawful for any person to refuse to obey a subpoena issued by the Appeals Board. Any person who fails to obey a subpoena shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine or by confinement in jail or by both such fine and imprisonment as specified in Section 1-8-1 of this Code.

**1-23-11: FAILURE TO ATTEND ADMINISTRATIVE CITATION APPEAL HEARING:** Any responsible party who fails to appear at the hearing is deemed to waive the right to a hearing and the adjudication of the issues related to the hearing, provided that proper notice of the hearing has been provided.

**1-23-12: FAILURE TO COMPLY WITH ADMINISTRATIVE ENFORCEMENT ORDER:** It is unlawful for a responsible party to an administrative enforcement hearing who has been served with a copy of the final administrative enforcement order to fail to comply with the order. Any person who fails to comply with a final administrative enforcement order shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine or by confinement in jail or by both such fine and imprisonment as specified in Section 1-8-1 of this Code. Prosecution for failure to comply with a final administrative enforcement order shall not commence until the time to appeal such order has lapsed.

**1-23-13: PENALTIES ASSESSED:**

(A) If the responsible party fails to correct the violation, subsequent administrative citations may be issued for violations of the same Code section. The penalties assessed for each administrative citation issued for violations of the same Code section or sections shall be established by the Manager, but shall not exceed the following amounts regardless of the number of violations per citation:

1. First administrative citation: One hundred fifty dollars (\$150.00).
2. Second administrative citation: Five hundred dollars (\$500.00).
3. Third or subsequent administrative citation: Nine hundred and ninety-nine dollars (\$999.00).

(B) Payment of the penalty shall not excuse the failure to correct the violations nor shall it bar further enforcement action by the City.

(C) All penalties assessed shall be payable to the City of Westminster. Payment of the full amount of the penalty must be received in person or postmarked within ten (10) calendar days of the date of issuance of the administrative citation or administrative enforcement order, or within the time specified on the administrative enforcement order.

**1-23-14: FAILURE TO PAY PENALTIES:**

(A) The failure of any responsible party to pay the civil penalties assessed by an administrative citation or administrative enforcement order within the time specified on the citation or order, respectively, may result in the imposition of a late fee of twenty-five dollars (\$25.00) and interest at a rate of ten (10) percent per annum.

(B) In the event of failure to pay all penalties assessed, the Manager may refer the matter for collection by whatever means are available to the City.

(C) In the case of violations associated with specific real property, the City shall have as security for the collection of such late fees, penalties, interest, and administrative costs a lien upon such real property. These amounts may be assessed and collected as specified in Title I, Chapter 31 of this Code.

(D) Any action or other process provided by law may be maintained by the City to recover or collect any amounts, including late fees, penalties, interest, and administrative costs, owing under this Article.

Section 2. Sections 2-6-2(A) and 2-6-4(E), W.M.C., are hereby AMENDED to read as follows:

**2-6-2: POWERS AND DUTIES:** (1222 1741 1769 1841 1883 2068 2161 2975)

(A) Appeals:

1. ~~The Board may hear an appeal of a decision made by the Chief Building Official under Section 11-9-5(D) of this Code, regarding fences and retaining walls. The Board may reverse a decision of the Chief Building Official under this section only upon finding that the Chief Building Official has exceeded his jurisdiction or abused his discretion.~~ THE BOARD MAY HEAR APPEALS OF ADMINISTRATIVE CITATIONS ISSUED PURSUANT TO TITLE I, CHAPTER 23 OF THIS CODE.

**2-6-4: PROCEDURE:** (904 1112 1741 2068) In addition to any procedural hearing requirements the Board may adopt by rule, the Board shall conduct hearings and make decisions in accordance with the following requirements:

(E) WITH RESPECT TO APPEALS OF ADMINISTRATIVE CITATIONS ISSUED PURSUANT TO TITLE I, CHAPTER 23 OF THIS CODE, THE BOARD SHALL CONDUCT SUCH HEARINGS IN ACCORDANCE WITH THE PROCEDURES, STANDARDS AND DUTIES PROVIDED FOR IN SECTIONS 1-23-7 AND 1-23-8.

Section 3. Title VIII, Chapter 1, W.M.C., is hereby REPEALED AND REENACTED to read as follows:

**TITLE VIII  
CHAPTER 1**

**PROPERTY STANDARDS**

- 8-1-1: GENERAL INTENT
- 8-1-2: INTERPRETATION
- 8-1-3: DEFINITIONS
- 8-1-4: COMPOST PILES
- 8-1-5: CONTAINERS
- 8-1-6: ESTABLISHMENT OF DUMPING GROUNDS
- 8-1-7: GARAGE SALES
- 8-1-8: GENERAL PROPERTY STANDARDS
- 8-1-9: GRAFFITI
- 8-1-10: SIDEWALKS
- 8-1-11: HOUSEHOLD TRASH, JUNK OR DEBRIS
- 8-1-12: PROHIBITED VEHICLES/VEHICLE ACCESSORIES
- 8-1-13: PLANT MATERIALS
- 8-1-14: OPEN WELLS, CISTERNS, AND EXCAVATIONS
- 8-1-15: INTERFERENCE
- 8-1-16: ENFORCEMENT

**8-1-1: GENERAL INTENT:** This Chapter has been enacted to preserve and enhance existing neighborhoods, commercial areas, businesses and the community at-large by regulating and controlling the use and maintenance of all properties within the City of Westminster. The requirements of this



Chapter are intended to provide the minimum standards applicable to all properties within the City of Westminster; additional requirements for specific properties may exist, including, but not limited to, the Rental Property Maintenance Code (Title XI, Chapter 12 of this Code.)

**8-1-2: INTERPRETATION:** Whenever the requirements of this Chapter are at variance with any applicable development plans and restrictions including, but not limited to, zoning district restrictions, Planned Unit Development restrictions, the contents of any Preliminary Development Plan, Official Development Plan, or Final Plat, the applicable development plan and restriction shall govern. Whenever the requirements of this Chapter are at variance with any other provision of this Code the more restrictive, or that imposing the higher standards, shall govern.

**8-1-3: DEFINITIONS:** When used in this Chapter, the following words and terms, unless the context indicates a different meaning, shall be interpreted as follows:

**BACKYARD:** That portion of a lot between the back line of the structure and extending to the back property line.

**BUILDING/GARAGE:** A building shall consist of four solid walls and a roof, meet all City building codes and effectively shield its contents from the view of the public.

**CODE ENFORCEMENT OFFICER:** An employee or agent of the City authorized to enforce applicable provisions of the Code.

**FRONT YARD:** That portion of a lot between the front line of the structure and extending to the front property line.

**PERSON:** The person or entity who has violated the Code or, in the case of property violations, it may also be the property owner, the occupant, or an individual or an entity who, acting as an agent for or in any other legal capacity on behalf of the owner, has authority over property subject to this Code.

**PREMISES:** Any lot, grounds, site, property, plot or parcel of land including any structures or buildings thereon.

**SIDEYARD:** That portion of a lot between the back line and the front line of the structure.

**STRUCTURE:** That which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

**VEHICLE:** Shall mean any device that is propelled or drawn on land by an engine, motor, or machinery, including automobiles, trucks, buses, motorcycles, motor homes, camping trailers, motorized campers, tractors, trailers and trains. For the purposes of this section, this term does not include any device customarily moved by human muscular power or those whose primary purpose is for recreation, such as bicycles, ski-dos, snowmobiles, mopeds, dirt bikes, all-terrain vehicles, canoes, boats and go-carts.

**8-1-4: COMPOST PILES:**

(A) **HOUSEHOLD TRASH:** It shall be unlawful for a person to compost household trash.

(B) **YARD WASTE:** It shall be unlawful for a person to compost yard wastes except in a compost holding unit that:

1. Shall not exceed five (5) feet in any dimension;
2. Shall be constructed of wood, wire, metal, or plastic, excluding plastic bags;
3. May be a stationary or rotating unit;

4. Shall be located in the backyard, and shall be screened or fenced so that it is not visible from a public right-of-way;
5. Shall be maintained to minimize odors;
6. Shall not be allowed to attract rodents or to become a health or safety hazard; and
7. Shall be located a minimum of three (3) feet from any adjoining property line.

**8-1-5: CONTAINERS:**

(A) **DUMPSTERS/ROLL-OFFS:** It shall be unlawful for a person in a one or two-family dwelling to maintain trash dumpsters one (1) cubic yard or larger without prior written authorization from a Code Enforcement Officer. Persons storing or placing trash in a dumpster or roll-off shall do so in such a manner as to prevent the trash from being strewn or scattered. This Section shall not apply to one and two-family dwellings that have a valid building permit issued by the City of Westminster Building Division.

(B) **MOVABLE CRATE/STORAGE UNIT:** These units are defined as receptacles, used for temporary storage, which are designed to be moved from one location to another. It shall be unlawful for a person to maintain a movable crate/storage unit on a premises for a period of time exceeding thirty (30) days without prior written authorization from a Code Enforcement Officer.

(C) **OUTDOOR REFRIGERATOR, FREEZER OR SELF-LOCKING CONTAINER:** It shall be unlawful for any person to permit to remain outside of a building/garage any icebox, refrigerator, freezer, or self-locking container.

**8-1-6: ESTABLISHMENT OF DUMPING GROUNDS:** The City Manager is authorized and empowered to establish within or without the City Limits a dumping ground for the use of the City, its employees and agents.

**8-1-7: GARAGE SALES:** Garage sales are defined as any type of sales activity including, but not limited to, neighborhood or block sales, yard sales, estate sales, craft sales, rummage sales or clothing sales.

(A) **DURATION:** It shall be unlawful for a person to conduct a garage sale for a period of time exceeding three (3) consecutive days in duration.

(B) **FREQUENCY:** It shall be unlawful for a person to conduct more than one garage sale in any ninety (90) day period.

**8-1-8: GENERAL PROPERTY STANDARDS:** It shall be unlawful for a person to maintain a premises except in compliance with the following requirements:

(A) **EXTERIOR MAINTENANCE:**

1. The exterior finish of all structures shall be maintained in good repair, free of defect and shall be maintained prior to a time when that finish has substantially deteriorated. The exterior finish must consist of materials commonly used and meeting industry standards of acceptable construction.

2. All architectural projections such as cornices, moldings, lintels, sills and similar projections shall be maintained in good repair and free of defects.

3. All chimneys, vents, gutters, downspouts, light fixtures, roofing or building accessories shall be structurally sound, in good repair and shall be properly secured to an exterior wall or roof.

(B) **WINDOWS AND DOORS:** Windows and exterior glazing shall be sound, free from cracks and loose and broken glass and be capable of being secured in a closed position. Doors and windows shall be maintained weather tight, watertight and rodent proof. All screening and awnings shall be maintained in good repair and free from tears, holes, or other imperfections.

(C) **FENCES AND RETAINING WALLS:** All fences and retaining walls shall be in good repair, be structurally sound, in an upright position, and the exterior finish in good repair and free of defect. If the fencing contains slats, all slats must be present and complete in length.

(D) **LANDSCAPING:** All landscape areas shall be maintained in compliance with the provisions of Westminster Municipal Code Title XI Chapter 7 Site Development Standards as amended.

(E) **AUXILIARY STRUCTURES:** All auxiliary structures shall be maintained in a state of good repair or removed from the site. Such structures shall include, but not be limited to, tree houses, club houses, well houses, carports, garages, and miscellaneous sheds or structures. These structures shall be constructed of materials consistent for the use of the structure, and shall be structurally sound. Temporary tents/canopies and skateboard ramps shall be restricted to a backyard.

(F) **PARKING LOTS:** The parking lot(s) of commercial establishments or multi-family buildings shall be kept free from potholes, cracks or other deterioration. No dirt, grass or sod parking areas are allowed. All striping and signage, including, but not limited to, parking signage and fire lane or access signage shall be maintained in good condition and clearly legible.

**8-1-9: GRAFFITI:** Graffiti is defined as a message, symbol, inscription or drawing painted, scratched or written on any surface. It shall be unlawful for any person to fail to remove or eradicate graffiti from a premises within seven (7) days of defacement. The term "graffiti" does not apply to legally permitted signage.

**8-1-10: SIDEWALKS:**

(A) **REMOVAL OF SNOW OR ICE:** It shall be unlawful for any person to allow snow or ice to remain on any sidewalk open to the public and abutting or adjoining the property controlled, owned or occupied by such person after twenty-four (24) hours of the last measurable snow fall or snow drift.

(B) **OBSTRUCTIONS:** It shall be unlawful for any person to allow obstructions to remain on any sidewalk, curb or gutter open to the public and abutting or adjoining the property controlled, owned or occupied by such person. For purposes of this section, obstructions include, but are not limited to, piles of materials, vegetation, weeds, portable basketball hoops, structures, or any other physical object located within the width of the sidewalk, curb or gutter or obstructions located less than seven (7) feet above the sidewalk. An exception is made for lawfully parked motor vehicles.

(C) **CIVIL LIABILITY:** Any person who controls, owns or occupies property that abuts or adjoins any sidewalk open to the public owes a duty to all persons using such sidewalk to comply with the provisions of this Chapter. Any person injured by the breach of such duty shall have a cause of action for damages against the person who failed to comply with such duty, it being the express intent of this Section to impose civil liability on private property owners for injuries incurred on public sidewalks within the City as a result of a failure by any such private property owner to comply with this Chapter.

**8-1-11: HOUSEHOLD TRASH, JUNK OR DEBRIS:**

(A) **DEFINITIONS:**

1. Household trash is defined to include, but is not limited to, items such as rubbish, trash, waste, refuse, paper, tin cans, bottles, glass, containers, rags, ashes, bones, cloth, or other materials common to household use or objects which may become a breeding place for flies, mosquitoes, or vermin, or which give off unpleasant odors.

2. Junk or debris shall mean any material or object, used or new, which is not presently useable or designed to be used in their existing condition or location such as scrap metals, rubber pieces, rope, asphalt, concrete, plaster, tile, bricks, crates, cartons, barrels, boxes, tree limbs, leaves, dead plants and trees, trimmings from plants and trees, grass clippings, tools, fixtures, utensils, lumber, pipe and pipe fittings, machinery or parts thereof, appliances, vending machines, furniture, motor vehicle parts or tires, or any waste material from the premises, including building materials for or produced from remodeling or construction, and material.

(B) **HOUSEHOLD TRASH CONTAINERS:** It shall be unlawful for a person to maintain household trash at a premises except in compliance with the following requirements:

1. All household trash shall be stored wholly-contained and enclosed in a liquid-tight container having a tight-fitting cover.

2. Household trash containers stored outside prior to trash removal service shall be limited to eight (8) in number, and cannot be stored in a front yard, a side yard facing the street or a backyard facing a street.

3. There is no restriction to the number of household trash containers when placed out for household trash removal, provided the containers are put out no sooner than twenty-four (24) hours prior to scheduled trash removal service. Plastic bags or cardboard boxes are deemed suitable containers only for the purpose of placing household trash out the day of trash removal service. Household trash containers must be returned to their permissible storage area within twenty-four (24) hours after the scheduled trash removal service.

(C) **KEEPING OF JUNK OR DEBRIS:** It shall be unlawful for any person to cause, maintain or permit to remain, or store, keep or allow to be stored or kept, any junk or debris on any lot or parcel of land unless such junk or debris is kept in a building/garage, except junk or debris may be stored for a period of time not to exceed fourteen (14) days in/on a trailer or in a truck bed, fully covered and secured.

(D) **UNLAWFUL DUMPING:** It shall be unlawful for any person to place trash or junk in any trash receptacle located on private property which he does not own or have the legal right to possess, unless the person has written permission from the owner or lessee of the property.

### **8-1-12: PROHIBITED VEHICLES/VEHICLE ACCESSORIES:**

(A) **PROHIBITED VEHICLES:**

1. It shall be unlawful to store or keep or permit to be stored or kept any vehicle, or parts thereof, that are inoperable or obviously not in a roadworthy condition, including a vehicle with a flat tire or tires, excessively leaking fluids, broken, damaged or missing head lamps, tail lamps, blinkers, windshield, rear window, windshield wipers, or not bearing proper and current registration plates unless such vehicle is stored in a building/garage.

2. It shall be unlawful for vehicles on any City street or roadway bearing proper and current license plates to remain stationary or unused for more than (15) fifteen consecutive days.

(B) **RECREATIONAL USE VEHICLES:**

1. Shall be defined as a motorized or non-motorized device designed for recreational purposes such as, but not limited to ski-doods, snowmobiles, mopeds, dirt bikes, all-terrain vehicles, canoes, boats and go-carts.

2. It shall be unlawful to store recreational use vehicles unless said vehicles are visibly operable, and are stored in a backyard not facing a street, in a building/garage, or on a trailer which bears proper and current license plates.

(C) CAMPER, CAMPER SHELL OR TRUCK BED TOPPER:

1. Shall be defined as any non-wheeled, detachable piece of vehicular equipment, which has no independent motor power and which is capable of being placed on a vehicle, but which is not capable of being towed.

2. It shall be unlawful for a person to store an un-mounted camper, camper shell or truck bed topper unless such items are stored in a backyard not facing a street, in a building/garage, or in a sideyard not facing a street that is paved with concrete or asphalt or is solidly rocked or graveled.

**8-1-13: PLANT MATERIALS:**

(A) WEEDS:

1. Shall be defined as any useless, troublesome or injurious plant, including all vegetation which has grown to maturity or to a height in excess of twelve (12) inches, but shall not include flower gardens, shrubbery, vegetable gardens, small grain plots and pastures used for feed, fodder or forage, provided the same are adequately weeded and maintained.

2. It shall be unlawful for any person to cause, maintain, or permit to remain on any premises, excluding open space property owned by the City, a County, or other public entity any accumulation of weeds on any premises, on or along the sidewalk, street, or alley adjacent to any premises, or between the property line and the curb or middle of the alley, or for ten (10) feet outside the property line if there is no curb.

(B) NOXIOUS PLANTS:

1. Shall be defined as any plant species designated or identified as noxious weeds pursuant to Colorado Revised Statute (2006), Title 35, Article 5.5, as amended.

2. It shall be unlawful for any person to cause, maintain, or permit to remain any noxious plant regardless of condition of said plant.

(C) TURF:

1. Shall be defined as a grouping of grasses that grow in very close proximity to form a living surface at the ground plane. Turf is generally an area of the ground plane intended to be/or could be walked on and when regularly mowed, forms a dense growth of leaf blades and root.

2. It shall be unlawful for any person to cause, maintain, or permit to remain any turf in excess of six (6) inches in height.

(D) It shall be unlawful for any person to cause, maintain, or permit to remain any plant material, including trees, shrubs, groundcovers, vines and turf, that does not have a one hundred percent (100%) ongoing survival rate.

**8-1-14: OPEN WELLS, CISTERNS, AND EXCAVATIONS:** It shall be unlawful for any person to cause, maintain, or permit to remain on any premises any excavation exceeding five (5) feet in depth, or any cistern, well or other excavation used for storage of water unless they are adequately covered with a locked lid or other covering weighing at least sixty (60) pounds, or are enclosed with a continuous secured fence to a height of at least five (5) feet. This Section shall not apply to an active construction project.

**8-1-15: INTERFERENCE:**

(A) It shall be unlawful for any person, by using or threatening to use, violence, force, or physical interference, or obstacle, to knowingly obstruct, impair, or hinder a Code Enforcement Officer or Peace Officer in the discharge of the duties as herein prescribed.

(B) It is no defense to a prosecution under this section that the Code Enforcement Officer or Peace Officer was acting in an illegal manner, if the officer was acting in the regular course of assigned duties and in good faith based upon surrounding facts and circumstances.

(C) It shall be unlawful for any person to refuse to reveal his/her correct name, address, and date of birth when requested to do so by a Code Enforcement Officer or Peace Officer engaged in any of the duties prescribed herein.

#### **8-1-16: ENFORCEMENT:**

(A) Violation: Any person found guilty of violating any of the provisions of this Chapter shall, upon conviction thereof, be punished by a fine pursuant to Section 1-8-1 of this Code. Each day that a violation of any of the provisions of this Chapter continues to exist shall be deemed to be a separate and distinct violation.

(B) Public nuisance: The condition of any real property in violation of Sections 8-1-4 through 8-1-14 is hereby declared to be a public nuisance which may be abated pursuant to the provisions for the abatement of nuisances established in this Code.

(C) Summary abatement:

1. The follow violations of this Chapter may be summarily abated:

- a. If a person fails to maintain any icebox, refrigerator, freezer or self-locking container as required by this Chapter;
- b. If a person fails, neglects or refuses to remove snow or ice from any public sidewalk as required by this Chapter;
- c. If a person fails, neglects or refuses to remove an obstruction from any sidewalk, curb or gutter as required this by Chapter; and
- d. If a person fails to maintain plant materials as required by this Chapter.

2. In the event that the provisions of this Chapter which may be summarily abated are violated, the City Manager or his representative may cause notice requiring compliance with the provisions of this Chapter to be served to a responsible party, either personally or by mail, or by posting of the property. Posting of the property shall be by a sign not less than eight and one half (8 1/2) inches by eleven (11) inches with letters not less than one-fourth (1/4) inch in height. Posting or written notice served personally or by mail upon a responsible party shall be deemed to comply with the notice provisions of this Chapter. In the case of violations occurring on private property where the owner of such property is a responsible party, the notice by mail shall be sent to the address shown in the county assessor records for the county in which the property is located. In the case of violations occurring on property for which the responsible party is not the owner, the notice by mail shall be sent to the most recent mailing address available to the City for that responsible party. In any case, the posting of such property by the City shall be deemed adequate notice. Notice shall be effective upon personal service or posting, or if by mail, upon the fifth day after mailing of the notice.

If the responsible party upon whom said notice is served fails, neglects, or refuses to timely correct the violation within the deadline stated in said notice, the City Manager or his representative may cause the necessary work to be performed at the expense of such responsible party, and the cost of such abatement shall be a first and prior lien on the property as provided by Title I, Chapter 31 of this Code, and may be assessed and collected pursuant to Section 8-4-5 of this Code.

3. Notwithstanding any other provision of this Chapter, trash or junk may be summarily abated from public property without notice or judicial procedure.

Section 4. Section 9-1-5, W.M.C., is hereby REPEALED AND REENACTED to read as follows:

**9-1-5: OBSTRUCTION OF SIDEWALK; PUBLIC NUISANCE:** Obstruction of sidewalks shall be as set forth in section 8-1-10, W.M.C.

Section 5. Title IX, Chapter 3, W.M.C., Removal of Snow and/or Ice, is hereby REPEALED IN ITS ENTIRETY.

Section 6. Section 8-4-6, W.M.C., is hereby amended BY DELETING SUBSECTION (E) and AMENDING SUBSECTION (F) to read as follows:

**8-4-6: SPECIFIC NUISANCES DECLARED:** Public nuisance shall include, but shall not be limited to, the following acts or conditions: (1634 1999)

~~(E) Trash, refuse, waste and junk: Trash, refuse, waste matter and junk, which by reason of its location and character is dangerous to public health, safety or welfare, unsightly, or interferes with the reasonable enjoyment of property by neighbors, detrimentally affects property values in the surrounding neighborhood or community, or which would materially hamper or interfere with the prevention or suppression of fire upon the premises. Trash, refuse, waste and junk include but are not limited to those objects and materials defined in subsections 8-3-1(B) and 8-3-1(E) 8-1-11(A) of this Code. (1634 1999)~~

~~(F) Maintenance of property: Owning, leasing, occupying, managing or having possession of any premises in this City in such manner that any of the following conditions are found to exist thereon: (1634 1999)~~

1. The premises are a detriment to public health, safety or general welfare;

~~2. The premises are so defective, unsightly, or in such condition of disrepair that they substantially diminish the value of surrounding property or are otherwise substantially detrimental to surrounding properties. Manifestation of this condition shall include, but shall not be limited to, the keeping on, or disposing on, or the scattering over the premises, any of the following:~~

~~———— (a) junk, trash, or debris;~~

~~(b) abandoned, discarded or unusable objects or equipment such as furniture, stoves, hot water heaters, refrigerators, or freezers;~~

~~(c) stagnant water or an excavation;~~

~~———— (d) any device, decoration, design, fence, or structure which is unsightly by reason of its condition or its inappropriate location, or which is no longer in its original or upright position, or which has deteriorated due to lack of maintenance.~~

~~———— 3. The premises are so out of harmony or conformity with the maintenance standards of adjacent properties as to cause substantial diminution of the enjoyment, use, or property values of such adjacent properties.~~

~~4. 3. The premises are abandoned, boarded up, partially destroyed, or left unreasonably in a state of partial construction.~~

~~5. 4. Buildings have dry rot, warping, or termite infestation.~~

~~6. The premises have broken doors or a substantial number of broken windows which cause hazardous conditions and invite trespassers and malicious mischief.~~

~~———— 7. The landscaping on premises has not been maintained as follows:~~

~~(a) the majority of plant materials have not been adequately irrigated and maintained and are dead or dying;~~

~~(b) lawns have grown over six inches or shrubs have not been trimmed and are overhanging public rights of way;~~

~~(c) weeds as defined in subsection 8-2-1(B) of this Code have grown over six inches and have not been removed; or~~

~~(d) dead or diseased plantings have not been removed or replaced;~~

~~8. The exterior of commercial establishments or multi-family buildings has not been maintained so as to present a neat and orderly appearance as follows:~~

~~(a) Doors or a substantial number of windows are cracked or broken;~~

~~(b) painted surfaces are substantially cracked or peeling or the paint has deteriorated to the point where the bare surface is substantially exposed; or~~

~~(c) the building has otherwise not been substantially maintained.~~

~~(d) parking lots have not been repaired or cracks, potholes or other breaks in the parking lot surface have not been filled.~~

Section 7. Section 11-12-7, subsection (A), is hereby AMENDED to read as follows:

**11-12-7: SITE MAINTENANCE:**

(A) General. The accumulation of weeds, vegetation, junk (to include, but not be limited to, abandoned, unused or nonoperational appliances, equipment, vehicles, machinery, or household furnishings), dead organic matter, debris, garbage, stagnant water, combustible materials or similar materials or conditions shall be subject to the provisions of Title 8, Chapters 1-3 of the Westminster Municipal Code and shall be subject to abatement provisions therein.

Section 8. This ordinance shall take effect upon its passage after second reading.

Section 9. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 26<sup>th</sup> day of February, 2007.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney's Office





**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillor's Bill No. 7 re 2006 4th Quarter Budget Supplemental Appropriation

**Prepared By:** Gary Newcomb, Accountant

**Recommended City Council Action**

Pass Councillor's Bill No. 7 on first reading providing for supplementary appropriations to the 2006 budget of the General, General Capital Improvement, Water, Wastewater and Open Space Funds.

**Summary Statement**

- At the end of each quarter Staff prepares an ordinance to appropriate unanticipated revenues received during the quarter. Preparing quarterly supplemental appropriation requests is done to simplify administrative procedures and reduce paper work.
- This is the 2006 4<sup>th</sup> quarter supplemental appropriation.
- General Fund amendments:
  - \$10,387 COPS Interest
  - \$88,109 Police Department grants
  - \$25,294 Fire Department grants
  - \$11,348 Fire Department task force reimbursements
  - \$1,648 Fire Department program revenues
  - \$283,947 Community Development Building Permit fees
  - \$6,083 Parks, Recreation, & Libraries Youth Scholarship funds
  - \$30,145 Parks, Recreation & Libraries Recreation Program revenues
- General Capital Improvement Fund amendments:
  - \$55,961 COPS Interest
  - \$78,862 Special Improvement District payments
  - \$91,660 Community Development grants
  - \$14,700 Parks grant
- Water Fund
  - \$13,165 Overtime Budget transfer
- Wastewater Fund
  - (\$13,165) Overtime Budget transfer
- Open Space
  - \$3,015,500 Open Space grants
  - \$256,991 Sale of asset

**Expenditure Required:** \$3,970,635

**Source of Funds:** The funding sources for these expenditures include interest earnings, grants, reimbursements, program revenues, building permit fees, youth scholarship funds, Special Improvement District payments and sale of asset revenues.

**Policy Issue**

Does City Council support amending the appropriations for the 2006 budget of the General, General Capital Improvement, Water, Wastewater and Open Space Funds?

**Alternative**

The alternative would be not to amend the 2006 budget appropriations for the General, General Capital Improvement, Water, Wastewater and Open Space Funds and utilize these funds for other purposes. Staff does not recommend this alternative as the various departments have already incurred expenses and covered them in their current budget in anticipation of appropriation of the funds.

**Background Information**

This agenda memo and attached Councillor's Bill is a routine action addressing the need to appropriate additional revenues and offset expenditures that resulted from increased activity or events that were not anticipated during the normal budget process.

**GENERAL FUND BUDGET AMENDMENTS**

Interest was received throughout 2006 on Certificate of Participation (COPS) funds from the Ice Centre COPS, Westminster Blvd COPS, Public Safety Building COPS, and the Capital Facilities COPS in the amounts of \$5,742, \$31, \$2,112 and \$2,502 respectively. Issuance restrictions require the interest earnings be appropriated for use on the respective projects or debt service.

The Police Department received \$20,642 from the City of Thornton on behalf of the North Metro Drug Task Force for High Intensity Drug Trafficking Area (HIDTA) Investigations overtime reimbursement. This reimbursement grant was for overtime incurred by members of the Police Department while working on Federal HIDTA cases.

The Police Department received \$5,741 from the City of Colorado Springs on behalf of the Internet Crimes against Children Task Force. The task force is intended to target sexual predators of children who operate via the Internet. The reimbursement grant award was used for detective overtime, internet service and supplies used while working on the task force.

The Police Department received a Law Enforcement Terrorism Prevention Program Grant from the State of Colorado. The \$24,000 grant award was used to upgrade the security system in the Westminster Public Safety Building.

The Police Department received three Buffer Zone grant awards from the State of Colorado. The \$36,426 grant awards were used to purchase equipment for detectives, the crime lab and the SWAT team.

The Police Department received a Safe Neighborhood Hero's grant award from the Wal-Mart Foundation. The grant award of \$1,000 was used to purchase equipment for the K-9 unit.

The Police Department received a grant award from the Victim Assistance Fund. The grant award of \$300 was used to purchase supplies for the Victim Services Unit.

The Fire Department received three Fire Prevention and Safety Grants from the Homeland Security – Federal Emergency Management Agency (FEMA). The grant awards of \$13,431 were used to purchase Senior Citizen File of Life cards, Senior Citizen Home Risk Curriculum sets and equipment for Sparkey's Hazard House used in fire safety education.

The Fire Department also received a Staffing for Adequate Fire and Emergency Response Grant from the Homeland Security Federal Emergency Management Agency (FEMA). The grant award of \$5,863 reimbursed the salary and benefits for one FTE firefighter position in the 4<sup>th</sup> quarter.

The Fire Department received three FEMA grants through the Colorado Urban Search and Rescue Task Force. The grant awards of \$11,348 were reimbursement for overtime salaries incurred while working on the task force during several months of the year.

The Fire Department received a grant from the State of Colorado, Division of Emergency Management (CDEM). The grant award of \$5,000 was used for the Fire Department's Emergency Management Program.

The Fire Department received a Community Involvement Program grant from the Wal-Mart Corporation. The grant award of \$1,000 was to purchase Wildland Team equipment per the grant agreement.

Finally, the Fire Department received \$1,648 in class registration fees for conducting CPR training classes. Funds from the registration fees were used to purchase EMS supplies used during the class and paramedic instructor overtime salaries.

The Westminster Youth Scholarship Fund will benefit from the net proceeds of \$6,083 received from community events such as 4<sup>th</sup> of July, Holy COW Trail Stampede, art shows, etc. held in Westminster. Funds from the program were used to award scholarships for City-sponsored recreation programs to youth who could not otherwise afford to participate.

The demand for recreation programs continued to be high. Additional youth and preschool activities, adult sports programs and some special events were offered to meet these needs. Offering these additional programs resulted in \$30,145 being expended in Parks, Recreation & Libraries Recreation Program Division for professional and contract services. Therefore, a portion of the additional revenue is being appropriated to help cover the costs of the programs.

The Community Development Building Division contracts with a consultant to perform contract review services. These services are used for almost all new commercial building reviews as well as residential projects to assure timely review. In order to offset this expense, excess building permit fees in the amount of \$283,947 are being appropriated.

These appropriations will amend General Fund revenue and expense accounts as follows:

**REVENUES**

| Description                 | Account Number  | Current Budget | Amendment        | Revised Budget |
|-----------------------------|-----------------|----------------|------------------|----------------|
| Int Ice Center              | 1000.42530.0077 | \$13,785       | \$5,742          | \$19,527       |
| Int 99 COPS                 | 1000.42530.0276 | 3,098          | 31               | 3,129          |
| Int 01 COPS                 | 1000.42530.0215 | 823            | 2,112            | 2,935          |
| Int Cap Facilities          | 1000.42530.0209 | 639            | 2,502            | 3,141          |
| Federal Grants              | 1000.40610.0000 | 32,973         | 92,672           | 125,645        |
| General                     | 1000.43060.0000 | 256,438        | 22,231           | 278,669        |
| State Grants                | 1000.40620.0000 | 22,025         | 300              | 22,325         |
| Reimbursements              | 1000.43080.0000 | 60,000         | 9,548            | 69,548         |
| Off Duty Fire Svcs          | 1000.41340.0013 | 1,116          | 1,648            | 2,764          |
| Youth Scholarships          | 1000.41030.0528 | 0              | 6,083            | 6,083          |
| Youth Activities            | 1000.41030.0529 | 0              | 15,000           | 15,000         |
| Preschool                   | 1000.41030.0508 | 0              | 15,145           | 15,145         |
| Bldg Permit Com<br>ADCO     | 1000.40185.0010 | 268,000        | 283,947          | 551,947        |
| Total Change to<br>Revenues |                 |                | <u>\$456,961</u> |                |

**EXPENSES**

| Description                  | Account Number      | Current Budget | Amendment | Revised Budget |
|------------------------------|---------------------|----------------|-----------|----------------|
| Lease Pmnt Ice Ctr           | 10010900.67700.0077 | \$1,050,448    | \$5,742   | 1,056,190      |
| Lease Pmnt 99 COP            | 10010900.67700.0276 | 1,715,890      | 31        | 1,715,921      |
| Lease Pmnt 01 COP            | 10010900.67700.0215 | 823            | 2,112     | 2,935          |
| Lease Pmnt Cap Fac           | 10010900.67700.0209 | 1,604,365      | 2,502     | 1,606,867      |
| Maint/Repair Equip Tech Svcs | 10020300.66100.0343 | 210,097        | 31,245    | 241,342        |
| Supplies                     | 10020500.70200.0000 | 9,450          | 2,916     | 12,366         |
| Supplies – Spec Ops          | 10020500.70200.0347 | 108,550        | 17,745    | 126,295        |
| Other Equip – Patrol Svcs    | 10020500.76000.0349 | 43,176         | 1,674     | 44,850         |
| Other Equip – Inv Svcs       | 10020300.76000.0344 | 15,766         | 7,846     | 23,612         |
| Salaries OT – Inv Svcs       | 10020300.60400.0344 | 197,207        | 23,461    | 220,668        |
| Supplies – Inv Svcs          | 10020300.70200.0344 | 24,450         | 593       | 25,043         |
| Career Dev – Inv Svcs        | 10020300.61800.0344 | 24,315         | 2,527     | 26,842         |
| Contract Svcs – Inv Svcs     | 10020300.67800.0344 | 2,500          | 102       | 2,602          |
| Other Equipment              | 10025260.76000.0000 | 120,459        | 1,000     | 121,459        |
| Salaries OT                  | 10025260.60400.0000 | 182,646        | 11,348    | 193,994        |
| Supplies                     | 10025260.70200.0000 | 35,036         | 8,550     | 43,586         |
| Spec Promo Fire Prev         | 10025260.67600.0547 | 13,165         | 1,640     | 14,805         |
| Contract Svcs                | 10025260.67800.0000 | 35,264         | 5,000     | 40,264         |
| Supplies – Fire Prev         | 10025260.70200.0547 | 8,378          | 3,241     | 11,619         |
| Supplies – EMS               | 10025260.70200.0546 | 3,054          | 1,648     | 4,702          |
| Regular Salaries             | 10025260.60200.0000 | 5,681,681      | 5,863     | 5,687,544      |
| Spec Program Yth Scholarship | 10050760.67600.0528 | 7,014          | 6,083     | 13,097         |
| Salaries Temp – Youth Activ  | 10050760.60600.0529 | 163,601        | 15,000    | 178,601        |
| Salaries Temp – Preschool    | 10050760.60600.0508 | 82,750         | 15,145    | 97,895         |
| Prof Services                | 10030370.65100.0000 | 50,000         | 283,947   | 333,947        |
| Total Change to Expenses     |                     |                | \$456,961 |                |

**GENERAL CAPITAL IMPROVEMENT FUND BUDGET AMENDMENTS**

Interest was received throughout 2006 on Certificate of Participation (COPS) funds from the 144<sup>th</sup> Interchange COP in the amount of \$55,961. Issuance restrictions require the interest earnings be appropriated for use on the project or debt service.

On October 25, 2004, Council approved the creation of the Ranch Special Improvement District (SID) to construct a masonry wall along 120<sup>th</sup> Avenue. Since the City covered the cost of the project through pay-as-you-go capital funds, the assessments received from the homeowners will be appropriated back to the project to repay the City. The \$78,862 received is being appropriated at this time to replenish the New Development Participation Capital Project.

Community Development received five State Historical Society Grants from the State of Colorado. The grant awards totaling \$91,660 are requested to be used on capital projects as follows: \$38,750 for 2006 Certified Local Government survey, \$5,900 for Semper Farm Historic Structure Assessment, \$25,000 for

Shoenberg Farm Historic Structure Assessment, \$14,700 for Wesley Chapel Cemetery Preservation plan, \$7,310 for Rodeo market façade restoration construction documents.

Parks, Recreation & Libraries received a Waste Tire Grant from the State of Colorado. The grant award of \$14,700 was a reimbursement for the cost of using recycled tire playground surfacing at Hampshire Park. These funds will be used for future park renovation work.

These appropriations will amend General Capital Improvement Fund revenue and expense accounts as follows:

**REVENUES**

| Description              | Account Number  | Current Budget | Amendment        | Revised Budget |
|--------------------------|-----------------|----------------|------------------|----------------|
| Int 05 COPS              | 7500.42530.0274 | \$354,861      | \$55,961         | \$410,822      |
| SID Assessments          | 7500.40255.0065 | 250,000        | 78,862           | 328,862        |
| State Grants             | 7500.40620.0000 | 24,668         | 106,360          | 131,028        |
| Total Change to Revenues |                 |                | <u>\$241,183</u> |                |

**EXPENSES**

| Description                                | Account Number         | Current Budget | Amendment        | Revised Budget |
|--|------------------------|----------------|------------------|----------------|
| COP 144 <sup>th</sup> Cap App Holding      | 80575030733.80400.8888 | \$1,907,482    | \$10,668         | \$1,918,150    |
| COP 144 <sup>th</sup> Interchg App Holding | 80575030713.80400.8888 | 340,246        | 45,293           | 385,539        |
| New Dev Part App Holding                   | 80175030011.80400.8888 | 14,869         | 78,862           | 93,731         |
| CD Grants App Holding                      | 80675030428.80400.8888 | 7,000          | 91,660           | 98,660         |
| Park Renovation App Holding                | 80375050305.71800.8888 | 785,400        | 14,700           | 800,100        |
| Total Change to Expenses                   |                        |                | <u>\$241,183</u> |                |

**WATER FUND BUDGET AMENDMENTS**

For 2006, one FTE Water Treatment maintenance position was transferred from Wastewater Field Operations to handle On-Call situations. While the regular salary budget was transferred the associated overtime budget was not, resulting in a shortfall of \$13,165. To correct this shortfall budget needs to be transferred from Wastewater Field Operations to Water Treatment.

This appropriation will amend Water Fund revenue and expense accounts as follows:

**REVENUES**

| Description              | Account Number  | Current Budget | Amendment       | Revised Budget |
|--------------------------|-----------------|----------------|-----------------|----------------|
| Carryover                | 2000.40020.0000 | \$12,554,503   | \$13,165        | \$12,567,668   |
| Total Change to Expenses |                 |                | <u>\$13,165</u> |                |

**EXPENSES**

| Description              | Account Number      | Current Budget | Amendment       | Revised Budget |
|--------------------------|---------------------|----------------|-----------------|----------------|
| Salaries Overtime        | 20035490.60400.0000 | \$32,000       | \$13,165        | \$45,165       |
| Total Change to Expenses |                     |                | <u>\$13,165</u> |                |

**WASTEWATER FUND BUDGET AMENDMENTS**

For 2006, one FTE Water Treatment maintenance position was transferred from Wastewater Field Operations to handle On-Call situations. While the regular salary budget was transferred the associated overtime budget was not, resulting in a shortfall of \$13,165. To correct this shortfall budget needs to be transferred from Wastewater Field Operations to Water Treatment.

This appropriation will amend Wastewater Fund expense accounts as follows:

**REVENUES**

| Description              | Account Number  | Current Budget | Amendment         | Revised Budget |
|--------------------------|-----------------|----------------|-------------------|----------------|
| Carryover                | 2100.40020.0000 | \$145,765      | (\$13,165)        | \$132,600      |
| Total Change to Expenses |                 |                | <u>(\$13,165)</u> |                |

**EXPENSES**

| Description              | Account Number      | Current Budget | Amendment         | Revised Budget |
|--------------------------|---------------------|----------------|-------------------|----------------|
| Salaries Overtime        | 21035470.60400.0000 | \$54,366       | (\$13,165)        | \$41,201       |
| Total Change to Expenses |                     |                | <u>(\$13,165)</u> |                |

**OPEN SPACE FUND BUDGET AMENDMENTS**

The Open Space Fund received grants from Great Outdoors Colorado, the Adams County Open Space Fund and Jefferson County Open Space Fund. The grant awards in the amounts of \$500,000, \$1,855,500 and \$660,000 respectively. \$2,002,500 was contributed to the Broomfield/Westminster Open Space Foundation the remaining money will be used for future Open Space land purchases.

At the October 24, 2005 Council Meeting, Council authorized the sale of a portion of the Koleski Open Space Property to the City of Broomfield. The land sale proceeds in the amount of \$256,991 were used as a contribution to the Broomfield/Westminster Open Space Foundation.

**REVENUES**

| Description              | Account Number  | Current Budget | Amendment          | Revised Budget |
|--------------------------|-----------------|----------------|--------------------|----------------|
| State Grants             | 5400.40620.0000 | \$0            | \$500,000          | \$500,000      |
| Adams County Grants      | 5400.40640.0010 | 0              | 1,855,500          | 1,855,500      |
| Jefferson County Grants  | 5400.40640.0020 | 0              | 660,000            | 660,000        |
| Sale of Assets           | 5400.43040.0000 | 23,889         | 256,991            | 280,880        |
| Total Change to Revenues |                 |                | <u>\$3,272,491</u> |                |

**EXPENSES**

| Description              | Account Number      | Current Budget | Amendment          | Revised Budget |
|--------------------------|---------------------|----------------|--------------------|----------------|
| Land Purchase            | 54010900.76600.0000 | \$2,251,299    | \$1,013,000        | \$3,264,299    |
| Other Exp. – Misc        | 54010900.79400.0000 | 0              | 2,259,491          | 2,259,491      |
| Total Change to Expenses |                     |                | <u>\$3,272,491</u> |                |

These adjustments will bring the City’s accounting records up-to-date to reflect the various detailed transactions.

Respectfully submitted,

J. Brent McFall, City Manager  
Attachment

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **7**

SERIES OF 2007

INTRODUCED BY COUNCILLORS

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**A BILL  
FOR AN ORDINANCE AMENDING THE 2006 BUDGETS OF THE GENERAL, GENERAL  
CAPITAL IMPROVEMENT, WATER, WASTEWATER AND OPEN SPACE FUNDS AND  
AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2006 ESTIMATED  
REVENUES IN THE FUNDS**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2006 appropriation for the General, General Capital Improvement, Water, Wastewater and Open Space Funds, initially appropriated by Ordinance No. 3162 are hereby increased in aggregate by \$3,970,635. This appropriation is due to the receipt of interest earnings, grants, reimbursements, program revenues, youth scholarship funds, Special Improvement District payments and sale of asset revenues.

Section 2. The \$3,970,635 increase shall be allocated to City Revenue and Expense accounts as described in the City Council Agenda Item 10E, dated February 12, 2007 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

|                                  |                    |
|----------------------------------|--------------------|
| General Fund                     | \$456,961          |
| General Capital Improvement Fund | 241,183            |
| Water Fund                       | 13,165             |
| Wastewater Fund                  | (13,165)           |
| Open Space Fund                  | <u>3,272,491</u>   |
| Total                            | <u>\$3,970,635</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 26<sup>th</sup> day of February, 2007.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillor's Bill No. 8 re Refunding of Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds in the amount not to exceed \$22,000,000

**Prepared By:** Tammy Hitchens, Finance Director  
Bob Smith, Treasury Manager

**Recommended City Council Action**

Pass Councillor's Bill No. 8 as an emergency ordinance, approving the sale of Revenue Refunding Bonds to refund the Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds, and direct the Mayor Pro Tem, Finance Director and City Clerk to sign necessary documents on behalf of the City.

**Summary Statement**

Staff has identified an opportunity to significantly reduce the City's future debt service costs by refunding certain Sales and Use Tax Revenue Bond issues that the City issued in prior years to fund capital projects. Staff anticipates the following result from refunding these issues:

- Reduce combined debt service payments by approximately \$828,087 over the remaining life of the issues after deducting all costs of issuance.
- Reduce net interest rates on the respective refunded debt issues.
- Accomplish the reduction of debt service cost without extending the final maturities of the original issues to be refunded.
- The General Fund will enjoy the benefit of this refunding over the coming years in the amount of approximately \$828,087 for the General Fund after deducting all costs of issuance.
- The City's financial advisor and underwriter were involved in the analysis of this refinancing and concur with Staff's recommendation to proceed.
- This ordinance is proposed as an emergency ordinance in order to complete the issuance and sale of the bonds while favorable market conditions exist.

**Expenditure Required:** \$348,369

**Source of Funds:** All fees are included in the refunding issue; no additional funds need to be budgeted.



**Policy Issue**

Should the City refund the Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds?

**Alternatives**

1. Do not refund the bonds. This option is not recommended. The proposed refunding will save approximately \$828,087 in interest costs without extending the final maturities of the original debt issue.
2. Delay the refunding in hopes that the Federal Reserve Board (Fed) will reduce short-term rates that may lead to further interest expense savings. This option is not recommended. While it is possible the Fed will reduce short-term rates, the impact would be in the short-term (two years and under) market. The risk to the City is that long-term rates will rise, due to inflation expectations. In this case, the total savings could be less than the anticipated \$828,087.

**Background Information**

The City's financial advisor and underwriter analyzed the potential financial benefit of refunding the Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds. The Sales and Use Tax refunding was analyzed assuming current market conditions. Given current interest rate market conditions, they concurred that it would be in the City's best financial interest to refund the aforementioned obligation; thereby, lowering the overall interest rate cost inclusive of all closing fees and without extending the maturity dates beyond the original issues' horizon.

It is projected that by refunding the Series 1997A (Streets) along with the Series 2002 Sales and Use Tax Revenue Bonds the City can reduce its future interest costs by about \$828,087. This savings represents approximately 3.78% of the refunded bonds. National guidelines suggest that to initiate refunding a prior bond issue the savings should at a minimum be in excess of three percent.

The net interest cost for the Series 1997A (Streets) issue is 5.37% and 4.68% for the Series 2002 issue. It is estimated that the refunding may result in a net interest rate of about 4.04%, which is a significant reduction from the net interest cost of the debt to be refunded.

Staff projects the combined savings of the refunding will reduce the City's future debt service by approximately \$828,087 after deducting all costs of issuance. As with all debt issuance costs are paid at closing from the proceeds of the bond issue; therefore, no out of pocket costs are incurred.

It is important to note that the savings from the refunding will be realized without extending the final maturities of the original bonds.

The proceeds of the sale of this new security will be appropriated in separate City Council actions in March 2007, after the closing is held and the sales proceeds are received by the City.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachments

BY AUTHORITY

ORDINANCE NO. **3334**

COUNCILLOR'S BILL NO. **8**

SERIES OF 2007

INTRODUCED BY COUNCILLORS  
**Price - Dittman**

**A BILL  
FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX  
REVENUE REFUNDING BONDS, SERIES 2007A, OF THE CITY OF WESTMINSTER,  
COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND  
DECLARING AN EMERGENCY**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Definitions. As used herein, unless the context clearly indicates otherwise, the following terms shall have the respective meanings set forth below:

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "2007 Sales and Use Tax Revenue Bonds" created by the provisions of this Ordinance.

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

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

Bond Purchase Agreement: the agreement between the City and the Underwriter, concerning the purchase of the Bonds by the Underwriter.

Bonds: the Sales and Use Tax Revenue Refunding Bonds, Series 2007A, as authorized by this Ordinance.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Charter: the home rule charter of the City adopted in accordance with Article XX of the Colorado Constitution.

City: the City of Westminster, Adams and Jefferson Counties, Colorado.

Code: the Internal Revenue Code 1986, as in effect on the date of delivery of the Bonds.

Combined Average Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the aggregate of all future payments of principal and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal

amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneous with the delivery of the Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Council: the City Council of the City of Westminster, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Depository: any securities depository as the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Account: the account created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

Escrow Agreement: the Escrow Agreement dated as of its date, between the City and the Escrow Bank.

Escrow Bank: American National Bank, or its successors and assigns, acting as Escrow Bank under the Escrow Agreement.

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

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

General Debt Service Fund: the “General Debt Service Fund” heretofore established as a governmental fund of the City.

Insurance Trustee: the commercial bank appointed by the Bond Insurer to act as insurance trustee under the Bond Insurance Policy, or its successors.

Letter of Representations: the letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Maximum Annual Combined Debt Service Requirement: the maximum amount of all required payments of principal and interest on the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, any Parity Lien Bonds, and any Parity Lien Bonds proposed to be issued which will become due in any Fiscal Year; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

1997 Bonds: the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A, dated March 1, 1997.

2001 Bonds: the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001, dated September 1, 2001.

2002 Bonds: The City's Sales and Use Tax Revenue Refunding Bonds, Series 2002, dated December 1, 2002.

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

Owners: the Beneficial Owners and the Registered Owners; provided however, that for purposes of Sections 23 and 24 hereof, to the extent provided in any ordinance authorizing the 1997 Bonds, the 2001 Bonds, 2002 Bonds, any Parity Lien Bonds, any bond insurer which is not in default in its obligations under its bond insurance policy insuring payment of the any Parity Lien Bonds shall be deemed the Owner thereof.

Parity Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

Participant: any broker-dealer, bank, or other financial institution from time to time for which DTC or other Depository holds the Bonds.

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

Paying Agent Agreement: the Registrar and Paying Agent Agreement dated as of February 1, 2007, between the City and the Registrar and Paying Agent.

Permitted Investments: any investment or deposit permitted for the City under the laws of the State and listed on Schedule I to this Ordinance or otherwise approved by the Bond Insurer.

Person: any natural person, firm, partnership, association, corporation, trust, public body, or other entity.

Pledged Revenue: so long as the rate of the Sales and Use Tax is three and eighty-five hundredths percent (3.85%), the revenue derived from the Sales and Use Tax, after deducting (i) 6.49% thereof for deposit to the City's Open Space Fund, (ii) 15.58% thereof which is reserved for the City's public safety related expenditures and (iii) all costs of administering and collecting the Sales and Use Tax; and so long as the rate of the Sales and Use Tax is three and sixty-hundredths percent (3.60%), the revenue derived from the Sales and Use Tax, (i) 16.67% thereof which is reserved for the City's public safety related expenditures and (ii) after deducting all costs of administering and collecting the Sales and Use Tax.

Preliminary Official Statement: the Preliminary Official Statement prepared in connection with the issuance of the Bonds.

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

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

Refunded Bonds: any or all of the 1997 Bonds and the 2002 Bonds as designated in the Sale Certificate.

Refunded Bond Requirements: means: (i) the payment of the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery

of the Bonds and on and before the Redemption Date; (ii) the payment of principal of the Refunded Bonds as the same becomes due upon prior redemption on the Redemption Date; and(iii) the payment of any required redemption premium;

Refunding Project: the issuance of the Bonds for the purpose of defraying the costs of refunding the Refunded Bonds and payment of the costs of issuance of the Bonds.

Registered Owner: the registered owner of any Bond, as shown by the registration books maintained by the Registrar on behalf of the City.

Registrar: American National Bank, in Denver, Colorado or its successor, which shall perform the registration and transfer functions of bond registrar as set forth in this Ordinance.

Required Reserve: the amount of the Reserve Fund required by Section 19(e) hereof.

Reserve Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the “Sales and Use Tax Revenue Bonds Reserve,” created by the provisions of Section 19(e) of this Ordinance.

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

Sales and Use Tax: the sales and use tax of the City, as imposed by Title IV in effect as of the date hereof. The term “Sales and Use Tax” does not include any increases in the rate of sale and use taxes from the present rate of 3.85%, nor does it include any other excise taxes which may now or hereafter be imposed by the City, whether contained in Title IV or any other Chapter or ordinance of the City.

Sales and Use Tax Fund: the “Sales and Use Tax Special Revenue Fund” heretofore established as a governmental fund of the City.

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

Subordinate Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds.

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

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

Title IV: Chapters 1 and 2 of Title IV of the Municipal Code of the City governing the imposition, collection, distribution, and enforcement of the Sales and Use Tax, and any successor or other ordinance pertaining to the Sales and Use Tax.

Underwriter: Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, the original purchaser of the Bonds, or its successor.

Section 2. Recitals.

A. This Ordinance shall be known as and may be cited by the short title “2007 Sales and Use Tax Bond Ordinance.”

B. The City is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Colorado Constitution and the Charter.

C. Pursuant to Section 10.2 of the Charter and Title IV of the City's Municipal Code, the City has heretofore imposed and is collecting a sales and use tax upon the sale or use of tangible personal property and certain services.

D. Pursuant to said Title IV, for transactions consummated or contracts entered into on or after January 1, 2004, but prior to January 1, 2033, the rate of the sales and use tax shall be three and eighty-five hundredths percent (3.85%), and for transactions consummated or contracts entered into prior to January 1, 1986, or on or after January 1, 2033, the rate of the sales and use tax shall be three and sixty-hundredths percent (3.60%).

E. Pursuant to said Title IV, six and forty-nine hundredths percent (6.49%) of all sales and use taxes collected at the rate of three and eighty-five hundredths percent (3.85%) shall be distributed to the City's Open Space Fund and 15.58% thereof is reserved for the City's public safety related expenditures.

F. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, revenue bonds for any public purpose payable in whole or in part from the available proceeds of sales and use taxes which may be imposed pursuant to Chapter X of the Charter.

G. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof its 1997 Bonds, 2001 Bonds and 2002 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City.

H. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, bonds for the purpose of refunding outstanding bonds of the City.

I. Article X, Section 20 of the Colorado Constitution permits the City to issue bonds without an election to refund outstanding bonds at a lower rate of interest.

J. The Council has determined that it is necessary to undertake the Refunding Project in order to lower the interest rate paid by the City.

K. The Bonds shall have an irrevocable and first lien, but not necessarily an exclusive such lien, on certain sales and use tax revenues of the City, as set forth herein.

L. The City has received a proposal in the form of a Bond Purchase Agreement from the Underwriter concerning the purchase of the Bonds.

M. The Council has determined that the Bonds shall be sold to the Underwriter in accordance with its proposal, and that such sale is to the best advantage of the City.

N. There are on file with the City Clerk the forms of the following documents: (i) the form of the Escrow Agreement; (ii) the form of the Bond Purchase Agreement; (iii) the form of the

Paying Agent and Registrar Agreement; (iv) the form of a Preliminary Official Statement for the Bonds; (v) the Letter of Representations; and (vi) the form of the Continuing Disclosure Certificate.

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

P. Except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this Ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the issuance of the Bonds.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and all other laws of the State of Colorado thereunto enabling, and pursuant to the provisions of this Ordinance, the City hereby authorizes, for the purpose of paying the costs of the Refunding Project, the issuance of its "Sales and Use Tax Revenue Refunding Bonds, Series 2007A," in the maximum aggregate principal amount of \$22,000,000. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Acts and shall so recite as provided in Section 9 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

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

Section 4. Special Obligations. All of the Bonds, together with the interest thereon and any premium due in connection therewith, and any payments due to the Bond Insurer under the Bond Insurance Policy shall be payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds shall constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided herein, but not necessarily an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds as provided herein. Neither the Bond Insurer nor Owners may look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of, premium, if any, and interest on the Bonds, or any payments due to the Bond Insurer under the Bond Insurance Policy. The Bonds and any payments under the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

Section 5. Bond Details. The Bonds shall be issued only as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds of each series shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-" and such other series designation as the Registrar deems necessary.

The Bonds shall be dated as of the date of their delivery to the Underwriter. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that (i) the aggregate principal amount of the Bonds shall not exceed \$22,000,000;

(ii) the maximum net effective interest rate of the Bonds shall not exceed 4.5%; (iii) the Bonds shall mature no later than December 1, 2022; (iv) the purchase price of the Bonds, shall not be less than 98.5%; (vii) the first optional redemption date on the Bonds shall not be later than December 1, 2017; (viii) the net present value savings as a result of the Refunding Project shall be at least 3% of the principal amount of the Bonds so redeemed; and (ix) the optional redemption price shall not exceed 100% of the principal amount of the Bonds so redeemed. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

**Section 6. Payment of Bonds; Paying Agent and Registrar.** The principal of and premium, if any, on each Bond is payable in lawful money of the United States of America to the Registered Owner of such Bond upon maturity and presentation of the Bond, at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date, to the Registered Owner thereof at his or her address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Letter of Representations.

**Section 7. Book-Entry System.** The Bonds shall be initially issued in the form of a single, certificated, fully registered Bond for each maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The City, the Registrar, and the Paying Agent may treat the Registered Owner of a Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters



with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the payment of the same. No Person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the City pursuant to this Ordinance.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Additionally, the City Finance Director may terminate the services of DTC if she determines, in her sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book entry transfers through DTC is not in the best interests of the Beneficial Owners or the City. Such termination shall be effected by written notice of the same from the City to DTC and to the Registrar and Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the City or, if the City Finance Director determines in her sole and absolute discretion that it is in the best interests of the Beneficial Owners or the City that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

#### Section 8. Prior Redemption.

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

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

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

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the City.

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

sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph.

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

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

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

Section 9. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor Pro Tem of the City, sealed with a facsimile or manual impression of the seal of the City, countersigned by the facsimile or manual signature of the City's Finance Director, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Underwriter, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

The Bonds shall be in substantially the following form:

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

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTIES OF ADAMS AND JEFFERSON  
CITY OF WESTMINSTER  
SALES AND USE TAX REVENUE BOND, SERIES 2007A

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

December 1, 20\_\_

February 1, 2007

REGISTERED OWNER: CEDE & COMPANY

PRINCIPAL AMOUNT:

DOLLARS

The City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for value received, hereby promises to pay from the special fund hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond is one of an authorized series issued pursuant to an ordinance of the City Council of the City adopted on February 12, 2007 (the "Bond Ordinance"). This bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

This Bond is one of a series aggregating \_\_\_\_\_ dollars (\$\_\_\_\_\_) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for the purpose of paying the costs of certain street improvements in the City, in accordance with the Constitution of the State of Colorado, the Charter of the City, Title 11, Article 57, Part 2, C.R.S. and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance duly adopted prior to the issuance of this Bond. Pursuant to Section 11-57-210, C.R.S., this recital conclusively imparts full compliance with all of the provisions and limitations of said sections and this bond shall be incontestable for any cause whatsoever after its delivery for value.

The principal of, premium, if any, and interest on this Bond are payable only out of a special fund of the City created in full conformity with law and designated as the "2007 Sales and Use Tax Revenue Bonds" (the "Bond Fund"), into which the City covenants and agrees to credit, from certain sales and use tax proceeds defined hereafter as the "Pledged Revenue," and other legally available revenues, amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same become due and payable, all as is more particularly set forth in the authorizing Bond Ordinance.

The Pledged Revenue consists only of the revenue derived from the City's existing 3.85% sales and use tax, after deducting 22.07% thereof for deposit to other accounts of the City and after deducting all costs of administering and collecting the sales and use tax; or to the extent the sales and use tax rate is reduced to 3.60% (as is presently provided by City ordinances), the Pledged Revenue will consist only of the revenue derived from the City's 3.60% sales and use tax, after deducting 16.67% thereof which is reserved for the City's public safety related expenditures and all costs of administering and collecting the sales and use tax. In the authorizing Bond Ordinance the City has covenanted that it will not amend or repeal the ordinance imposing the sales and use tax in any way which would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. The Bonds of this issue constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided in the Bond Ordinance, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of said Bond Ordinance.

THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY.

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

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

IN TESTIMONY WHEREOF, the City Council of the City of Westminster, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor Pro Tem, sealed with a facsimile of the seal of the City, countersigned with the manual or facsimile signature of the Finance Director, and attested by the manual or facsimile signature of the City Clerk, all as of the February 1, 2007.

CITY OF WESTMINSTER, COLORADO

( S E A L )

(Manual or Facsimile Signature)  
Mayor Pro Tem

ATTESTED:

COUNTERSIGNED:

By: (Manual or Facsimile Signature)  
City Clerk

By: (Manual or Facsimile Signature)  
Finance Director

[End Form of Bond]

[Form of Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication: \_\_\_\_\_

AMERICAN NATIONAL BANK,  
in Denver, Colorado, as Registrar

By: \_\_\_\_\_  
Authorized Officer or Employee

[End Form of Registrar's Certificate of Authentication]

[Form of Transfer]

ASSIGNMENT

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

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Social Security or Federal Employer  
Identification Number of Assignee:

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(Name and Address of Assignee)

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the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

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

Signature guaranteed:

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(Bank, Trust Company, or Firm)

[End Form of Transfer]

**STATEMENT OF INSURANCE**

[To be inserted if bond insurance is obtained]



Section 10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 11. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Registrar, and the Registrar shall authenticate the Bonds and deliver them to the Underwriter, as directed by the City, and in accordance with the Bond Purchase Agreement and the Letter of Representations.

Section 12. Registration, Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, the Registrar shall enter such transfer in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of Bonds which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such exchange or transfer.

(b) The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

(c) Except as herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be

promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. In the event a Bond is registered in the name of a Depository, cancellation may consist of the notation thereof on the registration books of the Registrar. The Registrar shall notify the Depository of all Bonds, or portions thereof, canceled in accordance with this Section.

Section 14. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Registrar.

Section 15. Disposition and Investment of Bond Proceeds. The Bonds shall be issued and sold for the purposes of paying the costs of the Refunding Project. Accrued interest on the Bonds shall be deposited to the Bond Fund. All other Bond proceeds shall be deposited to such fund or account as the Finance Director determines and applied to pay the costs of the Refunding Project. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Creation of Fund and Accounts. There are hereby created and established the following funds and accounts which shall be established as book accounts and maintained in accordance with this Ordinance:

- (a) the Bond Fund; and
- (b) the Reserve Fund pursuant to Section 19(e).

In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director.

Section 17. Payment of Principal and Interest; Attachment of Lien. The City shall credit to the Sales and Use Tax Fund all revenue derived from the Sales and Use Tax immediately upon receipt. Thereafter, the City shall apply the Pledged Revenue in the following order of priority:

FIRST: To the credit of the Bond Fund the amounts required by Section 18 hereof, and to the credit of any other fund or account established for the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, or hereafter established for the payment of the principal of, premium if any, and interest on Parity Lien Bonds, in the amounts required by the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and the Parity Lien Bonds.

SECOND: To the credit of any sinking fund, reserve fund, or similar fund or account established in connection with the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by this Ordinance or the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and the Parity Lien Bonds.

THIRD: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

FOURTH: To the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in Section 17 FIRST through THIRD hereof.

The lien of the Bonds on the Pledged Revenue shall attach immediately upon receipt of any Sales and Use Tax proceeds, shall remain in effect so long as such Pledged Revenue is credited to the Sales and Use Tax Fund or the Bond Fund or the Reserve Fund, and shall be extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund pursuant to Section 18 hereof or the Reserve Fund pursuant to Section 19(e) hereof and which is transferred to other funds of the City for other purposes.

Section 18. Bond Fund. The City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, in substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively. Notwithstanding the foregoing, the City shall credit to the Bond Fund from the Pledged Revenue an amount which, when combined with other legally available moneys credited thereto, will be sufficient to pay when due the principal of and interest on the Bonds.

Moneys credited to the Bond Fund may be invested or deposited in accordance with the Charter. The investment of moneys in the Bond Fund shall, however, be subject to the tax covenants and provisions of Section 19(f) hereof. Except to the extent otherwise required by Section 19(f) hereof, any investment income earned on amounts credited to the Bond Fund shall be credited to the Bond Fund, and for purposes of making the deposits required by this Section, any investment income so credited to the Bond Fund shall be deemed the credit of Pledged Revenue to the Bond Fund.

Section 19. Additional Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Registered Owner and Beneficial Owner, that so long as any of said Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending said Title IV in order to increase the rate of tax above that currently imposed by said Title IV, or to make certain changes in the administration, collection, or enforcement of such Sales or Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the Sales and Use Tax authorized by Title IV, and shall take such reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City. The City will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit. While the Bond Insurance Policy is in effect, the Bond Insurer shall receive, as soon as practicable after the filing thereof, a copy of the City's annual audited financial statements and annual budget.

(e) In the event the City does not receive Pledged Revenue in any fiscal year in an amount at least equal to 200% of the Combined Average Annual Principal and Interest Requirements for the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and Parity Lien Bonds (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by twelve equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenue, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established. Draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

(h) It will provide such additional information as the Bond Insurer may reasonably request from time to time.

(i) The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

## Section 20. Additional Bonds.

(a) No additional bonds, notes, interim securities, or other obligations shall be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien of the Bonds.

(b) The City may issue Parity Lien Bonds if:

(i) No Event of Default has occurred and is continuing.

(ii) The City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by this Ordinance.

(iii) The Pledged Revenue for the twelve (12) month period immediately preceding the date of issuance of such Parity Lien Bonds is sufficient to pay an amount representing not less than 200% of the Maximum Annual Combined Debt Service Requirement.

(c) A written certificate signed by the City Finance Director that the requirements of Section 20(b) hereof are met shall conclusively determine the right of the City to authorize, issue, sell, and deliver Parity Lien Bonds.

(d) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

Section 21. Delegated Powers. The officers of the City be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing: the printing of the Bonds; the procuring of bond insurance, if in the best interests of the City; entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

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

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

(c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

Section 23. Remedies. Upon the happening of any Event of Default, any Owner, or a trustee therefor, may protect and enforce the rights of such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being hereby granted), injunctive relief, or requiring the Council to act as if it were the trust of an express trust, or any combination of such remedies. All proceedings shall be maintained for the benefit of the Owners; provided however, that any action brought pursuant to an Event of Default under Section 22(c) hereof may be brought only upon the written consent of the Owner or Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any

Owner to proceed does not relieve the City or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right which may exist under applicable law, and the exercise of any right by any Owner shall not be deemed a waiver of any other right. If any remedial action is discontinued, the Owners shall be restored to their positions prior to taking such action.

Section 24. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged.

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

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

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

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

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

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

(c) Written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

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

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

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

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

(v) The establishment of priorities as between outstanding 1997 Bonds, 2001 Bonds and the Bonds or the establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or

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

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

Section 25. Notices to and Reports to Bond Insurer. The Paying Agent and Registrar shall give the Bond Insurer copies of any notice to be given by it to the Owners of Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and notices required pursuant to the Continuing Disclosure Certificate. The City shall give to the Bond Insurer any certificate delivered by the City pursuant to this Ordinance relating to the security for the Bonds. Notwithstanding any other provision of this Ordinance, the Paying Agent shall promptly notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required hereunder and promptly upon the occurrence of any other Event of Default hereunder. The Paying Agent shall also notify the Bond Insurer of the City's failure to provide the Paying Agent with any notice, certificate or other item required to be given to the Paying Agent hereunder.

Section 26. Additional Provisions Concerning Bond Insurer.

(a) Notwithstanding any other provision of this Ordinance, the Bond Insurer shall be deemed to be the sole Owner of all Bonds insured by the Bond Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental resolution or any amendment, supplement, change or modification of the Ordinance, removal of the Paying Agent or selection and appointment of a successor paying agent, and the initiation or approval by Owners of any action which under this Ordinance requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the Bonds at the time Outstanding; and (ii) following an Event of Default hereunder, for all other purposes. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to, but not in lieu of, the consent of the Owners for the execution and delivery of any supplemental resolutions for which the consent of 100% of the Owners is required pursuant to Section 24 hereof.

(b) Any provisions of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(c) To the extent permitted by law, any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the City, the Bond Insurer shall have the right to vote on behalf of all Owners of Bonds absent a default by the Bond Insurer under the Bond Insurance Policy.

(d) Anything in this Ordinance to the contrary notwithstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Bonds or the Paying Agent for the benefit of the Owners of the Bonds under this Ordinance.

(e) Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Owners of Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Owners of Bonds as if there were no Bond Insurance Policy.

Section 27. Rights of the Bond Insurer Suspended Upon Default Under Bond Insurance Policy. Notwithstanding any other provision hereof, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Bond Insurance Policy, and upon any such default by the Bond Insurer, its

rights hereunder shall be suspended (except to the extent of subrogation for any payments under the Bond Insurance Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Bond Insurance Policy.

Section 28. Bond Insurer As Third Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 29. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds.

Section 30. Successor Registrar or Paying Agent. American National Bank, in Denver, Colorado is hereby appointed as Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall determine to remove the Registrar or Paying Agent, the City may, upon notice mailed to the Bond Insurer and each Registered Owner of Bonds at the address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or removal of the Registrar or Paying Agent may take effect until a successor, acceptable to the Bond Insurer, is appointed by the City and has accepted such appointment. Every such successor Paying Agent shall be either the City or a bank or trust company having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. The Registrar and Paying Agent may be removed at any time at the request of the Bond Insurer for any breach of trust set forth herein.

Section 31. Defeasance. When all principal, premium, if any, and interest in connection with a Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and said Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of a Bond when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest with respect to said Bond as the same become due at final maturity or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

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

Notwithstanding anything herein to the contrary, in the event that the principal and or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the City, and the assignment and pledge of the Pledged Revenues and all covenants, agreements



and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 32. Authorization to Execute Collateral Documents. The officers of the City and the members of the Council are hereby authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to the execution of the Letter of Representations, the Escrow Agreement, the Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and such certificates and affidavits as may be reasonably required by the Underwriter. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 33. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the Underwriter's discount and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with DTC, are hereby ratified, approved, and confirmed.

Section 35. Approval of the Bond Purchase Agreement. The Council does hereby accept and approve the Bond Purchase Agreement as submitted by the Underwriter, and the Bonds shall be sold to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 36. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the Finance Director to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Underwriter to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 37. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 38. Creation and Maintenance of Escrow Account: The Escrow Account is created pursuant to the Escrow Agreement and shall be maintained in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the Redemption Date.

Section 39. Use of Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the principal of, redemption premium, if any, and interest on the Refunded Bonds on the applicable redemption date. Any moneys remaining in the Escrow Account after provision shall have been made for the payment in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the City Council may hereafter determine.

Section 40. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the earliest applicable redemption date. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed as herein provided.

Section 41. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 42. Pecuniary Interest. The Mayor is an employee of the Underwriter. The Mayor has disclosed this and abstained from voting on this Ordinance. Pursuant to Section 5.12(c) of the City Charter, the Council determines that the best interests of the City are served by entering into the Bond Purchase Agreement and that obtaining comparative prices is not feasible in this case.

Section 43. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 44. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 45. Repealer. All orders, ordinances, resolutions, bylaws, and regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 46. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 47. Declaration of Emergency. In order to complete the issuance and sale of the Bonds while favorable market conditions exist to effect the Refunding Project, it is hereby declared that an emergency exists and that this ordinance is necessary for the immediate preservation of the public peace, health, safety and financial well-being of the City. This Ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 48. Effective Date, Recording and Authentication. This Ordinance shall be in full force and effect immediately upon enactment following final passage. This Ordinance shall be

recorded in the City Book of Ordinances kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.

( S E A L )

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Mayor Pro Tem

ATTESTED:

---

City Clerk

APPROVED AS TO FORM:

---

City Attorney

SCHEDULE I

**PERMITTED INVESTMENT GUIDELINES**

STATE OF COLORADO )  
 )  
 COUNTIES OF ADAMS ) SS.  
 AND JEFFERSON )  
 )  
 CITY OF WESTMINSTER )

I, the duly elected, qualified and Deputy City Clerk of the City of Westminster, Colorado (the "City") do hereby certify:

1. That the foregoing pages are a true, correct, and complete copy of an ordinance adopted by the City Council (the "Council") of the City at a regular meeting of the Council held at the City Hall on February 12, 2007.

2. The Ordinance has been signed by the Mayor Pro Tem, sealed with the corporate seal of the City, attested by me as Deputy City Clerk, and duly recorded in the books of the City; and that the same remains of record in the book of records of the City.

3. The passage of the Ordinance as an emergency was duly moved and seconded and the Ordinance was approved by vote of a 6 of 7 of the members of the Council as follows:

| Name          | "Yes" | "No" | Absent | Abstain |
|---------------|-------|------|--------|---------|
| Chris Dittman | X     |      |        |         |
| Mark L Kaiser | X     |      |        |         |
| Tim Kauffman  | X     |      |        |         |
| Mary Lindsey  | X     |      |        |         |
| Scott Major   | X     |      |        |         |
| Nancy McNally |       |      |        | X       |
| Jo Ann Price  | X     |      |        |         |

4. That notice of the meeting of February 12, 2007, in the form, attached hereto as Exhibit A, was duly given to the Council members and was posted in a designated public place within the boundaries of the City no less than twenty-four hours prior to the meeting as required by law.

5. That the ordinance was published in full after adoption in Westminster Window, a newspaper of general circulation within the City on February 22, 2007. The affidavit of publication is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this \_\_\_\_ day of \_\_\_\_\_, 2007.

(SEAL)

\_\_\_\_\_  
 Deputy City Clerk

EXHIBIT A

(Attach Notice of February 12, 2007 Meeting )

EXHIBIT B

(Attach Affidavit of Publication)

pubfin\643813\_1.doc

**\$21,900,000**  
**CITY OF WESTMINSTER, COLORADO**  
**SALES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2007A**

**BOND PURCHASE AGREEMENT**

City Council  
City of Westminster  
Westminster, Colorado

Ladies and Gentlemen:

1. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with City of Westminster, Colorado (the “City”). This offer is made subject to the City’s execution of this Agreement and delivery of it to the Underwriter on the Date of this Agreement. Upon the City’s acceptance of this offer, this Agreement shall be binding upon the Underwriter and the City, subject to the further provisions hereof. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in paragraph 10 below or in the Ordinance of the City finally adopted on February 12, 2007, authorizing the issuance of the Bonds (the “Bond Ordinance”).

2. Subject to the further provisions hereof, the Underwriter agrees to purchase from the City, and the City agrees to sell and deliver to the Underwriter, all of the City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A (the “Bonds”), at the Purchase Price. The Bonds will mature, bear interest and be sold at the prices indicated in Exhibit A hereto.

3. The City shall deliver the duly issued and executed Bonds to The Depository Trust Company in New York, New York, prior to, and the Underwriter shall deliver the Purchase Price to the City in federal funds by, 9:00 a.m., Denver Time, on the Closing Date, or at such other place and time as shall be mutually agreed upon by the City and the Underwriter. (Such deliveries are referred to as the “Closing.”) The documents to support the Closing will be held and may be examined at the offices of Sherman & Howard LLC in Denver, Colorado at the same time on the Closing Date.

4. The City shall cooperate with, and shall take all actions reasonably requested by, the Underwriter to facilitate the Underwriter’s offer and sale of the Bonds to third parties, including but not limited to (i) the preparation of the Preliminary Official Statement relating to the Bonds dated \_\_\_\_\_, 2007, and any supplements or amendments thereto that the Underwriter reasonably determines are necessary (the “Preliminary Official Statement”) and the final Official Statement relating to the Bonds to be dated prior to the date of the Closing and any supplements or amendments thereto that the Underwriter reasonably determines are necessary (the “Official Statement”) and (ii) all actions necessary under the securities or “blue sky” laws of the jurisdictions specified by the Underwriter to enable it to offer and sell the Bonds in or to residents of such jurisdictions. In addition, in order to facilitate compliance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”), the City (A) has certified, and hereby affirms its certification, that the



Preliminary Official Statement is “final” as of its date as required by Rule 15c2-12, (B) hereby authorizes and ratifies the distribution of the Preliminary Official Statement to any potential customers (as defined in Rule 15c2-12) until the Official Statement is available, (C) hereby agrees to make available to the Underwriter, within seven business days of the Date of this Agreement, as many copies of the Official Statement as the Underwriter deems sufficient for purposes of complying with Rule 15c2-12, (D) hereby authorizes and approves the distribution and use of the Official Statement in connection with the offering and sale of the Bonds and (E) hereby agrees to enter into a written agreement or contract, constituting an undertaking (the “Continuing Disclosure Undertaking”) to provide ongoing disclosure about the City, for the benefit of the owners of the Bonds on or before the date of delivery of the Bonds as required by Rule 15c2-12, which Undertaking shall be in the form attached as Appendix B to the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter.

5. The Underwriter’s obligation to purchase the Bonds shall be subject to the Underwriter’s receipt of each of the following in form and substance satisfactory to the Underwriter:

- (a) Certified copies of the Bond Ordinance;
- (b) An executed copy of the Escrow Agreement and the Continuing Disclosure Undertaking;
- (c) The unqualified approving opinion or opinions of Sherman & Howard LLC, Bond Counsel and a letter from said firm as to their participation in the preparation of, and as to certain material set forth in, the Official Statement, and regarding the legal defeasance of the Refunded Bonds;
- (d) A letter from Kutak Rock LLP as to their participation in the preparation of, and as to the material set forth in, the Official Statement;
- (e) Certificates of the City as to (i) the facts necessary to support the opinions referred to in clauses (c) and (d) above, (ii) the accuracy of the Preliminary Official Statement and the Official Statement, (iii) litigation affecting the City and (iv) such other matters as are customary with respect to the issuance of obligations such as the Bonds or as the Underwriter may reasonably request;
- (f) Evidence that there has been issued and duly delivered a standard form of financial guaranty insurance policy issued by \_\_\_\_\_ insuring the payment of the principal of and interest on the Bonds when due;
- (g) Evidence that the Bonds have been rated “AAA” by Standard & Poor’s (“S&P”) and by Fitch Ratings (“Fitch”) and evidence that the Bonds have underlying ratings of “\_\_\_” by S&P and Fitch; and
- (h) Such additional agreements, documents, instruments, opinions and certificates as the Underwriter may reasonably request.

6. The Underwriter's obligation to purchase the Bonds also shall be subject to the Underwriter's right, in its absolute discretion, to elect to terminate this Agreement by written notice to the City if at any time after the Date of this Agreement and prior to the Closing:

(a) Any event shall have occurred, or information becomes known, which, in the Underwriter's opinion, makes untrue, in any material respect, any statement or information contained in the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement), or has the effect that the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(b) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(c) The United States shall have become engaged in hostilities, whether or not a war shall have been declared, or there shall have occurred an escalation of any hostilities involving the armed forces of any country, or any other national emergency or other national calamity relating to the effective operation of government or of the financial community shall have occurred, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(d) There shall have occurred a general suspension or material limitation of trading on The New York Stock Exchange or any other national securities exchange as the result of an event affecting the national economy, or minimum or maximum prices for trading shall have been established on any exchange and be in force, or maximum ranges for prices for securities shall be in force on any such exchange;

(e) The New York Stock Exchange, any other national securities exchange or any governmental authority shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force or being enforced, or increase materially those now in force or being enforced, with respect to the extension of credit by, or charges to the net capital requirement of, or financial responsibility requirements of, the Underwriter;

(f) A general banking moratorium shall have been established by federal, New York or Colorado authorities;

(g) Any rating of any obligations of the City shall have been downgraded or withdrawn by any rating service, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(h) Legislation is adopted by either house of the United States Congress, or favorably reported for passage to either house of the United States Congress by any committee of such house to which such legislation has been referred for consideration, legislation is actively considered for enactment by the United States Congress, legislation is

recommended to the United States Congress for passage by the President of the United States, a decision by a court of the United States or the United States Tax Court is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency is made, with respect to federal taxation upon revenues or other income of the City or upon interest payable on obligations of the general character of the Bonds or which would change directly or indirectly the federal income tax consequences of interest on obligations of the general character of the Bonds in the hands of the owners thereof, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or

(i) Any change shall have occurred which, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the financing assumptions upon which payment of debt service on the Bonds is predicated.

7. The City shall pay or cause to be paid, from the proceeds from the sale of the Bonds or other funds available to it, the expenses incident to the issuance and sale of the Bonds (the "Costs of Issuance"), including but not limited to the Underwriter's Discount and expenses of the Underwriter otherwise agreed to be paid by the City, the fees and disbursements of Sherman & Howard LLC, Kutak Rock LLP and any other attorneys, accountants or other experts or consultants retained in connection with the issuance and sale of the Bonds (including but not limited to the City's independent accountants), fees and charges of any paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with The Depository Trust Company of New York, CUSIP fees, clearing and delivery fees, the costs of printing and distributing the Preliminary Official Statement and the Official Statement, the premium associated with the issuance of the financial guaranty insurance policy by \_\_\_\_\_, and any costs incurred in connection with the rating of the Bonds.

8. This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument. Photostatic copies of executed counterparts hereof or copies of executed counterparts hereof transmitted by facsimile transmission shall be binding to the same effect as originally signed counterparts.

9. This Agreement shall be governed by the laws of the State of Colorado.

10. For purposes of this Agreement, the following terms have the meanings specified:

|  |                  |
|--|------------------|
| Date of this Agreement:                                  | _____ ____, 2007 |
| Aggregate Principal Amount:                              | \$21,900,000.00  |
| Original Issue Premium (Net of Original Issue Discount): | \$ _____         |
| Accrued Interest:  | \$ _____         |
| Underwriter's Discount:                                  | (\$ _____)       |

|   |          |
|---|----------|
| Purchase Price (Aggregate Principal Amount,<br>Plus Net Original Issue Premium,<br>Plus Accrued Interest,<br>Minus Underwriter's Discount): | \$ _____ |
|---|----------|

|               |               |
|---------------|---------------|
| Closing Date: | March 6, 2007 |
|---------------|---------------|

Stifel, Nicolaus & Company, Incorporated

By \_\_\_\_\_  
Authorized Officer

ACCEPTED:

City of Westminster

[CITY SEAL]

By \_\_\_\_\_  
Authorized Officer

Date of Signature: \_\_\_\_\_, 2007

Time of Signature: \_\_\_\_\_ (a.m. / p.m.)

[Signature Page to Bond Purchase Agreement]

**EXHIBIT A**

**ATTACH SCHEDULE**

(Schedule indicating maturity dates, interest rates and prices for Bonds)

**CITY OF WESTMINSTER, COLORADO  
SALES AND USE TAX REVENUE REFUNDING BONDS  
SERIES 2007A**

**REGISTRAR AND PAYING AGENT AGREEMENT**

THIS AGREEMENT, dated as of \_\_\_\_\_, 2007, is by and between the City of Westminster, Colorado (the "City") and American National Bank, in Denver, Colorado (the "Bank").

WITNESSETH:

WHEREAS, by Ordinance of the City Council of the City duly adopted on February 12, 2007 (the "Bond Ordinance"), the City has authorized the issuance of its Sales and Use Tax Revenue Refunding Bonds, Series 2007A in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"); and

WHEREAS, it is mutually desirable to the City and the Bank that the Bank, through its Corporate Trust Department located in Denver, Colorado, act as Registrar and Paying Agent (as such terms are defined and used in the Bond Ordinance) for the Bonds; and

WHEREAS, it is mutually desirable that this agreement (the "Agreement") be entered into between the City and the Bank to provide for certain aspects of such Registrar and Paying Agent services.

NOW, THEREFORE, the City and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. The Bank hereby accepts all duties and responsibilities of the Paying Agent as provided in the Bond Ordinance. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the City causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the "Principal and Interest Payment Account" provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the City to pay or disburse any funds for payment of the principal of the Bonds or interest or redemption premium, if any, thereon except at the times and in the manner provided in the Bond Ordinance. In addition, the Bank hereby accepts all duties and responsibilities of the Registrar as provided in the Bond Ordinance, including without limitation, the authentication, transfer, exchange and replacement of the Bonds.

2. Not less than (a) one business day prior to each payment date, if funds are delivered by wire transfer, or (b) three business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the City with the Bank in an account designated "2007 Principal and Interest Payment Account." The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of, interest on and redemption premium, if any, on the Bonds. From such funds, the Bank agrees to pay at the times

and in the manner provided in the Bond Ordinance, the principal of, interest on and redemption premium, if any, on the Bonds.

3. The City shall pay to the Bank fees in accordance with its then existing fee schedule. Attached to this Agreement is the Bank's current fee schedule. No new fee schedule shall become effective until 30 days after the Bank has given the City notice hereof.

4. Unless waived by the Bank, the City agrees to provide the Bank with not less than 60 days' notice of any prior redemption of the Bonds.

5. Any moneys held by the Bank for the owners of the Bonds remaining unclaimed for one year after principal of, interest and redemption premium, if any, on the respective Bonds with respect to which such moneys have been set aside has become due and payable shall without further request by the City be paid to the City.

6. The Bank agrees to annually notify the City, in writing, of the City's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Certificate dated \_\_\_\_\_, 2007, relating to the issuance of the Bonds) at least 30 but not more than 60 days prior to the time when the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Certificate.

7. At least 30 but not more than 60 days prior to \_\_\_\_\_, 2012, \_\_\_\_\_, 2017, \_\_\_\_\_, 2022, and on the date on which the last Bond is discharged, the Bank will send written notice to the City stating that the City must: (i) compute the amount of rebatable arbitrage, if any, which is due the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty (60) days from \_\_\_\_\_, 2012, \_\_\_\_\_, 2017, \_\_\_\_\_, 2022, and on the date on which the last Bond is discharged.

8. The Agreement may be terminated as provided in the Bond Ordinance.

9. In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

10. The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States District Court for the District of Colorado.

11. The Bank shall comply with the provisions regarding illegal aliens as provided in Exhibit B hereto.



IN WITNESS WHEREOF, the Bank and the City have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF WESTMINSTER, COLORADO

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTESTED:

\_\_\_\_\_  
City Clerk

AMERICAN NATIONAL BANK

By: \_\_\_\_\_

Authorized Officer or Employee

EXHIBIT A  
(Attach Fee Schedule)

## EXHIBIT B

### Required Provisions Concerning Illegal Aliens.

The Paying Agent qualifies as a “contractor” pursuant to §8-17.5-101(2), C.R.S. and the Paying Agent hereby certifies that, as of the date hereof, the Paying Agent does not knowingly employ or contract with an illegal alien, and the Paying Agent has participated or attempted to participate in the “Basic Pilot Program” (as defined in §8-17.5-101(1), C.R.S.) in order to verify that the Paying Agent does not employ any illegal aliens. In compliance with §8-17.5-102(2), C.R.S., it is hereby agreed:

(a) The Paying Agent shall not knowingly employ or contract with an illegal alien to perform work described in this Agreement (the “Banking Services”) or enter into a contract with a subcontractor that fails to certify to the Paying Agent that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the Banking Services.

(b) The Paying Agent has verified or attempted to verify through participation in the Basic Pilot Program that it does not employ any illegal aliens or shall apply to participate in the Basic Pilot Program every three months until the Paying Agent is accepted or until termination of this Agreement, whichever is earlier.

(c) The Paying Agent shall not use Basic Pilot Program procedures to undertake pre-employment screening of job applicants while performing the Banking Services.

(d) If the Paying Agent obtains actual knowledge that a subcontractor performing Banking Services knowingly employs or contracts with an illegal alien, the Paying Agent shall be required to: (i) notify the subcontractor and the City within three days that the Paying Agent has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to subparagraph (i) the subcontractor does not stop employing or contracting with the illegal alien; except that the Paying Agent shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(e) The Paying Agent shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such department is undertaking pursuant to §8-17.5-102(5) C.R.S.

**CITY OF WESTMINSTER, COLORADO**  
**SALES AND USE TAX REVENUE REFUNDING BONDS**  
**SERIES 2007A**

**ESCROW AGREEMENT**

**DATED** as of \_\_\_\_\_, 2007, made by and between City of Westminster, Colorado, a legally and regularly created, established, organized and existing municipal corporation under the Constitution of the State of Colorado (the “City”), and American National Bank, in Denver, Colorado, a national banking association having and exercising full and complete trust powers, duly organized and existing under and by virtue of the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System (the “Escrow Bank”).

(1) **WHEREAS**, the City is duly organized and existing under the Constitution and laws of the State of Colorado (the “State”) and its City Charter and its officers from time to time have been duly chosen and qualified; and

(2) **WHEREAS**, the City has heretofore issued its Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A in the aggregate principal amount of \$30,190,000, currently outstanding in the aggregate principal amount of \$\_\_\_\_\_ (the “Series 1997 Bonds”); and

(3) **WHEREAS**, the City now desires to refund, pay and discharge the outstanding Series 1997 Bonds maturing on and after December 1, 20\_\_ in the aggregate principal amount of \$\_\_\_\_\_ (the “Refunded 1997 Bonds”), and to redeem the Refunded Bonds on December 1, 2007 (the “1997 Redemption Date”) at a redemption price equal to the principal amount so redeemed plus accrued interest to the Redemption Date plus a redemption premium of 2% of the principal amount so redeemed; and

(4) **WHEREAS**, the City has heretofore issued its Sales and Use Tax Revenue Bonds, Series 2002 in the aggregate principal amount of \$15,090,000, currently outstanding in the aggregate principal amount of \$\_\_\_\_\_ (the “Series 2002 Bonds”); and

(5) **WHEREAS**, the City now desires to refund, pay and discharge the outstanding Series 2002 Bonds maturing on and after December 1, 2013 in the aggregate principal amount of \$9,785,000 (the “Refunded 2002 Bonds”; together with the Refunded 1997 Bonds, the “Refunded Bonds”), and to redeem the Refunded 2002 Bonds on December 1, 2012 (the “2002 Redemption Date”; together with the 1997 Redemption Date, the “Redemption Date”) at a redemption price equal to the principal amount so redeemed plus accrued interest to the Redemption Date; and

(6) **WHEREAS**, the City intends to issue its “Sales and Use Tax Revenue Refunding Bonds, Series 2007A” (the “Series 2007A Bonds” or the “Bonds”) in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of paying (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Bonds and on and before maturity or the applicable Redemption Date; (ii) the principal of the Refunded Bonds upon prior redemption on the applicable Redemption Date and (iii) in connection with the Series 1997 Bonds, a redemption premium of 2% of the principal amount of Series 1997 Bonds so redeemed (the “Refunded Bond Requirements”) as more particularly described in the certified public accountant’s report attached as Exhibit 1 to this Agreement (the “Report”); and

(7) **WHEREAS**, the City is not delinquent in the payment of the principal of and interest on the Refunded Bonds; and

(8) **WHEREAS**, the Series 2007A Bonds are issued by the City pursuant to an ordinance passed by the City on February 12, 2007 (the "Bond Ordinance"); and

(9) **WHEREAS**, the City, by the Bond Ordinance, among other matters:

A. Created the Escrow Account (as defined below);

B. Authorized the Escrow Account (as defined below) to be maintained at the Escrow Bank;

C. Provided for the deposit in the Escrow Account of a portion of the net proceeds of the Series 2007A Bonds and any other moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States, which obligations are not callable at the option of the issuer thereof ("Federal Securities"), to pay the Refunded Bond Requirements, as set forth therein and herein (in no circumstances shall the term "Federal Securities" include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

D. Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account; and

E. Authorized the completion and execution of this Agreement; and

(10) **WHEREAS**, a copy of the Bond Ordinance has been delivered to the Escrow Bank, and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

(11) **WHEREAS**, the Federal Securities described in the Report, have appropriate maturities and yields to insure, together with the initial cash (as defined below), the payment of the Refunded Bond Requirements, as the same becomes due; and

(12) **WHEREAS**, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the Report demonstrate the sufficiency of the Federal Securities and initial cash, if any, for such purpose; and

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

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

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

(16) **WHEREAS**, the undersigned officers of the City are duly authorized to execute and deliver this Agreement in the City's name and on its behalf.

**NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:**

That in consideration of the mutual agreements herein contained, and the payment of the fees and costs specified in Section 9 hereof, duly paid by the City to the Escrow Bank at or before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, and in order to secure the payment of the Refunded Bond Requirements, as the same become due, the parties hereto mutually undertake, promise, and agree for themselves and their respective representatives, successors, and assigns, as follows:

**Section 1. Creation of Escrow.**

A. Simultaneously with the delivery of the Series 2007A Bonds, and subject to their issuance, the City, with \$\_\_\_\_\_ of the Series 2007A Bond and Registered Coupon proceeds, and other available moneys, shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement (the “Initial Federal Securities”) and shall cause the Initial Federal Securities, if any, and an initial cash balance of \$\_\_\_\_\_ (the “initial cash”) to be irrevocably credited to and accounted for in a separate trust account designated as the “City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A, Escrow Account” (the “Escrow Account”). Receipt of \$\_\_\_\_\_ by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of the Series 2007A Bonds or other Federal Securities may be substituted for any Federal Securities held in the Escrow Account if such substitution is required or permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and the applicable regulations thereunder, subject in any case to sufficiency demonstrations and yield proofs in a certified public accountant’s report, and subject to a favorable opinion of the City’s bond counsel as to the legality of any such substitution, and the continued exemption of interest on the Bonds from federal income taxation (except certain alternative minimum taxes described in bond counsel’s opinion), and in any event in such a manner so as not to increase the price which the City pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant’s report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the Refunded Bond Requirements. In lieu of, or in addition to, substituting other Federal Securities pursuant to the preceding sentence, moneys in an amount equal to the principal of and interest on all or any portion of such Initial Federal Securities may be credited to the Escrow Account subject to the provisions of § 5 hereof. Any such cash shall be deemed to be part of the initial cash, if any. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Bond Requirements, because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Bank of such principal and interest payments on such Federal Securities.

C. The initial cash, the proceeds of the Initial Federal Securities, if any, (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book-entries), shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Bank for the benefit of the City as provided in this Agreement and the Bond Ordinance.

**Section 2. Purpose of Escrow.**

A. The Escrow Bank shall hold the initial cash and all Federal Securities, if any, accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest

on and principal of any such Federal Securities, in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due.

B. Except as provided in paragraph B of § 1 hereof, the Escrow Bank shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall apply all money so collected to the payment of the Refunded Bond Requirements as aforesaid.

**Section 3. Accounting for Escrow.**

A. The moneys and the Federal Securities, if any, accounted for in the Escrow Account shall not be subject to checks drawn by the City or otherwise subject to its order except as otherwise provided in paragraph B of § 1.

B. The Escrow Bank, however, shall transfer from time to time, sufficient moneys to pay, without any default, the Refunded Bond Requirements, as the same become due, as provided herein.

C. Except as otherwise provided in paragraph B of § 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the City's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Bond Requirements.

**Section 4. Maturities of Federal Securities.**

A. Any Federal Securities shall be purchased in such manner:

(1) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Bond Requirements as the same become due, and

(2) So that any sale or prior redemption of such Federal Securities shall be unnecessary.

B. There shall be no substitution of any Federal Securities except as otherwise provided in paragraph B of § 1 of this Agreement.

**Section 5. Reinvestments.**

A. The Escrow Bank shall reinvest the cash balances listed in the Report for the period designated in the Report in state and local government series securities ("slgs") purchased directly from the United States Government by the Escrow Bank in the name of the City. All of the slgs in which such reinvestments are made shall bear interest at the rate of zero percent (0%) per annum. The Escrow Bank agrees to comply with Part 344 of Title 31, Code of Federal Regulations, and with such other regulations of the United States Treasury, Bureau of Public Debt, as are from time to time in effect in subscribing for and purchasing such slgs, including without limitation, requirements with respect to submitting subscriptions to a Federal Reserve Bank or Branch in advance (currently between 60 and 15 days in advance) of the date of purchase of the slgs.

B. In addition to or, as the case may be, in lieu of the reinvestments required by Paragraph A of this § 5, the Escrow Bank, at the written direction of the City, shall invest the initial cash, if any, and shall reinvest in Federal Securities any moneys received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of §§ 1, 4 and 6 hereof and the following limitations:

(1) Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

(2) Any such Federal Securities shall mature on or prior to the date when the proceeds thereof must be available for the prompt payment of the Refunded Bond Requirements, as the same become due.

(3) Under no circumstances shall any reinvestment be made under § 5 if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of § 148 of the Tax Code, and the rules and regulations thereunder.

(4) The Escrow Bank shall make no such reinvestment unless the City first obtains and furnishes to the Escrow Bank a written opinion of the City's bond counsel to the effect that such reinvestment, as described in the opinion, complies with paragraph B of this § 5.

**Section 6. Sufficiency of Escrow.**

The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Bond Requirements as they become due.

**Section 7. Transfers and Redemption Notice for Refunded Bond Requirements.**

A. The Escrow Bank shall make such arrangements and transfers to the paying agent for the Refunded Bonds as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Bond Requirements at the maturity or prior redemption date.

B. The City directs the Escrow Bank to cause notice of prior redemption of the Refunded Bonds to be given in the manner required by the Bond Ordinance. The Escrow Bank shall cause notice of redemption of the Refunded Bonds to be given upon the issuance of the 2007 Bonds and again not more than 60 days and not less than 30 days prior to the Redemption Date to the registered owners of the Refunded Bonds and the Bond Insurer in the manner provided in the Bond Ordinance authorizing the Refunded Bonds.

**Section 8. Termination of Escrow Account.**

When payment or provisions for payment shall have been made so that all Refunded Bond Requirements shall be or shall have been paid in full and discharged, this Escrow Agreement and any obligations hereunder shall terminate.

**Section 9. Fees and Costs.**

A. The Escrow Bank's total fees and costs for and in carrying out the provisions of this Agreement, have been fixed at \$2,400.00, which amount is to be paid at or prior to the time of the issuance of the Series 2007A Bonds by the City directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Agreement for services performed hereunder.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account, and the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account.

**Section 10. Status Report.**

A. On or before January 1, 2008, and each January 1 thereafter through and including January 1, 2103, the Escrow Bank shall submit to the City a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused to be made hereunder.

B. The report shall indicate for which period and in which trust bank any Federal Securities (other than Federal Securities held as book-entries) and any uninvested moneys were transferred for safekeeping or any Federal Securities (other than Federal Securities



held as book-entries) pledged to secure the repayment to the City of any uninvested moneys were placed in pledge, as permitted by § 12.

**Section 11. Character of Deposit.**

A. It is recognized that title to the Federal Securities and money accounted for in the Escrow Account from time to time shall remain vested in the Escrow Bank for the benefit of the City but subject always to the prior charge and lien thereon of the Bond Ordinance and this Agreement and the use thereof required to be made by the provisions of this Agreement and the Bond Ordinance.

B. The Escrow Bank shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein, and shall never commingle such securities or money with other securities or money.

**Section 12. Securing Deposit.**

A. The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the Escrow Bank for payment, if they are registrable for payment.

B. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and the Escrow Bank shall have no right or title with respect thereto except as provided herein.

**Section 13. Purchaser's Responsibility.**

The holders from time to time of the Series 2007A Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank (if it is a holder of the Series 2007A Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

**Section 14. Amendment.**

A. The Series 2007A Bonds shall be issued in reliance upon this Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the Series 2007A Bonds shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified upon approval the holders of all of the Refunded Bonds and Series 2007A Bonds. The provisions of this Agreement also may be amended, waived or modified, without the consent of or notice to the holders of the Refunded Bonds or the Series 2007A Bonds, for one or more of the following purposes:

(1) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;

(2) to pledge additional revenues, properties or collateral as security for the Refunded Bonds; or

(3) to deposit additional monies or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Bonds or affects the exclusion of the interest on the Refunded Bonds or the Series 2007A Bonds from gross income from federal income tax purposes, unless such amendment, waiver or modification

is approved by the holders of all of the then outstanding Refunded Bonds, the Bonds affected thereby.

C. The City hereby agrees for the benefit of the registered owners of the Refunded Bonds that it will not avail itself of any statutory or other right it may have to terminate or cancel this Agreement unless and until a successor has been appointed and the Escrow Account has been transferred to such successor.

**Section 15. Exculpatory Provisions.**

A. The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement.

B. The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof.

C. The Escrow Bank shall not be personally liable or responsible for any act which it may do or omit to do hereunder, while acting with reasonable care, except for duties expressly imposed upon the Escrow Bank hereunder or as otherwise expressly provided herein.

D. The Escrow Bank shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the City of any of its obligations, nor shall the Escrow Bank be responsible in any manner for the recitals or statements contained in this Agreement, in the Bond Ordinance, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the City.

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the City and the holders of the Refunded Bonds.

**Section 16. Time of Essence.**

Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

**Section 17. Successors.**

A. Whenever in this Agreement the City or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the City or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Bank to a successor. Any corporation or association into which the Escrow Bank may be merged or converted or with which the Escrow Bank may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Escrow Bank may be a party or any corporation or association to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the City or the Escrow Bank contained in this Agreement:

(1) Shall bind and inure to the benefit of any such successor, and

(2) Shall bind and inure to the benefit of any officer, board, City, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power, or duty of the City or the Escrow Bank, respectively, or of its successor.

**Section 18. Required Provisions Concerning Illegal Aliens.**

The Escrow Agent qualifies as a “contractor” pursuant to §8-17.5-101(2), C.R.S. and the Escrow Agent hereby certifies that, as of the date hereof, the Escrow Agent does not

knowingly employ or contract with an illegal alien, and the Escrow Agent has participated or attempted to participate in the “Basic Pilot Program” (as defined in §8-17.5-101(1), C.R.S.) in order to verify that the Escrow Agent does not employ any illegal aliens. In compliance with §8-17.5-102(2), C.R.S., it is hereby agreed:

(a) The Escrow Agent shall not knowingly employ or contract with an illegal alien to perform work described in this Agreement (the “Banking Services”) or enter into a contract with a subcontractor that fails to certify to the Escrow Agent that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the Banking Services.

(b) The Escrow Agent has verified or attempted to verify through participation in the Basic Pilot Program that it does not employ any illegal aliens or shall apply to participate in the Basic Pilot Program every three months until the Escrow Agent is accepted or until termination of this Agreement, whichever is earlier.

(c) The Escrow Agent shall not use Basic Pilot Program procedures to undertake pre-employment screening of job applicants while performing the Banking Services.

(d) If the Escrow Agent obtains actual knowledge that a subcontractor performing Banking Services knowingly employs or contracts with an illegal alien, the Escrow Agent shall be required to: (i) notify the subcontractor and the City within three days that the Escrow Agent has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to subparagraph (i) the subcontractor does not stop employing or contracting with the illegal alien; except that the Escrow Agent shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(e) The Escrow Agent shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such department is undertaking pursuant to §8-17.5-102(5) C.R.S.

**Section 19. Severability.**

If any section, paragraph, clause, or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement.

**Section 20. Notices.**

Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the City: City of Westminster, Colorado  
4800 West 92nd Avenue  
Westminster, CO 80030  
Attn: Finance Director

If to the Escrow Bank: American National Bank.  
3033 East First Avenue  
Denver, Colorado 80206

If to the Bond Insurer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other address as either party may, by written notice to the other party, hereafter specify. Any notice shall be deemed to be given upon mailing.

**Section 21. Jurisdiction and Venue.** The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States District Court for the District of Colorado.

**Section 22. Exercise of Option.** The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the respective Redemption Dates. The City hereby authorizes and directs the Registrar, as registrar for such Refunded Bonds, to give notice of refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds in accordance with the provisions of the ordinances authorizing the issuance of the Refunded Bonds.

**Section 23. Forms of Notice.** The notices so to be given shall be in substantially the following forms:

(Form of Notices)

NOTICE OF PARTIAL REFUNDING, DEFEASANCE AND REDEMPTION  
CITY OF WESTMINSTER, COLORADO

SALES AND USE TAX REVENUE REFUNDING AND IMPROVEMENT BONDS  
SERIES 1997A  
CUSIP NOS: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that City of Westminster, Colorado, (the "City") will cause to be deposited in escrow with American National Bank, Denver, Colorado, refunding bond proceeds and other moneys which will be invested (except for a small initial cash balance remaining uninvested) in certificates of indebtedness, notes, bonds and similar securities which are direct obligations of, or obligations the principal or and interest on which are unconditionally guaranteed by, the United States of America to refund, pay, redeem and discharge portions of the principal and interest in connection with the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A (the "Series 1997 Bonds") as more particularly described below.

The Series 1997 Bonds maturing on and after December 1, \_\_\_\_\_ in the aggregate principal amount of \$\_\_\_\_\_ (the "Refunded Bonds"), will be called for redemption on December 1, 2007 (the "Redemption Date"). On the Redemption Date, the principal of such Refunded Bonds and accrued interest thereon to the Redemption Date plus a redemption premium of 2% of the principal amount so redeemed, will become due and payable at the principal office of the paying agent, American National Bank, Denver, Colorado (the "Paying Agent"), and thereafter interest will cease to accrue.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of the Refunded Bonds and accrued interest thereon to the Redemption Date plus a redemption premium of 2% of the principal amount so redeemed, on and after the date of the deposit and on and before the Redemption Date.

In compliance with the federal law, the Paying Agent is required to withhold at the current backup withholding rate a percentage from payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed Form W-9 should be presented with your bond.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Paying Agent nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

Dated \_\_\_\_\_.

AMERICAN NATIONAL BANK,  
Registrar

By: \_\_\_\_\_

NOTICE OF PARTIAL REFUNDING, DEFEASANCE AND REDEMPTION  
CITY OF WESTMINSTER, COLORADO  
SALES AND USE TAX REVENUE BONDS  
SERIES 2002  
CUSIP NOS: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that City of Westminster, Colorado, (the “City”) will cause to be deposited in escrow with American National Bank, Denver, Colorado, refunding bond proceeds and other moneys which will be invested (except for a small initial cash balance remaining uninvested) in certificates of indebtedness, notes, bonds and similar securities which are direct obligations of, or obligations the principal or and interest on which are unconditionally guaranteed by, the United States of America to refund, pay, redeem and discharge portions of the principal and interest in connection with the City’s Sales and Use Tax Revenue Bonds, Series 2002 (the “Series 2002 Bonds”) as more particularly described below.

The Series 2002 Bonds maturing on and after December 1, 2013 in the aggregate principal amount of \$9,785,000 (the “Refunded Bonds”), will be called for redemption on December 1, 2012 (the “Redemption Date”). On the Redemption Date, the principal of such Refunded Bonds and accrued interest thereon to the Redemption Date, will become due and payable at the principal office of the paying agent, American National Bank, Denver, Colorado (the “Paying Agent”), and thereafter interest will cease to accrue.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of the Refunded Bonds and accrued interest thereon to the Redemption Date, on and after the date of the deposit and on and before the Redemption Date.

In compliance with the federal law, the Paying Agent is required to withhold at the current backup withholding rate a percentage from payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed Form W-9 should be presented with your bond.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Paying Agent nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

Dated \_\_\_\_\_.

AMERICAN NATIONAL BANK,  
Registrar

By: \_\_\_\_\_

(End of Form of Notices)



**IN WITNESS WHEREOF, THE CITY OF WESTMINSTER, COLORADO**, has caused this Escrow Agreement to be signed in the City's name by the Mayor Pro Tem, and to be attested by the City Clerk, with the seal thereof hereunto affixed; and **AMERICAN NATIONAL BANK**, Denver, Colorado, has caused this Escrow Agreement to be signed in its corporate name by one of its Senior Vice Presidents, all as of the day and year first above written.

**CITY OF WESTMINSTER, COLORADO**

By \_\_\_\_\_  
Title: Mayor Pro Tem

(SEAL)

Attest:

\_\_\_\_\_  
City Clerk

**AMERICAN NATIONAL BANK**

By: \_\_\_\_\_  
Senior Vice President

EXHIBIT 1

(Attach Certified Public Accountant's Report)



Blanket Issuer Letter of Representations  
[To be Completed by Issuer]

CITY OF WESTMINSTER, COLORADO

[Name of Issuer]

March 30, 1998

[Date]

Attention: Underwriting Department — Eligibility  
**The Depository Trust Company**  
55 Water Street; 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

CITY OF WESTMINSTER, COLORADO

[Issuer]

By:



[Authorized Officer's Signature]

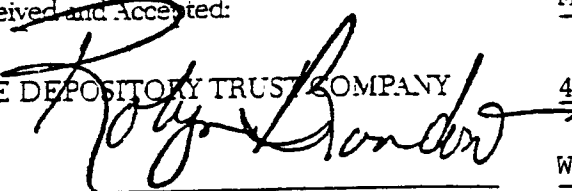
MARY ANN PARROT, FINANCE DIRECTOR

[Typewrite Name & Title]

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By:



4800 W. 92nd Ave.

[Street Address]

Westminster, CO 80030

[City]

[State]

[Zip]

(303) 430-2400

[Phone Number]

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

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

**CITY OF WESTMINSTER, COLORADO  
SALES AND USE TAX REVENUE REFUNDING BONDS  
SERIES 2007A**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado (the “City”) in connection with the issuance of the City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_ (the “2007A Bonds”). The 2007A Bonds are being issued pursuant to Ordinances adopted by the City Council of the City on February 12, 2007 (the “Ordinance”). The City covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2007A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repositories” shall mean all of the Nationally Recognized Municipal Securities Information Repositories for purposes of the Rule, as recognized from time to time by the SEC and as currently listed on the Internet at the website [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

“Participating Underwriter” shall mean the original underwriter of the 2007A Bonds required to comply with the Rule in connection with an offering of the 2007A Bonds.

“Repositories” shall mean the National Repositories and any State Repository.

“Repository Agent” shall mean any filing system approved by the SEC for transmission of filings under the Rule for submission to the Repositories, including without limitation the central post office known as DisclosureUSA, currently managed by the Municipal Advisory Council of Texas and located on the Internet at the website [www.DisclosureUSA.org](http://www.DisclosureUSA.org).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Colorado as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

### SECTION 3. Provision of Annual Reports.

a. The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s fiscal year of each year, commencing nine (9) months following the end of the City’s fiscal year ending December 31, 2007, provide to (i) the Repositories or (ii) a Repository Agent, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

b. If the City is unable to provide to the Repositories or the Repository Agent an Annual Report by the date required in subsection (a), the City shall send or cause to be sent a notice in substantially the form attached as Exhibit “A” to any of the following: (i) MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent.

The Dissemination Agent shall:

- (1) determine each year prior to the date for providing the Annual Report the name and address of the Repositories and any Repository Agent;
- (2) if the Dissemination Agent is other than the City, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and
- (3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited

financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repositories or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The City shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the 2007A Bonds, if such event is material to any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the 2007A Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the 2007A Bonds; or
- k. Rating changes.

SECTION 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the 2007A Bonds; (ii) the date that the City shall no longer constitute an “obligated person” within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the 2007A Bonds.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.



SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the 2007A Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the Repositories or Repository Agent.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the 2007A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the 2007A Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2007.

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Westminster, Colorado

Name of Bond Issue: City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A, dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_.

Date of Issuance: \_\_\_\_\_, 2007

CUSIP No. \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 19(g) of the Ordinance, adopted on February 12, 2007, and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2007, by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT “B”**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

NEW ISSUE  
BOOK-ENTRY ONLY

RATINGS: Fitch “\_\_\_”  
Standard & Poor’s “\_\_\_”  
INSURANCE: \_\_\_\_\_  
UNDERLYING RATINGS: Fitch “\_\_\_”  
Standard & Poor’s “\_\_\_”  
(See “MISCELLANEOUS—Ratings”)

*In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.”*

**\$21,900,000\***  
**CITY OF WESTMINSTER, COLORADO**  
**SALES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2007A**

**Dated: Date of Delivery**

**Due: December 1 as shown below**

The Bonds are issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Interest on the Bonds, at the rates set forth below, is payable semi-annually on June 1 and December 1 each year, commencing on June 1, 2007. Capitalized terms used on this cover page are defined in the Introduction to this Official Statement. DTC will act as securities depository for the Bonds and payments of principal of and interest on the Bonds will be made by the Paying Agent, initially American National Bank, Denver, Colorado, directly to DTC, which will remit such payments to Participants for subsequent distribution to Beneficial Owners of the Bonds.

**MATURITY SCHEDULE\***  
**(CUSIP<sup>1c</sup> 960668)**

| Maturity Date<br>(December 1) | Principal<br>Amount | Interest<br>Rate | Yield | CUSIP <sup>1</sup> | Maturity Date<br>(December 1) | Principal<br>Amount | Interest<br>Rate | Yield | CUSIP <sup>1</sup> |
|-------------------------------|---------------------|------------------|-------|--------------------|-------------------------------|---------------------|------------------|-------|--------------------|
| 2007                          | \$ 150,000          |                  |       |                    | 2015                          | \$2,375,000         |                  |       |                    |
| 2008                          | 950,000             |                  |       |                    | 2016                          | 2,465,000           |                  |       |                    |
| 2009                          | 945,000             |                  |       |                    | 2017                          | 980,000             |                  |       |                    |
| 2010                          | 1,255,000           |                  |       |                    | 2018                          | 1,030,000           |                  |       |                    |
| 2011                          | 1,315,000           |                  |       |                    | 2019                          | 1,065,000           |                  |       |                    |
| 2012                          | 1,370,000           |                  |       |                    | 2020                          | 1,120,000           |                  |       |                    |
| 2013                          | 2,195,000           |                  |       |                    | 2021                          | 1,180,000           |                  |       |                    |
| 2014                          | 2,280,000           |                  |       |                    | 2022                          | 1,225,000           |                  |       |                    |

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by \_\_\_\_\_ simultaneously with the delivery of the Bonds.

[Insert Insurer Logo]

The net proceeds from the sale of the Bonds will be used to refund certain of the City’s outstanding Series 1997A Bonds and Series 2002 Bonds, and to pay costs of issuance on the Bonds.

The Bonds are revenue obligations of the City payable solely from and secured by an irrevocable and first lien, but not necessarily an exclusive such lien, on the net revenues derived from the City’s 3.85% sales and use tax after the deduction of (i) the costs of administering and collecting such tax, (ii) 0.25% of the rate identified as the Open Space Tax which is reserved for open space acquisition, parks, and recreation enhancements and (iii) 0.60% of the rate identified as the Public Safety Tax which is reserved for public safety related expenditures. The Bonds and any payments under the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

The Bonds are subject to redemption prior to maturity as described herein.

**This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision and should consider carefully the information contained in the section entitled “RISK FACTORS.”**

The Bonds are offered when, as, and if issued, and accepted by the Underwriter named below, subject to the approval of legality and certain other matters by Sherman & Howard LLC, Denver, Colorado, as Bond Counsel. Certain matters will be passed upon by Kutak Rock LLP, Denver, Colorado, as Special Counsel to the City for purposes of assisting the City with the preparation of this Official Statement. James Capital Advisors, Inc., Denver, Colorado, is acting as financial advisor to the City with respect to this financing. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about February \_\_, 2007.

**STIFEL, NICOLAUS**  
**This Official Statement is dated February \_\_, 2007.**

\*Preliminary; subject to change.

<sup>1</sup>The City takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

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

**City of Westminster  
City Council**

Nancy McNally, Mayor  
Tim Kauffman, Mayor Pro Tem  
Chris Dittman  
Mark L. Kaiser  
Mary Lindsey  
Scott Major  
Jo Ann Price

**City Officials**

J. Brent McFall, City Manager  
Stephen P. Smithers, Assistant City Manager  
Tammy A. Hitchens, CPA, Finance Director  
Robert C. Smith, Treasury Manager  
Martin R. McCullough, Esq., City Attorney  
Linda Yeager, City Clerk

**Paying Agent**

American National Bank  
Denver, Colorado

**Underwriter**

Stifel, Nicolaus & Company, Incorporated  
Denver, Colorado

**City Financial Advisor**

James Capital Advisors, Inc.  
Denver, Colorado

**Bond Counsel**

Sherman & Howard LLC  
Denver, Colorado

**Special Counsel**

Kutak Rock LLP  
Denver, Colorado

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the City or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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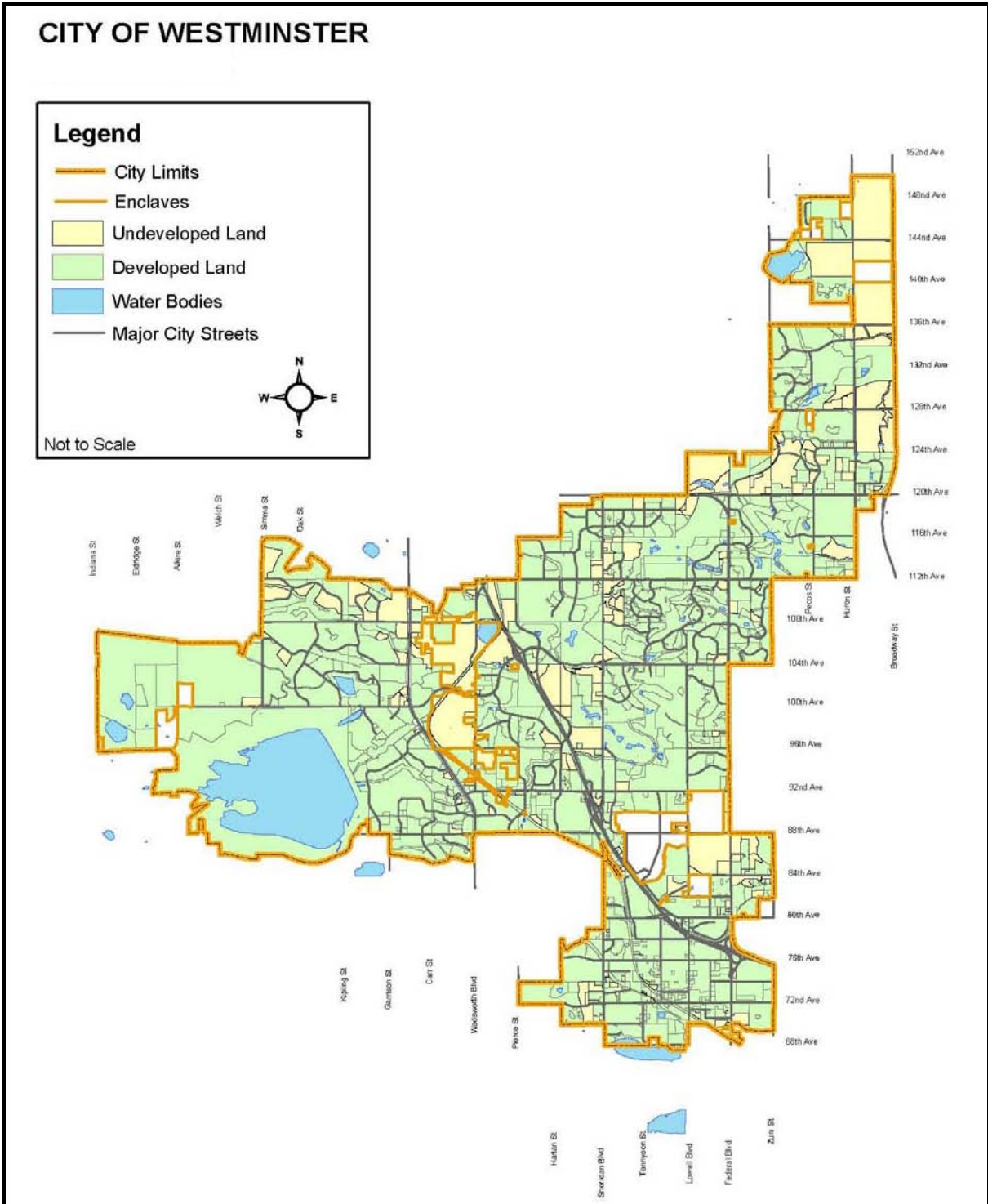
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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Certificates or this Official Statement. Any representation to the contrary is unlawful.

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# CITY MAP





**INTRODUCTION**

This Official Statement is furnished to prospective purchasers of \$21,900,000\* Sales and Use Tax Revenue Refunding Bonds, Series 2007A (the “Bonds”), issued by the City of Westminster, Colorado (the “City”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Certain of the capitalized terms used herein are defined in Appendix A hereto.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

**Issuer** ..... The City of Westminster, Colorado, is a home rule city located approximately two miles from the northwestern boundary of the City and County of Denver in Adams and Jefferson Counties. The City encompasses approximately 33 square miles and, according to Colorado Department of Regulatory Agencies, the City has a current estimated population of 107,363. See “THE CITY” and the preceding “CITY MAP.”

**Security** ..... The Bonds are special revenue obligations of the City payable solely from the revenues derived from the City’s presently existing 3.85% sales and use tax (the “Sales and Use Tax” or the “Tax”) after deducting (i) 6.49 percent thereof (representing the 0.25% tax described hereafter) which is deposited to the City’s Open Space Fund (ii) 15.58 percent thereof (representing the 0.60% tax described hereafter) which is reserved for the City’s public safety related expenditures, and (iii) all costs of administering and collecting the sales and use tax (the “Pledged Revenue”). The portion of the sales and use tax imposed by the City at the rate of 0.25% and deposited solely to the Open Space Fund expires on January 1, 2033; however, the Public Safety Tax portion of the sales and use tax rate (0.60%) does not have a sunset provision. The Pledged Revenue does not include future increases in the rate of the sales and use tax, if any, or any other excise taxes which may now or hereafter be imposed by the City. The 3.0% portion of the sales and use tax not including the 0.25% Open Space Tax and the 0.60% Public Safety Tax is referred to herein as the General Sales and Use Tax. Chapters 1 and 2 of Title IV of the City’s Municipal Code (“Title IV”) governs the imposition, collection, distribution and enforcement of the sales and use tax. See “THE BONDS—Security for the Bonds” and “THE SALES AND USE TAX.”

The Bonds constitute an irrevocable and first lien upon the Pledged Revenue to the extent set forth hereafter, but not necessarily an exclusive such lien, and the Pledged Revenue is pledged to the payment of the Bonds. The first lien of the Bonds on the Pledged Revenue is on a parity with the City’s Sales and Use Tax Refunding and Improvement Bonds,

---

\* Preliminary; subject to change.

Series 1997A (the “Series 1997A Bonds”), the City’s Sale and Use Tax Revenue Refunding and Improvement Bonds, Series 2001 (the “Series 2001 Bonds”) and the City’s Sales and Use Tax Revenue Bonds, Series 2002 (the “Series 2002 Bonds”) (collectively the Series 1997A Bonds not being refunded with proceeds of the Bonds, the Series 2001 Bonds and the Series 2002 Bonds not being refunded with proceeds of the Bonds are referred to herein as the “Outstanding Parity Bonds”). The Outstanding Parity Bonds are currently outstanding in the aggregate principal amount of \$23,625,000.

The Bonds are issued in compliance and conformity with the parity lien bond requirements established in the ordinances authorizing the Outstanding Parity Bonds. The ordinance of the City providing for the issuance of the Bonds (the “Bond Ordinance”) provides conditions for the issuance of one or more series of additional bonds, notes, interim securities or other obligations (a) having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds (the “Parity Lien Bonds”) and (b) having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds (the “Subordinate Lien Bonds”). See “THE BONDS—Security for the Bonds” and “—Debt Service Coverage.”

No reserve fund will be established for the Bonds upon the date of their issuance; however, the Bond Ordinance sets forth a test which requires the funding of a reserve fund for the Bonds, the Outstanding Parity Bonds, and Parity Lien Bonds, if any, if the debt service coverage requirement of such test is not met. See “THE BONDS—Security for the Bonds.”

**Bond Insurance** ..... \_\_\_\_\_ ( the “Insurer”) has committed to issue, on the date of issuance of the Bonds, a Municipal Bond Insurance Policy (the “Policy” or “Bond Insurance Policy”) insuring the payment of the principal of and interest on the Bonds when due. See “BOND INSURANCE.”

**Use of Bond Proceeds** ..... The net proceeds from the sale of the Bonds will be used to refund certain of the City’s outstanding Series 1997A Bonds and Series 2002 Bonds, and to pay costs of issuance on the Bonds. See “THE BONDS—Application of Bond Proceeds.”

**Payment Provisions**.....The Bonds mature and bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months) as set forth on the cover page hereof. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing on June 1, 2007. Payments to Beneficial Owners will be made as described in “APPENDIX E—Book-Entry-Only System.”

**Book-Entry-Only Registration** ..... The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository.

Beneficial ownership interests in the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof through brokers and dealers who are, or who act through, participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded on the records of the Participants. Persons for which Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. See “APPENDIX E—Book-Entry-Only System” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters. Except as otherwise provided in this Official Statement, the term “Owner” shall refer to the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

**Prior Redemption.....** The Bonds are subject to optional redemption prior to maturity. The terms and provisions regarding such prior redemption are set forth in “THE BONDS—Redemption Provisions.”

**Registration and Denominations.....** The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

**Tax Status .....** In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.”

**Undertaking to Provide Ongoing Disclosure.....** Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the City has agreed for the benefit of the holders of the Bonds to provide certain financial information, other operating data and notices of material events after the Bonds are issued (the “Continuing Disclosure Undertaking”). The form of the City’s Continuing Disclosure Undertaking is attached as an appendix to this Official Statement. The City has not failed to comply with any prior undertaking under the Rule. A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute an event of default under the Bond Ordinance. Nevertheless, if such a failure occurs it must be reported in accordance with the Rule and must

be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market.

**Authority for**

**Issuance**..... The Bonds are issued in accordance with the Constitution of the State of Colorado; the City’s home rule charter (“Charter”); and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance adopted by the Westminster City Council (the “Council”).

**Delivery**

**Information**..... The Bonds are offered when, as, and if executed and delivered, and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery on or about February \_\_, 2007, against payment therefor.

**Exchange and**

**Transfer** ..... While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption “APPENDIX E—Book-Entry-Only System.” In the event that DTC ceases to act as securities depository for the Bonds, the Bond Ordinance provides for the transfer of Bonds by the Registrar pursuant to specified terms and provisions.

**Financial**

**Statements**..... Appended hereto are the audited general purpose financial statements of the City as of and for the year ended December 31, 2005, being the most recent audited financial statements available.

ALL OF THE SUMMARIES OF THE STATUTES, ORDINANCES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 W. 92nd Avenue, Westminster, Colorado 80031, telephone: 303.430.2400 extension 2043; or Stifel, Nicolaus & Company, Incorporated, 1125 Seventeenth Street, Suite 1600, Denver, Colorado 80202, telephone: 303.296.2300.

**THE BONDS**

**Redemption Provisions**

Pursuant to the provisions of the Bond Ordinance, the Bonds are subject to redemption as follows:

**Optional Prior Redemption.** The Bonds maturing on or before December 1, 20\_\_ are not subject to redemption prior to maturity. The Bonds maturing on and after December 1, 20\_\_ are subject to redemption prior to maturity, at the option of the City, in whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 20\_\_, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium.

**Notice of Redemption.** Notice of redemption is to be given by the Registrar in the name of the City by sending a copy of such official notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the redemption date to each Registered Owner at his address as it last appears on the registration books kept by the Registrar; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Notice of redemption having been given as provided in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Pursuant to the Bond Ordinance, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds.

### **Application of Bond Proceeds**

**The Refunding Plan.** Bond proceeds will be used to advance refund certain of the City's Sales and Use Tax Refunding and Improvement Bonds, Series 1997A and the City's Sales and Use Tax Revenue Bonds, Series 2002.

A portion of the Series 1997A Bonds maturing on and after December 1, 2008, currently outstanding in the aggregate principal amount of \$11,045,000 and bearing interest at rates which range from 5.05% to 5.60% per annum (collectively, the "1997A Refunded Bonds"), are being advance refunded. The Series 1997A Bonds maturing in the year 2007 and a portion of the Series 1997A Bonds maturing on and after December 1, 2008, which bonds are collectively outstanding in the aggregate principal amount of \$12,400,000, are not part of the refunding.

The Series 2002 Bonds maturing on and after December 1, 2013, currently outstanding in the aggregate principal amount of \$9,785,000 and bearing interest at rates which range from 5.00% to 5.25% per annum (collectively, the "2002 Refunded Bonds"), are being advance refunded. The Series 2002 Bonds maturing on or prior to December 1, 2012, currently outstanding in the aggregate principal amount of \$4,100,000, are not part of the refunding.

The 1997A Refunded Bonds are subject to prior redemption on December 1, 2007 at a price of par and accrued interest to the redemption date, plus a redemption premium of 2% of the principal amount so redeemed. The 2002 Refunded Bonds are subject to prior redemption on December 1, 2012, at a price of par plus accrued interest to the redemption date. As provided in the Bond Ordinance, the City is refinancing the 1997A Refunded Bonds and the 2002 Refunded Bonds at lower interest rates and therefore advance voter approval is not required pursuant to Section 20 of Article X of the Colorado Constitution.

Upon issuance of the Bonds, the proceeds of the Bonds, together with legally available moneys of the City, will be deposited into the Escrow Account (the "Escrow Account") created pursuant to an Escrow Agreement (the "Escrow Agreement") between the City and American National Bank, as Escrow Agent. The moneys in the Escrow Account will be used by the Escrow Agent to acquire direct, noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("U.S. Government Obligations"), the maturing principal of

and interest on which when due, together with cash held in the Escrow Account, will be sufficient to pay the interest on the 1997A Refunded Bonds and the 2002 Refunded Bonds as the same become due and to redeem the 1997A Refunded Bonds and the 2002 Refunded Bonds on their respective optional redemption dates at their respective redemption prices, on which dates the respective refunded bonds have been called by the City for prior redemption.

A certified public accountant will deliver a report verifying (a) the adequacy of the maturing principal of and interest on the U.S. Government Obligations when due and the cash on deposit in the Escrow Account will be sufficient to pay the interest on the 1997A Refunded Bonds and the 2002 Refunded Bonds as the same become due and to redeem the 1997A Refunded Bonds and the 2002 Refunded Bonds on their respective optional redemption dates and (b) certain computations supporting the conclusion of Bond Counsel that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

**Application of Bond Proceeds.** The source and uses of the proceeds of the Bonds is as follows:

**SOURCES**

Bond Proceeds.....  
 Net of original issue premium/discount .....  
 Total.....

**USES**

Deposit into Escrow Account.....  
 Bond issuance costs, including bond insurance and  
 underwriting discount<sup>1</sup> .....  
 Total.....

<sup>1</sup>See “Miscellaneous—Underwriting.”

**Security for the Bonds**

**Special Revenue Obligations.** The Bonds are special revenue obligations of the City payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds constitute an irrevocable and first lien upon the Pledged Revenue to the extent set forth hereafter, but not necessarily an exclusive such lien, and the Pledged Revenue is pledged to the payment of the Bonds. The Outstanding Parity Bonds, which on the date of issuance of the Bonds will be outstanding in the aggregate principal amount of \$23,625,000, have a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

**Bond Fund.** The Bond Ordinance creates and establishes the Bond Fund, which will comprise offsetting revenue and expense accounts within the General Debt Service Fund of the City designated as the “2007A Sales and Use Tax Revenue Bonds.” Moneys in the Bond Fund are to be used solely for the purpose of paying the principal of, premium if any, and interest on the Bonds. On a monthly basis, the City agrees to credit the Pledged Revenue or other legally available moneys to the Bond Fund in substantially equal installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively.

**Reserve Fund Covenant.** No reserve fund for the Bonds will be funded on the date of issuance of the Bonds and no reserve fund exists for the Outstanding Parity Bonds; rather, the City covenants that in the event it does not receive Pledged Revenues in any fiscal year in an amount at least equal to 200%

of the Combined Average Annual Principal and Interest Requirements (defined in the following paragraph), the City shall establish and maintain a reserve fund solely for the Bonds, the Outstanding Parity Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of said bonds (the "Required Reserve"). The City agrees to accumulate the Required Reserve in the Reserve Fund by 12 equal monthly deposits. The City is to make the initial deposit into the Reserve Fund of Pledged Revenues, within 90 days after the end of the fiscal year in which such deficiency occurs. Once established, the Reserve Fund cannot be released and draws on the Reserve Fund are to be replenished within one year.

The "Combined Average Annual Principal and Interest Requirements" is defined in the Bond Ordinance to mean the aggregate of all future payments of principal and interest on the Bonds, the Outstanding Parity Bonds and any Parity Lien Bonds issued in the future (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

**Flow of Funds.** The City previously established the Sales and Use Tax Fund as a governmental fund of the City. Pursuant to the Bond Ordinance, all revenue derived from the Sales and Use Tax must, immediately upon their receipt, be credited by the City to the Sales and Use Tax Fund. After deducting (i) 6.49% of such revenue (which is deposited to the City's Open Space Fund), (ii) 15.58% of such revenue (which is reserved for the City's public safety related expenditures), and (iii) all costs of administering and collecting the Sales and Use Tax, the City must apply the Pledged Revenue in the following order of priority:

First, to the credit of the Bond Fund the amounts described above in "Bond Fund," and to the credit of any other fund or account established for the Outstanding Parity Bonds or hereafter established for the payment of the principal of, premium, if any, and interest on Parity Lien Bonds, in the amount required by the ordinance or other enactment authorizing issuance of the Outstanding Parity Bonds and the Parity Lien Bonds.

Second, to the credit of any sinking fund, reserve fund or similar fund or account established in connection with the Outstanding Parity Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by the Bond Ordinance or the ordinance or other enactment authorizing issuance of the Outstanding Parity Bonds and the Parity Lien Bonds.

Third, to the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund or similar fund or account established therefore, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

Fourth, to the credit of any other fund as may be designated by the City, to be used for any lawful purpose, and Pledged Revenue remaining after the payments and accumulations set forth in First through Third above.

The lien of the Bonds on the Pledged Revenue attaches immediately upon receipt of any Sales and Use Tax proceeds, remains in effect so long as such Pledged Revenue is credited to the Sales and Use Tax Fund or the Reserve Fund, and is extinguished with respect to any Pledged Revenue not required to

be credited to the Bond Fund or the Reserve Fund (if established as described in the following paragraph) and is transferred to other funds of the City.

***Additional Obligations.*** The Bond Ordinance provides that no additional bonds, notes, interim securities or other obligations may be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien thereon of the Bonds.

The Bond Ordinance permits the City to issue Parity Lien Bonds if: (a) no Event of Default has occurred and is continuing; (b) the City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by the Bond Ordinance; and (c) the Pledged Revenue for the 12-month period immediately preceding the date of such Parity Lien Bonds is sufficient to pay an amount representing not less than 200% of the Maximum Annual Combined Debt Service Requirement (defined in the following paragraph). A written certificate signed by the City Finance Director that the foregoing requirements have been met conclusively determines the right of the City to authorize, issue, sell and deliver Parity Lien Bonds.

The “Maximum Annual Combined Debt Service Requirement” is defined in the Bond Ordinance to mean the maximum amount of all required payments of principal and interest on the Outstanding Parity Bonds, the Bonds, any Parity Lien Bonds and the Parity Lien Bonds proposed to be issued which will become due in any fiscal year; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from the computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

So long as no Event of Default under the Bond Ordinance shall have occurred and be continuing, the Bond Ordinance does not restrict the City from issuing Subordinate Lien Bonds.

The issuance of either Parity Lien Bonds or Subordinate Lien Bonds which are not refunding obligations issued at a lower interest rate would require prior voter approval. See “DEBT STRUCTURE—Required Elections.” See “RISK FACTORS—Issuance of Additional Bonds.”

***Additional Covenants of the City.*** The City irrevocably covenants and agrees in the Bond Ordinance that so long as any of the Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending Title IV in order to increase the rate of tax above that currently imposed, or to make certain changes in the administration, collection or enforcement of such Sales and Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. See “THE SALES AND USE TAX.”

(b) It will administer, enforce and collect or cause to be administered, enforced and collected, the Sales and Use Tax authorized by Title IV, and will take reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Bond owner shall have the



right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit.

With respect to the above covenants, it should be noted that the City Code Title providing for the imposition, collection and enforcement of the Sales and Use Tax contains a confidentiality provision regarding tax information that states in part “[a]ll specific information gained under the provisions of this Title which is used to determine the total tax liability from a taxpayer, whether furnished by the taxpayer or obtained through audit, shall be treated by the City and its officers, employees or legal representatives as confidential”.

***Bonds Not a Debt.*** The owners of the Bonds may not look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the debt service on the Bonds, and the Bonds do not constitute a debt or indebtedness of the City within the meaning of any constitutional, Charter or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

***Events of Default and Remedies.*** The Bond Ordinance provides that it is an “Event of Default” if: (a) payment of the principal of or redemption premium on any Bond is not made by the City when due at maturity or upon prior redemption; (b) payment of the interest on any Bond is not made by the City when due; or (c) the City defaults in the performance of its covenants in the Bond Ordinance for 60 days after written notice has been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

Upon the happening of an Event of Default, the Beneficial Owners or Registered Owners of any Bond, or a trustee therefor, may protect and enforce the rights such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being granted pursuant to the terms of the Bond Ordinance), injunctive relief or requiring the Council to act as if it were the trustee of an express trust, or any combination of such remedies; provided however, that any action brought pursuant to the Event of Default enumerated “c” in the preceding paragraph may be brought only upon the written consent of the Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Bond owners. The failure of any Bond owner to proceed does not relieve the City or any person of any liability for failure to perform any duty under the Bond Ordinance. The foregoing rights are in addition to any other right, and the exercise of any right by any Bond owner shall not be deemed a waiver of any other right.

***Amendments to the Bond Ordinance.*** Within the limits of applicable law, any provision of the Bond Ordinance may be waived or modified by the written consent of the Registered Owners or Beneficial Owners of not less than 66% of the outstanding principal amount of the Bonds; except that the written consent of the Registered Owners or Beneficial Owners of 100% of the outstanding principal amount of the Bonds is required to: (a) extend the maturity of any Bond; (b) reduce the principal amount or interest rate of any Bond; (c) create a lien upon the Pledged Revenue ranking prior to the lien created by the Bond Ordinance; (d) reduce the principal amount of the Bonds required for consent to any waiver or modifications; or (e) establish priorities between Bonds. The Bond Ordinance may be amended without the consent of the Registered Owners or Beneficial Owners for the purpose of, among other things, (i) curing ambiguities or curing, correcting or supplementing any defect or omission or

inconsistent provision contained in the Bond Ordinance or (ii) for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds.

**Bond Ordinance Irrepealable.** The Bond Ordinance provides that after any of the Bonds are issued, the Bond Ordinance shall constitute an irrevocable contract between the Bond owners and the City and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as provided in the Bond Ordinance.

**Debt Service Coverage**

The following table sets forth coverage factors which would have been provided by the Pledged Revenue for 2001-2005 (audited) and 2006 (unaudited and unadjusted) for (a) the estimated average annual coverage (such factor representing the coverage provided for the estimated combined average annual debt service on the Bonds and the Outstanding Parity Bonds to the final maturity date of the Bonds (\$\_\_\_\_\_\*)) and (b) estimated maximum annual coverage (such factor representing the coverage provided for the estimated combined maximum annual debt service on the Bonds and the Outstanding Parity Bonds, which occurs in 2009, to the final maturity date of the Bonds (\$5,586,318\*)). The maximum annual coverage factor is used in the determination of the City’s ability to issue Parity Lien Bonds. See “THE BONDS—Security for the Bonds.” The debt service requirements for the Bonds and the Outstanding Parity Bonds are set forth in “Debt Service Requirements” hereafter.

**TABLE I  
Debt Service Coverage**

|  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>2006<sup>1</sup></b> |
|--|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Collected Revenue <sup>2</sup>                       | \$53,731,435 | \$47,863,679 | \$48,562,246 | \$49,306,412 | \$49,659,495 | \$51,643,914            |
| Administrative Expenses                              | \$(308,218)  | \$(335,176)  | \$(342,094)  | \$(289,190)  | \$(279,048)  | \$(315,515)             |
| Pledged Revenue                                      | \$53,423,217 | \$47,528,503 | \$48,220,177 | \$49,017,222 | \$49,380,447 | \$51,328,399            |
| Estimated Average Annual Debt Service <sup>3,*</sup> |              |              |              |              |              |                         |
| Estimated Maximum Annual Debt Service <sup>3,*</sup> | \$5,586,318  | \$5,586,318  | \$5,586,318  | \$5,586,318  | \$5,586,318  | \$5,586,318             |
| Average Annual Coverage Factor <sup>3,*</sup>        |              |              |              |              |              |                         |
| Maximum Annual Coverage Factor <sup>3,*</sup>        | 9.56x        | 8.51x        | 8.63x        | 8.77x        | 8.84x        | 9.19x                   |

<sup>1</sup>Unaudited and unadjusted figures for the year ended December 31, 2006. For information regarding Pledged Revenue collections for calendar year 2006, see “THE SALES AND USE TAX—History of General Sales and Use Tax Receipts.”

<sup>2</sup>The collected revenue does not include the portion of the sales and use tax deposited into the City’s Open Space Fund nor the portion designated as the Public Safety Tax. See Table III hereof for additional information regarding the Pledged Revenues.

<sup>3</sup>See the following Table II for the debt service requirements for the Outstanding Parity Bonds and the Bonds.

Source: City of Westminster Finance Department

The receipt of Pledged Revenue is subject to the elastic nature of consumer spending. This causes sales tax revenue to increase along with the higher prices brought about by inflation, but also

\* Preliminary; subject to change.

causes collections to be vulnerable to adverse economic conditions and reduced consumer confidence which would result in reduced spending. Such changes in economic conditions may cause actual sales tax collections to fluctuate. Accordingly, there can be no assurance that collections of sales tax revenue will continue at the levels stated above, or that coverage factors in future years will remain at such levels. See “THE SALES AND USE TAX.”

**Debt Service Requirements**

Set forth in the following table is the debt service requirements for the Bonds and the City’s Outstanding Parity Bonds. See the cover page of this Official Statement for the actual interest rates for each maturity of the Bonds.

**TABLE II  
Bond Debt Service Requirements**

| Year  | Series 2007A Bonds <sup>1</sup> |          | Outstanding Parity Bonds <sup>1,2</sup> | Annual Total |
|-------|---------------------------------|----------|---|--------------|
|       | Principal                       | Interest |   |              |
| 2007  | \$ 150,000                      |          | \$ 4,747,700                            |              |
| 2008  | 950,000                         |          | 3,727,600                               |              |
| 2009  | 945,000                         |          | 3,777,507                               |              |
| 2010  | 1,255,000                       |          | 2,736,415                               |              |
| 2011  | 1,315,000                       |          | 2,718,878                               |              |
| 2012  | 1,370,000                       |          | 2,740,332                               |              |
| 2013  | 2,195,000                       |          | 1,956,820                               |              |
| 2014  | 2,280,000                       |          | 1,954,215                               |              |
| 2015  | 2,375,000                       |          | 1,960,655                               |              |
| 2016  | 2,465,000                       |          | 1,958,040                               |              |
| 2017  | 980,000                         |          | 325,250                                 |              |
| 2018  | 1,030,000                       |          | 322,500                                 |              |
| 2019  | 1,065,000                       |          | 324,250                                 |              |
| 2020  | 1,120,000                       |          | 325,250                                 |              |
| 2021  | 1,180,000                       |          | 325,500                                 |              |
| 2022  | <u>1,225,000</u>                |          | <u>--</u>                               |              |
| Total | <u>\$21,900,000</u>             |          | <u>\$29,900,912</u>                     |              |

<sup>1</sup>Assumes no optional redemptions prior to maturity.

<sup>2</sup>Includes both principal and interest.

Source: The Underwriter

**BOND INSURANCE**

The following information has been furnished by \_\_\_\_\_ (the “Insurer”) for use in this Official Statement. Reference is made to Appendix D for a specimen of the Insurer’s Policy.

[To Be Provided by Insurer]

**RISK FACTORS**

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE

FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

### **Limited Obligations**

The Bonds do not constitute a lien upon any real or personal property of the City. Rather, the Bonds constitute an irrevocable but nonexclusive first lien upon the Pledged Revenue and the moneys on deposit from time to time in the Bond Fund. Therefore, the payment of the principal of and interest on the Bonds is dependent on the City's receipt of revenues from the Sales and Use Tax. Bondholders may not look to any general or other revenues of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of and interest on the Bonds, and the Bonds do not constitute a general obligation of the City.

### **Economic Factors**

Due to the character of the taxes which comprise the Pledged Revenue, the amount of Pledged Revenue collected by the City will be subject to various economic factors. The amount of sales tax revenues is dependent upon the level of sales of tangible personal property in the City and the amount of use tax revenues is principally dependant upon the use of construction materials within the City and purchase of automobiles by City residents. See "THE SALES AND USE TAX—Description of the Sales and Use Tax" for a complete description of said taxes. Therefore, changes in national and local economic conditions, the rates of employment and economic growth, the availability of consumer credit and the level of consumer spending, and the level of residential and commercial development, among other things, will directly affect the amount of Pledged Revenue. Further, the cyclical nature of such factors generally causes sales tax revenues to increase along with higher prices brought about by inflation, but also causes receipts to be vulnerable to adverse economic conditions and reduced consumer confidence which may result in reduced consumer spending. Future sales and use tax receipts may fluctuate from historical levels and affect the level of debt service coverage provided by the Pledged Revenue for the Bonds.

### **Concentration of Sales Tax Generators**

While the City has approximately 5,099 active business licenses outstanding for the collection of the Sales and Use Tax, the City's ten largest generators of sales tax revenues comprised approximately 35% of the City's total sales tax receipts in 2006. While no one generator accounted for more than 7.0% of such amount, a significant portion of the generators are discount retailers and department stores. The closure of one or more of said generators or substantial reductions in retail sales by a few of generators, for whatever reason, could have a material, adverse effect on the amount of Pledged Revenues. However, it should be noted that four of the top ten 3.0% Sales Tax generators are located within urban renewal areas within the City and approximately 38.2% of the 3.0% Sales Tax receipts attributable to such generators do not represent Pledged Revenues. Taking out the 3.0% Sales Tax generators located within urban renewal areas and including the next four largest generators, the ten largest generators of the 3.0% Sales Tax would account for less than 25% of the total annual collections in 2006. See the caption "THE SALES AND USE TAX—History of General Sales and Use Tax Receipts" herein.

### **Sales Tax Not Collected on Sales Over the Internet**

The sales tax is currently not imposed on purchases made over the internet, as well as purchases made from catalogues unless the business has nexus in the City. The future level of taxable retail sales which occurs within the City may be affected by the future level of internet sales (also known as

e-commerce). Such remote commerce vendors compete with local retail businesses and in the future could materially reduce the level taxable retail sales which otherwise would occur within the City. The use of the internet by consumers for their purchases is subject to various market factors as well as consumer behavior and preferences. The ultimate impact of internet sales on the level of taxable retail sales which occurs within the City cannot be determined at this time. Additionally, the increasing popularity of gift cards, the sales and resulting taxes from which are not realized until the gifted amounts are spent by the recipient, may impact monthly sales tax receipts in a manner which cannot be determined at this time.

### **Issuance of Additional Bonds**

The City has the right to issue additional bonds payable from the Pledged Revenue and secured by a lien on the Pledged Revenue on a parity with the lien of the Bonds; however, specific conditions and requirements which are set forth in an additional bonds test must be met by the City prior to the issuance of such Parity Lien Bonds. See “THE BONDS—Security for the Bonds” for the test for additional bonds. In calendar year 2006, the unaudited Pledged Revenue was \$51,643,914 and such amount would provide a coverage factor for the maximum annual debt service for the Bonds and Outstanding Parity Bonds of approximately 9.19 times. See “THE BONDS—Debt Service Coverage.” The issuance of Parity Lien Bonds would dilute such coverage and, in the event of a decline in the Pledged Revenue, could ultimately affect the ability of the City to meet the debt service requirements on the Bonds. The issuance of Parity Lien Bonds or Subordinate Lien Bonds which are not refunding obligations issued at a lower interest rate would require prior voter approval. See “DEBT STRUCTURE—Required Elections.”

### **Enforceability of Bondholders’ Remedies Upon Default**

In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, remedies available to registered owners and Beneficial Owners of the Bonds may have to be enforced from year to year. Moreover, there is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Ordinance on behalf of the registered owners and Beneficial Owners of the Bonds, and therefore such registered owners and Beneficial Owners of the Bonds should be prepared to enforce such provisions themselves if the need to do so ever arises.

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law and judicial decisions, including specifically the federal Bankruptcy Code. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; as to usual principles of equity which may limit the specific enforcement under State law of certain remedies; as to the exercise by the United States of America of the powers delegated to it by the federal Constitution; and as to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose.

### **Future Changes in Laws**

Various Colorado laws and constitutional provisions, apply to the imposition and collection of the Pledged Revenue and the financing of City operations in general. Other state and federal laws, constitutional provisions and regulations apply to the obligations created by the issuance of the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable

laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the City.

## **THE SALES AND USE TAX**

The Pledged Revenue consists of the revenues derived from the City's 3.85% Sales and Use Tax after deducting (a) 0.25% of the rate which is deposited to the City's Open Space Fund, (b) 0.60% of the rate designated for Public Safety Tax related expenditures, and (c) all costs of administering and collecting the Sales and Use Tax. The following information includes a description of the collection, administration and enforcement procedures for the Sales and Use Tax.

### **Description of the Sales and Use Tax**

**Generally.** The Sales Tax is levied on all sales of tangible personal property and taxable services as provided in Title IV, with specific exemptions. The Use Tax is levied upon the privilege of using, storing, distributing or otherwise consuming in the City any article of tangible personal property or taxable services purchased, leased or rented from sources inside or outside the City, with specific exemptions, on which the Sales Tax has not been paid. The transactions and items subject to the Tax are generally set forth below. Copies of Title IV may be obtained upon written request from the sources listed in "MISCELLANEOUS—Additional Information" or at the City's internet website [www.ci.westminster.co.us](http://www.ci.westminster.co.us).

The Sales and Use Tax is imposed on the purchaser, and the seller must collect and remit the Sales Tax to the City under the penalties for failure to do so as prescribed in Title IV. The Sales and Use Tax collections are distributed first for the costs of administration and collection of the Sales and Use Tax, next for the fulfillment of any sales and use tax bond covenants, and finally for any lawful purpose of the City.

**Transactions and Items Subject to Tax.** The Sales Tax is levied on the "price" of the following: tangible personal property sold, leased or rented, whether or not such property has been included in a previous transaction; telecommunication services, except carrier access services and interstate private communications services, for all international, interstate and intrastate telecommunications service in the City; installation in the City of equipment required to receive or transmit telecommunication service; meals sold to the public or to employees; gas, electricity and steam furnished for domestic, commercial or industrial consumption; pay television; automotive vehicles sold, leased or rented in the City; services of an operator when furnished with the lease or rental of tangible personal property if such services are not separately stated; coin- and card- operated devices that dispense tangible personal property; and, rentals of storage space in the City.

The exemptions from the Sales Tax generally include the following: automotive vehicles sold to non residents of the City for registration outside the City; tangible personal property when the sales are to those who reside or do business outside the City and the articles purchased are delivered and used outside the City; prescription drugs, prosthetic devices and items dispensed pursuant to a written order of a licensed practitioner of the healing arts; cigarettes; direct sales, except of construction materials used in a project for which a building permit is required, to charitable organizations in the conduct of their regular exempt organizational functions and activities, and to the federal government, the state of Colorado and political subdivisions thereof in their governmental capacities only; construction materials used in construction projects undertaken and managed directly by the City; all sales the City is prohibited from taxing under the federal or State of Colorado constitution or laws; tangible personal property sold to a public utility or railroad doing business both inside and outside the City, for use in its business operations outside the City; motor fuel subject to a specified gasoline tax or special fuel tax; farm implements, and

parts and accessories for the same; certain farm animals and feed and bedding for the same; farm closeout sales; all wholesale sales; tangible personal property sold to a person engaged in manufacturing or processing for sale when such property becomes a constituent part of the finished product; commercial packaging materials; napkins, straws or eating utensils sold to a retailer when specified conditions are met; newspapers; newsprint and printers' ink; tangible personal property sold for rental or leasing inventory; labor sold with tangible personal property, if such labor is stated separately; construction materials, if a use tax has been paid or is required to be paid on such materials; tangible personal property sold through coin- and card- operated devices for a price of fifteen cents (15¢) or less; certain food and meals purchased with federal food stamps or with specified federal funds; access services; private communication services; modified or customized computer programs; garage sales, yard sales or estate sales in a residential area not exceeding a consecutive three day period, but not including sales conducted by a professional or compensated agent of the owner of the items to be sold; sales by a recognized youth group affiliated with a charitable organization or a governmental entity; transactions subject to the admissions or accommodations tax; insulin in all forms, including glucose, diabetic urine and blood testing kit and materials, and insulin measuring and injecting devices; and water sold by the City.

The Use Tax is levied on the "price" of the following: non-exempt tangible personal property purchased for use without payment of the Sales Tax and used, stored or consumed inside the City either personally or in conjunction with the rendering of a service; tangible personal property purchased at wholesale or component parts purchased for manufacture which are subsequently used by the taxpayer; taxable services purchased without payment of the Sales Tax; the cost of meals given without charge to employees or others; and automotive vehicles required to be registered at an address inside the City on which municipal sales tax has not been paid.

The exemptions from the Use Tax include the exemptions set forth above for the Sales Tax in addition to the following: the storage of construction materials; tangible personal property which was purchased by a taxpayer on or after January 1, 1986 during a time when the taxpayer was located outside the City and was used by the taxpayer for a period of at least three years prior to the taxpayer's relocation to the City; tangible personal property which was purchased by a taxpayer during a time when the taxpayer was located outside the City and was first used inside the City on or after January 1, 1994 and was used by the taxpayer for at least six months prior to the taxpayer's relocation to the City; and automotive vehicles if the owner is or was, at the time of purchase, a non-resident of the City who purchased the vehicle for use outside the City and, if the vehicle was previously registered, titled and licensed outside the City.

***Assistance Agreements.*** From time to time, the City has entered into assistance agreements with the owners of proposed retail, office, and manufacturing facilities for purposes of securing the location of projects, advancing employment, expanding the tax base and expanding economic development within the City. Such agreements may, among other things, provide for the waiver or rebate of certain of the City's use tax revenues on construction materials or the use tax imposed upon tenants for limited periods of time and subject to stated conditions. The City has a number of agreements waiving City use tax outstanding from time to time and, while the City does not specifically account for the amount of use taxes which have historically been waived, the annual amount of such waivers when compared to the total amount of Pledged Revenues is not believed to be material by the City. Additionally, for purposes stated above, the City has entered into agreements wherein the sales tax collected by a sales tax generator is rebated back to said entity for defined periods and defined dollar amounts. In 2006, revenues subject to rebate pursuant to such agreements totaled approximately \$1,692,117. Currently, the aggregate amount of future sales, use, admission, and accommodations tax revenues subject to rebate pursuant to such agreements (which amount is calculated, in most instances, based upon various formulas which require the generation of new or additional revenues for the City) is approximately \$29,276,890 over a period which does not exceed 27 years. See "CITY FINANCIAL INFORMATION—Major Sources of General

Fund Revenues” for a description of an agreement which comprises approximately one-half of said amount.

### **Manner of Collection and Administration**

The collection, administration and enforcement of the Sales and Use Tax is performed by the City Finance Director. Chapters 1 and 2 of Title IV and all rules and regulations promulgated thereunder, govern the collection, administration and enforcement of the Sales and Use Tax. The City Finance Director prescribes the forms and administration procedures for the ascertainment, assessment and collection of the Tax. Additionally, the Finance Director formulates and promulgates the appropriate regulations to effectuate the purpose of Title IV.

With specified exceptions, any person engaged in any enterprise in the City with the object of gain, benefit or advantage must first obtain a Sales and Use Tax license. Further, such retailers are liable and responsible for payment of the Tax and must file a return periodically as required by Title IV. All Sales Tax collected by a retailer is the property of the City and remains public money in the hands of the retailer, who holds the same in trust for the sole use and benefit of the City until paid by the City.

Every retailer not delinquent in the payment of the Sales Tax may deduct the lessor of 2.5% of the sum of the Sales Tax computed or \$100 to cover the retailer’s expense of collection and remittance of the Tax. In addition, the counties deduct a 5% collection fee from the Tax on automobiles prior to remittance to the City. Consumers who have not paid the Sales Tax to a retailer must complete a Use Tax schedule of a return and pay any Tax due directly to the City.

After a Tax return is filed, it is examined by the City. The Finance Director may require any person to make additional returns, render statements, furnish records or make informational reports to determine whether or not such person is liable for payment or collection of the Tax. Additionally, the Finance Director may issue a subpoena to command a person to attend and give testimony or produce books, accounts and records. For the purpose of ascertaining the correct amount of Tax due from any person engaged in business in the City, the Finance Director may authorize an agent to conduct an audit by examining any relevant books, accounts and records of such person. Any Tax deficiency or overpayment ascertained through an audit is computed by specified methods as the agent of the Finance Director deems appropriate.

A notice of assessment is issued by the City for any Tax deficiency, penalties or interest due as discussed below. The payment due date for the Tax due pursuant to a notice of assessment is 20 days after the date of the notice of assessment. Such notices may be protested by a taxpayer to whom it is issued and timely protests entitle a taxpayer to a hearing thereon. When a taxpayer has failed or refused to file a return, the Tax due may be assessed and collected at any time.

A penalty is levied by the City on any Tax deficiency. Such penalty is the greater of \$15 or 10% of the Tax deficiency. The penalty is 50% of the total Tax deficiency for any deficiency due to fraud or the intent to evade the Tax. Further, if three notices of assessment have been issued to a taxpayer within a 36-month period, a special penalty equal to the greater of \$25 or 15% of the Tax due is levied. Finally, the Finance Director is authorized to waive any penalty if the Finance Director finds good cause therefore. With the exception of specified periods of time wherein a timely protest is made, a monthly interest charge must be levied by the City on any tax deficiency, at a rate established by the State Commissioner of Banking.



## History of General Sales and Use Tax Receipts

No forecasts, projections or similar reports or studies have been prepared by or for the City for inclusion in this Official Statement. The following table sets forth the City's annual General Sales and Use Tax receipts, not including the Open Space Tax or the Public Safety Tax. City officials believe that the increases experienced in General Sales and Use Tax receipts since 2001 are due in part to increased retail development activity within the City.

**TABLE III**  
**History of City 3% General Sales and Use Tax Receipts (Net)**

| Year              | Sales Tax Collections | Use Tax Collections | Total Gross Sales and Use Tax Collections | Administration and Collection Costs | Net Sales and Use Tax Collections | Percent Change of Net Collections |
|-------------------|-----------------------|---------------------|---|-------------------------------------|-----------------------------------|-----------------------------------|
| 2001              | \$42,085,864          | \$11,645,571        | \$53,731,435                              | \$(308,218)                         | \$53,423,217                      | --                                |
| 2002              | 38,419,706            | 9,443,973           | 47,863,679                                | (335,176)                           | 47,528,503                        | (11.03)%                          |
| 2003              | 38,731,265            | 9,830,981           | 48,562,246                                | (342,094)                           | 48,220,152                        | 1.46                              |
| 2004              | 40,361,115            | 8,945,297           | 49,306,412                                | (289,190)                           | 49,017,222                        | 1.65                              |
| 2005              | 40,579,145            | 9,080,350           | 49,659,495                                | (279,048)                           | 49,380,447                        | 0.74                              |
| 2006 <sup>1</sup> | 41,738,358            | 9,905,556           | 51,643,914                                | (315,515)                           | 51,328,399                        | 3.94                              |

<sup>1</sup>Unaudited, unadjusted figures through December 31, 2006.

Source: City of Westminster Finance Department

In 2006, the City experienced a 4% increase in Net Sales and Use Tax revenues as compared to 2005. The following table presents a comparison of the City's monthly General Sales and Use Tax receipts for 2004-2006. Sales Tax receipts generally lag retail sales by one month.

**TABLE IV**  
**Comparison of Monthly Receipts of City Sales and Use Tax (Gross) <sup>1</sup>**

|           | <b>2004</b>         | <b>2005</b>         | <b>2004-2005</b> | <b>2006</b>         | <b>2005-2006</b>             |
|-----------|---------------------|---------------------|------------------|---------------------|------------------------------|
|           | <b>Current</b>      | <b>Current</b>      | <b>Change</b>    | <b>Current</b>      | <b>Percent</b>               |
|           | <b>Month</b>        | <b>Month</b>        | <b>Current</b>   | <b>Month</b>        | <b>Change</b>                |
|           |                     |                     | <b>Month</b>     |                     | <b>from 2005<sup>2</sup></b> |
| January   | \$ 5,635,310        | \$ 5,542,620        | (1.6)%           | \$ 5,755,432        | 3.8%                         |
| February  | 3,641,950           | 3,748,478           | 2.9              | 4,089,036           | 9.1                          |
| March     | 3,462,040           | 4,005,030           | 15.7             | 4,118,621           | 2.8                          |
| April     | 4,278,061           | 4,102,380           | (4.1)            | 4,684,189           | 14.2                         |
| May       | 3,690,331           | 3,669,881           | (0.6)            | 4,020,321           | 9.5                          |
| June      | 4,217,090           | 4,013,438           | (4.8)            | 4,140,613           | 3.2                          |
| July      | 4,257,842           | 4,306,323           | 1.1              | 4,056,376           | (5.8)                        |
| August    | 3,931,554           | 3,690,504           | (6.1)            | 3,633,007           | (1.6)                        |
| September | 3,929,471           | 4,247,775           | 8.1              | 4,424,997           | 4.2                          |
| October   | 4,017,332           | 4,130,246           | 2.8              | 3,957,043           | (4.2)                        |
| November  | 3,848,206           | 3,896,595           | 1.3              | 3,636,758           | (6.7)                        |
| December  | <u>4,397,225</u>    | <u>4,306,225</u>    | <u>(2.1)</u>     | <u>5,127,521</u>    | <u>19.1</u>                  |
| Total     | <u>\$49,306,412</u> | <u>\$49,659,495</u> | <u>0.7%</u>      | <u>\$51,643,914</u> | <u>4.0%</u>                  |

<sup>1</sup>Figures presented on a cash basis. The City experiences a variety of differences in the remittance of sales and use taxes by licensed businesses which are not common when making short-term comparisons; therefore, significant increases or decreases reflected by comparison of collections for certain months from one calendar year to the next will not be representative of the aggregate financial trend which is experienced for the entire calendar year.

<sup>2</sup>For calendar year 2006, the City has realized an increase of 4.0% for collections when compared to the same 12 month period for calendar year 2005.

Source: City of Westminster Finance Department

The City's finance department reports that 5,099 businesses were licensed to remit General Sales and Use Taxes to the City in 2006. As hereinafter described, 10 of these licensees accounted for approximately 35% of the City's Sales Tax revenues in 2006. The discontinuation or substantial reduction in retail sales by a significant number of these businesses for whatever reason, could have a material adverse effect on the Pledged Revenue.

**TABLE V**  
**Net Active Business Licenses Outstanding<sup>1</sup>**

| <b>Year End</b> | <b>Licenses Outstanding</b> | <b>Percent Change</b> |
|-----------------|-----------------------------|-----------------------|
| 2002            | 4,418                       | --                    |
| 2003            | 4,682                       | 5.98%                 |
| 2004            | 4,839                       | 3.35                  |
| 2005            | 5,018                       | 3.70                  |
| 2006            | 5,099                       | 1.61                  |

<sup>1</sup>Net of deletions.

Source: City of Westminster Finance Department

**TABLE VI**  
**City's Largest Generators by Category of 3.0% Sales Tax Revenue – 2006**

| Business Type <sup>1</sup>     | Sales Tax Receipts  | Percent of Total Collections <sup>2</sup> |
|--------------------------------|---------------------|---|
| Discount Retailer <sup>3</sup> | \$ 7,516,700        | 18.0%                                     |
| Utility                        | 2,879,633           | 6.9                                       |
| Department Store <sup>4</sup>  | 1,817,896           | 4.4                                       |
| Home Improvement <sup>5</sup>  | 1,568,040           | 3.8                                       |
| Grocery Store                  | <u>789,364</u>      | <u>1.9</u>                                |
| Total                          | <u>\$14,571,633</u> | <u>34.9%</u>                              |

<sup>1</sup> Because of the confidential nature of the gross sales of the individual entities, Title IV provides that the identity of the vendors cannot be divulged. No individual vendor accounts for greater than 7.0% of the City's total Sales Tax collections. In addition, all or portion of the 3.0% Sales Tax collected from some entities may be allocable to an urban renewal area and not part of the Pledged Revenues. According to City officials such reported 3.0% Sales Tax collections attributable to urban renewal areas accounts for approximately 38.2% of the 3.0% Sales Tax collected by such generators.

<sup>2</sup> The total 3% General Sales Tax amount used in computing the above was \$41,738,358.

<sup>3</sup> Represents the aggregate receipts for four discount retailers.

<sup>4</sup> Represents the aggregate receipts for two department stores.

<sup>5</sup> Represents the aggregate receipts for two home improvement stores.

Source: City of Westminster Finance Department

### THE CITY

The City of Westminster is located in western Adams and northeastern Jefferson Counties, two miles from the northwestern boundary of the City and County of Denver. The City encompasses approximately 33 square miles and, according to the Colorado Department of Regulatory Agencies, the City's current estimated population is 107,363. Incorporated as a municipal corporation in 1911, the City became a home rule municipality in 1958 upon adoption of its Charter.

#### City Powers

Pursuant to the Charter, the City has the power of local self government and home rule, as well as all municipal powers established by the constitution and laws of the State of Colorado. Among those powers, rights and liabilities specifically granted by the Charter are the following: perpetual succession; to own, possess and hold real and personal property; to succeed to all rights and liabilities, to acquire all benefits and to assume payment of all bonds, obligations and indebtedness of the City; to sue and defend, plead and be impleaded in all courts and places and in all matters and proceedings; to purchase, receive, hold and enjoy, or sell and dispose of real and personal property; to acquire, hold and manage property outside City limits by gift, lease or purchase for park or recreation purposes and to adopt rules, regulations and schedules of charges for the use of such property; and to have and use a common seal. Pursuant to Chapter XIV of the Charter, the City has the power to fix from time to time such just and reasonable rates and other charges as may be deemed advisable for supplying the inhabitants of the City and others with such public utility services as the City may provide. In addition, the powers granted to municipalities by the constitution and laws of the State of Colorado include the powers relating to the assessment of property and the levy and collection of general taxes.

#### Governing Body

The City operates under a council manager form of government whereby, except as otherwise provided by the Charter or statute, the City Council exercises all powers conferred upon or possessed by

the City and has the power and authority to adopt such laws, ordinances and resolutions as it deems proper in the exercise thereof, and the City Manager serves as the chief administrative officer of the City government. The Council consists of seven members, six councillors and the mayor, all of whom are elected from the City at large. The mayor is the presiding officer of the Council and has an equal voice and vote in all proceedings of the Council, but has no veto power. The mayor pro tem is appointed from the Council membership to serve in the event of absence or disability of the mayor. One City councillor serves in the additional capacity of representative to the Denver Regional Council of Governments.

| Name                       | Principal Occupation                        | Years of Service | Term Expires |
|----------------------------|---|------------------|--------------|
| Nancy McNally <sup>1</sup> | Assistant Vice President and Office Manager | 5                | 2009         |
| Tim Kauffman               | Business Executive                          | 6                | 2007         |
| Chris Dittman              | Education—Retired                           | 4                | 2007         |
| Jo Ann Price               | Real Estate Appraiser                       | 3                | 2007         |
| Mark Kaiser                | Fleet, Tire Sales                           | 1                | 2009         |
| Mary Lindsey               | Realtor                                     | 1                | 2009         |
| Scott Major                | Test Engineer                               | 1                | 2009         |

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<sup>1</sup> Nancy McNally has abstained from voting on matters relating to the Bonds because she is an employee of the Underwriter, Stifel, Nicolaus & Company, Incorporated.

### Administration

The council-manager form of government vests responsibility for City operations in the City Manager and City staff. The City Manager is appointed by the City Council and, pursuant to an employment contract, serves for an indefinite term at the pleasure of the Council. During his tenure in office, the City Manager must reside within the City’s boundaries. The staff functions through the City’s various departments which are under the direction of the City Manager. The following is a list of the administrative and management personnel most directly involved in the issuance of the Bonds, their duties within the City government and their background experience.

**City Manager.** The City Manager is the chief administrative officer of the City. He is responsible to the Council for all City affairs placed in his charge by the Charter or by law, including responsibility for the efficient operation of all administrative departments of the City government with the exception of those under the direction of the City Attorney and the municipal court. He is further required to perform such other duties as requested by the Council.

J. Brent McFall began as the City Manager on May 21, 2001. Prior to assuming his duties in Westminster, Mr. McFall was the Chief Administrative Officer of the City of Kent, Washington (a Seattle suburb with approximately 75,000 residents) since 1994. Mr. McFall also served as the City Manager in Federal Way, Washington and Emporia, Kansas, and as Chief Administrator in Merriam, Kansas. He received his bachelor’s degree in personnel administration in 1974 and his master’s degree in public administration in 1976, both from the University of Kansas. Mr. McFall was twice recognized by the Washington City Management Association with its Award for Excellence for progressive and innovative

management, and in 2005 received the University of Kansas Edwin O. Stene Award for Managerial Excellence. His professional affiliations include active membership in the International City and County Managers' Association, and the Colorado City & County Management Association. Mr. McFall is a member of the Board of Directors of the Metro North Chamber of Commerce, and is on the Board of Directors of the Westminster Legacy Foundation.

**Assistant City Manager.** The Assistant City Manager is the second highest administrative officer of the City generally responsible for daily City operations. In the absence of the City Manager, he performs all duties of the City Manager. Specific responsibilities include production of the City's annual budget, developing and monitoring the capital improvement program, tracking and projecting City revenues, and managing special projects.

Stephen P. Smithers returned to the City as the Assistant City Manager in June 2000. He also has served the City in several roles from 1983 to 1989 as Management Intern, Management Assistant and as the Assistant to the City Manager. Prior to his current position with the City, he was Manager of Special Programs for the Colorado Municipal League. In addition, Mr. Smithers has served on the Public Utilities Commission E 911 Task Force, as a board member of the Colorado Association of Commerce and Industry's Business Council for Healthcare Competition, president of the Colorado Municipal Management Assistants' Association, served on the Advisory Committee for the Colorado Telecommunications Infrastructure Fund, and during 2005, served as Chairman of the US 36 Transportation Management Organization. His professional affiliations include the International City and County Managers' Association, Colorado City and County Management Association and the National League of Cities. Mr. Smithers holds a Bachelor of Arts degree from Boston University and a master's degree in public administration from the University of Colorado.

**Finance Director.** The City Finance Director is the chief financial officer of the City and acts as the City Treasurer pursuant to the City Charter and Code. The responsibilities of the Finance Director include, but are not limited to, accounting and financial reporting, debt management, sales tax administration, revenue collection, investments, pension administration.

Tammy A. Hitchens, CPA, was appointed Finance Director in April 2005. Prior to her appointment as Finance Director, she served as the Accounting Manager for the City of Westminster for seven years. She also served the City as the Accounting Manager or Investment Officer from 1989 to 1995. Prior to returning to the City in 1998, she served as the Assistant Director of Budget and Finance for two and one-half years at Jefferson County School District in Colorado. She holds a Master of Science Degree in Finance from the University of Colorado and a Bachelor of Science degree in Business Administration—Accounting from the University of Northern Colorado. She is a Certified Public Accountant in the State of Colorado and a Certified Public Finance Officer. Ms. Hitchens is an active member of the Government Finance Officers Association of the United States and Canada ("GFOA").

**Treasury Manager.** The Treasury Manager reports to the Finance Director and the responsibilities of the Treasury Manager include, but are not limited to, revenue collection, all aspects of debt management, cash and portfolio management, utility billing and financial analysis.

Robert C. Smith was appointed as the Treasury Manager of the Finance Department in 2002. Prior to his appointment to the City of Westminster, Mr. Smith was a private financial consultant engaged on a wide range of corporate planning and treasury matters for two years, and a Treasury Manager for the Coors Brewing Company for 10 years. He holds a Bachelor of Arts degree in Economics from Earlham College and a Master's in Business Administration in Finance from the John M. Olin School of Business at Washington University. Mr. Smith is an active member of the Government Finance Officers Association of the United States and Canada ("GFOA").

**City Attorney.** The Office of the City Attorney acts as the legal advisor to the City Council and is responsible solely to the City Council pursuant to the City Charter. The City Attorney is appointed by the City Council for an indefinite period and serves at the pleasure of the City Council.

Martin R. McCullough was appointed City Attorney on February 10, 1986, after holding the position of acting City Attorney since September 1985. Mr. McCullough received his Juris Doctor degree in 1982 from the University of Houston in Houston, Texas. He is admitted to practice law in Texas and Colorado and is a member of the Colorado and Denver Bar Associations, and past president of the Metro City Attorney's Association and the Attorney's Section of the Colorado Municipal League. In 2004 he was designated a Fellow in Local Government Law by the International Municipal Lawyers Association.

**Capital Improvement Program**

The projects budgeted in the General CIP are expected to be financed primarily with moneys from the General Fund, park development fees, Lottery funds, interest income, sales and use tax revenues available after payment of debt service on sales and use tax bonds, grants and revenue bonds or other obligations. The following table sets forth the pay-as-you-go portion of the City's capital improvement programs as presented in the City's 2007-2008 Budget.

**TABLE VII**  
**Five-Year General Capital Improvement Program<sup>1</sup>**  
**(In Thousands of Dollars)**

|                               | <b>2007<br/>Adopted</b> | <b>2008<br/>Adopted</b> | <b>2009<br/>Recommended</b> | <b>2010<br/>Recommended</b> | <b>2011<br/>Recommended</b> |
|-------------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Streets and traffic           | \$ 2,351                | \$ 2,130                | \$ 2,240                    | \$ 2,426                    | \$2,064                     |
| Non-Park and<br>public safety | 4,062                   | 4,083                   | 4,353                       | 4,201                       | 3,664                       |
| Park improvements             | <u>4,083</u>            | <u>4,351</u>            | <u>4,018</u>                | <u>4,047</u>                | <u>4,004</u>                |
| Total                         | <u>\$10,496</u>         | <u>\$10,564</u>         | <u>\$10,611</u>             | <u>\$10,674</u>             | <u>\$9,732</u>              |

Source: City of Westminster 2007-2008 Budget

**Services Provided by the City**

Westminster is a full-service city, providing a broad range of municipal services to the community including police and fire protection; emergency medical and ambulance; water and wastewater utilities; parks, recreation and libraries; street maintenance and construction; cultural and general administrative services; and planning and community development.

**CITY FINANCIAL INFORMATION**

**Accounting Policies and Financial Statements**

The accounts of the City are organized on the basis of funds which are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Each fund is considered a separate accounting entity. The operations of each fund include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. For a description of the various funds and account groups, see the City's financial statements appended hereto.

The City Charter requires that an independent audit shall be made of all City accounts at least annually, and more frequently if deemed necessary by the Council. The audited financial statements must be filed with the state auditor by July 31<sup>st</sup> of each year. Failure to comply with this requirement to file an audit report may result in the withholding of the City's property tax revenues by the county treasurers pending compliance.

The general purpose financial statements from the City's 2005 Comprehensive Annual Financial Report are appended hereto. Such financial statements are the most current audited financial information available for the City.

For the past 23 years, including 2005, Westminster has received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. Such certificate is the highest form of recognition for excellence in state and local government financial reporting and is awarded to governmental entities whose comprehensive annual financial reports are judged to conform substantially to program standards. To receive the award, the report must be easily readable and understandable. It must include all funds and financial transactions during the fiscal year and it must go beyond the requirements of generally accepted accounting principles to provide the many users of government financial statements with a wide variety of information using standard formatting conventions. The City's 2006 Comprehensive Annual Financial Report will be submitted for consideration for the award.

### **Major Sources of General Fund Revenues**

The governmental fund utilized for the administration and operation of the City is the General Fund. The following are the major sources of revenue to such fund.

***Sales and Use Taxes.*** Sales and Use Tax revenues have represented the largest single source of revenue, in the form of transfers from the Sales and Use Tax Fund, in the City's General Fund over the past five years, comprising \$54,674,442 (62%) of total 2005 General Fund revenues and transfers in and estimated to comprise \$55,756,916 (64%) of total 2006 General Fund revenues and transfers in. Sales and Use Tax revenues are transferred to the General Fund from the City's Sales and Use Tax Fund after sufficient credits are made for the payment of the City's sales and use tax revenue bond obligations.

***Other Revenue Sources.*** The City also receives General Fund revenues from several additional sources including ad valorem property taxes, admissions taxes, franchise fees, licenses and permits, recreation fees, park development fees, fines and forfeits, interest income and fleet maintenance billings. Several intergovernmental revenue sources are also included in the General Fund; among these are State highway users' taxes, specific ownership taxes, motor vehicle registration fees, cigarette taxes, road and bridge revenues, library rebates, victim's assistance funding and revenues received from Hyland Hills Park and Recreation District pursuant to an agreement with said district.

In 1997, the City entered into an agreement with Inland Pacific Colorado, L.L.C., a Colorado Limited Liability Company ("Inland LLC") regarding the development and construction of the 367-room Westin Hotel and an adjoining conference center located within the Westminster Promenade. The City financially participated in the development by, among other things, constructing, equipping and furnishing a municipally owned conference center (which conference center was completed in March 2000 and contains approximately 44,000 square feet of net space and approximately 50,000 square feet of gross area) and providing Inland LLC with a business assistance rebate of \$13,750,000 payable solely from that portion of the City's accommodations tax, sales and use tax, and conference center fees attributable to the hotel and conference center operations. In 1998, the City entered into a lease agreement with Inland LLC pursuant to which the City agrees to lease the conference center, pavilion and

equipment to Inland LLC for rent, over the initial 25-year term, of approximately \$40,000,000. Said lease agreement sets forth various provisions regarding the use and operation of the premises, maintenance and repair of the facility, insurance, assignment and subletting, and events of default by the parties.

### **Historical General Fund Operations**

Set forth in the following table is a comparative statement of revenues and expenditures of the City's General Fund, including the December 31 fund balance for each year. The following information should be read together with the general purpose financial statements and accompanying notes of the City appended hereto. Preceding years' audited financial statements of the City may be obtained from the sources designated in "MISCELLANEOUS—Additional Information."



**TABLE VIII**  
**Historical General Fund Revenues, Expenditures**  
**and Changes in Fund Balance**

|  | 2001              | 2002              | 2003              | 2004              | 2005              | 2006<br>(unaudited) <sup>1</sup> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------------|
| <b>Revenues</b>                              |                   |                   |                   |                   |                   |                                  |
| Property taxes                               | \$ 2,967,845      | \$ 3,602,179      | \$ 3,773,028      | \$ 3,887,254      | \$ 3,942,328      | \$4,133,067                      |
| Business fees and other taxes                | 3,443,618         | 3,183,267         | 3,621,391         | 3,950,630         | 4,298,336         | 641,038                          |
| Licenses and permits                         | 2,318,905         | 1,971,068         | 2,293,599         | 2,321,833         | 2,101,468         | 2,596,800                        |
| Intergovernmental                            | 5,049,930         | 5,007,730         | 4,778,467         | 4,907,730         | 4,780,392         | 4,724,786                        |
| Recreation fees                              | 4,749,005         | 5,360,607         | 5,352,397         | 5,072,051         | 5,311,991         | 5,610,844                        |
| Fines and forfeits                           | 1,705,357         | 1,714,040         | 1,628,840         | 1,978,450         | 2,212,981         | 2,501,276                        |
| Interest                                     | 1,225,763         | 583,000           | 533,347           | 328,519           | 472,941           | 872,559                          |
| Fleet maintenance billings and other         | <u>3,475,525</u>  | <u>3,542,832</u>  | <u>4,448,203</u>  | <u>4,480,890</u>  | <u>5,240,097</u>  | <u>9,851,602</u>                 |
| <b>Total revenues</b>                        | <u>24,935,948</u> | <u>24,964,730</u> | <u>26,429,272</u> | <u>26,927,357</u> | <u>28,360,534</u> | <u>30,931,978</u>                |
| <b>Expenditures</b>                          |                   |                   |                   |                   |                   |                                  |
| General government                           | 20,418,572        | 20,004,576        | 23,551,054        | 29,780,602        | 30,298,995        | 28,656,719                       |
| Public safety                                | 20,309,142        | 21,127,822        | 20,876,684        | 24,053,416        | 27,316,618        | 28,060,599                       |
| Public works                                 | 6,812,732         | 6,418,668         | 6,208,225         | 6,635,754         | 6,644,285         | 6,789,378                        |
| Community development                        | 3,638,444         | 3,434,298         | 3,368,849         | 4,377,784         | 4,357,104         | 4,408,416                        |
| Culture and recreation                       | <u>12,313,838</u> | <u>11,775,664</u> | <u>11,346,622</u> | <u>11,560,470</u> | <u>12,508,632</u> | <u>12,734,661</u>                |
| <b>Total expenditures</b>                    | <u>63,492,728</u> | <u>62,761,028</u> | <u>65,351,434</u> | <u>76,408,026</u> | <u>81,125,634</u> | <u>80,649,773</u>                |
| Excess of revenues over (under) expenditures | (38,556,780)      | (37,796,298)      | (38,922,162)      | (49,480,669)      | (52,765,100)      | (49,717,795)                     |
| <b>Other financing sources (uses)</b>        |                   |                   |                   |                   |                   |                                  |
| Operating transfers in                       | 49,229,100        | 40,902,000        | 41,849,652        | 54,393,710        | 57,386,506        | 58,295,702                       |
| Operating transfers out                      | (6,899,059)       | (8,400,931)       | (379,000)         | (3,226,925)       | (8,256,684)       | (7,959,072)                      |
| Proceeds from Lease                          | <u>1,003,94</u>   | <u>354,785</u>    | <u>250,523</u>    | <u>488,414</u>    | <u>2,984,41</u>   | =                                |

|   |                         |                         |                                      |                                    |                         |                         |
|---|-------------------------|-------------------------|--------------------------------------|------------------------------------|-------------------------|-------------------------|
|   | <u>3</u>                |                         |                                      |                                    | <u>8</u>                |                         |
| Total   | <u>43,333.9</u><br>84   | <u>32,855.8</u><br>54   | <u>41,721.1</u><br>75                | <u>51,655.1</u><br>99              | <u>52,114.2</u><br>40   | <u>50,336.6</u><br>30   |
| Excess of revenues and other sources over (under) expenditures and other (uses) | 4,777.20<br>4           | (4,940.44<br>4)         | 2,799.01<br>3                        | 2,174.53<br>0                      | (650,860)               | 618,835                 |
| Beginning Fund Balance  | <u>13,636.1</u><br>82   | <u>18,413.3</u><br>86   | <u>13,472.9</u><br>42                | <u>16,271.9</u><br>55 <sup>2</sup> | <u>18,446.4</u><br>85   | <u>17,795.6</u><br>25   |
| Ending Fund Balance   | <u>\$18,413.</u><br>386 | <u>\$13,742.</u><br>942 | <u>\$16,271.</u><br>955 <sup>2</sup> | <u>\$18,446.</u><br>485            | <u>\$17,795.</u><br>625 | <u>\$18,414.</u><br>460 |

<sup>1</sup> Unaudited, unadjusted figures for the year ended December 31, 2006.

<sup>2</sup> During 2004 it was determined that a cooperative agreement between the City and WEDA had not been recorded. The December 15, 1997 agreement provides for the payment of administrative and legal fees to the City for services it provides to WEDA, as well as for the repayment of a 1991 advance of funds to WEDA for the South Westminster revitalization project. As a result of this omission, the fund balance between 2003 and 2004 changed by \$839,626.

Source: City of Westminster Comprehensive Audited Financial Statements 2001-2005; and the Westminster Finance Department

**TABLE IX  
General Fund Balances 2001-2006**

|   | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>2006<sup>1</sup></b> |
|---|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Actual Expenditures                     | \$63,492,728 | \$62,761,028 | \$65,351,434 | \$76,408,026 | \$81,125,634 | \$80,649,773            |
| Total Fund Balance                      | 18,413,386   | 13,472,942   | 16,271,955   | 18,446,485   | 17,795,625   | 18,414,460              |
| Percent of Fund Balance to Expenditures | 29.0%        | 21.5%        | 24.9%        | 24.1%        | 21.9%        | 22.83%                  |

<sup>1</sup> Unaudited, unadjusted figures through December 31, 2006.

### **Budget Process**

The City of Westminster's budget is a fiscal blueprint for service delivery. Per the City Charter, the City Council must adopt a balanced budget for the next fiscal year. The City's budget is constructed on a calendar year as required by the City Charter. The voters approved a charter amendment in November 2000 that allows City Council to adopt a two-year budget; the City Council began officially implementing a two year budget with the adoption of the 2003/2004 Biennial Budget.

On or before September 15th of each year the City Manager must prepare and submit a recommended budget to the City Council. The recommended budget must provide detailed estimates of proposed expenditures for each City department, office and agency, and for the court for the ensuing fiscal year. In addition, the budget must set forth the corresponding actual expenditures for the last full fiscal year, the current fiscal year through September 1st and estimates of expenditures for the balance of the current fiscal year. The budget also must set forth all actual and anticipated revenues from sources other than taxes for the equivalent periods, and the estimated balance or deficit for the end of the current fiscal year. If required by the City Council, by resolution or ordinance, the City Manager shall submit to the City Council, simultaneously with his recommended budget, a schedule showing all recommended capital outlay expenditures during the following five fiscal years. Debt service requirements for the budget year must be stated separately. The Charter further requires the budget to set forth the amount to be raised from current and delinquent taxes and the amount to be raised from bond issues during the upcoming fiscal year which, together with any unappropriated revenue surplus and any revenues from

other sources, will be necessary to meet the proposed expenditures. The budget must also contain such additional information as the Council may request.

A public hearing on the proposed budget must be held before its final adoption. Notice of the hearing must be published at least one week prior to its scheduled date, stating that the proposed budget is available for public inspection. The budget is to be adopted no later than the fourth Monday of October. On or before the last day of the current fiscal year, the Council shall appropriate by ordinance, based upon the budget as adopted, the moneys needed for municipal purposes during the next fiscal year. The City Council can adopt a budget for two (2) fiscal years instead of one (1) fiscal year, according to such procedures as City Council shall prescribe by ordinance. The City Council adopted the City's 2007-2008 biennial budget in a timely manner pursuant to the above described procedure.

Subject to the restriction discussed below, the adopted budget must provide for a levy on real and personal property which will result in the collection of revenues in the amount necessary to be raised from ad valorem property taxes for municipal purposes. Following adoption of the budget, the Council certifies to the county assessors the amount to be levied on taxable property within the City for collection by the county treasurers.

At the end of each month during the fiscal year, the City Manager submits to the Council data comparing the estimated and actual revenues and appropriated expenditures to date. If accrued revenues are less than anticipated, the Council may reduce appropriations, except amounts required for debt and interest charges, as is necessary to keep expenditures within revenues.

With the exception of expenditures to be financed by the issuance of bonds or by special assessment, no expenditure may be made from City funds unless a specific appropriation has been made for such purpose. The City Council must approve all purchases and contracts in excess of \$50,000, with the City Manager having the authority to approve purchases and contracts in lesser amounts if funds have previously been budgeted to cover such expenses. In the case of an emergency or other unforeseeable event, money designated for contingencies may be transferred without additional appropriation by ordinance but does require the adoption of a resolution; the City Manager may order the transfer of funds within a departmental budget; or the Council may transfer any unencumbered appropriation balance, or any portion thereof, from one account or department (by motion) to another, and from one fund or agency (by ordinance) to another, at any time during the year. If the City receives revenues which were unanticipated at the time of adoption of the budget, the City Council may authorize, by ordinance, the expenditure thereof by adopting supplemental appropriations. The balance of any budget appropriation which has not been spent at the end of the year reverts to the fund from which the appropriation was made.

***General Fund Budget Summary and Comparison.*** The City implemented a two-year budget format in calendar year 2002. The budgets for 2007 and 2008 were adopted by City Council on October 23, 2006 and are compared with the 2006 budget as adopted in the following table.

**TABLE X**  
**General Fund Budget Summary and Comparison**

|                                    | <b>2006 Budget<br/>(Adopted)</b> | <b>2007 Budget<br/>(Adopted)</b> | <b>2008 Budget<br/>(Adopted)</b> |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <i>Revenues</i>                    |                                  |                                  |                                  |
| Property tax                       | \$ 3,987,125                     | \$ 4,204,787                     | \$ 4,356,546                     |
| Business tax                       | 3,327,560                        | 4,090,654                        | 4,190,489                        |
| Admissions tax                     | 576,000                          | 506,000                          | 517,000                          |
| Licenses                           | 195,000                          | 190,000                          | 192,000                          |
| Building Permits                   | 1,625,000                        | 1,485,000                        | 1,380,000                        |
| Intergovernmental                  | 4,894,000                        | 4,740,500                        | 4,777,500                        |
| Recreation charges                 | 5,319,500                        | 5,611,336                        | 5,731,166                        |
| Fines & forfeitures                | 2,050,000                        | 2,311,250                        | 2,353,275                        |
| Total reimbursement                | 60,000                           | 55,000                           | 55,000                           |
| Interest income                    | 300,000                          | 360,000                          | 360,000                          |
| Contributions                      | 5,000                            | 5,000                            | 5,000                            |
| General miscellaneous <sup>1</sup> | 4,364,700                        | 7,493,125                        | 7,967,324                        |
| Refunds                            | <u>(70,000)</u>                  | <u>--</u>                        | <u>--</u>                        |
| Total Revenue                      | <u>26,633,885</u>                | <u>31,052,652</u>                | <u>31,885,300</u>                |
| <i>Transfer payments</i>           |                                  |                                  |                                  |
| From GIDs                          | 75,000                           | --                               | --                               |
| From Sales/Use Tax                 | 57,033,108                       | 55,760,254                       | 57,243,969                       |
| From Utility Fund                  | 2,467,586                        | 2,489,214                        | 2,540,500                        |
| Carryover                          | --                               | --                               | --                               |
| Total Funds Available              | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |
| <i>Expenditures</i>                |                                  |                                  |                                  |
| City Council                       | \$ 193,469                       | \$ 205,023                       | \$ 206,348                       |
| City Attorney                      | 919,252                          | 1,064,790                        | 1,065,807                        |
| City Manager                       | 1,075,127                        | 1,121,996                        | 1,126,326                        |
| Central Charges                    | 21,712,662                       | 21,268,702                       | 23,363,038                       |
| General Services                   | 4,932,864                        | 5,030,427                        | 5,078,192                        |
| Finance                            | 1,567,222                        | 1,806,674                        | 1,806,204                        |
| Police                             | 18,704,436                       | 19,752,848                       | 19,809,725                       |
| Fire                               | 9,923,185                        | 10,648,095                       | 10,691,821                       |
| Community Development              | 4,559,584                        | 4,594,371                        | 4,570,622                        |
| Public Works & Utilities           | 7,257,755                        | 7,418,362                        | 7,209,602                        |
| Parks, Recreation, & Libraries     | <u>13,103,339</u>                | <u>13,867,983</u>                | <u>14,168,087</u>                |
| Total Operating                    | <u>83,948,895</u>                | <u>86,779,271</u>                | <u>89,095,772</u>                |
| Transfer Payments                  | 1,260,684                        | 1,522,849                        | 1,573,997                        |
| Contingency                        | <u>1,000,000</u>                 | <u>1,000,000</u>                 | <u>1,000,000</u>                 |
| Total Expenditures                 | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |

<sup>1</sup>According to City officials the increase in "General Miscellaneous" in 2007 and 2008 is primarily attributable to a new infrastructure fee for street lighting and certain payments made to the City of Thornton for the financing of certain infrastructure costs.

Source: City of Westminster Finance Department

### **Retirement and Pension Matters**

See Notes G, H and I to the City's financial statements appended hereto for a discussion of the City's pension plans.

## **Insurance Coverage**

The Council acts to protect the City against loss and liability by maintaining certain insurance coverages. The City is insured as a member of CIRSA, a property and liability insurance pool established for Colorado municipalities on January 1, 1982. CIRSA provides liability coverage, including errors and omissions; property coverage; and specific catastrophe coverage, which is renewable annually on January 1<sup>st</sup>. See Notes 4.A and 4.B to the City's financial statements appended hereto for a discussion of CIRSA. The City Manager believes the City's present insurance coverage to be adequate. However, there can be no assurance that the City will continue to maintain this level of coverage.

## **Deposit and Investment of City Funds**

State statutes set forth requirements for the deposit of City funds in eligible depositories and for the collateralization of such deposited funds. See also Note D to the City's financial statements appended hereto. The City also may invest available funds in accordance with applicable state statutes. The investment of the proceeds of this issue also is subject to the provisions of the Federal Tax Code. See "TAX EXEMPTION."

## **DEBT STRUCTURE**

### **Required Elections**

Article X, Section 20 of the Colorado Constitution requires that, with certain exceptions, the City must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Enterprises, as defined in Article X, Section 20, refundings at a lower interest rate, and obligations subject to annual appropriation are excluded from the application of said Section and the voter approval requirements established therein. For a discussion of Article X, Section 20 see "Constitutional Amendment Limiting Taxes and Spending."

### **Revenue Bonds**

The City Council has the power to issue revenue bonds, subject to the election requirements described above in "Required Elections," payable from the revenues derived from the operation of facilities to be acquired, constructed or improved with the proceeds of the bonds, or payable in whole or part from available proceeds of sales and use taxes. The City provides for the operation of certain of its services, such as water and wastewater, and certain of its recreational facilities as enterprises which are not subject to the provisions of Article X, Section 20, see "—Constitutional Amendment Limiting Taxes and Spending." The following table sets forth the City's outstanding revenue obligations upon issuance of the Bonds.

**TABLE XI**  
**Outstanding Revenue Obligations**

| Issue   | Outstanding<br>Principal | Principal<br>Totals  |
|---|--------------------------|----------------------|
| <br><i>Sales and Use Tax Obligations</i>  |                          |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A <sup>1</sup>                | \$ 12,400,000            |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001                              | 7,125,000                |                      |
| Sales and Use Tax Revenue Bonds (136 <sup>th</sup> Ave. & I 25 Project ), Series 2002 <sup>1</sup>  | 4,100,000                |                      |
| Sales and Use Tax Revenue Refunding Bonds, Series 2007A <sup>1</sup>                                | 21,900,000               |                      |
| Subtotal  |                          | \$45,525,000         |
| <br>  |                          |                      |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1997B <sup>2</sup>           | 1,175,000                |                      |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1999                         | 400,000                  |                      |
| Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B <sup>2</sup> | 14,160,000               |                      |
| Subtotal  |                          | 15,735,000           |
| <br><i>Utility Fund Obligations</i>   |                          |                      |
| Water and Wastewater Revenue Refunding Bonds, Series 2001   | 14,050,000               |                      |
| Variable Rate Demand Water and Wastewater Revenue Bonds, Series 2002                                | 6,425,000                |                      |
| Subtotal  |                          | 20,475,000           |
| <br>  |                          |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 1997   | 8,716,814                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 1998   | 2,501,765                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2000A  | 11,082,905               |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2005   | 14,555,000               |                      |
| Subtotal  |                          | 36,856,484           |
| <br><i>Golf Course Fund Obligations</i>   |                          |                      |
| Golf Course Enterprise Revenue Bonds (Heritage Golf Course Project) Series 1998                     | <u>5,425,000</u>         |                      |
| Subtotal  |                          | <u>5,425,000</u>     |
| Total   |                          | <u>\$124,016,484</u> |

<sup>1</sup> The Series 1997A Bonds and the Series 2002 Bonds excludes those bonds which are to be refunded and legally defeased from proceeds of the Series 2007A Bonds.

<sup>2</sup>On or about the date of issuance of the Series 2007A Bonds, the City anticipates the issuance of its Special Purpose Sales and Use Tax Revenue Refunding Bonds, Series 2007B. The principal amount of such bonds has been estimated for purposes of this Official Statement as \$14,160,000, with the remaining principal amount outstanding for the 1997B Bonds being \$1,175,000.  
Source: The City

At the November 7, 2006 election, in addition to extending the Open Space Tax through January 1, 2033, City voters authorized the creation of indebtedness not to exceed \$20,000,000 to finance a portion of the acquisition and development of open space, parks, recreation and trails by the City with revenues received from the Open Space Tax. The City expects to issue such indebtedness in the fall of 2007.

### **Leases and Long-Term Contracts**

The City Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval as described above in “—Required Elections.” The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. The following table sets forth the City’s outstanding leases and long term contracts.

**TABLE XII**  
**Outstanding Leases and Long-Term Contracts**

| <b>Issue</b>   | <b>Outstanding Principal</b> |
|--|------------------------------|
| Certificates of Participation, Series 1998 (Various Capital Facilities) <sup>1</sup> | \$ 2,045,000                 |
| Certificates of Participation, Series 1999 (Various Capital Facilities) <sup>1</sup> | 1,930,000                    |
| Certificates of Participation, Series 2001 (Public Safety Building)                  | 16,070,000                   |
| Certificates of Participation, Series 2005 (144th Interchange)                       | 17,130,000                   |
| Refunding Certificates of Participation, Series 2007 <sup>1</sup>                    | <u>31,980,000</u>            |
| Subtotal (parity certificates secured by Revenues)                                   | <u>\$69,155,000</u>          |
| Certificates of Participation, Series 1998 (Ice Centre)                              | 11,395,000                   |
| Equipment Leases   | <u>3,964,291</u>             |
| Subtotal (other lease and long-term contracts)                                       | <u>\$15,359,291</u>          |
| Total (all outstanding leases and long-term contracts)                               | <u>\$84,514,291</u>          |

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<sup>2</sup>On or about the date of issuance of the Series 2007A Bonds, the City anticipates the pricing of its Refunding Certificates of Participation, Series 2007 (which are expected to be issued in late March, 2007). The principal amount of such certificates has been estimated for purposes of this Official Statement as \$31,980,000, with the remaining principal amount outstanding for the 1998 Certificates being \$2,045,000 and the 1999 Certificates being \$1,930,000.

Source: The City

### **General Obligation Debt**

“Debt” or “indebtedness” as used in this section means, generally, obligations backed by the City’s full faith and credit and secured by the unlimited power of the City to levy ad valorem property taxes for the payment of bonds and the interest thereon. Any general obligation indebtedness of the City is subject to the election requirements described above in “—Required Elections.” The City does not have any outstanding general obligation debt.

### **Other Financial Obligations**

Subject to the election requirements described above in “—Required Elections,” the Council also has the power to issue special assessment bonds payable from assessments levied against specially benefited properties within special assessment districts. At this time, there are no special assessment bonds outstanding.



## **Moral Obligations**

The City has entered into moral obligations, which represent non binding declarations of the present intent of the City Council to replenish funds securing bond payments, with respect to \$6,460,000 of Tax Increment Adjustable Rate Revenue Bonds (Westminster Plaza Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 1997, currently outstanding in the principal amount of \$5,930,000; \$68,300,000 of Tax Increment Adjustable Rate Revenue Bonds (North Huron Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2005 currently outstanding in the principal amount of \$68,300,000; \$38,455,000 of Tax Increment Adjustable Rate Revenue Refunding Bonds (Mandalay Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2006 currently outstanding in the principal amount of \$38,455,000; and the \$6,300,000 Golf Course Enterprise Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$5,620,000 referenced above. In calendar year 2007, the City expects to enter into an additional moral obligation with WEDA with respect to approximately \$5-8 million of Tax Increment Adjustable Rate Revenue Bonds (South Sheridan Urban Renewal Project) expected to be issued by the Westminster Urban Renewal Authority in 2007. Payments, if any, required pursuant to such obligations are subject to annual appropriation by the City Council.

## **Constitutional TABOR Limiting Taxes and Spending**

**General.** A citizen initiated amendment which added Article X Section 20 to the State constitution was passed on November 3, 1992 (“TABOR”). TABOR applies to the State and any local governments (but excluding government owned enterprises as defined in the TABOR and certain other entities, including urban renewal authorities which satisfy certain legal conditions hereafter described), and among other things, provides significant restrictions regarding taxes, spending, revenue increases, and borrowing. The applicable limitations established pursuant to TABOR can be exceeded with prior voter approval.

With certain exceptions concerning general obligation bonds, pensions, final court judgments, and emergency taxes, TABOR requires local governments to obtain voter approval prior to the imposition of any new tax, tax rate increase, mill levy above that for the prior year, assessed valuation ratio increase, or extension of an expiring tax, or a tax policy change directly causing a net revenue gain to the local government.

Unless otherwise approved by the voters, TABOR also limits the annual percentage increases in both property tax revenue and local government “fiscal year spending,” with certain adjustments, to inflation (defined as the Denver Boulder consumer price index) in the prior calendar year plus “local growth.” Local growth is defined as the net percentage change in actual value of all real property in the local government from construction of improvements and additions to taxable real property less destruction of improvements and deletions to taxable real property. Fiscal year spending includes all the local government’s expenditures and reserve increases and excludes reserve transfers or expenditures, refunds made in the current or next fiscal year, gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, damage awards, and property sales. Any revenue collected in excess of the limit on spending and property tax revenue is required to be refunded during the next fiscal year.

**Enterprises.** Enterprises are excluded from the provisions of the Amendment. As defined in the Amendment, enterprise means a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.

***De-Brucing.*** At the election held on November 5, 2002, the City received voter approval to exempt all City revenues not previously exempted pursuant to voter approval, which moneys would otherwise be subject to the TABOR's fiscal year spending limitation (which revenues are comprised primarily of non-tax revenues such as user-charged fees and state and local grant moneys).

## **LEGAL MATTERS**

### **Pending and Threatened Litigation Involving the City**

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

The Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$150,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$600,000; except in such instance, no person may recover in excess of \$150,000. Suits against both the City and a public employee do not increase such maximum amounts which may be recovered. For injuries occurring prior to July 1, 1986, sovereign immunity limits are deemed to be waived to the extent that the City's insurance covers such injury. With regard to injuries occurring on and after such date, the City may, by resolution, increase any maximum amount that may be recovered from the City for the type of injury described in the resolution. The City has not adopted such a resolution to date. The City may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the City is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of ten mills per annum for all outstanding settlements or judgments.

The City may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti competitive practices which violate the antitrust laws.

### **Pending and Threatened Litigation Involving the City**

The City Attorney is expected to render an opinion or deliver a certificate upon delivery of the Bonds stating that, to the best of his actual knowledge, there is no action, suit or proceeding now pending or threatened against the City that will materially and adversely affect the financial condition or operations of the City, or the City's power to issue and deliver the Bonds, or to execute and perform the obligations of the City in the Bond Ordinance.

### **Legal Representation**

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. In addition Kutak Rock LLP has been retained to advise the City concerning, and has assisted the City in the preparation of, this Official

Statement. Certain legal matters will be passed upon for the City by Martin R. McCullough, Esq., as City Attorney.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **TAX EXEMPTION**

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The City will covenant and represent in the Indenture that it will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the Bonds) to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the

corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based upon existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to any pending or proposed legislation. Amendments to federal and Colorado tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income, Colorado alternative minimum taxable income or any combination thereof from the date of issuance of the Bonds or any other date, or which could result in other adverse federal or Colorado tax consequences. Bondowners are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the City as the taxpayer and the Owners may have no right to participate in such procedures. The City has covenanted in the Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Underwriter, the Financial Advisor or Bond Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the Bonds.

## **MISCELLANEOUS**

### **Ratings**

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("S&P") and Fitch Investors ("Fitch") have assigned the ratings to the Bonds shown on the cover page hereof, with the understanding that, upon delivery of the Bonds, the Policy will be issued by the Insurer. Such ratings reflect only the view of such rating agencies. Any explanations of the significance of such ratings should

be obtained from S&P at 25 Broadway, New York, New York 10004 and from Fitch at One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The rating agencies have also assigned the underlying ratings shown on the cover page. The underlying ratings are reflective of the capacity of the City to fulfill its payment obligations under the Bond Ordinance, without giving effect to the additional security provided by the Policy.

### **Registration of Bonds**

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, pursuant to an exemption from registration provided in said act. **THE CITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.**

### **Financial Advisor**

James Capital Advisors, Inc. (“James Capital”) served as financial advisor to the City with respect to the sale of the Bonds. As the City’s financial advisor, James Capital has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Bonds. In its role of financial advisor to the City, James Capital has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the Appendices hereto.

### **Interest of Certain Persons Named in this Official Statement**

The legal fees to be paid to Sherman & Howard L.L.C. and to Kutak Rock LLP are contingent upon the sale and delivery of the Bonds.

### **Underwriting**

The Bonds are being sold by the City at an underwriting discount of \$\_\_\_\_\_ to the Underwriter pursuant to a purchase contract. See “THE BONDS—Application of Bond Proceeds.” Expenses associated with the issuance of the Bonds are being paid by the City from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds to the public at the prices or yields set forth on the cover page of this Official Statement. Such prices or yields, as the case may be, may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds to the public.



**APPENDIX A**

**AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**

## APPENDIX B

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado (the “City”) in connection with the issuance of the City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_ (the “2007A Bonds”). The 2007A Bonds are being issued pursuant to Ordinances adopted by the City Council of the City on February 12, 2007 (the “Ordinance”). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2007A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repositories” shall mean all of the Nationally Recognized Municipal Securities Information Repositories for purposes of the Rule, as recognized from time to time by the SEC and as currently listed on the Internet at the website [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

“Participating Underwriter” shall mean the original underwriter of the 2007A Bonds required to comply with the Rule in connection with an offering of the 2007A Bonds.

“Repositories” shall mean the National Repositories and any State Repository.

“Repository Agent” shall mean any filing system approved by the SEC for transmission of filings under the Rule for submission to the Repositories, including without limitation the central post office known as DisclosureUSA, currently managed by the Municipal Advisory Council of Texas and located on the Internet at the website [www.DisclosureUSA.org](http://www.DisclosureUSA.org).



“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Colorado as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

**SECTION 3. Provision of Annual Reports.**

The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s fiscal year of each year, commencing nine (9) months following the end of the City’s fiscal year ending December 31, 2007, provide to (i) the Repositories or (ii) a Repository Agent, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

If the City is unable to provide to the Repositories or the Repository Agent an Annual Report by the date required in subsection (a), the City shall send or cause to be sent a notice in substantially the form attached as Exhibit “A” to any of the following: (i) MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent.

The Dissemination Agent shall:

- (1) determine each year prior to the date for providing the Annual Report the name and address of the Repositories and any Repository Agent;
- (2) if the Dissemination Agent is other than the City, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and
- (3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

**SECTION 4. Content of Annual Reports.** The City’s Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the

Repositories or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The City shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the 2007A Bonds, if such event is material to any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the 2007A Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the 2007A Bonds; or
- k. Rating changes.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the 2007A Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the 2007A Bonds.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the 2007A Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the Repositories or Repository Agent.

SECTION 9 Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the 2007A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the 2007A Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2007.

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Westminster, Colorado

Name of Bond Issue: City of Westminster, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2007A, dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_.

Date of Issuance: \_\_\_\_\_, 2007

CUSIP No. \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 19(g) of the Ordinance, adopted on February 12, 2007, and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2007, by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT “B”**

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the larger metropolitan area within which the City is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the City is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the City or its officers, employees, or advisors.*

#### Population and Median Age

The following table sets forth the population of the City of Westminster, Adams County, Jefferson County and the Denver metropolitan statistical area (the “DMA”) which includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

| Year              | Population          |                |                           |                  |             |
|-------------------|---------------------|----------------|---------------------------|------------------|-------------|
|                   | City of Westminster | Percent Change | Adams County <sup>1</sup> | Jefferson County | DMA         |
| 1960              | 13,850              | --             | 120,296                   | 127,520          | 934,199     |
| 1970              | 19,634              | 41.8%          | 185,789                   | 235,300          | 1,238,273   |
| 1980              | 50,211              | 155.7          | 245,944                   | 371,753          | 1,618,461   |
| 1990              | 74,625              | 48.6           | 265,038                   | 438,430          | 1,848,319   |
| 2000              | 100,940             | 35.3           | 363,857                   | 527,056          | 2,400,570   |
| 2001              | 102,905             | 0.0            | 361,262                   | 529,404          | 2,195,883   |
| 2002              | 104,011             | 3.0            | 375,380                   | 530,821          | 2,236,522   |
| 2003              | 104,522             | 0.5            | 385,262                   | 529,479          | 2,553,636   |
| 2004              | 105,177             | 0.6            | 394,257                   | 532,723          | 2,592,441   |
| 2005              | 105,944             | 0.7            | 405,561                   | 532,608          | 2,627,322   |
| 2006 <sup>2</sup> | 107,363             | 1.3            | unavailable               | unavailable      | unavailable |

<sup>1</sup> The City of Westminster is located in both Adams and Jefferson Counties and therefore information for both counties is included herein as pertinent to the City.

<sup>2</sup> As provided by the City of Westminster.

Source: The 1960-2000 population figures were obtained from the U.S. Department of Commerce, Bureau of the Census; the 2001-2005 figures were obtained from the Division of Local Government, Demographic Division

According to the United States Census Bureau, Adams County’s median age in 1990 was 30.5 years as compared with 31.4 years in 2000. Westminster’s median age was 30.1 in 1990 compared with 32.6 for 2000. The State’s median age for the same period increased from 31.4 in 1990 to 34.3 years in 2000, with the median age of the United States being 33.0 and 35.3 years in 1990 and 2000, respectively.

## Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and per capita personal income. The City of Westminster, Adams County, Jefferson County, the Denver-Aurora-Boulder Consolidated Area, the State and the United States.

### Median Household Effective Buying Income <sup>1</sup>

|                     | 2001     | 2002     | 2003     | 2004     | 2005     |
|---------------------|----------|----------|----------|----------|----------|
| City of Westminster | \$46,161 | \$51,512 | \$50,742 | \$51,634 | \$52,313 |
| Adams County        | 38,952   | 42,802   | 43,981   | 42,738   | 43,561   |
| Jefferson County    | 51,452   | 54,470   | 50,830   | 51,688   | 52,289   |
| CBSA <sup>1</sup>   | 44,312   | 48,397   | 46,613   | 47,567   | 48,539   |
| Colorado            | 39,741   | 44,050   | 43,510   | 43,544   | 44,489   |
| United States       | 39,129   | 38,365   | 38,035   | 38,201   | 39,324   |

Note: A household consists of all the people occupying a house, an apartment, room or group of rooms regarded as a housing unit according to the 2000 Census definitions. Members of the household need not be related.

<sup>1</sup> Historically the Survey of Buying Power reported data for the Denver-Boulder-Greeley consolidated metropolitan statistical area (“MSA”) which included the counties of Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson, and Weld. Beginning with the 2004 Survey of Buying Power, data is now being reported for the newly defined core based statistical areas (“CBSA”) instead of MSA, which data is based on the census. The newly created Denver-Aurora-Boulder CBSA includes the counties of Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park, therefore; CBSA figures are not directly comparable to historical MSA data presented herein.

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2001-2005

### Percent of Households by Effective Buying Income Groups—2005

|                     | Less Than<br>\$20,000 | \$20,000-<br>\$34,999 | \$35,000-<br>\$49,999 | \$50,000<br>and Over |
|---------------------|-----------------------|-----------------------|-----------------------|----------------------|
| City of Westminster | 8.5%                  | 17.0%                 | 21.1%                 | 53.4%                |
| Adams County        | 14.2                  | 22.8                  | 22.2                  | 40.8                 |
| Jefferson County    | 10.3                  | 17.5                  | 19.1                  | 53.1                 |
| CBSA                | 13.5                  | 19.3                  | 19.0                  | 48.2                 |
| Colorado            | 16.1                  | 21.3                  | 19.4                  | 43.2                 |
| United States       | 21.5                  | 22.5                  | 19.3                  | 36.7                 |

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2005

**Per Capita Personal Income**

|                  | <b>2000</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Adams County     | \$26,732    | \$27,528    | \$27,707    | \$27,682    | \$28,694    |
| Jefferson County | 38,231      | 39,362      | 38,059      | 38,466      | 40,334      |
| DMA              | 38,147      | 39,566      | 39,006      | 39,461      | 41,229      |
| Colorado         | 33,371      | 34,493      | 34,027      | 34,528      | 36,113      |
| United States    | 29,845      | 30,574      | 30,810      | 31,484      | 33,050      |

Source: State of Colorado, Division of Local Government, Demographic Section

**School Enrollment**

The following table presents a five year history of school enrollment for Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1, the school districts serving the City.

**School Enrollment**

| <b>Year</b> | <b>Adams County School District No. 12</b> | <b>Adams County School District No. 50</b> | <b>Jefferson County School District R-1</b> |
|-------------|--|--|---|
| 2002/2003   | 33,522                                     | 11,012                                     | 87,925                                      |
| 2003/2004   | 34,869                                     | 10,562                                     | 87,180                                      |
| 2004/2005   | 36,430                                     | 10,671                                     | 86,877                                      |
| 2005/2006   | 36,994                                     | 10,049                                     | 85,043                                      |
| 2006/2007   | 37,433                                     | 10,683                                     | 84,790                                      |

Source: Colorado Department of Education, *State Trends in Colorado Public School Membership by School District and individual school districts*

**Building Activity**

The following tables set forth building permit activity for the City of Westminster.

**Building Permit Activity in the City of Westminster**

| <b>Year</b> | <b>Residential</b>        |                            |                                | <b>Commercial</b> | <b>Valuation for All Permits</b> |
|-------------|---------------------------|----------------------------|--------------------------------|-------------------|----------------------------------|
|             | <b>Multi-Family Units</b> | <b>Single-Family Units</b> | <b>Total Residential Units</b> |                   |                                  |
| 2002        | 374                       | 463                        | 857                            | 17                | \$171,559,369                    |
| 2003        | 16                        | 497                        | 513                            | 31                | 182,245,326                      |
| 2004        | 24                        | 489                        | 513                            | 21                | 124,281,747                      |
| 2005        | 87                        | 183                        | 270                            | 30                | 151,800,465                      |
| 2006        | 109                       | 155                        | 264                            | 55                | 191,445,758                      |

Source: City of Westminster Building Department



## Foreclosure Activity

The number of foreclosures filed in Adams County and in Jefferson County are set forth in the following table.

### History of Foreclosures

| Year | Adams County | Percent Change | Jefferson County | Percent Change |
|------|--------------|----------------|------------------|----------------|
| 2002 | 927          | --             | 1,130            | --             |
| 2003 | 1,899        | 4.9%           | 1,532            | 35.6%          |
| 2004 | 2,499        | 31.6           | 1,880            | 22.7           |
| 2005 | 3,281        | 31.3           | 2,120            | 12.8           |
| 2006 | 4,330        | 32.0           | 2,971            | 40.1           |

Source: Adams County and Jefferson County Public Trustees

## Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for Adams County and Jefferson County.

### Total Business Establishments and Employment—Adams County

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 48                  | 1,197              | 50                  | 1,403              | 2                | 206                |
| Mining                                       | 29                  | 243                | 35                  | 234                | 6                | (9)                |
| Utilities                                    | 12                  | 925                | 12                  | 616                | 0                | 309                |
| Construction                                 | 1,447               | 17,593             | 1,475               | 19,165             | 28               | 1,572              |
| Manufacturing                                | 500                 | 14,001             | 512                 | 14,237             | 12               | 236                |
| Wholesale trade                              | 959                 | 13,596             | 988                 | 14,248             | 29               | 652                |
| Retail trade                                 | 999                 | 15,441             | 993                 | 15,906             | (6)              | 465                |
| Transportation and warehousing               | 476                 | 13,521             | 480                 | 13,379             | 4                | (142)              |
| Information                                  | 117                 | 2,002              | 120                 | 2,071              | 3                | 69                 |
| Finance and insurance                        | 468                 | 2,908              | 494                 | 3,034              | 26               | 126                |
| Real estate and rental and leasing           | 461                 | 2,834              | 487                 | 2,884              | 26               | 50                 |
| Professional and technical services          | 735                 | 3,959              | 803                 | 3,957              | 68               | (2)                |
| Management of companies and enterprises      | 49                  | 1,371              | 57                  | 1,558              | 8                | 187                |
| Administrative and waste services            | 544                 | 9,428              | 570                 | 10,996             | 26               | 1,568              |
| Educational services                         | 86                  | 1,547              | 99                  | 1,690              | 13               | 143                |
| Health care and social assistance            | 499                 | 9,505              | 530                 | 10,018             | 31               | 513                |
| Arts, entertainment, and recreation          | 85                  | 1,032              | 83                  | 976                | (2)              | (56)               |
| Accommodation and food services              | 625                 | 11,049             | 641                 | 11,378             | 16               | 329                |
| Other services, except public administration | 749                 | 4,671              | 757                 | 4,926              | 8                | 255                |
| Non-classifiable                             | 3                   | 4                  | 5                   | 9                  | 2                | 5                  |
| Government                                   | 95                  | 20,563             | 96                  | 21,003             | 1                | 440                |
| <b>Total</b>                                 | <b>8,986</b>        | <b>147,387</b>     | <b>9,287</b>        | <b>153,689</b>     | <b>301</b>       | <b>6,302</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.  
Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Total Business Establishments and Employment—Jefferson County**

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 44                  | 486                | 38                  | 441                | (7)              | (45)               |
| Mining                                       | 72                  | 268                | 80                  | 385                | 8                | 117                |
| Utilities                                    | 38                  | 785                | 39                  | 847                | 1                | 62                 |
| Construction                                 | 2,435               | 14,909             | 2,360               | 15,665             | 75               | 756                |
| Manufacturing                                | 573                 | 18,508             | 581                 | 18,651             | 8                | 143                |
| Wholesale trade                              | 1,464               | 5,922              | 1,469               | 6,071              | 5                | 149                |
| Retail trade                                 | 2,096               | 29,078             | 2,088               | 29,271             | (8)              | 193                |
| Transportation and warehousing               | 259                 | 2,112              | 251                 | 2,183              | (8)              | 71                 |
| Information                                  | 317                 | 4,190              | 326                 | 4,444              | 9                | 254                |
| Finance and insurance                        | 1,359               | 8,322              | 1,368               | 8,412              | 9                | 90                 |
| Real estate and rental and leasing           | 948                 | 4,177              | 968                 | 3,966              | 20               | (211)              |
| Professional and technical services          | 3,173               | 15,494             | 3,389               | 16,105             | 216              | 611                |
| Management of companies and enterprises      | 135                 | 2,370              | 153                 | 2,496              | 18               | 126                |
| Administrative and waste services            | 1,097               | 15,436             | 1,110               | 14,121             | 13               | (1,315)            |
| Educational services                         | 229                 | 2,390              | 247                 | 2,443              | 18               | 53                 |
| Health care and social assistance            | 1,373               | 18,947             | 1,357               | 19,523             | (16)             | 576                |
| Arts, entertainment, and recreation          | 241                 | 3,478              | 228                 | 3,400              | (13)             | (78)               |
| Accommodation and food services              | 1,084               | 20,067             | 1,106               | 20,359             | 22               | 292                |
| Other services, except public administration | 1,427               | 6,187              | 1,441               | 6,211              | (14)             | 24                 |
| Non-classifiable                             | 9                   | 8                  | 10                  | 17                 | 1                | 9                  |
| Government                                   | 160                 | 34,127             | 162                 | 33,533             | 2                | (594)              |
| <b>Total</b>                                 | <b>18,533</b>       | <b>207,261</b>     | <b>18,771</b>       | <b>208,542</b>     | <b>238</b>       | <b>1,281</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.  
Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Labor Force Estimates**

| Year              | Adams County |                    | Jefferson County |                    | DMSA        |                    | Colorado    |                    |
|-------------------|--------------|--------------------|------------------|--------------------|-------------|--------------------|-------------|--------------------|
|                   | Labor Force  | Percent Unemployed | Labor Force      | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed |
| 2001              | 198,052      | 3.7%               | 305,772          | 3.2%               | 1,152,615   | 3.5%               | 2,379,092   | 3.7%               |
| 2002              | 196,440      | 6.2                | 309,536          | 5.3                | 1,215,905   | 5.9                | 2,437,413   | 5.7                |
| 2003              | 201,891      | 7.1                | 310,080          | 5.6                | 1,252,299   | 6.3                | 2,477,874   | 6.0                |
| 2004              | 199,128      | 6.5                | 303,628          | 5.5                | 1,275,498   | 5.9                | 2,522,225   | 5.5                |
| 2005              | 202,472      | 5.8                | 308,500          | 5.0                | 1,306,362   | 5.2                | 2,547,895   | 5.1                |
| 2006 <sup>1</sup> | 207,925      | 5.2                | 317,140          | 4.5                | 1,342,435   | 4.7                | 2,625,070   | 4.5                |

<sup>1</sup> Labor force estimates through October 31, 2006.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review

The following table sets forth selected major employers within the City of Westminster. No independent investigation has been made of and there can be no representation as to the stability or financial condition of the entities listed below, or the likelihood that they will maintain their status as major employers in the City. Three school districts are represented within Westminster: Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1. The breakdown of employees within facilities within Westminster is not readily available.

**City of Westminster-Selected Major Employers**

| <b>Employer</b>                   | <b>Product or Service</b>                               | <b>Estimated<br/>Number<br/>of<br/>Employees<sup>1</sup></b> |
|-----------------------------------|---|--|
| Avaya                             | Business Communication Systems, Research & Development  | 1,860 <sup>2</sup>   |
| City of Westminster               | City Government   | 1,665  |
| Ball Corporation                  | Packaging Operations, Research & Development, Aerospace | 659  |
| Centura Health/ St. Anthony North | Full Service Hospital                                   | 570  |
| Access Distribution (GE Access)   | Computer Systems & Networks Vendor                      | 390  |
| Tri State Generation              | Electric Utility Wholesaler                             | 355  |
| Alliance Data Systems             | Network Credit Authorization Services and Equipment     | 323  |
| Kaiser Permanente                 | Health Care Provider                                    | 263  |
| Corporate Express                 | Office Supplies Provider                                | 263  |
| LaFarge North America             | Construction Materials                                  | 190  |
| Finali                            | ECRM Solutions Service Provider                         | 175  |
| Global Healthcare Exchange        | Supply Chain Solutions and Services Provider            | 140  |
| Trimble Navigation                | Satellite Navigation Equipment                          | 132  |
| Celestica Services, Inc.          | Communications Systems Research and Development         | 107  |

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<sup>1</sup> As of March 2006.

<sup>2</sup>As of January 2007.

Source: City of Westminster and individual employers

**APPENDIX D**  
**SPECIMEN INSURANCE POLICY**

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

#### Book-Entry-Only System

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others both as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

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

## APPENDIX F

### FORM OF BOND COUNSEL OPINION

\_\_\_\_\_, 2007

City of Westminster  
4800 West 92nd Avenue  
Westminster, CO 80030  
\$ \_\_,000,000  
City of Westminster, Colorado  
Sales and Use Tax Revenue Refunding Bonds, Series 2007A

Ladies and Gentlemen:

We have acted as bond counsel to the City of Westminster, Colorado (the “City”) in connection with its issuance of its Sales and Use Tax Revenue Refunding Bonds, Series 2007A, in the aggregate principal amount of \$ \_\_,000,000 (the “Bonds”) pursuant to an authorizing ordinance of the City Council adopted on February 12, 2007 (the “Bond Ordinance”). In such capacity, we have examined the City’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding, special, limited obligations of the City payable solely from the Pledged Revenues and from funds and accounts pledged therefor under the Bond Ordinance.
2. The Bond Ordinance constitutes a valid and binding obligation of the City.
3. The Bond Ordinance creates a valid lien on the Pledged Revenues pledged therein for the security of the Bonds on a parity with the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and other parity bonds (if any) to be issued, (collectively, the “Parity Lien Bonds”). The Bond Ordinance also creates a valid lien on the Bond Fund and the Reserve Fund on a parity with the Parity Lien Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on Pledged Revenues or on funds and accounts created by the Bond Ordinance.
4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the



covenants and representations contained in the City's certified proceedings and in certain other documents or certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City pursuant to the Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to

We understand that \_\_\_\_\_ Insurance Company has issued a municipal bond insurance policy relating to the Bonds. We express no opinion as to the validity or enforceability of such policy or the security afforded thereby.

In expressing the opinions above, we are relying, in part, on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,



**WESTMINSTER  
COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillor's Bill No. 9 re Refunding of Series 1997B (POST) Revenue Bonds in the amount not to exceed \$14,920,000

**Prepared By:** Tammy Hitchens, Finance Director  
Bob Smith, Treasury Manager

**Recommended City Council Action**

Pass Councillor's Bill No. 9 as an emergency ordinance, approving the sale of Revenue Refunding Bonds to refund the Series 1997B (POST) Revenue Bonds in the amount not to exceed \$14,920,000, and to direct the Mayor Pro Tem, Finance Director and City Clerk to sign necessary documents on behalf of the City.

**Summary Statement**

Staff has identified an opportunity to significantly reduce the City's future debt service costs by refunding certain Sales and Use Tax Revenue Bonds that the City issued in prior years to fund capital projects. Staff anticipates the following result from the Series 1997B refunding:

- Reduce debt service payments by approximately \$615,164 over the remaining life of the issue after deducting all costs of issuance.
- Reduce net interest rates on the respective refunded debt issue.
- Accomplish the reduction of debt service cost without extending the final maturity of the original issue.
- The Open Space Fund will enjoy the benefit of this refunding over the coming years in the amount of approximately \$615,164 for the Open Space program after deducting all costs of issuance.
- The City's financial advisor and underwriter were involved in the analysis of this refinancing and concur with Staff's recommendation to proceed.
- This ordinance is proposed as an emergency ordinance in order to complete the issuance and sale of the bonds while favorable market conditions exist.

**Expenditure Required:** \$194,302

**Source of Funds:** All fees are included in the refunding issue; no additional funds need to be budgeted.

**Policy Issue**

Should the City refund the 1997B Series (POST) Sales and Use Tax Revenue Bonds?

**Alternatives**

1. Do not refund the bonds. This option is not recommended. The proposed refunding will save approximately \$615,164 in interest costs without extending the final maturity of the original debt issue.
2. Delay the refunding in hopes that the Federal Reserve Board (Fed) will reduce short-term rates that may lead to further interest expense savings. This option is not recommended. While it is possible the Fed will reduce short-term rates, the impact would be in the short-term (two years and under) market. The risk to the City is that long-term rates will rise, due to inflation expectations. In this case, the total savings could be less than the anticipated \$615,164.

**Background Information**

The City's financial advisor and underwriter analyzed the potential financial benefit of refunding the 1997 Series B (POST) Sales and Use Tax Revenue Bonds. The refunding was analyzed assuming current market conditions. Given current interest rate market conditions, they concurred that it would be in the City's best financial interest to refund the aforementioned obligation; thereby, lowering the overall interest rate cost inclusive of all closing fees and without extending the maturity dates beyond the original issue's horizon.

It is projected that by refunding the Series 1997B (POST) Sales and Use Tax Revenue Bonds, the City can reduce its future interest costs by about \$615,164. The savings represents approximately 4.34% of the refunded bonds. National guidelines suggest that to initiate refunding a prior bond issue the savings should at a minimum be in excess of three percent.

The net interest cost for the Series 1997B (POST) issue is 5.22%. It is estimated that the refunding may result in a net interest rate of about 3.83%, which is a significant reduction from the net interest cost of the debt to be refunded.

Staff projects the savings of the refunding will reduce the City's future debt service by approximately \$615,164 after deducting all costs of issuance. As with all debt issuance, costs are paid at closing from the proceeds of the bond issue; therefore, no out of pocket costs are incurred.

It is important to note that the savings from the refunding will be realized without extending the final maturities of the original bonds.

The proceeds of the sale of this new security will be appropriated in a separate City Council action in March 2007, after the closing is held and the sales proceeds are received by the City.

Respectfully submitted,

J. Brent McFall  
City Manager

Attachments

BY AUTHORITY

ORDINANCE NO. **3335**

COUNCILLOR'S BILL NO. **9**

SERIES OF 2007

INTRODUCED BY COUNCILLORS  
**Dittman - Major**

**A BILL**

**FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST PROJECT), SERIES 2007B, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Definitions. As used herein, unless the context clearly indicates otherwise, the following terms shall have the respective meanings set forth below:

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "2007 Special Purpose Sales and Use Tax Revenue Bonds" created by the provisions of this Ordinance.

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

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

Bond Purchase Agreement: the agreement between the City and the Underwriter, concerning the purchase of the Bonds by the Underwriter.

Bonds: the Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, as authorized by this Ordinance.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Charter: the home rule charter of the City adopted in accordance with Article XX of the Colorado Constitution.

City: the City of Westminster, Adams and Jefferson Counties, Colorado.

Code: the Internal Revenue Code 1986, as in effect on the date of delivery of the Bonds.

Combined Average Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the aggregate of all future payments of principal and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

Combined Maximum Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the maximum annual payment of principal and interest on all of said issues (excluding redemption premiums) to become due from the date of

computation to the date of maturity of the latest maturing obligation of any of said issues; provided that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption or any other assumed amortization.

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneous with the delivery of the Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Council: the City Council of the City of Westminster, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Depository: any securities depository as the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Account: the account created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

Escrow Agreement: the Escrow Agreement dated as of its date, between the City and the Escrow Bank.

Escrow Bank: American National Bank, or its successors and assigns, acting as Escrow Bank under the Escrow Agreement.

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

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

General Debt Service Fund: the "General Debt Service Fund" heretofore established as a governmental fund of the City.

Insurance Trustee: the commercial bank appointed by the Bond Insurer to act as insurance trustee under the Bond Insurance Policy, or its successors.

Letter of Representations: the letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

1997 Bonds: the City's Special Purpose Sales and Use Tax Revenue Bonds, Series 1997B, dated March 1, 1997.

1999 Bonds: the City's Special Purpose Sales and Use Tax Revenue Bonds, Series 1999.

Open Space Fund: the "Open Space Fund" heretofore established as a governmental fund of the City.

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

Owners: the Beneficial Owners and the Registered Owners; provided however, that for purposes of Sections 23 and 24 hereof, to the extent provided in any ordinance authorizing the 1997 Bonds, the 1999 Bonds or any Parity Lien Bonds, any bond insurer which is not in default in its obligations under its bond insurance policy insuring payment of the 1997 Bonds, the 1999 Bonds or any Parity Lien Bonds shall be deemed the Owner thereof.

Parity Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

Participant: any broker-dealer, bank, or other financial institution from time to time for which DTC or other Depository holds the Bonds.

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

Paying Agent Agreement: the Registrar and Paying Agent Agreement dated as of February 1, 2007, between the City and the Registrar and Paying Agent.

Permitted Investments: any investment or deposit permitted for the City under the laws of the State and listed on Schedule I to this Ordinance or otherwise approved by the Bond Insurer.

Person: any natural person, firm, partnership, association, corporation, trust, public body, or other entity.

Pledged Revenue: 6.49% of the revenue derived from the Sales and Use Tax, after deducting all costs of administering and collecting the Sales and Use Tax.

Preliminary Official Statement: the Preliminary Official Statement prepared in connection with the issuance of the Bonds.

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

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

Refunded Bonds: any or all of the 1997 Bonds as designated in the Sale Certificate.

Refunded Bond Requirements: means: (i) the payment of the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before the Redemption Date; (ii) the payment of principal of the Refunded Bonds as the same becomes due at maturity or upon prior redemption on the Redemption Date as set forth in the Sale Certificate; and (iii) the payment of any required redemption premium;

Refunding Project: the issuance of the Bonds for the purpose of defraying the costs of refunding the Refunded Bonds and payment of the costs of issuance of the Bonds.

Registered Owner: the registered owner of any Bond, as shown by the registration books maintained by the Registrar on behalf of the City.

Registrar: American National Bank, in Denver, Colorado or its successor, which shall perform the registration and transfer functions of bond registrar as set forth in this Ordinance.

Required Reserve: the amount of the Reserve Fund required by Section 19(e) hereof.

Reserve Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the “Special Purpose Sales and Use Tax Revenue Bonds Reserve,” created by the provisions of Section 19(e) of this Ordinance.

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

Sales and Use Tax: the sales and use tax of the City, as imposed by Title IV in effect as of the date hereof. The term “Sales and Use Tax” does not include any increases in the rate of sale and use taxes from the present rate of 3.85%, nor does it include any other excise taxes which may now or hereafter be imposed by the City, whether contained in Title IV or any other Chapter or ordinance of the City.

Sales and Use Tax Fund: the “Sales and Use Tax Special Revenue Fund” heretofore established as a governmental fund of the City.

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

Subordinate Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds.

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

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

Title IV: Chapters 1 and 2 of Title IV of the Municipal Code of the City governing the imposition, collection, distribution, and enforcement of the Sales and Use Tax, and any successor or other ordinance pertaining to the Sales and Use Tax.

Underwriter: Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, the original purchaser of the Bonds, or its successor.

## Section 2. Recitals.

A. This Ordinance shall be known as and may be cited by the short title “2007B Sales and Use Tax Bond Ordinance.”

B. The City is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Colorado Constitution and the Charter.

C. Pursuant to Section 10.2 of the Charter and Title IV of the City's Municipal Code, the City has heretofore imposed and is collecting a sales and use tax upon the sale or use of tangible personal property and certain services.

D. Pursuant to said Title IV, for transactions consummated or contracts entered into on or after January 1, 2004, but prior to January 1, 2033, the rate of the sales and use tax shall be three and eighty-five hundredths percent (3.85%), and for transactions consummated or contracts entered into prior to January 1, 1986, or on or after January 1, 2033, the rate of the sales and use tax shall be three and sixty-hundredths percent (3.60%).

E. Pursuant to said Title IV, six and forty-nine hundredths percent (6.49%) of all sales and use taxes collected at the rate of three and eighty-five hundredths percent (3.85%) shall be distributed to the City's Open Space Fund.

F. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, revenue bonds for any public purpose payable in whole or in part from the available proceeds of sales and use taxes which may be imposed pursuant to Chapter X of the Charter.

G. At the general election held on November 5, 1996, the registered electors of the City approved the following question

SHALL THE CITY OF WESTMINSTER DEBT BE INCREASED \$26,000,000 WITH A REPAYMENT COST OF \$48,000,000 (MAXIMUM PRINCIPAL AND INTEREST OVER AN ESTIMATED TWENTY YEAR PAYMENT PERIOD) WITHOUT ANY NEW TAXES OR TAX RATE INCREASES FOR THE PURPOSE OF:

- ACQUIRING MORE OPEN SPACE AND PARKLAND THROUGHOUT THE CITY,
- DEVELOPING AND ENHANCING NEIGHBORHOOD PARKS AND OTHER PARKS IN THE CITY,
- DEVELOPING AND EXTENDING TRAILS THROUGHOUT THE CITY,
- DEVELOPING AND ENHANCING RECREATIONAL FACILITIES IN THE CITY

TO BE REPAID FROM THE CURRENT 1/4 OF 1 PERCENT SALES AND USE TAX INCLUDING THE EXTENSION TO DECEMBER 31, 2016, AND ANY OTHER AVAILABLE REVENUES; AND SHALL THE CITY CONTINUE TO LEVY UNTIL DECEMBER 31, 2016, THE 1/4 OF 1 PERCENT SALES AND USE TAX CURRENTLY PROVIDED FOR BY CITY CODE SECTION 4-2-3 AND USE SUCH REVENUES FOR THE ACQUISITION OF OPEN SPACE AND PARKLAND AND FOR THE DEVELOPMENT AND ENHANCEMENT OF PARKS, RECREATIONAL FACILITIES AND TRAILS; AND SHALL THE PROCEEDS OF SUCH DEBT, SUCH TAXES, ANY GRANTS RECEIVED BY THE CITY FOR OPEN SPACE AND TRAILS, AND ANY INVESTMENT INCOME THEREFROM BE EXCLUDED FROM THE SPENDING THE REVENUE LIMITATIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

H. Pursuant to Chapter XI of the Charter and the question approved at the November 5, 1996 election, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof its 1997 Bonds and 1999 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City.

I. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, bonds for the purpose of refunding outstanding bonds of the City.

J. Article X, Section 20 of the Colorado Constitution permits the City to issue bonds without an election to refund outstanding bonds at a lower rate of interest.



K. The Council has determined that it is necessary to undertake the Refunding Project in order to lower the interest rate paid by the City.

L. The Bonds shall have an irrevocable and first lien, but not necessarily an exclusive such lien, on certain sales and use tax revenues of the City, as set forth herein.

M. The City has received a proposal in the form of a Bond Purchase Agreement from the Underwriter concerning the purchase of the Bonds.

N. The Council has determined that the Bonds shall be sold to the Underwriter in accordance with its proposal, and that such sale is to the best advantage of the City.

O. There are on file with the City Clerk the forms of the following documents: (i) the form of the Escrow Agreement; (ii) the form of the Bond Purchase Agreement; (iii) the form of the Paying Agent and Registrar Agreement; (iv) the form of a Preliminary Official Statement for the Bonds; (v) the Letter of Representations; and (vi) the form of the Continuing Disclosure Certificate.

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

Q. Except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this Ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the issuance of the Bonds.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and all other laws of the State of Colorado thereunto enabling, and pursuant to the provisions of this Ordinance, the City hereby authorizes, for the purpose of paying the costs of the Refunding Project, the issuance of its "Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B," in the maximum aggregate principal amount of \$14,920,000. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Acts and shall so recite as provided in Section 9 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

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

Section 4. Special Obligations. All of the Bonds, together with the interest thereon and any premium due in connection therewith, and any payments due to the Bond Insurer under the Bond Insurance Policy shall be payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds shall constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided herein, but not necessarily an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds as provided herein. Neither the Bond Insurer nor Owners may look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of, premium, if any, and interest on the Bonds, or any payments due to the Bond Insurer under the Bond Insurance Policy. The Bonds and any payments under

the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

Section 5. Bond Details. The Bonds shall be issued only as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds of each series shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-" and such other series designation as the Registrar deems necessary.

The Bonds shall be dated as of the date of their delivery to the Underwriter. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that (i) the aggregate principal amount of the Bonds shall not exceed \$14,920,000; (ii) the maximum net effective interest rate of the Bonds shall not exceed 4.25%; (iii) the Bonds shall mature no later than December 1, 2016; (iv) the purchase price of the Bonds, shall not be less than 98.5%; (vii) the Bonds may be sold with or without a provision for redemption at the option of the City prior to maturity; (viii) the net present value savings as a result of the Refunding Project shall be at least 3% of the principal amount of the Bonds so redeemed; and (ix) the optional redemption price, if any shall not exceed 101% of the principal amount of the Bonds so redeemed. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds; Paying Agent and Registrar. The principal of and premium, if any, on each Bond is payable in lawful money of the United States of America to the Registered Owner of such Bond upon maturity and presentation of the Bond, at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date, to the Registered Owner thereof at his or her address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Letter of Representations.

Section 7. Book-Entry System. The Bonds shall be initially issued in the form of a single, certificated, fully registered Bond for each maturity bearing the same interest rate. Upon initial

issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The City, the Registrar, and the Paying Agent may treat the Registered Owner of a Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the payment of the same. No Person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the City pursuant to this Ordinance.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Additionally, the City Finance Director may terminate the services of DTC if she determines, in her sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book entry transfers through DTC is not in the best interests of the Beneficial Owners or the City. Such termination shall be effected by written notice of the same from the City to DTC and to the Registrar and Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the City or, if the City Finance Director determines in her sole and absolute discretion that it is in the best interests of the Beneficial Owners or the City that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

#### Section 8. Prior Redemption.

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

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

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

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the City.

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

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

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

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

Section 9. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor Pro Tem of the City, sealed with a facsimile or manual impression of the seal of the City, countersigned by the facsimile or manual signature of the City's Finance Director, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the

Bonds to the Underwriter, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

The Bonds shall be in substantially the following form:

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

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTIES OF ADAMS AND JEFFERSON  
CITY OF WESTMINSTER  
SPECIAL PURPOSE SALES AND USE TAX REVENUE BOND, SERIES 2007B

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

December 1, 20\_\_

REGISTERED OWNER: CEDE & COMPANY

PRINCIPAL AMOUNT:

DOLLARS

The City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for value received, hereby promises to pay from the special fund hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond is one of an authorized series issued pursuant to an ordinance of the City Council of the City adopted on January 22, 2007 (the "Bond Ordinance"). This bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

This Bond is one of a series aggregating \_\_\_\_\_ dollars (\$\_\_\_\_\_) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for the purpose of paying the costs of certain street improvements in the City, in accordance with the Constitution of the State of Colorado, the Charter of the City, Title 11, Article 57, Part 2, C.R.S. and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance duly adopted prior to the issuance of this Bond. Pursuant to Section 11-57-210, C.R.S., this recital conclusively imparts full compliance with all of the provisions and limitations of said sections and this bond shall be incontestable for any cause whatsoever after its delivery for value.

The principal of, premium, if any, and interest on this Bond are payable only out of a special fund of the City created in full conformity with law and designated as the "2007 Sales and Use Tax Revenue Bonds" (the "Bond Fund"), into which the City covenants and agrees to credit, from certain sales and use tax proceeds defined hereafter as the "Pledged Revenue," and other legally available revenues, amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same become due and payable, all as is more particularly set forth in the authorizing Bond Ordinance.

The Pledged Revenue consists only of 6.49% of the revenue derived from the City's existing 3.85% sales and use tax, after deducting all costs of administering and collecting the sales and use tax. In the authorizing Bond Ordinance the City has covenanted that it will not amend or repeal the ordinance imposing the sales and use tax in any way which would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. The Bonds of this issue constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided in the Bond Ordinance, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of said Bond Ordinance.

**THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY.**

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

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

IN TESTIMONY WHEREOF, the City Council of the City of Westminster, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor Pro Tem, sealed with a facsimile of the seal of the City, countersigned with the manual or facsimile signature of the Finance Director, and attested by the manual or facsimile signature of the City Clerk, all as of the February 1, 2007.

CITY OF WESTMINSTER, COLORADO

( S E A L )

(Manual or Facsimile Signature)  
Mayor Pro Tem

ATTESTED:

COUNTERSIGNED:

By: (Manual or Facsimile Signature)  
City Clerk

By: (Manual or Facsimile Signature)  
Finance Director

[End Form of Bond]



[Form of Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication: \_\_\_\_\_

AMERICAN NATIONAL BANK,  
in Denver, Colorado, as Registrar

By: \_\_\_\_\_  
Authorized Officer or Employee

[End Form of Registrar's Certificate of Authentication]

[Form of Transfer]

ASSIGNMENT

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

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Social Security or Federal Employer  
Identification Number of Assignee:

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(Name and Address of Assignee)

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the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

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

Signature guaranteed:

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(Bank, Trust Company, or Firm)

[End Form of Transfer]

**STATEMENT OF INSURANCE**

[To be inserted if bond insurance is obtained]

Section 10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 11. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Registrar, and the Registrar shall authenticate the Bonds and deliver them to the Underwriter, as directed by the City, and in accordance with the Bond Purchase Agreement and the Letter of Representations.

Section 12. Registration, Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, the Registrar shall enter such transfer in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of Bonds which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such exchange or transfer.

(b) The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

(c) Except as herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. In the event a Bond is registered in the name of a Depository, cancellation may consist of the notation thereof on the registration books of the Registrar. The Registrar shall notify the Depository of all Bonds, or portions thereof, canceled in accordance with this Section.

Section 14. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Registrar.

Section 15. Disposition and Investment of Bond Proceeds. The Bonds shall be issued and sold for the purposes of paying the costs of the Refunding Project. Accrued interest on the Bonds shall be deposited to the Bond Fund. All other Bond proceeds shall be deposited to such fund or account as the Finance Director determines and applied to pay the costs of the Refunding Project. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Creation of Fund and Accounts. There are hereby created and established the following funds and accounts which shall be established as book accounts and maintained in accordance with this Ordinance:

- (a) the Bond Fund; and
- (b) the Reserve Fund pursuant to Section 19(e).

In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director.

Section 17. Payment of Principal and Interest; Attachment of Lien. The City shall credit to the Sales and Use Tax Fund all revenue derived from the Sales and Use Tax immediately upon receipt. Thereafter, the City shall transfer the Pledged Revenue to the Open Space Fund to be applied in the following order of priority:

FIRST: To the credit of the Bond Fund the amounts required by Section 18 hereof, and to the credit of any other fund or account established for the 1997 Bonds, the 1999 Bonds, or hereafter established for the payment of the principal of, premium if any, and interest on Parity Lien Bonds, in the amounts required by the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 1999 Bonds, and the Parity Lien Bonds.

SECOND: To the credit of any sinking fund, reserve fund, or similar fund or account established in connection with the 1997 Bonds, the 1999 Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by this Ordinance or the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 1999 Bonds, and the Parity Lien Bonds.

THIRD: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor,

in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

FOURTH: To the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in Section 17 FIRST through THIRD hereof.

The lien of the Bonds on the Pledged Revenue shall attach immediately upon receipt of any Sales and Use Tax proceeds, shall remain in effect so long as such Pledged Revenue is credited to the Open Space Fund or the Bond Fund or the Reserve Fund, and shall be extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund pursuant to Section 18 hereof or the Reserve Fund pursuant to Section 19(e) hereof and which is transferred to other funds of the City for other purposes.

Section 18. Bond Fund. The City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, in substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively. Notwithstanding the foregoing, the City shall credit to the Bond Fund from the Pledged Revenue an amount which, when combined with other legally available moneys credited thereto, will be sufficient to pay when due the principal of and interest on the Bonds.

Moneys credited to the Bond Fund may be invested or deposited in accordance with the Charter. The investment of moneys in the Bond Fund shall, however, be subject to the tax covenants and provisions of Section 19(f) hereof. Except to the extent otherwise required by Section 19(f) hereof, any investment income earned on amounts credited to the Bond Fund shall be credited to the Bond Fund, and for purposes of making the deposits required by this Section, any investment income so credited to the Bond Fund shall be deemed the credit of Pledged Revenue to the Bond Fund.

Section 19. Additional Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Registered Owner and Beneficial Owner, that so long as any of said Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending said Title IV in order to increase the rate of tax above that currently imposed by said Title IV, or to make certain changes in the administration, collection, or enforcement of such Sales or Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the Sales and Use Tax authorized by Title IV, and shall take such reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City. The City will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit. While the Bond Insurance Policy is in

effect, the Bond Insurer shall receive, as soon as practicable after the filing thereof, a copy of the City's annual audited financial statements and annual budget.

(e) In the event the City does not receive Pledged Revenue in any fiscal year in an amount at least equal to 150% of the Combined Average Annual Principal and Interest Requirements for the 1997 Bonds, the 1999 Bonds, the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the 1997 Bonds, the 1999 Bonds, the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of the 1997 Bonds, the 1999 Bonds, the Bonds and Parity Lien Bonds, 125% of the Combined Average Annual Principal and Interest Requirements, or the maximum principal and interest due on the Bonds and Parity Lien Bonds in any fiscal year (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by twelve equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenue, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established. Draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

(h) It will provide such additional information as the Bond Insurer may reasonably request from time to time.

(i) The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

#### Section 20. Additional Bonds.

(a) No additional bonds, notes, interim securities, or other obligations shall be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien of the Bonds.

(b) The City may issue Parity Lien Bonds if:

(i) No Event of Default has occurred and is continuing.

(ii) The City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by this Ordinance.

(iii) The Pledged Revenue for the twelve (12) month period immediately preceding the date of issuance of such Parity Lien Bonds is sufficient to pay an amount representing not less than 150% of the Combined Maximum Annual Principal and Interest Requirements of the Bonds, any Parity Lien Bonds, and the Parity Lien Bonds proposed to be issued.

(iv) To the extent the Reserve Fund has been established, a deposit is made to the Reserve Fund so that the balance therein on the date of delivery of the Parity Lien Bonds equals the Required Reserve.

(c) A written certificate signed by the City Finance Director that the requirements of Section 20(b) hereof are met shall conclusively determine the right of the City to authorize, issue, sell, and deliver Parity Lien Bonds.

(d) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

Section 21. Delegated Powers. The officers of the City be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing: the printing of the Bonds; the procuring of bond insurance, if in the best interests of the City; entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

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

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

(c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

Section 23. Remedies. Upon the happening of any Event of Default, any Owner, or a trustee therefor, may protect and enforce the rights of such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being hereby granted), injunctive relief, or requiring the Council to act as if it were the trust of an express trust, or any combination of such remedies. All proceedings shall be maintained for the benefit of the Owners; provided however, that any action brought pursuant to an Event of Default under Section 22(c) hereof may be brought only upon the written consent



of the Owner or Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any Owner to proceed does not relieve the City or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right which may exist under applicable law, and the exercise of any right by any Owner shall not be deemed a waiver of any other right. If any remedial action is discontinued, the Owners shall be restored to their positions prior to taking such action.

Section 24. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged.

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

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

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

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

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

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

(c) Written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

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

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

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

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

(v) The establishment of priorities as between outstanding 1997 Bonds, 1999 Bonds and the Bonds or the establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or

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

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

Section 25. Notices to and Reports to Bond Insurer. The Paying Agent and Registrar shall give the Bond Insurer copies of any notice to be given by it to the Owners of Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and notices required pursuant to the Continuing Disclosure Certificate. The City shall give to the Bond Insurer any certificate delivered by the City pursuant to this Ordinance relating to the security for the Bonds. Notwithstanding any other provision of this Ordinance, the Paying Agent shall promptly notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required hereunder and promptly upon the occurrence of any other Event of Default hereunder. The Paying Agent shall also notify the Bond Insurer of the City's failure to provide the Paying Agent with any notice, certificate or other item required to be given to the Paying Agent hereunder.

Section 26. Additional Provisions Concerning Bond Insurer.

(a) Notwithstanding any other provision of this Ordinance, the Bond Insurer shall be deemed to be the sole Owner of all Bonds insured by the Bond Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental resolution or any amendment, supplement, change or modification of the Ordinance, removal of the Paying Agent or selection and appointment of a successor paying agent, and the initiation or approval by Owners of any action which under this Ordinance requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the Bonds at the time Outstanding; and (ii) following an Event of Default hereunder, for all other purposes. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to, but not in lieu of, the consent of the Owners for the execution and delivery of any supplemental resolutions for which the consent of 100% of the Owners is required pursuant to Section 24 hereof.

(b) Any provisions of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(c) To the extent permitted by law, any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the City, the Bond Insurer shall have the right to vote on behalf of all Owners of Bonds absent a default by the Bond Insurer under the Bond Insurance Policy.

(d) Anything in this Ordinance to the contrary notwithstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Bonds or the Paying Agent for the benefit of the Owners of the Bonds under this Ordinance.

(e) Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Owners of Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Owners of Bonds as if there were no Bond Insurance Policy.

Section 27. Rights of the Bond Insurer Suspended Upon Default Under Bond Insurance Policy. Notwithstanding any other provision hereof, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Bond Insurance Policy, and upon any such default by the Bond Insurer, its

rights hereunder shall be suspended (except to the extent of subrogation for any payments under the Bond Insurance Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Bond Insurance Policy.

Section 28. Bond Insurer As Third Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 29. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds.

Section 30. Successor Registrar or Paying Agent. American National Bank, in Denver, Colorado is hereby appointed as Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall determine to remove the Registrar or Paying Agent, the City may, upon notice mailed to the Bond Insurer and each Registered Owner of Bonds at the address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or removal of the Registrar or Paying Agent may take effect until a successor, acceptable to the Bond Insurer, is appointed by the City and has accepted such appointment. Every such successor Paying Agent shall be either the City or a bank or trust company having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. The Registrar and Paying Agent may be removed at any time at the request of the Bond Insurer for any breach of trust set forth herein.

Section 31. Defeasance. When all principal, premium, if any, and interest in connection with a Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and said Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of a Bond when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest with respect to said Bond as the same become due at final maturity or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

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

Notwithstanding anything herein to the contrary, in the event that the principal and or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the City, and the assignment and pledge of the Pledged Revenues and all covenants, agreements

and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 32. Authorization to Execute Collateral Documents. The officers of the City and the members of the Council are hereby authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to the execution of the Letter of Representations, the Escrow Agreement, the Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and such certificates and affidavits as may be reasonably required by the Underwriter. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 33. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the Underwriter's discount, the premium due in connection with the Bond Insurance Policy, and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with DTC, are hereby ratified, approved, and confirmed.

Section 35. Approval of the Bond Purchase Agreement. The Council does hereby accept and approve the Bond Purchase Agreement as submitted by the Underwriter, and the Bonds shall be sold to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 36. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the Finance Director to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Underwriter to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 37. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 38. Creation and Maintenance of Escrow Account: The Escrow Account is created pursuant to the Escrow Agreement and shall be maintained in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the Redemption Date.

Section 39. Use of Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the principal of, redemption premium, if any, and interest on the Refunded Bonds on the applicable redemption date. Any moneys remaining in the Escrow Account after provision shall have been made for the payment in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the City Council may hereafter determine.

Section 40. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the earliest applicable redemption date. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed as herein provided.

Section 41. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 42. Pecuniary Interest. The Mayor is an employee of the Underwriter. The Mayor has disclosed this and abstained from voting on this Ordinance. Pursuant to Section 5.12(c) of the City Charter, the Council determines that the best interests of the City are served by entering into the Bond Purchase Agreement and that obtaining comparative prices is not feasible in this case.

Section 43. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 44. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 45. Repealer. All orders, ordinances, resolutions, bylaws, and regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 46. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 47. Declaration of Emergency. In order to complete the issuance and sale of the Bonds while favorable market conditions exist to effect the Refunding Project, it is hereby declared that an emergency exists and that this ordinance is necessary for the immediate preservation of the public peace, health, safety and financial well-being of the City. This Ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 48. Effective Date, Recording and Authentication. This Ordinance shall be in full force and effect immediately upon enactment following final passage. This Ordinance shall be

recorded in the City Book of Ordinances kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.

( S E A L )

---

Mayor Pro Tem

ATTESTED:

---

City Clerk

APPROVED AS TO FORM:

---

City Attorney

SCHEDULE I

**PERMITTED INVESTMENT GUIDELINES**

STATE OF COLORADO )  
 )  
 COUNTIES OF ADAMS ) SS.  
 AND JEFFERSON )  
 )  
 CITY OF WESTMINSTER )

I, the duly elected, qualified and Deputy City Clerk of the City of Westminster, Colorado (the "City") do hereby certify:

1. That the foregoing pages are a true, correct, and complete copy of an ordinance adopted by the City Council (the "Council") of the City at a regular meeting of the Council held at the City Hall on February 12, 2007.

2. The Ordinance has been signed by the Mayor Pro Tem, sealed with the corporate seal of the City, attested by me as Deputy City Clerk, and duly recorded in the books of the City; and that the same remains of record in the book of records of the City.

3. The passage of the Ordinance as an emergency was duly moved and seconded and the Ordinance was approved by vote of a 6 of 7 of the members of the Council as follows:

| Name           | "Yes" | "No" | Absent | Abstain |
|----------------|-------|------|--------|---------|
| Chris Dittman  | X     |      |        |         |
| Mark L. Kaiser | X     |      |        |         |
| Tim Kauffman   | X     |      |        |         |
| Mary Lindsey   | X     |      |        |         |
| Scott Major    | X     |      |        |         |
| Nancy McNally  |       |      |        | X       |
| Jo Ann Price   | X     |      |        |         |

4. That notice of the meeting of February 12, 2007, in the form, attached hereto as Exhibit A, was duly given to the Council members and was posted in a designated public place within the boundaries of the City no less than twenty-four hours prior to the meeting as required by law.

5. That the ordinance was published in full after adoption in Westminster Window, a newspaper of general circulation within the City on February 22, 2007. The affidavit of publication is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this \_\_\_\_ day of \_\_\_\_\_, 2007.

(SEAL)

\_\_\_\_\_  
 Deputy City Clerk



EXHIBIT A

(Attach Notice of February 12, 2007 Meeting )

EXHIBIT B

(Attach Affidavit of Publication)

pubfin\643813\_1.doc

**\$14,160,000**  
**CITY OF WESTMINSTER, COLORADO**  
**SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS**  
**(POST PROJECT)**  
**SERIES 2007B**

**BOND PURCHASE AGREEMENT**

City Council  
City of Westminister  
Westminster, Colorado

Ladies and Gentlemen:

1. Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with City of Westminister, Colorado (the “City”). This offer is made subject to the City’s execution of this Agreement and delivery of it to the Underwriter on the Date of this Agreement. Upon the City’s acceptance of this offer, this Agreement shall be binding upon the Underwriter and the City, subject to the further provisions hereof. Capitalized terms not otherwise defined herein shall have the meanings set forth for such terms in paragraph 10 below or in the Ordinance of the City finally adopted on February 12, 2007, authorizing the issuance of the Bonds (the “Bond Ordinance”).

2. Subject to the further provisions hereof, the Underwriter agrees to purchase from the City, and the City agrees to sell and deliver to the Underwriter, all of the City of Westminister, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B (the “Bonds”), at the Purchase Price. The Bonds will mature, bear interest and be sold at the prices indicated in Exhibit A hereto.

3. The City shall deliver the duly issued and executed Bonds to The Depository Trust Company in New York, New York, prior to, and the Underwriter shall deliver the Purchase Price to the City in federal funds by, 9:00 a.m., Denver Time, on the Closing Date, or at such other place and time as shall be mutually agreed upon by the City and the Underwriter. (Such deliveries are referred to as the “Closing.”) The documents to support the Closing will be held and may be examined at the offices of Sherman & Howard LLC in Denver, Colorado at the same time on the Closing Date.

4. The City shall cooperate with, and shall take all actions reasonably requested by, the Underwriter to facilitate the Underwriter’s offer and sale of the Bonds to third parties, including but not limited to (i) the preparation of the Preliminary Official Statement relating to the Bonds dated \_\_\_\_\_, 2007, and any supplements or amendments thereto that the Underwriter reasonably determines are necessary (the “Preliminary Official Statement”) and the final Official Statement relating to the Bonds to be dated prior to the date of the Closing and any supplements or amendments thereto that the Underwriter reasonably determines are necessary (the “Official Statement”) and (ii) all actions necessary under the securities or “blue sky” laws of the jurisdictions specified by the Underwriter to enable it to offer and sell the Bonds in or to residents of such jurisdictions. In addition, in order to facilitate compliance with Rule 15c2-12

of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (“Rule 15c2-12”), the City (A) has certified, and hereby affirms its certification, that the Preliminary Official Statement is “final” as of its date as required by Rule 15c2-12, (B) hereby authorizes and ratifies the distribution of the Preliminary Official Statement to any potential customers (as defined in Rule 15c2-12) until the Official Statement is available, (C) hereby agrees to make available to the Underwriter, within seven business days of the Date of this Agreement, as many copies of the Official Statement as the Underwriter deems sufficient for purposes of complying with Rule 15c2-12, (D) hereby authorizes and approves the distribution and use of the Official Statement in connection with the offering and sale of the Bonds and (E) hereby agrees to enter into a written agreement or contract, constituting an undertaking (the “Continuing Disclosure Undertaking”) to provide ongoing disclosure about the City, for the benefit of the owners of the Bonds on or before the date of delivery of the Bonds as required by Rule 15c2-12, which Undertaking shall be in the form attached as Appendix B to the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter.

5. The Underwriter’s obligation to purchase the Bonds shall be subject to the Underwriter’s receipt of each of the following in form and substance satisfactory to the Underwriter:

- (a) Certified copies of the Bond Ordinance;
- (b) An executed copy of the Escrow Agreement and the Continuing Disclosure Undertaking;
- (c) The unqualified approving opinion or opinions of Sherman & Howard LLC, Bond Counsel and a letter from said firm as to their participation in the preparation of, and as to certain material set forth in, the Official Statement, and regarding the legal defeasance of the Refunded Bonds;
- (d) A letter from Kutak Rock LLP as to their participation in the preparation of, and as to the material set forth in, the Official Statement;
- (e) Certificates of the City as to (i) the facts necessary to support the opinions referred to in clauses (c) and (d) above, (ii) the accuracy of the Preliminary Official Statement and the Official Statement, (iii) litigation affecting the City and (iv) such other matters as are customary with respect to the issuance of obligations such as the Bonds or as the Underwriter may reasonably request;
- (f) Evidence that there has been issued and duly delivered a standard form of financial guaranty insurance policy issued by \_\_\_\_\_ insuring the payment of the principal of and interest on the Bonds when due;
- (g) Evidence that the Bonds have been rated “AAA” by Standard & Poor’s (“S&P”) and by Fitch Ratings (“Fitch”) and evidence that the Bonds have underlying ratings of “\_\_\_” by S&P and Fitch; and
- (h) Such additional agreements, documents, instruments, opinions and certificates as the Underwriter may reasonably request.

6. The Underwriter's obligation to purchase the Bonds also shall be subject to the Underwriter's right, in its absolute discretion, to elect to terminate this Agreement by written notice to the City if at any time after the Date of this Agreement and prior to the Closing:

(a) Any event shall have occurred, or information becomes known, which, in the Underwriter's opinion, makes untrue, in any material respect, any statement or information contained in the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement), or has the effect that the Official Statement or the Preliminary Official Statement (except as modified by the Official Statement) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(b) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(c) The United States shall have become engaged in hostilities, whether or not a war shall have been declared, or there shall have occurred an escalation of any hostilities involving the armed forces of any country, or any other national emergency or other national calamity relating to the effective operation of government or of the financial community shall have occurred, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(d) There shall have occurred a general suspension or material limitation of trading on The New York Stock Exchange or any other national securities exchange as the result of an event affecting the national economy, or minimum or maximum prices for trading shall have been established on any exchange and be in force, or maximum ranges for prices for securities shall be in force on any such exchange;

(e) The New York Stock Exchange, any other national securities exchange or any governmental authority shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force or being enforced, or increase materially those now in force or being enforced, with respect to the extension of credit by, or charges to the net capital requirement of, or financial responsibility requirements of, the Underwriter;

(f) A general banking moratorium shall have been established by federal, New York or Colorado authorities;

(g) Any rating of any obligations of the City shall have been downgraded or withdrawn by any rating service, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(h) Legislation is adopted by either house of the United States Congress, or favorably reported for passage to either house of the United States Congress by any committee of such house to which such legislation has been referred for consideration, legislation is actively considered for enactment by the United States Congress, legislation is

recommended to the United States Congress for passage by the President of the United States, a decision by a court of the United States or the United States Tax Court is rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency is made, with respect to federal taxation upon revenues or other income of the City or upon interest payable on obligations of the general character of the Bonds or which would change directly or indirectly the federal income tax consequences of interest on obligations of the general character of the Bonds in the hands of the owners thereof, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds; or

(i) Any change shall have occurred which, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the financing assumptions upon which payment of debt service on the Bonds is predicated.

7. The City shall pay or cause to be paid, from the proceeds from the sale of the Bonds or other funds available to it, the expenses incident to the issuance and sale of the Bonds (the "Costs of Issuance"), including but not limited to the Underwriter's Discount and expenses of the Underwriter otherwise agreed to be paid by the City, the fees and disbursements of Sherman & Howard LLC, Kutak Rock LLP and any other attorneys, accountants or other experts or consultants retained in connection with the issuance and sale of the Bonds (including but not limited to the City's independent accountants), fees and charges of any paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with The Depository Trust Company of New York, CUSIP fees, clearing and delivery fees, the costs of printing and distributing the Preliminary Official Statement and the Official Statement, the premium associated with the issuance of the financial guaranty insurance policy by \_\_\_\_\_, and any costs incurred in connection with the rating of the Bonds.

8. This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument. Photostatic copies of executed counterparts hereof or copies of executed counterparts hereof transmitted by facsimile transmission shall be binding to the same effect as originally signed counterparts.

9. This Agreement shall be governed by the laws of the State of Colorado.

10. For purposes of this Agreement, the following terms have the meanings specified:

|  |                  |
|--|------------------|
| Date of this Agreement:                                  | _____ ____, 2007 |
| Aggregate Principal Amount:                              | \$14,160,000.00  |
| Original Issue Premium (Net of Original Issue Discount): | \$ _____         |
| Accrued Interest:  | \$ _____         |
| Underwriter's Discount:                                  | (\$ _____)       |

|   |          |
|---|----------|
| Purchase Price (Aggregate Principal Amount,<br>Plus Net Original Issue Premium,<br>Plus Accrued Interest,<br>Minus Underwriter's Discount): | \$ _____ |
|---|----------|

|               |               |
|---------------|---------------|
| Closing Date: | March 6, 2007 |
|---------------|---------------|

Stifel, Nicolaus & Company, Incorporated

By \_\_\_\_\_  
Authorized Officer

ACCEPTED:

City of Westminster

[CITY SEAL]

By \_\_\_\_\_  
Authorized Officer

Date of Signature: \_\_\_\_\_, 2007

Time of Signature: \_\_\_\_\_ (a.m. / p.m.)

[Signature Page to Bond Purchase Agreement]



**EXHIBIT A**

**ATTACH SCHEDULE**

(Schedule indicating maturity dates, interest rates and prices for Bonds)

**CITY OF WESTMINSTER, COLORADO  
SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST  
PROJECT)  
SERIES 2007B**

**REGISTRAR AND PAYING AGENT AGREEMENT**

THIS AGREEMENT, dated as of \_\_\_\_\_, 2007, is by and between the City of Westminster, Colorado (the "City") and American National Bank, in Denver, Colorado (the "Bank").

WITNESSETH:

WHEREAS, by Ordinance of the City Council of the City duly adopted on February 12, 2007 (the "Bond Ordinance"), the City has authorized the issuance of its Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"); and

WHEREAS, it is mutually desirable to the City and the Bank that the Bank, through its Corporate Trust Department located in Denver, Colorado, act as Registrar and Paying Agent (as such terms are defined and used in the Bond Ordinance) for the Bonds; and

WHEREAS, it is mutually desirable that this agreement (the "Agreement") be entered into between the City and the Bank to provide for certain aspects of such Registrar and Paying Agent services.

NOW, THEREFORE, the City and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. The Bank hereby accepts all duties and responsibilities of the Paying Agent as provided in the Bond Ordinance. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the City causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the "Principal and Interest Payment Account" provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the City to pay or disburse any funds for payment of the principal of the Bonds or interest or redemption premium, if any, thereon except at the times and in the manner provided in the Bond Ordinance. In addition, the Bank hereby accepts all duties and responsibilities of the Registrar as provided in the Bond Ordinance, including without limitation, the authentication, transfer, exchange and replacement of the Bonds.

2. Not less than (a) one business day prior to each payment date, if funds are delivered by wire transfer, or (b) three business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the City with the Bank in an account designated "2007 Principal and Interest Payment Account." The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of, interest on and redemption premium, if any, on the Bonds. From such funds, the Bank agrees to pay at the times

and in the manner provided in the Bond Ordinance, the principal of, interest on and redemption premium, if any, on the Bonds.

3. The City shall pay to the Bank fees in accordance with its then existing fee schedule. Attached to this Agreement is the Bank's current fee schedule. No new fee schedule shall become effective until 30 days after the Bank has given the City notice hereof.

4. Unless waived by the Bank, the City agrees to provide the Bank with not less than 60 days' notice of any prior redemption of the Bonds.

5. Any moneys held by the Bank for the owners of the Bonds remaining unclaimed for one year after principal of, interest and redemption premium, if any, on the respective Bonds with respect to which such moneys have been set aside has become due and payable shall without further request by the City be paid to the City.

6. The Bank agrees to annually notify the City, in writing, of the City's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Certificate dated \_\_\_\_\_, 2007, relating to the issuance of the Bonds) at least 30 but not more than 60 days prior to the time when the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Certificate.

7. At least 30 but not more than 60 days prior to \_\_\_\_\_, 2012, \_\_\_\_\_, 2017, \_\_\_\_\_, 2022, and on the date on which the last Bond is discharged, the Bank will send written notice to the City stating that the City must: (i) compute the amount of rebatable arbitrage, if any, which is due the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty (60) days from \_\_\_\_\_, 2012, \_\_\_\_\_, 2017, \_\_\_\_\_, 2022, and on the date on which the last Bond is discharged.

8. The Agreement may be terminated as provided in the Bond Ordinance.

9. In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

10. The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States District Court for the District of Colorado.

11. The Bank shall comply with the provisions regarding illegal aliens as provided in Exhibit B hereto.

IN WITNESS WHEREOF, the Bank and the City have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF WESTMINSTER, COLORADO

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTESTED:

\_\_\_\_\_  
City Clerk

AMERICAN NATIONAL BANK

By: \_\_\_\_\_

Authorized Officer or Employee

EXHIBIT A  
(Attach Fee Schedule)

## EXHIBIT B

### Required Provisions Concerning Illegal Aliens.

The Paying Agent qualifies as a “contractor” pursuant to §8-17.5-101(2), C.R.S. and the Paying Agent hereby certifies that, as of the date hereof, the Paying Agent does not knowingly employ or contract with an illegal alien, and the Paying Agent has participated or attempted to participate in the “Basic Pilot Program” (as defined in §8-17.5-101(1), C.R.S.) in order to verify that the Paying Agent does not employ any illegal aliens. In compliance with §8-17.5-102(2), C.R.S., it is hereby agreed:

(a) The Paying Agent shall not knowingly employ or contract with an illegal alien to perform work described in this Agreement (the “Banking Services”) or enter into a contract with a subcontractor that fails to certify to the Paying Agent that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the Banking Services.

(b) The Paying Agent has verified or attempted to verify through participation in the Basic Pilot Program that it does not employ any illegal aliens or shall apply to participate in the Basic Pilot Program every three months until the Paying Agent is accepted or until termination of this Agreement, whichever is earlier.

(c) The Paying Agent shall not use Basic Pilot Program procedures to undertake pre-employment screening of job applicants while performing the Banking Services.

(d) If the Paying Agent obtains actual knowledge that a subcontractor performing Banking Services knowingly employs or contracts with an illegal alien, the Paying Agent shall be required to: (i) notify the subcontractor and the City within three days that the Paying Agent has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to subparagraph (i) the subcontractor does not stop employing or contracting with the illegal alien; except that the Paying Agent shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(e) The Paying Agent shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such department is undertaking pursuant to §8-17.5-102(5) C.R.S.

**CITY OF WESTMINSTER, COLORADO**  
**SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST**  
**PROJECT)**  
**SERIES 2007B**

**ESCROW AGREEMENT**

**DATED** as of \_\_\_\_\_-, 2007, made by and between City of Westminster, Colorado, a legally and regularly created, established, organized and existing municipal corporation under the Constitution of the State of Colorado (the “City”), and American National Bank, in Denver, Colorado, a national banking association having and exercising full and complete trust powers, duly organized and existing under and by virtue of the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System (the “Escrow Bank”).

(1) **WHEREAS**, the City is duly organized and existing under the Constitution and laws of the State of Colorado (the “State”) and its City Charter and its officers from time to time have been duly chosen and qualified; and

(2) **WHEREAS**, the City has heretofore issued its Special Purpose Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997B in the aggregate principal amount of \$\_\_\_\_\_, currently outstanding in the aggregate principal amount of \$\_\_\_\_\_ (the “Series 1997 Bonds”); and

(3) **WHEREAS**, the City now desires to refund, pay and discharge the outstanding Series 1997 Bonds maturing on and after December 1, 20\_\_ in the aggregate principal amount of \$\_\_\_\_\_ (the “Refunded Bonds”), and to redeem the Refunded Bonds on December 1, 2007 (the “Redemption Date”) at a redemption price equal to the principal amount so redeemed plus accrued interest to the Redemption Date plus a redemption premium of 1% of the principal amount so redeemed; and

(4) **WHEREAS**, the City intends to issue its “Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B” (the “Series 2007B Bonds” or the “Bonds”) in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of paying (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Bonds and on and before maturity or the applicable Redemption Date; (ii) the principal of the Refunded Bonds upon prior redemption on the applicable Redemption Date and (iii) in connection with the Series 1997 Bonds, a redemption premium of 1% of the principal amount of Series 1997 Bonds so redeemed (the “Refunded Bond Requirements”) as more particularly described in the certified public accountant’s report attached as Exhibit 1 to this Agreement (the “Report”); and

(5) **WHEREAS**, the City is not delinquent in the payment of the principal of and interest on the Refunded Bonds; and

(6) **WHEREAS**, the Series 2007B Bonds are issued by the City pursuant to an ordinance passed by the City on February 12, 2007 (the “Bond Ordinance”); and

(7) **WHEREAS**, the City, by the Bond Ordinance, among other matters:

- A. Created the Escrow Account (as defined below);
- B. Authorized the Escrow Account (as defined below) to be maintained at the Escrow Bank;

C. Provided for the deposit in the Escrow Account of a portion of the net proceeds of the Series 2007B Bonds and any other moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States, which obligations are not callable at the option of the issuer thereof (“Federal Securities”), to pay the Refunded Bond Requirements, as set forth therein and herein (in no circumstances shall the term “Federal Securities” include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

D. Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account; and

E. Authorized the completion and execution of this Agreement; and

(8) **WHEREAS**, a copy of the Bond Ordinance has been delivered to the Escrow Bank, and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

(9) **WHEREAS**, the Federal Securities described in the Report, have appropriate maturities and yields to insure, together with the initial cash (as defined below), the payment of the Refunded Bond Requirements, as the same becomes due; and

(10) **WHEREAS**, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the Report demonstrate the sufficiency of the Federal Securities and initial cash, if any, for such purpose; and

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

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

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

(14) **WHEREAS**, the undersigned officers of the City are duly authorized to execute and deliver this Agreement in the City’s name and on its behalf.

**NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:**

That in consideration of the mutual agreements herein contained, and the payment of the fees and costs specified in Section 9 hereof, duly paid by the City to the Escrow Bank at or before the ensembling and delivery of these presents, the receipt of which is hereby acknowledged, and in order to secure the payment of the Refunded Bond Requirements, as the same become due, the parties hereto mutually undertake, promise, and agree for themselves and their respective representatives, successors, and assigns, as follows:



**Section 1. Creation of Escrow.**

A. Simultaneously with the delivery of the Series 2007B Bonds, and subject to their issuance, the City, with \$\_\_\_\_\_ of the Series 2007B Bond and Registered Coupon proceeds, and other available moneys, shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement (the “Initial Federal Securities”) and shall cause the Initial Federal Securities, if any, and an initial cash balance of \$\_\_\_\_\_ (the “initial cash”) to be irrevocably credited to and accounted for in a separate trust account designated as the “City of Westminster, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, Escrow Account” (the “Escrow Account”). Receipt of \$\_\_\_\_\_ by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of the Series 2007B Bonds or other Federal Securities may be substituted for any Federal Securities held in the Escrow Account if such substitution is required or permitted by Section 148 of the Internal Revenue Code of 1986, as amended (the “Tax Code”), and the applicable regulations thereunder, subject in any case to sufficiency demonstrations and yield proofs in a certified public accountant’s report, and subject to a favorable opinion of the City’s bond counsel as to the legality of any such substitution, and the continued exemption of interest on the Bonds from federal income taxation (except certain alternative minimum taxes described in bond counsel’s opinion), and in any event in such a manner so as not to increase the price which the City pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant’s report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the Refunded Bond Requirements. In lieu of, or in addition to, substituting other Federal Securities pursuant to the preceding sentence, moneys in an amount equal to the principal of and interest on all or any portion of such Initial Federal Securities may be credited to the Escrow Account subject to the provisions of § 5 hereof. Any such cash shall be deemed to be part of the initial cash, if any. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Bond Requirements, because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Bank of such principal and interest payments on such Federal Securities.

C. The initial cash, the proceeds of the Initial Federal Securities, if any, (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book-entries), shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Bank for the benefit of the City as provided in this Agreement and the Bond Ordinance.

**Section 2. Purpose of Escrow.**

A. The Escrow Bank shall hold the initial cash and all Federal Securities, if any, accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest

on and principal of any such Federal Securities, in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due.

B. Except as provided in paragraph B of § 1 hereof, the Escrow Bank shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall apply all money so collected to the payment of the Refunded Bond Requirements as aforesaid.

**Section 3. Accounting for Escrow.**

A. The moneys and the Federal Securities, if any, accounted for in the Escrow Account shall not be subject to checks drawn by the City or otherwise subject to its order except as otherwise provided in paragraph B of § 1.

B. The Escrow Bank, however, shall transfer from time to time, sufficient moneys to pay, without any default, the Refunded Bond Requirements, as the same become due, as provided herein.

C. Except as otherwise provided in paragraph B of § 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the City's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Bond Requirements.

**Section 4. Maturities of Federal Securities.**

A. Any Federal Securities shall be purchased in such manner:

(1) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Bond Requirements as the same become due, and

(2) So that any sale or prior redemption of such Federal Securities shall be unnecessary.

B. There shall be no substitution of any Federal Securities except as otherwise provided in paragraph B of § 1 of this Agreement.

**Section 5. Reinvestments.**

A. The Escrow Bank shall reinvest the cash balances listed in the Report for the period designated in the Report in state and local government series securities ("slgs") purchased directly from the United States Government by the Escrow Bank in the name of the City. All of the slgs in which such reinvestments are made shall bear interest at the rate of zero percent (0%) per annum. The Escrow Bank agrees to comply with Part 344 of Title 31, Code of Federal Regulations, and with such other regulations of the United States Treasury, Bureau of Public Debt, as are from time to time in effect in subscribing for and purchasing such slgs, including without limitation, requirements with respect to submitting subscriptions to a Federal Reserve Bank or Branch in advance (currently between 60 and 15 days in advance) of the date of purchase of the slgs.

B. In addition to or, as the case may be, in lieu of the reinvestments required by Paragraph A of this § 5, the Escrow Bank, at the written direction of the City, shall invest the initial cash, if any, and shall reinvest in Federal Securities any moneys received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of §§ 1, 4 and 6 hereof and the following limitations:

(1) Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

(2) Any such Federal Securities shall mature on or prior to the date when the proceeds thereof must be available for the prompt payment of the Refunded Bond Requirements, as the same become due.

(3) Under no circumstances shall any reinvestment be made under § 5 if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of § 148 of the Tax Code, and the rules and regulations thereunder.

(4) The Escrow Bank shall make no such reinvestment unless the City first obtains and furnishes to the Escrow Bank a written opinion of the City's bond counsel to the effect that such reinvestment, as described in the opinion, complies with paragraph B of this § 5.

**Section 6. Sufficiency of Escrow.**

The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Bond Requirements as they become due.

**Section 7. Transfers and Redemption Notice for Refunded Bond Requirements.**

A. The Escrow Bank shall make such arrangements and transfers to the paying agent for the Refunded Bonds as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Bond Requirements at the maturity or prior redemption date.

B. The City directs the Escrow Bank to cause notice of prior redemption of the Refunded Bonds to be given in the manner required by the Bond Ordinance. The Escrow Bank shall cause notice of redemption of the Refunded Bonds to be given upon the issuance of the 2007 Bonds and again not more than 60 days and not less than 30 days prior to the Redemption Date to the registered owners of the Refunded Bonds and the Bond Insurer in the manner provided in the Bond Ordinance authorizing the Refunded Bonds.

**Section 8. Termination of Escrow Account.**

When payment or provisions for payment shall have been made so that all Refunded Bond Requirements shall be or shall have been paid in full and discharged, this Escrow Agreement and any obligations hereunder shall terminate.

**Section 9. Fees and Costs.**

A. The Escrow Bank's total fees and costs for and in carrying out the provisions of this Agreement, have been fixed at \$400.00, which amount is to be paid at or prior to the time of the issuance of the Series 2007B Bonds by the City directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Agreement for services performed hereunder.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account, and the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account.

**Section 10. Status Report.**

A. On or before January 1, 2008, and each January 1 thereafter through and including January 1, 2103, the Escrow Bank shall submit to the City a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused to be made hereunder.

B. The report shall indicate for which period and in which trust bank any Federal Securities (other than Federal Securities held as book-entries) and any uninvested moneys were transferred for safekeeping or any Federal Securities (other than Federal Securities

held as book-entries) pledged to secure the repayment to the City of any uninvested moneys were placed in pledge, as permitted by § 12.

**Section 11. Character of Deposit.**

A. It is recognized that title to the Federal Securities and money accounted for in the Escrow Account from time to time shall remain vested in the Escrow Bank for the benefit of the City but subject always to the prior charge and lien thereon of the Bond Ordinance and this Agreement and the use thereof required to be made by the provisions of this Agreement and the Bond Ordinance.

B. The Escrow Bank shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein, and shall never commingle such securities or money with other securities or money.

**Section 12. Securing Deposit.**

A. The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the Escrow Bank for payment, if they are registrable for payment.

B. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and the Escrow Bank shall have no right or title with respect thereto except as provided herein.

**Section 13. Purchaser's Responsibility.**

The holders from time to time of the Series 2007B Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank (if it is a holder of the Series 2007B Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

**Section 14. Amendment.**

A. The Series 2007B Bonds shall be issued in reliance upon this Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the Series 2007B Bonds shall have been issued.

B. The provisions of this Agreement may be amended, waived or modified upon approval the holders of all of the Refunded Bonds and Series 2007B Bonds. The provisions of this Agreement also may be amended, waived or modified, without the consent of or notice to the holders of the Refunded Bonds or the Series 2007B Bonds, for one or more of the following purposes:

(1) to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;

(2) to pledge additional revenues, properties or collateral as security for the Refunded Bonds; or

(3) to deposit additional monies or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Bonds or affects the exclusion of the interest on the Refunded Bonds or the Series 2007B Bonds from gross income from federal income tax purposes, unless such amendment, waiver or modification

is approved by the holders of all of the then outstanding Refunded Bonds, the Bonds affected thereby.

C. The City hereby agrees for the benefit of the registered owners of the Refunded Bonds that it will not avail itself of any statutory or other right it may have to terminate or cancel this Agreement unless and until a successor has been appointed and the Escrow Account has been transferred to such successor.

**Section 15. Exculpatory Provisions.**

A. The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement.

B. The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof.

C. The Escrow Bank shall not be personally liable or responsible for any act which it may do or omit to do hereunder, while acting with reasonable care, except for duties expressly imposed upon the Escrow Bank hereunder or as otherwise expressly provided herein.

D. The Escrow Bank shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the City of any of its obligations, nor shall the Escrow Bank be responsible in any manner for the recitals or statements contained in this Agreement, in the Bond Ordinance, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the City.

E. Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the City and the holders of the Refunded Bonds.

**Section 16. Time of Essence.**

Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

**Section 17. Successors.**

A. Whenever in this Agreement the City or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the City or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Bank to a successor. Any corporation or association into which the Escrow Bank may be merged or converted or with which the Escrow Bank may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Escrow Bank may be a party or any corporation or association to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the City or the Escrow Bank contained in this Agreement:

(1) Shall bind and inure to the benefit of any such successor, and

(2) Shall bind and inure to the benefit of any officer, board, City, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power, or duty of the City or the Escrow Bank, respectively, or of its successor.

**Section 18. Required Provisions Concerning Illegal Aliens.**

The Escrow Agent qualifies as a “contractor” pursuant to §8-17.5-101(2), C.R.S. and the Escrow Agent hereby certifies that, as of the date hereof, the Escrow Agent does not

knowingly employ or contract with an illegal alien, and the Escrow Agent has participated or attempted to participate in the “Basic Pilot Program” (as defined in §8-17.5-101(1), C.R.S.) in order to verify that the Escrow Agent does not employ any illegal aliens. In compliance with §8-17.5-102(2), C.R.S., it is hereby agreed:

(a) The Escrow Agent shall not knowingly employ or contract with an illegal alien to perform work described in this Agreement (the “Banking Services”) or enter into a contract with a subcontractor that fails to certify to the Escrow Agent that the subcontractor shall not knowingly employ or contract with an illegal alien to perform the Banking Services.

(b) The Escrow Agent has verified or attempted to verify through participation in the Basic Pilot Program that it does not employ any illegal aliens or shall apply to participate in the Basic Pilot Program every three months until the Escrow Agent is accepted or until termination of this Agreement, whichever is earlier.

(c) The Escrow Agent shall not use Basic Pilot Program procedures to undertake pre-employment screening of job applicants while performing the Banking Services.

(d) If the Escrow Agent obtains actual knowledge that a subcontractor performing Banking Services knowingly employs or contracts with an illegal alien, the Escrow Agent shall be required to: (i) notify the subcontractor and the City within three days that the Escrow Agent has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to subparagraph (i) the subcontractor does not stop employing or contracting with the illegal alien; except that the Escrow Agent shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(e) The Escrow Agent shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that such department is undertaking pursuant to §8-17.5-102(5) C.R.S.

**Section 19. Severability.**

If any section, paragraph, clause, or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement.

**Section 20. Notices.**

Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the City: City of Westminster, Colorado  
4800 West 92nd Avenue  
Westminster, CO 80030  
Attn: Finance Director

If to the Escrow Bank: American National Bank.  
3033 East First Avenue  
Denver, Colorado 80206

If to the Bond Insurer: \_\_\_\_\_  
\_\_\_\_\_

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or such other address as either party may, by written notice to the other party, hereafter specify. Any notice shall be deemed to be given upon mailing.

**Section 21. Jurisdiction and Venue.** The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States District Court for the District of Colorado.

**Section 22. Exercise of Option.** The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the respective Redemption Dates. The City hereby authorizes and directs the Registrar, as registrar for such Refunded Bonds, to give notice of refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds in accordance with the provisions of the ordinances authorizing the issuance of the Refunded Bonds.

**Section 23. Form of Notice.** The notices so to be given shall be in substantially the following forms:

(Form of Notices)

NOTICE OF PARTIAL REFUNDING, DEFEASANCE AND REDEMPTION  
CITY OF WESTMINSTER, COLORADO

SPECIAL PURPOSE SALES AND USE TAX REVENUE BONDS

SERIES 1997B

CUSIP NOS: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that City of Westminster, Colorado, (the "City") will cause to be deposited in escrow with American National Bank, Denver, Colorado, refunding bond proceeds and other moneys which will be invested (except for a small initial cash balance remaining uninvested) in certificates of indebtedness, notes, bonds and similar securities which are direct obligations of, or obligations the principal or and interest on which are unconditionally guaranteed by, the United States of America to refund, pay, redeem and discharge portions of the principal and interest in connection with the City's Special Purpose Sales and Use Tax Revenue Bonds, Series 1997B(the "Series 1997 Bonds") as more particularly described below.

The Series 1997 Bonds maturing on and after December 1, \_\_\_\_\_ in the aggregate principal amount of \$\_\_\_\_\_ (the "Refunded Bonds"), will be called for redemption on December 1, 2007 (the "Redemption Date"). On the Redemption Date, the principal of such Refunded Bonds and accrued interest thereon to the Redemption Date plus a redemption premium of 1% of the principal amount so redeemed, will become due and payable at the principal office of the paying agent, American National Bank, Denver, Colorado (the "Paying Agent"), and thereafter interest will cease to accrue.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of the Refunded Bonds and accrued interest thereon to the Redemption Date plus a redemption premium of 1% of the principal amount so redeemed, on and after the date of the deposit and on and before the Redemption Date.

In compliance with the federal law, the Paying Agent is required to withhold at the current backup withholding rate a percentage from payments of principal to individuals who fail to furnish valid Taxpayer Identification Numbers. A completed Form W-9 should be presented with your bond.



The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Paying Agent nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

Dated \_\_\_\_\_.

AMERICAN NATIONAL BANK,  
Registrar

By: \_\_\_\_\_

(End of Form of Notice)

**IN WITNESS WHEREOF, THE CITY OF WESTMINSTER, COLORADO**, has caused this Escrow Agreement to be signed in the City's name by the Mayor Pro Tem, and to be attested by the City Clerk, with the seal thereof hereunto affixed; and **AMERICAN NATIONAL BANK**, Denver, Colorado, has caused this Escrow Agreement to be signed in its corporate name by one of its Senior Vice Presidents, all as of the day and year first above written.

**CITY OF WESTMINSTER, COLORADO**

By \_\_\_\_\_  
Title: Mayor Pro Tem

(SEAL)

Attest:

\_\_\_\_\_  
City Clerk

**AMERICAN NATIONAL BANK**

By: \_\_\_\_\_  
Senior Vice President

EXHIBIT 1

(Attach Certified Public Accountant's Report)



**Blanket Issuer Letter of Representations**  
 [To be Completed by Issuer]

CITY OF WESTMINSTER, COLORADO  
 [Name of Issuer]

March 30, 1998  
 [Date]

Attention: Underwriting Department — Eligibility  
**The Depository Trust Company**  
 55 Water Street; 50th Floor  
 New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

CITY OF WESTMINSTER, COLORADO  
 [Issuer]

By: *M. Ann Parrot*  
 [Authorized Officer's Signature]

MARY ANN PARROT, FINANCE DIRECTOR  
 [Typewrite Name & Title]

Received and Accepted:

THE DEPOSITORY TRUST COMPANY  
*Poly Bond*  
 By: \_\_\_\_\_

4800 W. 92nd Ave.  
 [Street Address]

Westminster, CO 80030  
 [City] [State] [Zip]

(303) 430-2400  
 [Phone Number]

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

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

**CITY OF WESTMINSTER, COLORADO**  
**SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST**  
**PROJECT)**  
**SERIES 2007B**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado (the “City”) in connection with the issuance of the City of Westminster, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_ (the “2007B Bonds”). The 2007B Bonds are being issued pursuant to Ordinances adopted by the City Council of the City on February 12, 2007 (the “Ordinance”). The City covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2007B Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repositories” shall mean all of the Nationally Recognized Municipal Securities Information Repositories for purposes of the Rule, as recognized from time to time by the SEC and as currently listed on the Internet at the website [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

“Participating Underwriter” shall mean the original underwriter of the 2007B Bonds required to comply with the Rule in connection with an offering of the 2007B Bonds.

“Repositories” shall mean the National Repositories and any State Repository.

“Repository Agent” shall mean any filing system approved by the SEC for transmission of filings under the Rule for submission to the Repositories, including without

limitation the central post office known as DisclosureUSA, currently managed by the Municipal Advisory Council of Texas and located on the Internet at the website www.DisclosureUSA.org.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Colorado as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

### SECTION 3. Provision of Annual Reports.

a. The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s fiscal year of each year, commencing nine (9) months following the end of the City’s fiscal year ending December 31, 2007, provide to (i) the Repositories or (ii) a Repository Agent, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

b. If the City is unable to provide to the Repositories or the Repository Agent an Annual Report by the date required in subsection (a), the City shall send or cause to be sent a notice in substantially the form attached as Exhibit “A” to any of the following: (i) MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent.

The Dissemination Agent shall:

- (1) determine each year prior to the date for providing the Annual Report the name and address of the Repositories and any Repository Agent;
- (2) if the Dissemination Agent is other than the City, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and
- (3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:



a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repositories or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference.

**SECTION 5. Reporting of Material Events.** The City shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the 2007B Bonds, if such event is material to any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the 2007B Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the 2007B Bonds; or
- k. Rating changes.

**SECTION 6. Termination of Reporting Obligation.** The City’s obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the 2007B Bonds; (ii) the date that the City shall no longer constitute an “obligated person” within the meaning of the Rule; or (iii) the date on which those

portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the 2007B Bonds.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the 2007B Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the Repositories or Repository Agent.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the 2007B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the 2007B Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2007.

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Westminster, Colorado

Name of Bond Issue: City of Westminster, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_.

Date of Issuance: \_\_\_\_\_, 2007

CUSIP No. \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 19(g) of the Ordinance, adopted on February 12, 2007, and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2007, by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT “B”**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

**NEW ISSUE  
BOOK-ENTRY ONLY**

**RATINGS: Fitch “\_”  
Standard & Poor’s “\_”**

**INSURANCE: \_\_\_\_\_**

**UNDERLYING RATINGS: Fitch “\_”  
Standard & Poor’s “\_”**

**(See “MISCELLANEOUS—Ratings”)**

*In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.”*

**\$14,160,000\***

**CITY OF WESTMINSTER, COLORADO  
SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST PROJECT)  
SERIES 2007B**

**Dated: Date of Delivery**

**Due: December 1 as shown below**

The Bonds are issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Interest on the Bonds, at the rates set forth below, is payable semi-annually on June 1 and December 1 each year, commencing on June 1, 2007. Capitalized terms used on this cover page are defined in the Introduction to this Official Statement. DTC will act as securities depository for the Bonds and payments of principal of and interest on the Bonds will be made by the Paying Agent, initially American National Bank, Denver, Colorado, directly to DTC, which will remit such payments to Participants for subsequent distribution to Beneficial Owners of the Bonds.

**MATURITY SCHEDULE\*  
(CUSIP<sup>1c</sup> 960668)**

| Maturity Date<br>(December 1) | Principal<br>Amount | Interest<br>Rate | Yield | CUSIP <sup>1</sup> | Maturity Date<br>(December 1) | Principal<br>Amount | Interest<br>Rate | Yield | CUSIP <sup>1</sup> |
|-------------------------------|---------------------|------------------|-------|--------------------|-------------------------------|---------------------|------------------|-------|--------------------|
| 2008                          | \$1,055,000         |                  |       |                    | 2013                          | \$1,665,000         |                  |       |                    |
| 2009                          | 1,420,000           |                  |       |                    | 2014                          | 1,730,000           |                  |       |                    |
| 2010                          | 1,480,000           |                  |       |                    | 2015                          | 1,800,000           |                  |       |                    |
| 2011                          | 1,540,000           |                  |       |                    | 2016                          | 1,870,000           |                  |       |                    |
| 2012                          | 1,600,000           |                  |       |                    |                               |                     |                  |       |                    |

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by \_\_\_\_\_ simultaneously with the delivery of the Bonds.

[Insert Insurer Logo]

The net proceeds from the sale of the Bonds will be used to refund certain of the City’s outstanding Series 1997B Bonds, and to pay costs of issuance on the Bonds.

The Bonds are revenue obligations of the City payable solely from and secured by an irrevocable and first lien, but not necessarily an exclusive such lien, on the net revenues derived from the City’s 0.25% Open Space Tax which is reserved for open space acquisition, parks, and recreation enhancements. The Bonds and any payments under the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

The Bonds are subject to redemption prior to maturity as described herein.

**This cover page contains certain information for quick reference only. It is *not* a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision and should consider carefully the information contained in the section entitled “RISK FACTORS.”**

The Bonds are offered when, as, and if issued, and accepted by the Underwriter named below, subject to the approval of legality and certain other matters by Sherman & Howard LLC, Denver, Colorado, as Bond Counsel. Certain matters will be passed upon by Kutak Rock LLP, Denver, Colorado, as Special Counsel to the City for purposes of assisting the City with the preparation of this Official Statement. James Capital Advisors, Inc., Denver, Colorado, is acting as financial advisor to the City with respect to this financing. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about February \_\_, 2007.

**STIFEL, NICOLAUS  
This Official Statement is dated February \_\_, 2007.**

\*Preliminary; subject to change.

<sup>1</sup>The City takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

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4845-6481-9201.2

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

**City of Westminster  
City Council**

Nancy McNally, Mayor  
Tim Kauffman, Mayor Pro Tem  
Chris Dittman  
Mark L. Kaiser  
Mary Lindsey  
Scott Major  
Jo Ann Price

**City Officials**

J. Brent McFall, City Manager  
Stephen P. Smithers, Assistant City Manager  
Tammy A. Hitchens, CPA, Finance Director  
Robert C. Smith, Treasury Manager  
Martin R. McCullough, Esq., City Attorney  
Linda Yeager, City Clerk

**Paying Agent**

American National Bank  
Denver, Colorado

**Underwriter**

Stifel, Nicolaus & Company, Incorporated  
Denver, Colorado

**City Financial Advisor**

James Capital Advisors, Inc.  
Denver, Colorado

**Bond Counsel**

Sherman & Howard LLC  
Denver, Colorado

**Special Counsel**

Kutak Rock LLP  
Denver, Colorado

*No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the City or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

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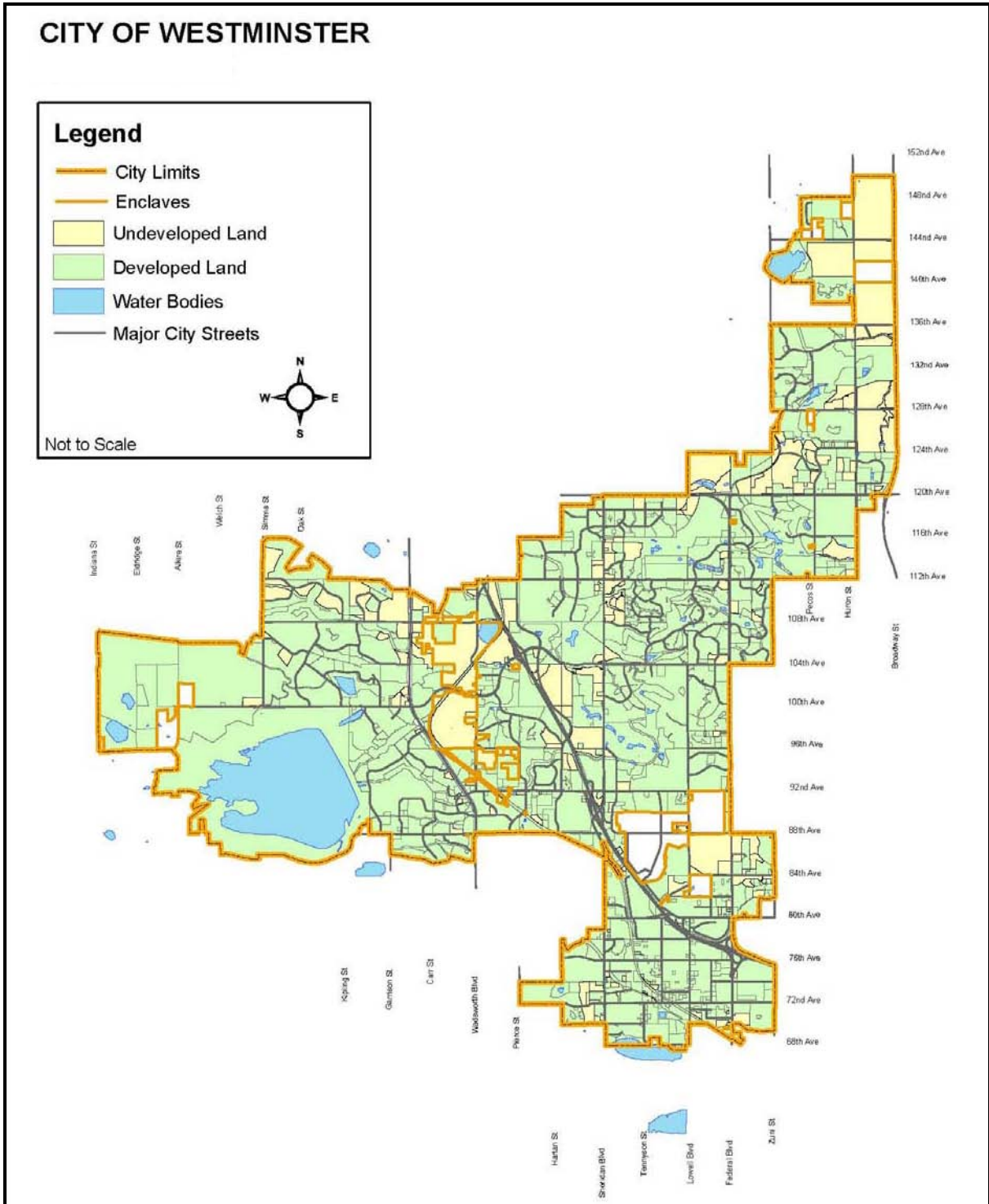
Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Certificates or this Official Statement. Any representation to the contrary is unlawful.



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# CITY MAP



**INTRODUCTION**

This Official Statement is furnished to prospective purchasers of \$14,160,000\* Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B (the “Bonds”), issued by the City of Westminster, Colorado (the “City”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Certain of the capitalized terms used herein are defined in Appendix A hereto.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

**Issuer** ..... The City of Westminster, Colorado, is a home rule city located approximately two miles from the northwestern boundary of the City and County of Denver in Adams and Jefferson Counties. The City encompasses approximately 33 square miles and, according to the Colorado Department of Regulatory Agencies, the City has a current estimated population of 107,363. See “THE CITY” and the preceding “CITY MAP.”

**Security** ..... The Bonds are special revenue obligations of the City payable solely from the revenues derived from the City’s 0.25% sales and use tax (the “Open Space Tax”) after deducting all costs of administering and collecting the Open Space Tax (the “Pledged Revenue”). The City’s Open Space Tax, which is deposited to the City’s Open Space Fund, expires on January 1, 2033, which extension was approved by the voters at the November 7, 2006 election. The Pledged Revenue does not include the City’s 3.0% sales and use tax, the 0.6% sales and use tax which is reserved for the City’s public safety related expenditures (the “Public Safety Tax”), or future increases in the rate of the sales and use tax, if any, or any other excise taxes which may now or hereafter be imposed by the City. The Public Safety Tax portion of the sales and use tax rate (0.60%) does not have a sunset provision. The 3.0% portion of the sales and use tax is referred to herein as the General Sales and Use Tax. Chapters 1 and 2 of Title IV of the City’s Municipal Code (“Title IV”) govern the imposition, collection, distribution and enforcement of the sales and use tax. See “THE BONDS—Security for the Bonds” and “THE SALES AND USE TAX.”

The Bonds constitute an irrevocable and first lien upon the Pledged Revenue to the extent set forth hereafter, but not necessarily an exclusive such lien, and the Pledged Revenue is pledged to the payment of the Bonds. The first lien of the Bonds on the Pledged Revenue is on a parity with the City’s Special Purpose Sales and Use Tax Revenue Bonds, Series 1997B (the “Series 1997B Bonds”) and the City’s Special Purpose Sales and Use Tax Revenue Bonds, Series 1999 (the “Series 1999

---

\* Preliminary; subject to change.

Bonds”) (collectively the Series 1997B Bonds not being refunded with proceeds of the Bonds and the Series 1999 Bonds are referred to herein as the “Outstanding Parity Bonds”). The Outstanding Parity Bonds are currently outstanding in the aggregate principal amount of \$1,575,000.

At the November 7, 2006 election, in addition to extending the Open Space Tax through January 1, 2033, City voters authorized the creation of indebtedness not to exceed \$20,000,000 to finance a portion of the acquisition and development of open space, parks, recreation and trails by the City with revenues received from the Open Space Tax. The City expects to issue such indebtedness in the fall of 2007.

The Bonds are issued in compliance and conformity with the parity lien bond requirements established in the ordinances authorizing the Outstanding Parity Bonds. The ordinance of the City providing for the issuance of the Bonds (the “Bond Ordinance”) provides conditions for the issuance of one or more series of additional bonds, notes, interim securities or other obligations (a) having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds (the “Parity Lien Bonds”) or (b) having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds (the “Subordinate Lien Bonds”). See “THE BONDS—Security for the Bonds” and “—Debt Service Coverage.”

No reserve fund will be established for the Bonds upon the date of their issuance; however, the Bond Ordinance sets forth a test which requires the funding of a reserve fund for the Bonds, the Outstanding Parity Bonds, and Parity Lien Bonds, if any, if the debt service coverage requirement of such test is not met. See “THE BONDS—Security for the Bonds.”

**Bond Insurance** ..... \_\_\_\_\_ ( the “Insurer”) has committed to issue, on the date of issuance of the Bonds, a Municipal Bond Insurance Policy (the “Policy” or “Bond Insurance Policy”) insuring the payment of the principal of and interest on the Bonds when due. See “BOND INSURANCE.”

**Use of Bond Proceeds** ..... The net proceeds from the sale of the Bonds will be used to refund certain of the City’s outstanding Series 1997B Bonds and to pay costs of issuance on the Bonds. See “THE BONDS—Application of Bond Proceeds.”

**Payment Provisions**..... The Bonds mature and bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months) as set forth on the cover page hereof. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing on June 1, 2007. Payments to Beneficial Owners will be made as described in “APPENDIX E—Book-Entry-Only System.”

**Book-Entry-**

**Only Registration** ..... The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof through brokers and dealers who are, or who act through, participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded on the records of the Participants. Persons for which Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. See “APPENDIX E—Book-Entry-Only System” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters. Except as otherwise provided in this Official Statement, the term “Owner” shall refer to the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

**Prior Redemption**..... The Bonds are subject to optional redemption prior to maturity. The terms and provisions regarding such prior redemption are set forth in “THE BONDS—Redemption Provisions.”

**Registration and**

**Denominations**..... The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

**Tax Status** ..... In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.”

**Undertaking to  
Provide Ongoing**

**Disclosure**..... Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the City has agreed for the benefit of the holders of the Bonds to provide certain financial information, other operating data and notices of material events after the Bonds are issued (the “Continuing Disclosure Certificate”). The form of the City’s Continuing Disclosure Certificate is attached as an appendix to this Official Statement. The City has not failed to comply

with any prior undertaking under the Rule. A failure by the City to comply with the Continuing Disclosure Certificate will not constitute an event of default under the Bond Ordinance. Nevertheless, if such a failure occurs it must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market.

**Authority for**

**Issuance**..... The Bonds are issued in accordance with the Constitution of the State of Colorado; the City’s home rule charter (“Charter”); and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance adopted by the Westminster City Council (the “Council”).

**Delivery**

**Information**..... The Bonds are offered when, as, and if executed and delivered, and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery on or about February \_\_, 2007, against payment therefor.

**Exchange and**

**Transfer** ..... While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption “APPENDIX E—Book-Entry-Only System.” In the event that DTC ceases to act as securities depository for the Bonds, the Bond Ordinance provides for the transfer of Bonds by the Registrar pursuant to specified terms and provisions.

**Financial**

**Statements**..... Appended hereto are the audited general purpose financial statements of the City as of and for the year ended December 31, 2005, being the most recent audited financial statements available.

ALL OF THE SUMMARIES OF THE STATUTES, ORDINANCES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 W. 92nd Avenue, Westminster, Colorado 80031, telephone: 303.430.2400 extension 2043; or Stifel, Nicolaus & Company, Incorporated, 1125 Seventeenth Street, Suite 1600, Denver, Colorado 80202, telephone: 303.296.2300.

**THE BONDS**

**Redemption Provisions**

Pursuant to the provisions of the Bond Ordinance, the Bonds are subject to redemption as follows:

**Optional Prior Redemption.** The Bonds maturing on or before December 1, 20\_\_ are not subject to redemption prior to maturity. The Bonds maturing on and after December 1, 20\_\_ are subject to

redemption prior to maturity, at the option of the City, in whole or in integral multiples of \$5,000, in any order of maturity the City may determine (giving weight to Bonds in denominations larger than \$5,000) and in whole or partial maturities, on December 1, 20\_\_, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium.

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

Pursuant to the Bond Ordinance, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds.

### **Application of Bond Proceeds**

**The Refunding Plan.** Bond proceeds will be used to advance refund a portion of the Series 1997B Bonds maturing on and after December 1, 2008, currently outstanding in the aggregate principal amount of \$13,745,000 and bearing interest at rates which range from 5.05% to 5.30% per annum (collectively, the "1997B Refunded Bonds"). The Series 1997B Bonds maturing in the year 2007, which bonds are collectively outstanding in the aggregate principal amount of \$1,175,000, are not part of the refunding.

The 1997B Refunded Bonds are subject to prior redemption on December 1, 2007 at a price of par and accrued interest to the redemption date, plus a redemption premium of 1% of the principal amount so redeemed. As provided in the Bond Ordinance, the City is refinancing the 1997B Refunded Bonds at lower interest rates and therefore advance voter approval is not required pursuant to Section 20 of Article X of the Colorado Constitution.

Upon issuance of the Bonds, the proceeds of the Bonds, together with legally available moneys of the City, will be deposited into the Escrow Account (the "Escrow Account") created pursuant to the Bond Ordinance and an Escrow Agreement (the "Escrow Agreement") between the City and American

National Bank, as Escrow Agent. The moneys in the Escrow Account will be used by the Escrow Agent to acquire direct, noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (“U.S. Government Obligations”), the maturing principal of and interest on which when due, together with cash held in the Escrow Account, will be sufficient to pay the interest on the 1997B Refunded Bonds as the same become due and to redeem the 1997B Refunded Bonds on their respective optional redemption dates at their respective redemption prices, on which dates the respective refunded bonds have been called by the City for prior redemption.

A certified public accountant will deliver a report verifying (a) the adequacy of the maturing principal of and interest on the U.S. Government Obligations when due and the cash on deposit in the Escrow Account will be sufficient to pay the interest on the 1997B Refunded Bonds as the same become due and to redeem the 1997B Refunded Bonds on their respective optional redemption dates and (b) certain computations supporting the conclusion of Bond Counsel that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

**Application of Bond Proceeds.** The source and uses of the proceeds of the Bonds is as follows:

**SOURCES**

|  |       |
|--|-------|
| Bond Proceeds.....                           | ..... |
| Net of original issue premium/discount ..... | ..... |
| Total.....                                   | ..... |

**USES**

|  |       |
|--|-------|
| Deposit into Escrow Account.....   | ..... |
| Bond issuance costs, including bond insurance and underwriting discount <sup>1</sup> ..... | ..... |
| Total.....   | ..... |

<sup>1</sup>See “Miscellaneous—Underwriting.”

**Security for the Bonds**

**Special Revenue Obligations.** The Bonds are special revenue obligations of the City payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds constitute an irrevocable and first lien upon the Pledged Revenue to the extent set forth hereafter, but not necessarily an exclusive such lien, and the Pledged Revenue is pledged to the payment of the Bonds. The Outstanding Parity Bonds, which will be outstanding on the date of issuance of the Bonds in the aggregate principal amount of \$1,575,000, have a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

**Creation of Funds.** The Bond Ordinance creates and establishes the Bond Fund, which shall comprise offsetting revenue and expense accounts within the General Debt Service Fund of the City designated as the “2007B Special Purpose Sales and Use Tax Revenue Bonds.” Moneys in the Bond Fund shall be used solely for the purpose of paying the principal of, premium if any, and interest on the Bonds. The City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively.



***Flow of Funds.*** The City has heretofore established the Sales and Use Tax Fund as a governmental fund of the City. The Bond Ordinance provides that the City shall credit to the Sales and Use Tax Fund all revenue derived from the City's 3.85% Sales and Use Tax immediately upon receipt. After transferring 6.49 percent of such revenue (representing the .25% Open Space Tax) to the City's Open Space Fund, the City must apply the Pledged Revenue in the following order of priority:

First, to the credit of the Bond Fund the amounts described above in "Creation of Funds", and to the credit of any other fund or account hereafter established for the payment of the principal of, premium, if any, and interest on Parity Lien Bonds, in the amount required by the ordinance or other enactment authorizing issuance of the Parity Lien Bonds.

Second, to the credit of any sinking fund, reserve fund or similar fund or account established in connection with the Bonds or any Parity Lien Bonds, in the amounts required by the Bond Ordinance or the ordinance or other enactment authorizing issuance of the Parity Lien Bonds.

Third, to the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund or similar fund or account established therefore, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

Fourth, to the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in First through Third above.

The lien of the Bonds on the Pledged Revenue attaches immediately upon receipt of any Sales and Use Tax proceeds, remains in effect so long as such Pledged Revenue is credited to the Open Space Fund or the Bond Fund or the Reserve Fund, and is extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund or the Reserve Fund and which is transferred to other funds of the City for other purposes.

***Additional Covenants of the City.*** The City irrevocably covenants and agrees in the Bond Ordinance that so long as any of the Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending Title IV in order to increase the rate of tax above that currently imposed, or to make certain changes in the administration, collection or enforcement of such Sales and Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund (see "THE SALES AND USE TAX").

(b) It will administer, enforce and collect or cause to be administered, enforced and collected, the Sales and Use Tax authorized by Title IV, and will take reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with

appropriate officers of the City. The City will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit. While the Bond Insurance Policy is in effect, the Bond Insurer shall receive, as soon as practicable after the filing thereof, a copy of the City's annual audited financial statements and annual budget.

(e) In the event the City does not receive Pledged Revenues in any fiscal year in an amount at least equal to 150% of the maximum annual principal and interest requirements for the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to the lesser of 10% of the outstanding aggregate principal amount of said bonds, 125% of the combined average annual principal and interest requirements of said bonds, or the maximum principal and interest due on the Bonds and Parity Lien Bonds in any fiscal year (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by 12 equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenues, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established, and draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

(h) It will provide such additional information as the Bond Insurer may reasonably request from time to time.

(i) The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default under the Bond Ordinance; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

***Additional Obligations.*** The Bond Ordinance provides that no additional bonds, notes, interim securities or other obligations may be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien thereon of the Bonds.

The Bond Ordinance permits the City to issue Parity Lien Bonds if: (a) no Event of Default has occurred and is continuing; (b) the City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by the Bond Ordinance; (c) the Pledged Revenue for the 12 month period immediately preceding the date of such Parity Lien Bonds is sufficient to pay an amount representing not less than 150% of the combined maximum annual principal and interest requirements for the Bonds, any Parity Lien Bonds and the Parity Lien Bonds proposed to be issued; and (d) to the extent that a Reserve Fund has been established, a deposit is made to the Reserve Fund so that the balance therein on the date of delivery of the Parity Lien Bonds equals the Required Reserve.

A written certificate signed by the City Finance Director that the foregoing requirements have been met shall conclusively determine the right of the City to authorize, issue, sell and deliver Parity Lien Bonds.

So long as no Event of Default under the Bond Ordinance shall have occurred and be continuing, the Bond Ordinance does not restrict the City from issuing Subordinate Lien Bonds.

***Bonds Not a Debt.*** The owners of the Bonds may not look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the debt service on the Bonds, and the Bonds do not constitute a debt or indebtedness of the City within the meaning of any constitutional, Charter or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

***Events of Default and Remedies.*** The Bond Ordinance provides that it is an “Event of Default” if: (a) payment of the principal of or redemption premium on any Bond is not made by the City when due at maturity or upon prior redemption; (b) payment of the interest on any Bond is not made by the City when due; or (c) the City defaults in the performance of its covenants in the Bond Ordinance for 60 days after written notice has been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds. In determining whether an Event of Default has occurred due to the City’s failure to pay any principal or interest on the Bonds when due, no effect shall be given to payments made to registered owners of the Bonds under the Bond Insurance Policy.

Upon the happening of an Event of Default, the Beneficial Owners or Registered Owners of any Bond, or a trustee therefor, may protect and enforce the rights such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being granted pursuant to the terms of the Bond Ordinance), injunctive relief or requiring the Council to act as if it were the trustee of an express trust, or any combination of such remedies; provided however, that any action brought pursuant to the Event of Default enumerated “(c)” in the preceding paragraph may be brought only upon the written consent of the Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Bond owners. The failure of any Bond owner to proceed does not relieve the City or any person of any liability for failure to perform any duty under the Bond Ordinance. The foregoing rights are in addition to any other right, and the exercise of any right by any Bond owner shall not be deemed a waiver of any other right.

***Amendments to the Bond Ordinance.*** Within the limits of applicable law, any provision of the Bond Ordinance may be waived or modified by the written consent of the Registered Owners or Beneficial Owners of not less than 66% of the outstanding principal amount of the Bonds; except that the

written consent of the Registered Owners or Beneficial Owners of 100% of the outstanding principal amount of the Bonds is required to: (a) extend the maturity of any Bond; (b) reduce the principal amount or interest rate of or the prior redemption premium on any Bond; (c) create a lien upon the Pledged Revenue ranking prior to the lien created by the Bond Ordinance; (d) reduce the principal amount of the Bonds required for consent to any waiver or modifications; (e) establish priorities between Bonds; or (f) modify or otherwise affect the rights of the Owners of less than all of the Bonds then outstanding. Any amendment or supplement to the Bond Ordinance shall be subject to the prior written consent of the Bond Insurer.

***Bond Ordinance Irrepealable.*** The Bond Ordinance provides that after any of the Bonds are issued, the Bond Ordinance shall constitute an irrevocable contract between the Bond owners and the City and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged as provided in the Bond Ordinance.

***Future Changes in Laws.*** Various Colorado laws and constitutional provisions, apply to the imposition and collection of the Pledged Revenue and the financing of City operations in general. Other state and federal laws, constitutional provisions and regulations apply to the obligations created by the issuance of the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the City.

***Limitations on Remedies Available to Bondholders.*** In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, remedies available to Bondholders may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of Bonds, and the obligations incurred by the City in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of Colorado and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

## **Debt Service Coverage**

The following table sets forth coverage factors which would have been provided by the Pledged Revenue for 2001-2005 (audited) and 2006 (unaudited and unadjusted) for (a) the estimated average annual coverage (such factor representing the coverage provided for the estimated combined average annual debt service on the Bonds and the Outstanding Parity Bonds to the final maturity date of the Bonds (\$1,928,435\*)) and (b) estimated maximum annual coverage (such factor representing the coverage provided for the estimated combined maximum annual debt service on the Bonds and the Outstanding Parity Bonds, which occurs in 2007, to the final maturity date of the Bonds (\$2,091,345\*). The maximum annual coverage factor is used in the determination of the City's ability to issue Parity Lien

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\* Preliminary; subject to change.

Bonds. See “THE BONDS—Security for the Bonds.” The debt service requirements for the Bonds and the Outstanding Parity Bonds are set forth in “Debt Service Requirements” hereafter.

**TABLE I**  
**Debt Service Coverage**

|  | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006<sup>1</sup></b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------------------|
| Collected Revenue                                    | \$4,812,077 | \$4,272,085 | \$4,224,170 | \$4,259,760 | \$4,372,363 | \$4,669,446             |
| Administrative Expenses                              | \$(25,685)  | \$(27,931)  | \$(28,508)  | \$(24,084)  | \$(23,239)  | \$(26,276)              |
| Pledged Revenue                                      | \$4,786,392 | \$4,244,154 | \$4,195,662 | \$4,235,676 | \$4,349,124 | \$4,643,170             |
| Estimated Average Annual Debt Service <sup>2,*</sup> | \$1,928,435 | \$1,928,435 | \$1,928,435 | \$1,928,435 | \$1,928,435 | \$1,928,435             |
| Estimated Maximum Annual Debt Service <sup>2,*</sup> | \$2,091,345 | \$2,091,345 | \$2,091,345 | \$2,091,345 | \$2,091,345 | \$2,091,345             |
| Average Annual Coverage Factor <sup>2,*</sup>        | 2.48x       | 2.20x       | 2.18x       | 2.20x       | 2.26x       | 2.41x                   |
| Maximum Annual Coverage Factor <sup>2,*</sup>        | 2.29x       | 2.03x       | 2.01x       | 2.03x       | 2.08x       | 2.22x                   |

<sup>1</sup>Unaudited and unadjusted figures for the year ended December 31, 2006. For information regarding Pledged Revenue collections for calendar year 2006, see “THE SALES AND USE TAX—History of General Sales and Use Tax Receipts.”

<sup>2</sup>See the following Table II for the debt service requirements for the Outstanding Parity Bonds and the Bonds.

\*Preliminary; subject to change.

Source: City of Westminster Finance Department

The receipt of Pledged Revenue is subject to the elastic nature of consumer spending. This causes sales tax revenue to increase along with the higher prices brought about by inflation, but also causes collections to be vulnerable to adverse economic conditions and reduced consumer confidence which would result in reduced spending. Such changes in economic conditions may cause actual sales tax collections to fluctuate. Accordingly, there can be no assurance that collections of sales tax revenue will continue at the levels stated above, or that coverage factors in future years will remain at such levels. See “THE SALES AND USE TAX.”

**Debt Service Requirements**

Set forth in the following table is the debt service requirements for the Bonds and the City’s Outstanding Parity Bonds. See the cover page of this Official Statement for the actual interest rates for each maturity of the Bonds.

**TABLE II  
Bond Debt Service Requirements**

| Year  | Series 2007B Bonds <sup>1</sup> |          | Outstanding Parity Bonds <sup>1,2</sup> | Annual Total |
|-------|---------------------------------|----------|---|--------------|
|       | Principal                       | Interest |   |              |
| 2007  | --                              |          | \$1,661,825                             |              |
| 2008  | \$1,055,000                     |          | --                                      |              |
| 2009  | 1,420,000                       |          | --                                      |              |
| 2010  | 1,480,000                       |          | --                                      |              |
| 2011  | 1,540,000                       |          | --                                      |              |
| 2012  | 1,600,000                       |          | --                                      |              |
| 2013  | 1,665,000                       |          | --                                      |              |
| 2014  | 1,730,000                       |          | --                                      |              |
| 2015  | 1,800,000                       |          | --                                      |              |
| 2016  | <u>1,870,000</u>                |          | --                                      |              |
| Total | <u>\$14,160,000</u>             |          | <u>\$1,661,825</u>                      |              |

<sup>1</sup>Assumes no optional redemptions prior to maturity.

<sup>2</sup>Includes both principal and interest.

Source: The Underwriter

**BOND INSURANCE**

The following information has been furnished by \_\_\_\_\_ (the “Insurer”) for use in this Official Statement. Reference is made to Appendix D for a specimen of the Insurer’s Policy.

[To Be Provided by Insurer]

**RISK FACTORS**

THE PURCHASE OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, AND COULD ALSO AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED.

**Limited Obligations**

The Bonds do not constitute a lien upon any real or personal property of the City. Rather, the Bonds constitute an irrevocable but nonexclusive first lien upon the Pledged Revenue and the moneys on deposit from time to time in the Bond Fund. Therefore, the payment of the principal of and interest on the Bonds is dependent on the City’s receipt of revenues from the Sales and Use Tax. Bondholders may not look to any general or other revenues of the City, including without limitation the proceeds of ad valorem

taxes, for the payment of the principal of and interest on the Bonds, and the Bonds do not constitute a general obligation of the City.

### **Economic Factors**

Due to the character of the taxes which comprise the Pledged Revenue, the amount of Pledged Revenue collected by the City will be subject to various economic factors. The amount of sales tax revenues is dependent upon the level of sales of tangible personal property in the City and the amount of use tax revenues is principally dependant upon the use of construction materials within the City and purchase of automobiles by City residents. See “THE SALES AND USE TAX—Description of the Sales and Use Tax” for a complete description of said taxes. Therefore, changes in national and local economic conditions, the rates of employment and economic growth, the availability of consumer credit and the level of consumer spending, and the level of residential and commercial development, among other things, will directly affect the amount of Pledged Revenue. Further, the cyclical nature of such factors generally causes sales tax revenues to increase along with higher prices brought about by inflation, but also causes receipts to be vulnerable to adverse economic conditions and reduced consumer confidence which may result in reduced consumer spending. Future sales and use tax receipts may fluctuate from historical levels and affect the level of debt service coverage provided by the Pledged Revenue for the Bonds.

### **Concentration of Sales Tax Generators**

While the City has approximately 5,099 active business licenses outstanding for the collection of the Open Space Tax, the City’s ten largest generators of Open Space Tax revenues comprised approximately 31% of the City’s total sales tax receipts in 2006. While no one generator accounted for more than 7.0% of such amount, a significant portion of the generators are discount retailers and department stores. The closure of one or more of said generators or substantial reductions in retail sales by a few of generators, for whatever reason, could have a material, adverse effect on the amount of Pledged Revenues. See the caption “THE SALES AND USE TAX—History of General Sales and Use Tax Receipts” herein.

### **Sales Tax Not Collected on Sales Over the Internet**

The sales tax is currently not imposed on purchases made over the internet, as well as purchases made from catalogues unless the business has nexus in the City. The future level of taxable retail sales which occurs within the City may be affected by the future level of internet sales (also known as e-commerce). Such remote commerce vendors compete with local retail businesses and in the future could materially reduce the level taxable retail sales which otherwise would occur within the City. The use of the internet by consumers for their purchases is subject to various market factors as well as consumer behavior and preferences. The ultimate impact of internet sales on the level of taxable retail sales which occurs within the City cannot be determined at this time. Additionally, the increasing popularity of gift cards, the sales and resulting taxes from which are not realized until the gifted amounts are spent by the recipient, may impact monthly sales tax receipts in a manner which cannot be determined at this time.

### **Issuance of Additional Bonds**

The City has the right to issue additional bonds payable from the Pledged Revenue and secured by a lien on the Pledged Revenue on a parity with the lien of the Bonds; however, specific conditions and requirements which are set forth in an additional bonds test must be met by the City prior to the issuance of such Parity Lien Bonds. See “THE BONDS—Security for the Bonds” for the test for additional bonds.

In calendar year 2006, the unaudited Pledged Revenue was \$4,699,446 and such amount would provide a coverage factor for the maximum annual debt service for the Bonds and Outstanding Parity Bonds of approximately 2.21 times. See “THE BONDS—Debt Service Coverage.” The issuance of Parity Lien Bonds would dilute such coverage and, in the event of a decline in the Pledged Revenue, could ultimately affect the ability of the City to meet the debt service requirements on the Bonds. The issuance of Parity Lien Bonds or Subordinate Lien Bonds which are not refunding obligations issued at a lower interest rate would require prior voter approval. See “DEBT STRUCTURE—Required Elections.”

### **Enforceability of Bondholders’ Remedies Upon Default**

In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, remedies available to registered owners and Beneficial Owners of the Bonds may have to be enforced from year to year. Moreover, there is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Ordinance on behalf of the registered owners and Beneficial Owners of the Bonds, and therefore such registered owners and Beneficial Owners of the Bonds should be prepared to enforce such provisions themselves if the need to do so ever arises.

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law and judicial decisions, including specifically the federal Bankruptcy Code. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; as to usual principles of equity which may limit the specific enforcement under State law of certain remedies; as to the exercise by the United States of America of the powers delegated to it by the federal Constitution; and as to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving an important public purpose.

### **Future Changes in Laws**

Various Colorado laws and constitutional provisions, apply to the imposition and collection of the Pledged Revenue and the financing of City operations in general. Other state and federal laws, constitutional provisions and regulations apply to the obligations created by the issuance of the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions and regulations which would have a material effect, directly or indirectly, on the affairs of the City.

## **THE SALES AND USE TAX**

The Pledged Revenue consists of the revenues derived from the City’s 0.25% Open Space Tax which is deposited to the City’s Open Space Fund, after deducting all costs of administering and collecting the Open Space Tax. The following information includes a description of the collection, administration and enforcement procedures for the Sales and Use Tax.

### **Description of the Sales and Use Tax**

*Generally.* The Sales Tax is levied on all sales of tangible personal property and taxable services as provided in Title IV, with specific exemptions. The Use Tax is levied upon the privilege of using, storing, distributing or otherwise consuming in the City any article of tangible personal property or



taxable services purchased, leased or rented from sources inside or outside the City, with specific exemptions, on which the Sales Tax has not been paid. The transactions and items subject to the Tax are generally set forth below. Copies of Title IV may be obtained upon written request from the sources listed in “MISCELLANEOUS—Additional Information” or at the City’s internet website [www.ci.westminster.co.us](http://www.ci.westminster.co.us).

The Sales and Use Tax is imposed on the purchaser, and the seller must collect and remit the Sales Tax to the City under the penalties for failure to do so as prescribed in Title IV. The Sales and Use Tax collections are distributed first for the costs of administration and collection of the Sales and Use Tax, next for the fulfillment of any sales and use tax bond covenants, and finally for any lawful purpose of the City.

***Transactions and Items Subject to Tax.*** The Sales Tax is levied on the “price” of the following: tangible personal property sold, leased or rented, whether or not such property has been included in a previous transaction; telecommunication services, except carrier access services and interstate private communications services, for all international, interstate and intrastate telecommunications service in the City; installation in the City of equipment required to receive or transmit telecommunication service; meals sold to the public or to employees; gas, electricity and steam furnished for domestic, commercial or industrial consumption; pay television; automotive vehicles sold, leased or rented in the City; services of an operator when furnished with the lease or rental of tangible personal property if such services are not separately stated; coin- and card-operated devices that dispense tangible personal property; and, rentals of storage space in the City.

The exemptions from the Sales Tax generally include the following: automotive vehicles sold to non residents of the City for registration outside the City; tangible personal property when the sales are to those who reside or do business outside the City and the articles purchased are delivered and used outside the City; prescription drugs, prosthetic devices and items dispensed pursuant to a written order of a licensed practitioner of the healing arts; cigarettes; direct sales, except of construction materials used in a project for which a building permit is required, to charitable organizations in the conduct of their regular exempt organizational functions and activities, and to the federal government, the state of Colorado and political subdivisions thereof in their governmental capacities only; construction materials used in construction projects undertaken and managed directly by the City; all sales the City is prohibited from taxing under the federal or State of Colorado constitution or laws; tangible personal property sold to a public utility or railroad doing business both inside and outside the City, for use in its business operations outside the City; motor fuel subject to a specified gasoline tax or special fuel tax; farm implements, and parts and accessories for the same; certain farm animals and feed and bedding for the same; farm closeout sales; all wholesale sales; tangible personal property sold to a person engaged in manufacturing or processing for sale when such property becomes a constituent part of the finished product; commercial packaging materials; napkins, straws or eating utensils sold to a retailer when specified conditions are met; newspapers; newsprint and printers’ ink; tangible personal property sold for rental or leasing inventory; labor sold with tangible personal property, if such labor is stated separately; construction materials, if a use tax has been paid or is required to be paid on such materials; tangible personal property sold through coin- and card-operated devices for a price of fifteen cents (15¢) or less; certain food and meals purchased with federal food stamps or with specified federal funds; access services; private communication services; modified or customized computer programs; garage sales, yard sales or estate sales in a residential area not exceeding a consecutive three day period, but not including sales conducted by a professional or compensated agent of the owner of the items to be sold; sales by a recognized youth group affiliated with a charitable organization or a governmental entity; transactions subject to the admissions or accommodations tax; insulin in all forms, including glucose, diabetic urine and blood testing kit and materials, and insulin measuring and injecting devices; and water sold by the City.

The Use Tax is levied on the “price” of the following: non-exempt tangible personal property purchased for use without payment of the Sales Tax and used, stored or consumed inside the City either personally or in conjunction with the rendering of a service; tangible personal property purchased at wholesale or component parts purchased for manufacture which are subsequently used by the taxpayer; taxable services purchased without payment of the Sales Tax; the cost of meals given without charge to employees or others; and automotive vehicles required to be registered at an address inside the City on which municipal sales tax has not been paid.

The exemptions from the Use Tax include the exemptions set forth above for the Sales Tax in addition to the following: the storage of construction materials; tangible personal property which was purchased by a taxpayer on or after January 1, 1986 during a time when the taxpayer was located outside the City and was used by the taxpayer for a period of at least three years prior to the taxpayer’s relocation to the City; tangible personal property which was purchased by a taxpayer during a time when the taxpayer was located outside the City and was first used inside the City on or after January 1, 1994 and was used by the taxpayer for at least six months prior to the taxpayer’s relocation to the City; and automotive vehicles if the owner is or was, at the time of purchase, a non-resident of the City who purchased the vehicle for use outside the City and, if the vehicle was previously registered, titled and licensed outside the City.

***Assistance Agreements.*** From time to time, the City has entered into assistance agreements with the owners of proposed retail, office, and manufacturing facilities for purposes of securing the location of projects, advancing employment, expanding the tax base and expanding economic development within the City. Such agreements may, among other things, provide for the waiver or rebate of certain of the City’s use tax revenues on construction materials or the use tax imposed upon tenants for limited periods of time and subject to stated conditions. The City has a number of agreements waiving City use tax outstanding from time to time and, while the City does not specifically account for the amount of use taxes which have historically been waived, the annual amount of such waivers when compared to the total amount of Pledged Revenues is not believed to be material by the City. Additionally, for purposes stated above, the City has entered into agreements wherein the sales tax collected by a sales tax generator is rebated back to said entity for defined periods and defined dollar amounts. In 2006, revenues subject to rebate pursuant to such agreements totaled approximately \$1,692,117. Currently, the aggregate amount of future sales, use, admission, and accommodations tax revenues subject to rebate pursuant to such agreements (which amount is calculated, in most instances, based upon various formulas which require the generation of new or additional revenues for the City) is approximately \$29,276,890 over a period which does not exceed 27 years. See “CITY FINANCIAL INFORMATION—Major Sources of General Fund Revenues” for a description of an agreement which comprises approximately one-half of said amount. Revenues received from the Open Space Tax is not subject to the provisions of the Assistance Agreements.

### **Manner of Collection and Administration**

The collection, administration and enforcement of the Sales and Use Tax is performed by the City Finance Director. Chapters 1 and 2 of Title IV and all rules and regulations promulgated thereunder, govern the collection, administration and enforcement of the Sales and Use Tax. The City Finance Director prescribes the forms and administration procedures for the ascertainment, assessment and collection of the Tax. Additionally, the Finance Director formulates and promulgates the appropriate regulations to effectuate the purpose of Title IV.

With specified exceptions, any person engaged in any enterprise in the City with the object of gain, benefit or advantage must first obtain a Sales and Use Tax license. Further, such retailers are liable and responsible for payment of the Tax and must file a return periodically as required by Title IV. All

Sales Tax collected by a retailer is the property of the City and remains public money in the hands of the retailer, who holds the same in trust for the sole use and benefit of the City until paid by the City.

Every retailer not delinquent in the payment of the Sales Tax may deduct the lessor of 2.5% of the sum of the Sales Tax computed or \$100 to cover the retailer's expense of collection and remittance of the Tax. In addition, the counties deduct a 5% collection fee from the Tax on automobiles prior to remittance to the City. Consumers who have not paid the Sales Tax to a retailer must complete a Use Tax schedule of a return and pay any Tax due directly to the City.

After a Tax return is filed, it is examined by the City. The Finance Director may require any person to make additional returns, render statements, furnish records or make informational reports to determine whether or not such person is liable for payment or collection of the Tax. Additionally, the Finance Director may issue a subpoena to command a person to attend and give testimony or produce books, accounts and records. For the purpose of ascertaining the correct amount of Tax due from any person engaged in business in the City, the Finance Director may authorize an agent to conduct an audit by examining any relevant books, accounts and records of such person. Any Tax deficiency or overpayment ascertained through an audit is computed by specified methods as the agent of the Finance Director deems appropriate.

A notice of assessment is issued by the City for any Tax deficiency, penalties or interest due as discussed below. The payment due date for the Tax due pursuant to a notice of assessment is 20 days after the date of the notice of assessment. Such notices may be protested by a taxpayer to whom it is issued and timely protests entitle a taxpayer to a hearing thereon. When a taxpayer has failed or refused to file a return, the Tax due may be assessed and collected at any time.

A penalty is levied by the City on any Tax deficiency. Such penalty is the greater of \$15 or 10% of the Tax deficiency. The penalty is 50% of the total Tax deficiency for any deficiency due to fraud or the intent to evade the Tax. Further, if three notices of assessment have been issued to a taxpayer within a 36-month period, a special penalty equal to the greater of \$25 or 15% of the Tax due is levied. Finally, the Finance Director is authorized to waive any penalty if the Finance Director finds good cause therefore. With the exception of specified periods of time wherein a timely protest is made, a monthly interest charge must be levied by the City on any tax deficiency, at a rate established by the State Commissioner of Banking.

### **History of Open Space Tax Receipts**

No forecasts, projections or similar reports or studies have been prepared by or for the City for inclusion in this Official Statement. The following table sets forth the City's annual Open Space Tax receipts, not including the General Sales and Use Tax or the Public Safety Tax. City officials believe that the increases experienced in Open Space Sales Tax receipts since 2001 are due in part to increased retail development activity within the City.

**TABLE III**  
**History of City 0.25% Open Space Tax Receipts (Cash Basis)**

| <b>Year</b>       | <b>Sales Tax Collections</b> | <b>Use Tax Collections</b> | <b>Total Gross Sales and Use Tax Collections</b> | <b>Administration and Collection Costs</b> | <b>Net Sales and Use Tax Collections</b> | <b>Percent Change of Net Collections</b> |
|-------------------|------------------------------|----------------------------|--|--|--|--|
| 2001              | \$3,766,476                  | \$1,045,601                | \$4,812,077                                      | \$(25,685)                                 | \$4,786,392                              | --                                       |
| 2002              | 3,473,450                    | 798,635                    | 4,272,085  | (27,931)                                   | 4,244,154                                | (11.3)%                                  |
| 2003              | 3,402,255                    | 821,915                    | 4,224,170  | (28,508)                                   | 4,195,662                                | (1.1)                                    |
| 2004              | 3,503,724                    | 756,036                    | 4,259,760  | (24,084)                                   | 4,235,676                                | 1.0                                      |
| 2005              | 3,601,754                    | 770,609                    | 4,372,363  | (23,239)                                   | 4,349,124                                | 2.7                                      |
| 2006 <sup>1</sup> | 3,862,070                    | 837,376                    | 4,699,446  | (26,276)                                   | 4,673,170                                | 7.5                                      |

<sup>1</sup>Unaudited, unadjusted figures through December 31, 2006.  
Source: City of Westminster Finance Department

In 2006, the City experienced a 7.5% increase in Net Sales and Use Tax revenues as compared to 2005. The following table presents a comparison of the City's monthly General Sales and Use Tax receipts for 2004-2006. Sales Tax receipts generally lag retail sales by one month.

**TABLE IV**  
**Comparison of Monthly Receipts of 0.25% Open Space Tax (Cash Basis) <sup>1</sup>**

|           | <b>2004 Current Month</b> | <b>2005 Current Month</b> | <b>2004-2005 Percent Change Current Month</b> | <b>2006 Current Month</b> | <b>2005-2006 Percent Change from 2005<sup>2</sup></b> |
|-----------|---------------------------|---------------------------|---|---------------------------|---|
| January   | \$ 478,937                | \$ 490,202                | 2.4%  | \$ 503,539                | 2.7%  |
| February  | 310,482                   | 325,360                   | 4.8   | 360,022                   | 5.9   |
| March     | 298,966                   | 351,621                   | 17.6  | 360,501                   | 4.9   |
| April     | 372,721                   | 366,001                   | (1.8)   | 415,180                   | 6.9   |
| May       | 323,863                   | 330,744                   | 2.1   | 364,055                   | 7.5   |
| June      | 357,384                   | 352,387                   | (1.4)   | 373,391                   | 7.2   |
| July      | 364,440                   | 385,175                   | 5.7   | 381,564                   | 6.0   |
| August    | 352,238                   | 334,294                   | (5.1)   | 345,899                   | 5.7   |
| September | 342,263                   | 371,181                   | 8.4   | 404,687                   | 6.1   |
| October   | 344,091                   | 364,411                   | 5.9   | 413,421                   | 6.8   |
| November  | 332,853                   | 327,231                   | (1.7)   | 379,280                   | 7.6   |
| December  | <u>381,522</u>            | <u>373,756</u>            | <u>(2.0)</u>                                  | <u>397,907</u>            | <u>7.5</u>  |
| Total     | <u>\$4,259,760</u>        | <u>\$4,372,363</u>        | <u>2.6%</u>                                   | <u>\$4,699,446</u>        | <u>7.5%</u>   |

<sup>1</sup>Figures presented on a cash basis. The City experiences a variety of differences in the remittance of sales and use taxes by licensed businesses which are not common when making short-term comparisons; therefore, significant increases or decreases reflected by comparison of collections for certain months from one calendar year to the next will not be representative of the aggregate financial trend which is experienced for the entire calendar year.

<sup>2</sup>For calendar year 2006, the City has realized an increase of 7.5% for collections when compared to the same 12 month period for calendar year 2005.

Source: City of Westminster Finance Department

The City's finance department reports that 5,099 businesses were licensed to remit Open Space Taxes to the City in 2006. As hereinafter described, 10 of these licensees accounted for approximately 31% of the Open Space Tax revenues in 2006. The discontinuation or substantial reduction in retail sales by a significant number of these businesses for whatever reason, could have a material adverse effect on the Pledged Revenue.

**TABLE V**  
**Net Active Business Licenses Outstanding<sup>1</sup>**

| <b>Year End</b> | <b>Licenses Outstanding</b> | <b>Percent Change</b> |
|-----------------|-----------------------------|-----------------------|
| 2002            | 4,418                       | --                    |
| 2003            | 4,682                       | 6.0%                  |
| 2004            | 4,839                       | 3.4                   |
| 2005            | 5,018                       | 3.7                   |
| 2006            | 5,099                       | 1.6                   |

<sup>1</sup>Net of deletions.

Source: City of Westminster Finance Department

**TABLE VI**  
**City's Largest Generators by Category of 0.25% Open Space Tax Revenue – 2006**

| <b>Business Type<sup>1</sup></b> | <b>Sales Tax Receipts</b> | <b>Percent of Total Collections<sup>2</sup></b> |
|----------------------------------|---------------------------|---|
| Discount Retailer <sup>3</sup>   | \$ 625,842                | 16.2%   |
| Utility                          | 239,840                   | 6.2   |
| Department Store <sup>4</sup>    | 151,410                   | 3.9   |
| Home Improvement <sup>5</sup>    | 130,599                   | 3.4   |
| Grocery Store                    | <u>65,745</u>             | <u>1.7</u>                                      |
| Total                            | <u>\$1,213,436</u>        | <u>31.4%</u>                                    |

<sup>1</sup> Because of the confidential nature of the gross sales of the individual entities, Title IV provides that the identity of the vendors cannot be divulged. No individual vendor accounts for greater than 7.0% of the City's total Sales Tax collections. In addition, all or portion of the 0.25% Open Space Tax collected from some entities may be allocable to an urban renewal area and not part of the Pledged Revenues. According to City officials such reported 0.25% Open Space Tax collections attributable to urban renewal areas accounts for approximately 38% of the 0.25% Open Space Tax collected by such generators.

<sup>2</sup> The total 0.25% Open Space Tax amount used in computing the above was \$3,862,070.

<sup>3</sup> Represents the aggregate receipts for four discount retailers.

<sup>4</sup> Represents the aggregate receipts for two department stores.

<sup>5</sup> Represents the aggregate receipts for two home improvement stores.

Source: City of Westminster Finance Department

## THE CITY

The City of Westminster is located in western Adams and northeastern Jefferson Counties, two miles from the northwestern boundary of the City and County of Denver. The City encompasses approximately 33 square miles and, according to the Colorado Department of Regulatory Agencies, the City's current estimated population is 107,363. Incorporated as a municipal corporation in 1911, the City became a home rule municipality in 1958 upon adoption of its Charter.

## City Powers

Pursuant to the Charter, the City has the power of local self government and home rule, as well as all municipal powers established by the constitution and laws of the State of Colorado. Among those powers, rights and liabilities specifically granted by the Charter are the following: perpetual succession; to own, possess and hold real and personal property; to succeed to all rights and liabilities, to acquire all benefits and to assume payment of all bonds, obligations and indebtedness of the City; to sue and defend, plead and be impleaded in all courts and places and in all matters and proceedings; to purchase, receive, hold and enjoy, or sell and dispose of real and personal property; to acquire, hold and manage property outside City limits by gift, lease or purchase for park or recreation purposes and to adopt rules, regulations and schedules of charges for the use of such property; and to have and use a common seal. Pursuant to Chapter XIV of the Charter, the City has the power to fix from time to time such just and reasonable rates and other charges as may be deemed advisable for supplying the inhabitants of the City and others with such public utility services as the City may provide. In addition, the powers granted to municipalities by the constitution and laws of the State of Colorado include the powers relating to the assessment of property and the levy and collection of general taxes.

## Governing Body

The City operates under a council manager form of government whereby, except as otherwise provided by the Charter or statute, the City Council exercises all powers conferred upon or possessed by the City and has the power and authority to adopt such laws, ordinances and resolutions as it deems proper in the exercise thereof, and the City Manager serves as the chief administrative officer of the City government. The Council consists of seven members, six councillors and the mayor, all of whom are elected from the City at large. The mayor is the presiding officer of the Council and has an equal voice and vote in all proceedings of the Council, but has no veto power. The mayor pro tem is appointed from the Council membership to serve in the event of absence or disability of the mayor. One City councillor serves in the additional capacity of representative to the Denver Regional Council of Governments.

| <b>Name</b>                | <b>Principal Occupation</b>                 | <b>Years of Service</b> | <b>Term Expires</b> |
|----------------------------|---|-------------------------|---------------------|
| Nancy McNally <sup>1</sup> | Assistant Vice President and Office Manager | 5                       | 2009                |
| Tim Kauffman               | Business Executive                          | 6                       | 2007                |
| Chris Dittman              | Education—Retired                           | 4                       | 2007                |
| Jo Ann Price               | Real Estate Appraiser                       | 3                       | 2007                |
| Mark Kaiser                | Fleet, Tire Sales                           | 1                       | 2009                |
| Mary Lindsey               | Realtor                                     | 1                       | 2009                |
| Scott Major                | Test Engineer                               | 1                       | 2009                |

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<sup>1</sup> Nancy McNally has abstained from voting on matters relating to the Bonds because she is an employee of the Underwriter, Stifel, Nicolaus & Company, Incorporated.

## **Administration**

The council-manager form of government vests responsibility for City operations in the City Manager and City staff. The City Manager is appointed by the City Council and, pursuant to an employment contract, serves for an indefinite term at the pleasure of the Council. During his tenure in office, the City Manager must reside within the City's boundaries. The staff functions through the City's various departments which are under the direction of the City Manager. The following is a list of the administrative and management personnel most directly involved in the issuance of the Bonds, their duties within the City government and their background experience.

**City Manager.** The City Manager is the chief administrative officer of the City. He is responsible to the Council for all City affairs placed in his charge by the Charter or by law, including responsibility for the efficient operation of all administrative departments of the City government with the exception of those under the direction of the City Attorney and the municipal court. He is further required to perform such other duties as requested by the Council.

J. Brent McFall began as the City Manager on May 21, 2001. Prior to assuming his duties in Westminster, Mr. McFall was the Chief Administrative Officer of the City of Kent, Washington (a Seattle suburb with approximately 75,000 residents) since 1994. Mr. McFall also served as the City Manager in Federal Way, Washington and Emporia, Kansas, and as Chief Administrator in Merriam, Kansas. He received his bachelor's degree in personnel administration in 1974 and his master's degree in public administration in 1976, both from the University of Kansas. Mr. McFall was twice recognized by the Washington City Management Association with its Award for Excellence for progressive and innovative management, and in 2005 received the University of Kansas Edwin O. Stene Award for Managerial Excellence. His professional affiliations include active membership in the International City and County Managers' Association, and the Colorado City & County Management Association. Mr. McFall is a member of the Board of Directors of the Metro North Chamber of Commerce, and is on the Board of Directors of the Westminster Legacy Foundation.

**Assistant City Manager.** The Assistant City Manager is the second highest administrative officer of the City generally responsible for daily City operations. In the absence of the City Manager, he performs all duties of the City Manager. Specific responsibilities include production of the City's annual budget, developing and monitoring the capital improvement program, tracking and projecting City revenues, and managing special projects.

Stephen P. Smithers returned to the City as the Assistant City Manager in June 2000. He also has served the City in several roles from 1983 to 1989 as Management Intern, Management Assistant and as the Assistant to the City Manager. Prior to his current position with the City, he was Manager of Special Programs for the Colorado Municipal League. In addition, Mr. Smithers has served on the Public Utilities Commission E 911 Task Force, as a board member of the Colorado Association of Commerce and Industry's Business Council for Healthcare Competition, president of the Colorado Municipal Management Assistants' Association, served on the Advisory Committee for the Colorado Telecommunications Infrastructure Fund, and during 2005, served as Chairman of the US 36 Transportation Management Organization. His professional affiliations include the International City and County Managers' Association, Colorado City and County Management Association and the National League of Cities. Mr. Smithers holds a Bachelor of Arts degree from Boston University and a master's degree in public administration from the University of Colorado.

**Finance Director.** The City Finance Director is the chief financial officer of the City and acts as the City Treasurer pursuant to the City Charter and Code. The responsibilities of the Finance Director

include, but are not limited to, accounting and financial reporting, debt management, sales tax administration, revenue collection, investments, pension administration.

Tammy A. Hitchens, CPA, was appointed Finance Director in April 2005. Prior to her appointment as Finance Director, she served as the Accounting Manager for the City of Westminster for seven years. She also served the City as the Accounting Manager or Investment Officer from 1989 to 1995. Prior to returning to the City in 1998, she served as the Assistant Director of Budget and Finance for two and one-half years at Jefferson County School District in Colorado. She holds a Master of Science Degree in Finance from the University of Colorado and a Bachelor of Science degree in Business Administration—Accounting from the University of Northern Colorado. She is a Certified Public Accountant in the State of Colorado and a Certified Public Finance Officer. Ms. Hitchens is an active member of the Government Finance Officers Association of the United States and Canada (“GFOA”).

**Treasury Manager.** The Treasury Manager reports to the Finance Director and the responsibilities of the Treasury Manager include, but are not limited to, revenue collection, all aspects of debt management, cash and portfolio management, utility billing and financial analysis.

Robert C. Smith was appointed as the Treasury Manager of the Finance Department in 2002. Prior to his appointment to the City of Westminster, Mr. Smith was a private financial consultant engaged on a wide range of corporate planning and treasury matters for two years, and a Treasury Manager for the Coors Brewing Company for 10 years. He holds a Bachelor of Arts degree in Economics from Earlham College and a Master’s in Business Administration in Finance from the John M. Olin School of Business at Washington University. Mr. Smith is an active member of the Government Finance Officers Association of the United States and Canada (“GFOA”).

**City Attorney.** The Office of the City Attorney acts as the legal advisor to the City Council and is responsible solely to the City Council pursuant to the City Charter. The City Attorney is appointed by the City Council for an indefinite period and serves at the pleasure of the City Council.

Martin R. McCullough was appointed City Attorney on February 10, 1986, after holding the position of acting City Attorney since September 1985. Mr. McCullough received his Juris Doctor degree in 1982 from the University of Houston in Houston, Texas. He is admitted to practice law in Texas and Colorado and is a member of the Colorado and Denver Bar Associations, and past president of the Metro City Attorney's Association and the Attorney's Section of the Colorado Municipal League. In 2004 he was designated a Fellow in Local Government Law by the International Municipal Lawyers Association.

### **Capital Improvement Program**

The projects budgeted in the General CIP are expected to be financed primarily with moneys from the General Fund, park development fees, Lottery funds, interest income, sales and use tax revenues available after payment of debt service on sales and use tax bonds, grants and revenue bonds or other obligations. The following table sets forth the pay-as-you-go portion of the City’s capital improvement programs as presented in the City’s 2007-2008 Budget.



**TABLE VII**  
**Five-Year General Capital Improvement Program<sup>1</sup>**  
(In Thousands of Dollars)

|                               | <b>2007<br/>Adopted</b> | <b>2008<br/>Adopted</b> | <b>2009<br/>Recommended</b> | <b>2010<br/>Recommended</b> | <b>2011<br/>Recommended</b> |
|-------------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Streets and traffic           | \$ 2,351                | \$ 2,130                | \$ 2,240                    | \$ 2,426                    | \$2,064                     |
| Non-Park and<br>public safety | 4,062                   | 4,083                   | 4,353                       | 4,201                       | 3,664                       |
| Park improvements             | <u>4,083</u>            | <u>4,351</u>            | <u>4,018</u>                | <u>4,047</u>                | <u>4,004</u>                |
| Total                         | <u>\$10,496</u>         | <u>\$10,564</u>         | <u>\$10,611</u>             | <u>\$10,674</u>             | <u>\$9,732</u>              |

Source: City of Westminster 2007-2008 Budget

### **Services Provided by the City**

Westminster is a full-service city, providing a broad range of municipal services to the community including police and fire protection; emergency medical and ambulance; water and wastewater utilities; parks, recreation and libraries; street maintenance and construction; cultural and general administrative services; and planning and community development.

## **CITY FINANCIAL INFORMATION**

### **Accounting Policies and Financial Statements**

The accounts of the City are organized on the basis of funds which are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Each fund is considered a separate accounting entity. The operations of each fund include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. For a description of the various funds and account groups, see the City's financial statements appended hereto.

The City Charter requires that an independent audit shall be made of all City accounts at least annually, and more frequently if deemed necessary by the Council. The audited financial statements must be filed with the state auditor by July 31<sup>st</sup> of each year. Failure to comply with this requirement to file an audit report may result in the withholding of the City's property tax revenues by the county treasurers pending compliance.

The general purpose financial statements from the City's 2005 Comprehensive Annual Financial Report are appended hereto. Such financial statements are the most current audited financial information available for the City.

For the past 23 years, including 2005, Westminster has received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. Such certificate is the highest form of recognition for excellence in state and local government financial reporting and is awarded to governmental entities whose comprehensive annual financial reports are judged to conform substantially to program standards. To receive the award, the report must be easily readable and understandable. It must include all funds and financial transactions during the fiscal year and it must go beyond the requirements of generally accepted accounting principles to provide the many users of government financial statements with a wide variety of information using standard formatting conventions. The City's 2006 Comprehensive Annual Financial Report will be submitted for consideration for the award.

## Major Sources of General Fund Revenues

The governmental fund utilized for the administration and operation of the City is the General Fund. The following are the major sources of revenue to such fund.

**Sales and Use Taxes.** Sales and Use Tax revenues have represented the largest single source of revenue, in the form of transfers from the Sales and Use Tax Fund, in the City's General Fund over the past five years, comprising \$54,674,442 (62%) of total 2005 General Fund revenues and transfers in and estimated to comprise \$55,756,916 (64%) of total 2006 General Fund revenues and transfers in. Sales and Use Tax revenues are transferred to the General Fund from the City's Sales and Use Tax Fund after sufficient credits are made for the payment of the City's sales and use tax revenue bond obligations.

**Other Revenue Sources.** The City also receives General Fund revenues from several additional sources including ad valorem property taxes, admissions taxes, franchise fees, licenses and permits, recreation fees, park development fees, fines and forfeits, interest income and fleet maintenance billings. Several intergovernmental revenue sources are also included in the General Fund; among these are State highway users' taxes, specific ownership taxes, motor vehicle registration fees, cigarette taxes, road and bridge revenues, library rebates, victim's assistance funding and revenues received from Hyland Hills Park and Recreation District pursuant to an agreement with said district.

In 1997, the City entered into an agreement with Inland Pacific Colorado, L.L.C., a Colorado Limited Liability Company ("Inland LLC") regarding the development and construction of the 367-room Westin Hotel and an adjoining conference center located within the Westminster Promenade. The City financially participated in the development by, among other things, constructing, equipping and furnishing a municipally owned conference center (which conference center was completed in March 2000 and contains approximately 44,000 square feet of net space and approximately 50,000 square feet of gross area) and providing Inland LLC with a business assistance rebate of \$13,750,000 payable solely from that portion of the City's accommodations tax, sales and use tax, and conference center fees attributable to the hotel and conference center operations. In 1998, the City entered into a lease agreement with Inland LLC pursuant to which the City agrees to lease the conference center, pavilion and equipment to Inland LLC for rent, over the initial 25-year term, of approximately \$40,000,000. Said lease agreement sets forth various provisions regarding the use and operation of the premises, maintenance and repair of the facility, insurance, assignment and subletting, and events of default by the parties.

## Historical General Fund Operations

Set forth in the following table is a comparative statement of revenues and expenditures of the City's General Fund, including the December 31 fund balance for each year. The following information should be read together with the general purpose financial statements and accompanying notes of the City appended hereto. Preceding years' audited financial statements of the City may be obtained from the sources designated in "MISCELLANEOUS—Additional Information."

**TABLE VIII**  
**Historical General Fund Revenues, Expenditures**  
**and Changes in Fund Balance**

|  | 2001              | 2002              | 2003              | 2004              | 2005              | 2006<br>(unaudited) <sup>1</sup> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------------|
| <b>Revenues</b>                              |                   |                   |                   |                   |                   |                                  |
| Property taxes                               | \$ 2,967,845      | \$ 3,602,179      | \$ 3,773,028      | \$ 3,887,254      | \$ 3,942,328      | \$4,133,067                      |
| Business fees and other taxes                | 3,443,618         | 3,183,267         | 3,621,391         | 3,950,630         | 4,298,336         | 641,038                          |
| Licenses and permits                         | 2,318,905         | 1,971,068         | 2,293,599         | 2,321,833         | 2,101,468         | 2,596,800                        |
| Intergovernmental                            | 5,049,930         | 5,007,730         | 4,778,467         | 4,907,730         | 4,780,392         | 4,724,786                        |
| Recreation fees                              | 4,749,005         | 5,360,607         | 5,352,397         | 5,072,051         | 5,311,991         | 5,610,844                        |
| Fines and forfeits                           | 1,705,357         | 1,714,040         | 1,628,840         | 1,978,450         | 2,212,981         | 2,501,276                        |
| Interest                                     | 1,225,763         | 583,000           | 533,347           | 328,519           | 472,941           | 872,559                          |
| Fleet maintenance billings and other         | <u>3,475,525</u>  | <u>3,542,832</u>  | <u>4,448,203</u>  | <u>4,480,890</u>  | <u>5,240,097</u>  | <u>9,851,602</u>                 |
| <b>Total revenues</b>                        | <u>24,935,948</u> | <u>24,964,730</u> | <u>26,429,272</u> | <u>26,927,357</u> | <u>28,360,534</u> | <u>30,931,978</u>                |
| <b>Expenditures</b>                          |                   |                   |                   |                   |                   |                                  |
| General government                           | 20,418,572        | 20,004,576        | 23,551,054        | 29,780,602        | 30,298,995        | 28,656,719                       |
| Public safety                                | 20,309,142        | 21,127,822        | 20,876,684        | 24,053,416        | 27,316,618        | 28,060,599                       |
| Public works                                 | 6,812,732         | 6,418,668         | 6,208,225         | 6,635,754         | 6,644,285         | 6,789,378                        |
| Community development                        | 3,638,444         | 3,434,298         | 3,368,849         | 4,377,784         | 4,357,104         | 4,408,416                        |
| Culture and recreation                       | <u>12,313,838</u> | <u>11,775,664</u> | <u>11,346,622</u> | <u>11,560,470</u> | <u>12,508,632</u> | <u>12,734,661</u>                |
| <b>Total expenditures</b>                    | <u>63,492,728</u> | <u>62,761,028</u> | <u>65,351,434</u> | <u>76,408,026</u> | <u>81,125,634</u> | <u>80,649,773</u>                |
| Excess of revenues over (under) expenditures | (38,556,780)      | (37,796,298)      | (38,922,162)      | (49,480,669)      | (52,765,100)      | (49,717,795)                     |
| <b>Other financing sources (uses)</b>        |                   |                   |                   |                   |                   |                                  |
| Operating transfers in                       | 49,229,100        | 40,902,000        | 41,849,652        | 54,393,710        | 57,386,506        | 58,295,702                       |
| Operating transfers out                      | (6,899,059)       | (8,400,931)       | (379,000)         | (3,226,925)       | (8,256,684)       | (7,959,072)                      |
| Proceeds from Lease                          | <u>1,003,94</u>   | <u>354,785</u>    | <u>250,523</u>    | <u>488,414</u>    | <u>2,984,41</u>   | =                                |

|   |                       |                       |                       |                                    |                       |                       |
|---|-----------------------|-----------------------|-----------------------|------------------------------------|-----------------------|-----------------------|
|   | <u>3</u>              |                       |                       |                                    | <u>8</u>              |                       |
| Total   | <u>43,333.9</u><br>84 | <u>32,855.8</u><br>54 | <u>41,721.1</u><br>75 | <u>51,655.1</u><br>99              | <u>52,114.2</u><br>40 | <u>50,336.6</u><br>30 |
| Excess of revenues and other sources over (under) expenditures and other (uses) | 4,777.20<br>4         | (4,940.44<br>4)       | 2,799.01<br>3         | 2,174.53<br>0                      | (650,860)             | 618,835               |
| Beginning Fund Balance  | <u>13,636.1</u><br>82 | <u>18,413.3</u><br>86 | <u>13,472.9</u><br>42 | <u>16,271.9</u><br>55 <sup>2</sup> | <u>18,446.4</u><br>85 | <u>17,795.6</u><br>25 |
| Ending Fund Balance   | <u>\$18,413.386</u>   | <u>\$13,742.942</u>   | <u>\$16,271.955</u>   | <u>\$18,446.485</u>                | <u>\$17,795.625</u>   | <u>\$18,414.460</u>   |

<sup>1</sup> Unaudited, unadjusted figures for the year ended December 31, 2006.

<sup>2</sup> During 2004 it was determined that a cooperative agreement between the City and WEDA had not been recorded. The December 15, 1997 agreement provides for the payment of administrative and legal fees to the City for services it provides to WEDA, as well as for the repayment of a 1991 advance of funds to WEDA for the South Westminster revitalization project. As a result of this omission, the fund balance between 2003 and 2004 changed by \$839,626.

Source: City of Westminster Comprehensive Audited Financial Statements 2001-2005; and the Westminster Finance Department

**TABLE IX**  
**General Fund Balances 2001-2006**

|   | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>2006<sup>1</sup></b> |
|---|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Actual Expenditures                     | \$63,492,728 | \$62,761,028 | \$65,351,434 | \$76,408,026 | \$81,125,634 | \$80,649,773            |
| Total Fund Balance                      | 18,413,386   | 13,472,942   | 16,271,955   | 18,446,485   | 17,795,625   | 18,414,460              |
| Percent of Fund Balance to Expenditures | 29.0%        | 21.5%        | 24.9%        | 24.1%        | 21.9%        | 22.83%                  |

<sup>1</sup> Unaudited, unadjusted figures through December 31, 2006.

### **Budget Process**

The City of Westminster's budget is a fiscal blueprint for service delivery. Per the City Charter, the City Council must adopt a balanced budget for the next fiscal year. The City's budget is constructed on a calendar year as required by the City Charter. The voters approved a charter amendment in November 2000 that allows City Council to adopt a two-year budget; the City Council began officially implementing a two year budget with the adoption of the 2003/2004 Biennial Budget.

On or before September 15th of each year the City Manager must prepare and submit a recommended budget to the City Council. The recommended budget must provide detailed estimates of proposed expenditures for each City department, office and agency, and for the court for the ensuing fiscal year. In addition, the budget must set forth the corresponding actual expenditures for the last full fiscal year, the current fiscal year through September 1st and estimates of expenditures for the balance of the current fiscal year. The budget also must set forth all actual and anticipated revenues from sources other than taxes for the equivalent periods, and the estimated balance or deficit for the end of the current fiscal year. If required by the City Council, by resolution or ordinance, the City Manager shall submit to the City Council, simultaneously with his recommended budget, a schedule showing all recommended capital outlay expenditures during the following five fiscal years. Debt service requirements for the budget year must be stated separately. The Charter further requires the budget to set forth the amount to be raised from current and delinquent taxes and the amount to be raised from bond issues during the upcoming fiscal year which, together with any unappropriated revenue surplus and any revenues from

other sources, will be necessary to meet the proposed expenditures. The budget must also contain such additional information as the Council may request.

A public hearing on the proposed budget must be held before its final adoption. Notice of the hearing must be published at least one week prior to its scheduled date, stating that the proposed budget is available for public inspection. The budget is to be adopted no later than the fourth Monday of October. On or before the last day of the current fiscal year, the Council shall appropriate by ordinance, based upon the budget as adopted, the moneys needed for municipal purposes during the next fiscal year. The City Council can adopt a budget for two (2) fiscal years instead of one (1) fiscal year, according to such procedures as City Council shall prescribe by ordinance. The City Council adopted the City's 2007-2008 biennial budget in a timely manner pursuant to the above described procedure.

Subject to the restriction discussed below, the adopted budget must provide for a levy on real and personal property which will result in the collection of revenues in the amount necessary to be raised from ad valorem property taxes for municipal purposes. Following adoption of the budget, the Council certifies to the county assessors the amount to be levied on taxable property within the City for collection by the county treasurers.

At the end of each month during the fiscal year, the City Manager submits to the Council data comparing the estimated and actual revenues and appropriated expenditures to date. If accrued revenues are less than anticipated, the Council may reduce appropriations, except amounts required for debt and interest charges, as is necessary to keep expenditures within revenues.

With the exception of expenditures to be financed by the issuance of bonds or by special assessment, no expenditure may be made from City funds unless a specific appropriation has been made for such purpose. The City Council must approve all purchases and contracts in excess of \$50,000, with the City Manager having the authority to approve purchases and contracts in lesser amounts if funds have previously been budgeted to cover such expenses. In the case of an emergency or other unforeseeable event, money designated for contingencies may be transferred without additional appropriation by ordinance but does require the adoption of a resolution; the City Manager may order the transfer of funds within a departmental budget; or the Council may transfer any unencumbered appropriation balance, or any portion thereof, from one account or department (by motion) to another, and from one fund or agency (by ordinance) to another, at any time during the year. If the City receives revenues which were unanticipated at the time of adoption of the budget, the City Council may authorize, by ordinance, the expenditure thereof by adopting supplemental appropriations. The balance of any budget appropriation which has not been spent at the end of the year reverts to the fund from which the appropriation was made.

***General Fund Budget Summary and Comparison.*** The City implemented a two-year budget format in calendar year 2002. The budgets for 2007 and 2008 were adopted by City Council on October 23, 2006 and are compared with the 2006 budget as adopted in the following table.

**TABLE X  
General Fund Budget Summary and Comparison**

|                                    | <b>2006 Budget<br/>(Adopted)</b> | <b>2007 Budget<br/>(Adopted)</b> | <b>2008 Budget<br/>(Adopted)</b> |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <i>Revenues</i>                    |                                  |                                  |                                  |
| Property tax                       | \$ 3,987,125                     | \$ 4,204,787                     | \$ 4,356,546                     |
| Business tax                       | 3,327,560                        | 4,090,654                        | 4,190,489                        |
| Admissions tax                     | 576,000                          | 506,000                          | 517,000                          |
| Licenses                           | 195,000                          | 190,000                          | 192,000                          |
| Building Permits                   | 1,625,000                        | 1,485,000                        | 1,380,000                        |
| Intergovernmental                  | 4,894,000                        | 4,740,500                        | 4,777,500                        |
| Recreation charges                 | 5,319,500                        | 5,611,336                        | 5,731,166                        |
| Fines & forfeitures                | 2,050,000                        | 2,311,250                        | 2,353,275                        |
| Total reimbursement                | 60,000                           | 55,000                           | 55,000                           |
| Interest income                    | 300,000                          | 360,000                          | 360,000                          |
| Contributions                      | 5,000                            | 5,000                            | 5,000                            |
| General miscellaneous <sup>1</sup> | 4,364,700                        | 7,493,125                        | 7,967,324                        |
| Refunds                            | <u>(70,000)</u>                  | <u>--</u>                        | <u>--</u>                        |
| Total Revenue                      | <u>26,633,885</u>                | <u>31,052,652</u>                | <u>31,885,300</u>                |
| <i>Transfer payments</i>           |                                  |                                  |                                  |
| From GIDs                          | 75,000                           | --                               | --                               |
| From Sales/Use Tax                 | 57,033,108                       | 55,760,254                       | 57,243,969                       |
| From Utility Fund                  | 2,467,586                        | 2,489,214                        | 2,540,500                        |
| Carryover                          | --                               | --                               | --                               |
| Total Funds Available              | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |
| <i>Expenditures</i>                |                                  |                                  |                                  |
| City Council                       | \$ 193,469                       | \$ 205,023                       | \$ 206,348                       |
| City Attorney                      | 919,252                          | 1,064,790                        | 1,065,807                        |
| City Manager                       | 1,075,127                        | 1,121,996                        | 1,126,326                        |
| Central Charges                    | 21,712,662                       | 21,268,702                       | 23,363,038                       |
| General Services                   | 4,932,864                        | 5,030,427                        | 5,078,192                        |
| Finance                            | 1,567,222                        | 1,806,674                        | 1,806,204                        |
| Police                             | 18,704,436                       | 19,752,848                       | 19,809,725                       |
| Fire                               | 9,923,185                        | 10,648,095                       | 10,691,821                       |
| Community Development              | 4,559,584                        | 4,594,371                        | 4,570,622                        |
| Public Works & Utilities           | 7,257,755                        | 7,418,362                        | 7,209,602                        |
| Parks, Recreation, & Libraries     | <u>13,103,339</u>                | <u>13,867,983</u>                | <u>14,168,087</u>                |
| Total Operating                    | <u>83,948,895</u>                | <u>86,779,271</u>                | <u>89,095,772</u>                |
| Transfer Payments                  | 1,260,684                        | 1,522,849                        | 1,573,997                        |
| Contingency                        | <u>1,000,000</u>                 | <u>1,000,000</u>                 | <u>1,000,000</u>                 |
| Total Expenditures                 | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |

<sup>1</sup>According to City officials the increase in "General Miscellaneous" in 2007 and 2008 is primarily attributable to a new infrastructure fee for street lighting and certain payments made to the City of Thornton for the financing of certain infrastructure costs.

Source: City of Westminster Finance Department

### **Retirement and Pension Matters**

See Notes G, H and I to the City's financial statements appended hereto for a discussion of the City's pension plans.

## **Insurance Coverage**

The Council acts to protect the City against loss and liability by maintaining certain insurance coverages. The City is insured as a member of CIRSA, a property and liability insurance pool established for Colorado municipalities on January 1, 1982. CIRSA provides liability coverage, including errors and omissions; property coverage; and specific catastrophe coverage, which is renewable annually on January 1<sup>st</sup>. See Notes 4.A and 4.B to the City's financial statements appended hereto for a discussion of CIRSA. The City Manager believes the City's present insurance coverage to be adequate. However, there can be no assurance that the City will continue to maintain this level of coverage.

## **Deposit and Investment of City Funds**

State statutes set forth requirements for the deposit of City funds in eligible depositories and for the collateralization of such deposited funds. See also Note D to the City's financial statements appended hereto. The City also may invest available funds in accordance with applicable state statutes. The investment of the proceeds of this issue also is subject to the provisions of the Federal Tax Code. See "TAX EXEMPTION."

## **DEBT STRUCTURE**

### **Required Elections**

Article X, Section 20 of the Colorado Constitution requires that, with certain exceptions, the City must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Enterprises, as defined in Article X, Section 20, refundings at a lower interest rate, and obligations subject to annual appropriation are excluded from the application of said Section and the voter approval requirements established therein. For a discussion of Article X, Section 20 see "Constitutional Amendment Limiting Taxes and Spending."

### **Revenue Bonds**

The City Council has the power to issue revenue bonds, subject to the election requirements described above in "Required Elections," payable from the revenues derived from the operation of facilities to be acquired, constructed or improved with the proceeds of the bonds, or payable in whole or part from available proceeds of sales and use taxes. The City provides for the operation of certain of its services, such as water and wastewater, and certain of its recreational facilities as enterprises which are not subject to the provisions of Article X, Section 20, see "—Constitutional Amendment Limiting Taxes and Spending." The following table sets forth the City's outstanding revenue obligations upon issuance of the Bonds.

**TABLE XI**  
**Outstanding Revenue Obligations**

| Issue   | Outstanding<br>Principal | Principal<br>Totals  |
|---|--------------------------|----------------------|
| <br><i>Sales and Use Tax Obligations</i>  |                          |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A <sup>1</sup>                | \$ 12,400,000            |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001                              | 7,125,000                |                      |
| Sales and Use Tax Revenue Bonds (136 <sup>th</sup> Ave. & I 25 Project ), Series 2002 <sup>1</sup>  | 4,100,000                |                      |
| Sales and Use Tax Revenue Refunding Bonds, Series 2007A <sup>1</sup>                                | 21,900,000               |                      |
| Subtotal  |                          | \$45,525,000         |
| <br>  |                          |                      |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1997B <sup>2</sup>           | 1,175,000                |                      |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1999                         | 400,000                  |                      |
| Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B <sup>2</sup> | 14,160,000               |                      |
| Subtotal  |                          | 15,735,000           |
| <br><i>Utility Fund Obligations</i>   |                          |                      |
| Water and Wastewater Revenue Refunding Bonds, Series 2001   | 14,050,000               |                      |
| Variable Rate Demand Water and Wastewater Revenue Bonds, Series 2002                                | 6,425,000                |                      |
| Subtotal  |                          | 20,475,000           |
| <br>  |                          |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 1997   | 8,716,814                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 1998   | 2,501,765                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2000A  | 11,082,905               |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2005   | 14,555,000               |                      |
| Subtotal  |                          | 36,856,484           |
| <br><i>Golf Course Fund Obligations</i>   |                          |                      |
| Golf Course Enterprise Revenue Bonds (Heritage Golf Course Project) Series 1998                     | <u>5,425,000</u>         |                      |
| Subtotal  |                          | <u>5,425,000</u>     |
| Total   |                          | <u>\$124,016,484</u> |

<sup>1</sup>On or about the date of issuance of the Series 2007B Bonds, the City anticipates the issuance of its Sales and Use Tax Revenue Refunding Bonds, Series 2007A. The principal amount of such bonds has been estimated for purposes of this Official Statement as \$21,900,000, with the remaining principal amount outstanding for the 1997A Bonds being \$12,400,000.

<sup>2</sup>The Series 1997B Bonds excludes those bonds which are to be refunded and legally defeased from proceeds of the Series 2007B Bonds.



Source: The City

At the November 7, 2006 election, City voters authorized the creation of indebtedness not to exceed \$20,000,000 to finance a portion of the acquisition and development of open space, parks, recreation and trails by the City with revenues received from the Open Space Tax. The City expects to issue such indebtedness in the fall of 2007.

### Leases and Long-Term Contracts

The City Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval as described above in “—Required Elections.” The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. The following table sets forth the City’s outstanding leases and long term contracts.

**TABLE XII**  
**Outstanding Leases and Long-Term Contracts**

| Issue  | Outstanding Principal |
|--|-----------------------|
| Certificates of Participation, Series 1998 (Various Capital Facilities) <sup>1</sup> | \$ 2,045,000          |
| Certificates of Participation, Series 1999 (Various Capital Facilities) <sup>1</sup> | 1,930,000             |
| Certificates of Participation, Series 2001 (Public Safety Building)                  | 16,070,000            |
| Certificates of Participation, Series 2005 (144th Interchange)                       | 17,130,000            |
| Refunding Certificates of Participation, Series 2007 <sup>1</sup>                    | <u>31,980,000</u>     |
| Subtotal (parity certificates secured by Revenues)                                   | <u>\$69,155,000</u>   |
| <br>   |                       |
| Certificates of Participation, Series 1998 (Ice Centre)                              | 11,395,000            |
| Equipment Leases   | <u>3,964,291</u>      |
| Subtotal (other lease and long-term contracts)                                       | <u>\$15,359,291</u>   |
| <br>   |                       |
| Total (all outstanding leases and long-term contracts)                               | <u>\$84,514,291</u>   |

<sup>2</sup>On or about the date of issuance of the Series 2007B Bonds, the City anticipates the pricing of its Refunding Certificates of Participation, Series 2007 (which are expected to be issued in late March, 2007). The principal amount of such certificates has been estimated for purposes of this Official Statement as \$31,980,000, with the remaining principal amount outstanding for the 1998 Certificates being \$2,045,000 and the 1999 Certificates being \$1,930,000.

Source: The City

## **General Obligation Debt**

“Debt” or “indebtedness” as used in this section means, generally, obligations backed by the City’s full faith and credit and secured by the unlimited power of the City to levy ad valorem property taxes for the payment of bonds and the interest thereon. Any general obligation indebtedness of the City is subject to the election requirements described above in “—Required Elections.” The City does not have any outstanding general obligation debt.

## **Other Financial Obligations**

Subject to the election requirements described above in “—Required Elections,” the Council also has the power to issue special assessment bonds payable from assessments levied against specially benefited properties within special assessment districts. At this time, there are no special assessment bonds outstanding.

## **Moral Obligations**

The City has entered into moral obligations, which represent non binding declarations of the present intent of the City Council to replenish funds securing bond payments, with respect to \$6,460,000 of Tax Increment Adjustable Rate Revenue Bonds (Westminster Plaza Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 1997, currently outstanding in the principal amount of \$5,930,000; \$68,300,000 of Tax Increment Adjustable Rate Revenue Bonds (North Huron Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2005 currently outstanding in the principal amount of \$68,300,000; \$38,455,000 of Tax Increment Adjustable Rate Revenue Refunding Bonds (Mandalay Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2006 currently outstanding in the principal amount of \$38,455,000; and the \$6,300,000 Golf Course Enterprise Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$5,620,000 referenced above. In calendar year 2007, the City expects to enter into an additional moral obligation with WEDA with respect to approximately \$5-8 million of Tax Increment Adjustable Rate Revenue Bonds (South Sheridan Urban Renewal Project) expected to be issued by the Westminster Urban Renewal Authority in 2007. Payments, if any, required pursuant to such obligations are subject to annual appropriation by the City Council.

## **Constitutional TABOR Limiting Taxes and Spending**

**General.** A citizen initiated amendment which added Article X Section 20 to the State constitution was passed on November 3, 1992 (“TABOR”). TABOR applies to the State and any local governments (but excluding government owned enterprises as defined in the TABOR and certain other entities, including urban renewal authorities which satisfy certain legal conditions hereafter described), and among other things, provides significant restrictions regarding taxes, spending, revenue increases, and borrowing. The applicable limitations established pursuant to TABOR can be exceeded with prior voter approval.

With certain exceptions concerning general obligation bonds, pensions, final court judgments, and emergency taxes, TABOR requires local governments to obtain voter approval prior to the imposition of any new tax, tax rate increase, mill levy above that for the prior year, assessed valuation ratio increase, or extension of an expiring tax, or a tax policy change directly causing a net revenue gain to the local government.

Unless otherwise approved by the voters, TABOR also limits the annual percentage increases in both property tax revenue and local government “fiscal year spending,” with certain adjustments, to

inflation (defined as the Denver Boulder consumer price index) in the prior calendar year plus “local growth.” Local growth is defined as the net percentage change in actual value of all real property in the local government from construction of improvements and additions to taxable real property less destruction of improvements and deletions to taxable real property. Fiscal year spending includes all the local government’s expenditures and reserve increases and excludes reserve transfers or expenditures, refunds made in the current or next fiscal year, gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, damage awards, and property sales. Any revenue collected in excess of the limit on spending and property tax revenue is required to be refunded during the next fiscal year.

***Enterprises.*** Enterprises are excluded from the provisions of the Amendment. As defined in the Amendment, enterprise means a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.

***De-Brucing.*** At the election held on November 5, 2002, the City received voter approval to exempt all City revenues not previously exempted pursuant to voter approval, which moneys would otherwise be subject to the TABOR’s fiscal year spending limitation (which revenues are comprised primarily of non-tax revenues such as user-charged fees and state and local grant moneys).

## LEGAL MATTERS

### **Pending and Threatened Litigation Involving the City**

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

The Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$150,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$600,000; except in such instance, no person may recover in excess of \$150,000. Suits against both the City and a public employee do not increase such maximum amounts which may be recovered. For injuries occurring prior to July 1, 1986, sovereign immunity limits are deemed to be waived to the extent that the City’s insurance covers such injury. With regard to injuries occurring on and after such date, the City may, by resolution, increase any maximum amount that may be recovered from the City for the type of injury described in the resolution. The City has not adopted such a resolution to date. The City may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the City is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of ten mills per annum for all outstanding settlements or judgments.

The City may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. §1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti competitive practices which violate the antitrust laws.

## **Pending and Threatened Litigation Involving the City**

The City Attorney is expected to render an opinion or deliver a certificate upon delivery of the Bonds stating that, to the best of his actual knowledge, there is no action, suit or proceeding now pending or threatened against the City that will materially and adversely affect the financial condition or operations of the City, or the City's power to issue and deliver the Bonds, or to execute and perform the obligations of the City in the Bond Ordinance.

## **Legal Representation**

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. In addition Kutak Rock LLP has been retained to advise the City concerning, and has assisted the City in the preparation of, this Official Statement. Certain legal matters will be passed upon for the City by Martin R. McCullough, Esq., as City Attorney.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **TAX EXEMPTION**

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The City will covenant and represent in the Indenture that it will take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the Bonds) to the extent necessary to maintain the exclusion of interest on the Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income, alternative

minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the City to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based upon existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to any pending or proposed legislation. Amendments to federal and Colorado tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income, Colorado alternative minimum taxable income or any combination thereof from the date of issuance of the Bonds or any other date, or which could result in other adverse federal or Colorado tax consequences. Bondowners are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the City as the taxpayer and the Owners may have no right to participate in such procedures. The City has covenanted in the Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its

exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Underwriter, the Financial Advisor or Bond Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the Bonds.

## **MISCELLANEOUS**

### **Ratings**

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("S&P") and Fitch Investors ("Fitch") have assigned the ratings to the Bonds shown on the cover page hereof, with the understanding that, upon delivery of the Bonds, the Policy will be issued by the Insurer. Such ratings reflect only the view of such rating agencies. Any explanations of the significance of such ratings should be obtained from S&P at 25 Broadway, New York, New York 10004 and from Fitch at One State Street Plaza, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The rating agencies have also assigned the underlying ratings shown on the cover page. The underlying ratings are reflective of the capacity of the City to fulfill its payment obligations under the Bond Ordinance, without giving effect to the additional security provided by the Policy.

### **Registration of Bonds**

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, pursuant to an exemption from registration provided in said act. THE CITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

### **Financial Advisor**

James Capital Advisors, Inc. ("James Capital") served as financial advisor to the City with respect to the sale of the Bonds. As the City's financial advisor, James Capital has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Bonds. In its role of financial advisor to the City, James Capital has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the Appendices hereto.

### **Interest of Certain Persons Named in this Official Statement**

The legal fees to be paid to Sherman & Howard L.L.C. and to Kutak Rock LLP are contingent upon the sale and delivery of the Bonds.

## **Underwriting**

The Bonds are being sold by the City at an underwriting discount of \$\_\_\_\_\_ to the Underwriter pursuant to a purchase contract. See “THE BONDS—Application of Bond Proceeds.” Expenses associated with the issuance of the Bonds are being paid by the City from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds to the public at the prices or yields set forth on the cover page of this Official Statement. Such prices or yields, as the case may be, may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds to the public.

## **Independent Auditors**

The general purpose financial statements of the City as of and for the year ended December 31, 2005, included in this Official Statement, have been audited by independent auditors, Swanhorst & Company LLC, Greenwood Village, Colorado, as stated in their report appearing therein.

## **Additional Information**

Copies of statutes, ordinances, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 W. 92<sup>nd</sup> Avenue, Westminster, Colorado 80031, telephone: 303.430.2400 extension 2040; or Stifel, Nicolaus & Company, Incorporated, 1125 Seventeenth Street, Suite 1600, Denver, Colorado 80202, telephone: 303.296.2300.

## **Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Council. This Official Statement is hereby duly approved by the Council as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the City and the purchasers or holders of any Bond.

**CITY OF WESTMINSTER, COLORADO**

By       /s/        
Mayor Pro Tem

**APPENDIX A**

**AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**



## APPENDIX B

### CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado (the “City”) in connection with the issuance of the City of Westminster, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_ (the “2007B Bonds”). The 2007B Bonds are being issued pursuant to Ordinances adopted by the City Council of the City on February 12, 2007 (the “Ordinance”). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the 2007B Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repositories” shall mean all of the Nationally Recognized Municipal Securities Information Repositories for purposes of the Rule, as recognized from time to time by the SEC and as currently listed on the Internet at the website [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

“Participating Underwriter” shall mean the original underwriter of the 2007B Bonds required to comply with the Rule in connection with an offering of the 2007B Bonds.

“Repositories” shall mean the National Repositories and any State Repository.

“Repository Agent” shall mean any filing system approved by the SEC for transmission of filings under the Rule for submission to the Repositories, including without limitation the central post office known as DisclosureUSA, currently managed by the Municipal Advisory Council of Texas and located on the Internet at the website [www.DisclosureUSA.org](http://www.DisclosureUSA.org).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Colorado as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

a. The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s fiscal year of each year, commencing nine (9) months following the end of the City’s fiscal year ending December 31, 2007, provide to (i) the Repositories or (ii) a Repository Agent, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

b. If the City is unable to provide to the Repositories or the Repository Agent an Annual Report by the date required in subsection (a), the City shall send or cause to be sent a notice in substantially the form attached as Exhibit “A” to any of the following: (i) MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent.

The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of the Repositories and any Repository Agent;

(2) if the Dissemination Agent is other than the City, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

b. An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repositories or the SEC. If the document incorporated by reference is a final official

statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The City shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the 2007B Bonds, if such event is material to any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the 2007B Bonds;
- g. Modifications to rights of bondholders;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution or sale of property securing repayment of the 2007B Bonds; or
- k. Rating changes.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the 2007B Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the 2007B Bonds.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the 2007B Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the Repositories or Repository Agent.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the 2007B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the 2007B Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2007.

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Westminster, Colorado

Name of Bond Issue: City of Westminster, Colorado, Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, dated as of \_\_\_\_\_, 2007, in the aggregate principal amount of \$\_\_\_\_\_.

Date of Issuance: \_\_\_\_\_, 2007

CUSIP No. \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 19(g) of the Ordinance, adopted on February 12, 2007, and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2007, by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT "B"**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the larger metropolitan area within which the City is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the City is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the City or its officers, employees, or advisors.*

#### Population and Median Age

The following table sets forth the population of the City of Westminster, Adams County, Jefferson County and the Denver metropolitan statistical area (the “DMA”) which includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

| Year              | Population          |                |                           |                  |             |
|-------------------|---------------------|----------------|---------------------------|------------------|-------------|
|                   | City of Westminster | Percent Change | Adams County <sup>1</sup> | Jefferson County | DMA         |
| 1960              | 13,850              | --             | 120,296                   | 127,520          | 934,199     |
| 1970              | 19,634              | 41.8%          | 185,789                   | 235,300          | 1,238,273   |
| 1980              | 50,211              | 155.7          | 245,944                   | 371,753          | 1,618,461   |
| 1990              | 74,625              | 48.6           | 265,038                   | 438,430          | 1,848,319   |
| 2000              | 100,940             | 35.3           | 363,857                   | 527,056          | 2,400,570   |
| 2001              | 102,905             | 0.0            | 361,262                   | 529,404          | 2,195,883   |
| 2002              | 104,011             | 3.0            | 375,380                   | 530,821          | 2,236,522   |
| 2003              | 104,522             | 0.5            | 385,262                   | 529,479          | 2,553,636   |
| 2004              | 105,177             | 0.6            | 394,257                   | 532,723          | 2,592,441   |
| 2005              | 105,944             | 0.7            | 405,561                   | 532,608          | 2,627,322   |
| 2006 <sup>2</sup> | 107,363             | 1.3            | unavailable               | unavailable      | unavailable |

<sup>1</sup> The City of Westminster is located in both Adams and Jefferson Counties and therefore information for both counties is included herein as pertinent to the City.

<sup>2</sup> As provided by the City of Westminster.

Source: The 1960-2000 population figures were obtained from the U.S. Department of Commerce, Bureau of the Census; the 2001-2005 figures were obtained from the Division of Local Government, Demographic Division

According to the United States Census Bureau, Adams County’s median age in 1990 was 30.5 years as compared with 31.4 years in 2000. Westminster’s median age was 30.1 in 1990 compared with 32.6 for 2000. The State’s median age for the same period increased from 31.4 in 1990 to 34.3 years in 2000, with the median age of the United States being 33.0 and 35.3 years in 1990 and 2000, respectively.

## Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and per capita personal income. The City of Westminster, Adams County, Jefferson County, the Denver-Aurora-Boulder Consolidated Area, the State and the United States.

### Median Household Effective Buying Income <sup>1</sup>

|                     | 2001     | 2002     | 2003     | 2004     | 2005     |
|---------------------|----------|----------|----------|----------|----------|
| City of Westminster | \$46,161 | \$51,512 | \$50,742 | \$51,634 | \$52,313 |
| Adams County        | 38,952   | 42,802   | 43,981   | 42,738   | 43,561   |
| Jefferson County    | 51,452   | 54,470   | 50,830   | 51,688   | 52,289   |
| CBSA <sup>1</sup>   | 44,312   | 48,397   | 46,613   | 47,567   | 48,539   |
| Colorado            | 39,741   | 44,050   | 43,510   | 43,544   | 44,489   |
| United States       | 39,129   | 38,365   | 38,035   | 38,201   | 39,324   |

Note: A household consists of all the people occupying a house, an apartment, room or group of rooms regarded as a housing unit according to the 2000 Census definitions. Members of the household need not be related.

<sup>1</sup> Historically the Survey of Buying Power reported data for the Denver-Boulder-Greeley consolidated metropolitan statistical area (“MSA”) which included the counties of Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson, and Weld. Beginning with the 2004 Survey of Buying Power, data is now being reported for the newly defined core based statistical areas (“CBSA”) instead of MSA, which data is based on the census. The newly created Denver-Aurora-Boulder CBSA includes the counties of Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park, therefore; CBSA figures are not directly comparable to historical MSA data presented herein.

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2001-2005

### Percent of Households by Effective Buying Income Groups—2005

|                     | Less Than<br>\$20,000 | \$20,000-<br>\$34,999 | \$35,000-<br>\$49,999 | \$50,000<br>and Over |
|---------------------|-----------------------|-----------------------|-----------------------|----------------------|
| City of Westminster | 8.5%                  | 17.0%                 | 21.1%                 | 53.4%                |
| Adams County        | 14.2                  | 22.8                  | 22.2                  | 40.8                 |
| Jefferson County    | 10.3                  | 17.5                  | 19.1                  | 53.1                 |
| CBSA                | 13.5                  | 19.3                  | 19.0                  | 48.2                 |
| Colorado            | 16.1                  | 21.3                  | 19.4                  | 43.2                 |
| United States       | 21.5                  | 22.5                  | 19.3                  | 36.7                 |

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2005



**Per Capita Personal Income**

|                  | <b>2000</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Adams County     | \$26,732    | \$27,528    | \$27,707    | \$27,682    | \$28,694    |
| Jefferson County | 38,231      | 39,362      | 38,059      | 38,466      | 40,334      |
| DMA              | 38,147      | 39,566      | 39,006      | 39,461      | 41,229      |
| Colorado         | 33,371      | 34,493      | 34,027      | 34,528      | 36,113      |
| United States    | 29,845      | 30,574      | 30,810      | 31,484      | 33,050      |

Source: State of Colorado, Division of Local Government, Demographic Section

**School Enrollment**

The following table presents a five year history of school enrollment for Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1, the school districts serving the City.

**School Enrollment**

| <b>Year</b> | <b>Adams County School District No. 12</b> | <b>Adams County School District No. 50</b> | <b>Jefferson County School District R-1</b> |
|-------------|--|--|---|
| 2002/2003   | 33,522                                     | 11,012                                     | 87,925                                      |
| 2003/2004   | 34,869                                     | 10,562                                     | 87,180                                      |
| 2004/2005   | 36,430                                     | 10,671                                     | 86,877                                      |
| 2005/2006   | 36,994                                     | 10,049                                     | 85,043                                      |
| 2006/2007   | 37,433                                     | 10,683                                     | 84,790                                      |

Source: Colorado Department of Education, *State Trends in Colorado Public School Membership by School District and individual school districts*

**Building Activity**

The following tables set forth building permit activity for the City of Westminster.

**Building Permit Activity in the City of Westminster**

| <b>Year</b> | <b>Residential</b>        |                            |                                | <b>Commercial</b> | <b>Valuation for All Permits</b> |
|-------------|---------------------------|----------------------------|--------------------------------|-------------------|----------------------------------|
|             | <b>Multi-Family Units</b> | <b>Single-Family Units</b> | <b>Total Residential Units</b> |                   |                                  |
| 2002        | 374                       | 463                        | 857                            | 17                | \$171,559,369                    |
| 2003        | 16                        | 497                        | 513                            | 31                | 182,245,326                      |
| 2004        | 24                        | 489                        | 513                            | 21                | 124,281,747                      |
| 2005        | 87                        | 183                        | 270                            | 30                | 151,800,465                      |
| 2006        | 109                       | 155                        | 264                            | 55                | 191,445,758                      |

Source: City of Westminster Building Department

## Foreclosure Activity

The number of foreclosures filed in Adams County and in Jefferson County are set forth in the following table.

### History of Foreclosures

| Year | Adams County | Percent Change | Jefferson County | Percent Change |
|------|--------------|----------------|------------------|----------------|
| 2002 | 927          | --             | 1,130            | --             |
| 2003 | 1,899        | 4.9%           | 1,532            | 35.6%          |
| 2004 | 2,499        | 31.6           | 1,880            | 22.7           |
| 2005 | 3,281        | 31.3           | 2,120            | 12.8           |
| 2006 | 4,330        | 32.0           | 2,971            | 40.1           |

Source: Adams County and Jefferson County Public Trustees

## Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for Adams County and Jefferson County.

### Total Business Establishments and Employment—Adams County

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 48                  | 1,197              | 50                  | 1,403              | 2                | 206                |
| Mining                                       | 29                  | 243                | 35                  | 234                | 6                | (9)                |
| Utilities                                    | 12                  | 925                | 12                  | 616                | 0                | 309                |
| Construction                                 | 1,447               | 17,593             | 1,475               | 19,165             | 28               | 1,572              |
| Manufacturing                                | 500                 | 14,001             | 512                 | 14,237             | 12               | 236                |
| Wholesale trade                              | 959                 | 13,596             | 988                 | 14,248             | 29               | 652                |
| Retail trade                                 | 999                 | 15,441             | 993                 | 15,906             | (6)              | 465                |
| Transportation and warehousing               | 476                 | 13,521             | 480                 | 13,379             | 4                | (142)              |
| Information                                  | 117                 | 2,002              | 120                 | 2,071              | 3                | 69                 |
| Finance and insurance                        | 468                 | 2,908              | 494                 | 3,034              | 26               | 126                |
| Real estate and rental and leasing           | 461                 | 2,834              | 487                 | 2,884              | 26               | 50                 |
| Professional and technical services          | 735                 | 3,959              | 803                 | 3,957              | 68               | (2)                |
| Management of companies and enterprises      | 49                  | 1,371              | 57                  | 1,558              | 8                | 187                |
| Administrative and waste services            | 544                 | 9,428              | 570                 | 10,996             | 26               | 1,568              |
| Educational services                         | 86                  | 1,547              | 99                  | 1,690              | 13               | 143                |
| Health care and social assistance            | 499                 | 9,505              | 530                 | 10,018             | 31               | 513                |
| Arts, entertainment, and recreation          | 85                  | 1,032              | 83                  | 976                | (2)              | (56)               |
| Accommodation and food services              | 625                 | 11,049             | 641                 | 11,378             | 16               | 329                |
| Other services, except public administration | 749                 | 4,671              | 757                 | 4,926              | 8                | 255                |
| Non-classifiable                             | 3                   | 4                  | 5                   | 9                  | 2                | 5                  |
| Government                                   | 95                  | 20,563             | 96                  | 21,003             | 1                | 440                |
| <b>Total</b>                                 | <b>8,986</b>        | <b>147,387</b>     | <b>9,287</b>        | <b>153,689</b>     | <b>301</b>       | <b>6,302</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.

Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Total Business Establishments and Employment—Jefferson County**

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 44                  | 486                | 38                  | 441                | (7)              | (45)               |
| Mining                                       | 72                  | 268                | 80                  | 385                | 8                | 117                |
| Utilities                                    | 38                  | 785                | 39                  | 847                | 1                | 62                 |
| Construction                                 | 2,435               | 14,909             | 2,360               | 15,665             | 75               | 756                |
| Manufacturing                                | 573                 | 18,508             | 581                 | 18,651             | 8                | 143                |
| Wholesale trade                              | 1,464               | 5,922              | 1,469               | 6,071              | 5                | 149                |
| Retail trade                                 | 2,096               | 29,078             | 2,088               | 29,271             | (8)              | 193                |
| Transportation and warehousing               | 259                 | 2,112              | 251                 | 2,183              | (8)              | 71                 |
| Information                                  | 317                 | 4,190              | 326                 | 4,444              | 9                | 254                |
| Finance and insurance                        | 1,359               | 8,322              | 1,368               | 8,412              | 9                | 90                 |
| Real estate and rental and leasing           | 948                 | 4,177              | 968                 | 3,966              | 20               | (211)              |
| Professional and technical services          | 3,173               | 15,494             | 3,389               | 16,105             | 216              | 611                |
| Management of companies and enterprises      | 135                 | 2,370              | 153                 | 2,496              | 18               | 126                |
| Administrative and waste services            | 1,097               | 15,436             | 1,110               | 14,121             | 13               | (1,315)            |
| Educational services                         | 229                 | 2,390              | 247                 | 2,443              | 18               | 53                 |
| Health care and social assistance            | 1,373               | 18,947             | 1,357               | 19,523             | (16)             | 576                |
| Arts, entertainment, and recreation          | 241                 | 3,478              | 228                 | 3,400              | (13)             | (78)               |
| Accommodation and food services              | 1,084               | 20,067             | 1,106               | 20,359             | 22               | 292                |
| Other services, except public administration | 1,427               | 6,187              | 1,441               | 6,211              | (14)             | 24                 |
| Non-classifiable                             | 9                   | 8                  | 10                  | 17                 | 1                | 9                  |
| Government                                   | 160                 | 34,127             | 162                 | 33,533             | 2                | (594)              |
| <b>Total</b>                                 | <b>18,533</b>       | <b>207,261</b>     | <b>18,771</b>       | <b>208,542</b>     | <b>238</b>       | <b>1,281</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.  
Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Labor Force Estimates**

| Year              | Adams County |                    | Jefferson County |                    | DMSA        |                    | Colorado    |                    |
|-------------------|--------------|--------------------|------------------|--------------------|-------------|--------------------|-------------|--------------------|
|                   | Labor Force  | Percent Unemployed | Labor Force      | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed |
| 2001              | 198,052      | 3.7%               | 305,772          | 3.2%               | 1,152,615   | 3.5%               | 2,379,092   | 3.7%               |
| 2002              | 196,440      | 6.2                | 309,536          | 5.3                | 1,215,905   | 5.9                | 2,437,413   | 5.7                |
| 2003              | 201,891      | 7.1                | 310,080          | 5.6                | 1,252,299   | 6.3                | 2,477,874   | 6.0                |
| 2004              | 199,128      | 6.5                | 303,628          | 5.5                | 1,275,498   | 5.9                | 2,522,225   | 5.5                |
| 2005              | 202,472      | 5.8                | 308,500          | 5.0                | 1,306,362   | 5.2                | 2,547,895   | 5.1                |
| 2006 <sup>1</sup> | 207,925      | 5.2                | 317,140          | 4.5                | 1,342,435   | 4.7                | 2,625,070   | 4.5                |

<sup>1</sup> Labor force estimates through October 31, 2006.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review

The following table sets forth selected major employers within the City of Westminster. No independent investigation has been made of and there can be no representation as to the stability or financial condition of the entities listed below, or the likelihood that they will maintain their status as major employers in the City. Three school districts are represented within Westminster: Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1. The breakdown of employees within facilities within Westminster is not readily available.

**City of Westminster-Selected Major Employers**

| <b>Employer</b>                   | <b>Product or Service</b>                               | <b>Estimated Number of Employees<sup>1</sup></b> |
|-----------------------------------|---|--|
| Avaya                             | Business Communication Systems, Research & Development  | 1,860 <sup>2</sup>                               |
| City of Westminster               | City Government   | 1,665  |
| Ball Corporation                  | Packaging Operations, Research & Development, Aerospace | 659  |
| Centura Health/ St. Anthony North | Full Service Hospital                                   | 570  |
| Access Distribution (GE Access)   | Computer Systems & Networks Vendor                      | 390  |
| Tri State Generation              | Electric Utility Wholesaler                             | 355  |
| Alliance Data Systems             | Network Credit Authorization Services and Equipment     | 323  |
| Kaiser Permanente                 | Health Care Provider                                    | 263  |
| Corporate Express                 | Office Supplies Provider                                | 263  |
| LaFarge North America             | Construction Materials                                  | 190  |
| Finali                            | ECRM Solutions Service Provider                         | 175  |
| Global Healthcare Exchange        | Supply Chain Solutions and Services Provider            | 140  |
| Trimble Navigation                | Satellite Navigation Equipment                          | 132  |
| Celestica Services, Inc.          | Communications Systems Research and Development         | 107  |

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<sup>1</sup> As of March 2006.

<sup>2</sup>As of January 2007.

Source: City of Westminster and individual employers

**City of Westminster-Selected Major Employers**

| <b>Employer</b>                   | <b>Product or Service</b>                               | <b>Estimated Number of Employees<sup>1</sup></b> |
|-----------------------------------|---|--|
| Avaya                             | Business Communication Systems, Research & Development  | 1,703  |
| City of Westminster               | City Government   | 1,665  |
| Ball Corporation                  | Packaging Operations, Research & Development, Aerospace | 659  |
| Centura Health/ St. Anthony North | Full Service Hospital                                   | 570  |
| Access Distribution (GE Access)   | Computer Systems & Networks Vendor                      | 390  |
| Tri State Generation              | Electric Utility Wholesaler                             | 355  |
| Alliance Data Systems             | Network Credit Authorization Services and Equipment     | 323  |
| Kaiser Permanente                 | Health Care Provider                                    | 263  |
| Corporate Express                 | Office Supplies Provider                                | 263  |
| LaFarge North America             | Construction Materials                                  | 190  |
| Finali                            | ECRM Solutions Service Provider                         | 175  |
| Global Healthcare Exchange        | Supply Chain Solutions and Services Provider            | 140  |
| Trimble Navigation                | Satellite Navigation Equipment                          | 132  |
| Celestica Services, Inc.          | Communications Systems Research and Development         | 107  |

<sup>1</sup> As of March 2006.

Source: City of Westminster

**APPENDIX D**  
**SPECIMEN INSURANCE POLICY**

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

#### Book-Entry-Only System

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others both as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.



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

**APPENDIX F**

**FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2007

City of Westminster  
4800 West 92nd Avenue  
Westminster, CO 80030

**\$\_\_\_,000,000**

**City of Westminster, Colorado**

**Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B**

Ladies and Gentlemen:

We have acted as bond counsel to the City of Westminster, Colorado (the "City") in connection with its issuance of its Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, in the aggregate principal amount of \$\_\_\_,000,000 (the "Bonds") pursuant to an authorizing ordinance of the City Council adopted on February 12, 2007 (the "Bond Ordinance"). In such capacity, we have examined the City's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding, special, limited obligations of the City payable solely from the Pledged Revenues and from funds and accounts pledged therefor under the Bond Ordinance.
2. The Bond Ordinance constitutes a valid and binding obligation of the City.
3. The Bond Ordinance creates a valid lien on the Pledged Revenues pledged therein for the security of the Bonds on a parity with the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and other parity bonds (if any) to be issued, (collectively, the "Parity Lien Bonds"). The Bond Ordinance also creates a valid lien on the Bond Fund and the Reserve Fund on a parity with the Parity Lien Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on Pledged Revenues or on funds and accounts created by the Bond Ordinance.
4. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of

the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the City's certified proceedings and in certain other documents or certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the City pursuant to the Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to

We understand that \_\_\_\_\_ Insurance Company has issued a municipal bond insurance policy relating to the Bonds. We express no opinion as to the validity or enforceability of such policy or the security afforded thereby.

In expressing the opinions above, we are relying, in part, on a report of independent certified public accountants verifying (i) the mathematical computations of the adequacy of the maturing principal amounts of and interest on the investments and moneys included in the Escrow Account to pay when due, at stated maturity or upon prior redemption, all principal of, any prior redemption premiums, and interest on the Refunded Bonds and (ii) the mathematical calculations of the yield of the Bonds and the yield of certain investments made with the proceeds of the Bonds and other moneys deposited in the Escrow Account.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,



## Agenda Item 10 H

**WESTMINSTER**  
**COLORADO**

**Agenda Memorandum**

City Council Meeting  
February 12, 2007



**SUBJECT:** Councillor's Bill No. 10 re Refunding of the Certificates of Participation, Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard) in the amount not to exceed \$33,000,000

**Prepared By:** Tammy Hitchens, Finance Director  
Bob Smith, Treasury Manager

**Recommended City Council Action**

Pass Councillor's Bill No. 10 as an emergency ordinance, in the amount not to exceed \$33,000,000 to refund the Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard).

**Summary Statement**

Staff has identified an opportunity to significantly reduce the City's future debt service costs by refunding certain Certificates of Participation (COPS) that the City issued in prior years to fund capital projects. Staff anticipates the following result from refunding these issues:

- Reduce combined debt service payments by approximately \$1,245,064 over the remaining life of the issues after deducting all costs of issuance.
- Reduce net interest rates on the respective refunded debt issues.
- Accomplish the reduction of debt service cost without extending the final maturities of the original issues to be refunded.
- The General Fund will enjoy the benefits of this refunding over the coming years.
- The City's financial advisor and underwriter were involved in the analysis of this refinancing and concur with Staff's recommendation to proceed.
- This ordinance is proposed as an emergency ordinance in order to complete the issuance and sale of the bonds while favorable market conditions exist.

**Expenditure Required:** \$695,077

**Source of Funds:** All fees are included in the refunding issue; no additional funds need to be budgeted.

**Policy Issue**

Should the City refund the Certificates of Participation, Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard) in the amount not to exceed \$33,000,000?

**Alternatives**

1. Do not refund the Certificates of Participation. This option is not recommended. The proposed refunding will save approximately \$1,245,064 in interest costs without extending the final maturity of the original debt issue.
2. Delay the refunding in hopes that the Federal Reserve Board (Fed) will reduce short-term rates that may lead to further interest expense savings. This option is not recommended. While it is possible the Fed will reduce short-term rates, the impact would be in the short-term (two years and under) market. The risk to the City is that long-term rates will rise, due to inflation expectations. In this case, the total savings could be less than the anticipated \$1,245,064.

**Background Information**

The City's financial advisor and underwriter analyzed the potential financial benefit of refunding the Certificates of Participation, Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard). Given current interest rate market conditions, they concurred that it would be in the City's best financial interest to refund the aforementioned obligations; thereby, lowering the overall interest rate cost inclusive of all closing fees and without extending the maturity dates beyond the original issues' horizon.

It is projected that by refunding the Certificates of Participation, Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements/Westminster Boulevard) the City can reduce its future interest costs by about \$1,245,064. This savings represents approximately 3.90% of the refunded certificates. National guidelines suggest that to initiate a refunding issue the savings should at a minimum be in excess of three percent.

The net interest cost for the Series 1998 Certificates of Participation was 5.30% and for the Series 1999 Certificates of participation 5.48%. The net interest rate on the refunding issue is estimated to be approximately 4.25%, which is a significant reduction from the net interest cost of the debt to be refunded.

Staff projects the savings of the refunding will reduce the City's future debt service by approximately \$1,245,064 after deducting all costs of issuance. As with all debt issuance costs are paid at closing from the proceeds of the issue; therefore, no out of pocket costs are incurred.

It is important to note that the savings from the refunding will be realized without extending the final maturities of the original certificates.

The proceeds of the sale of this new security will be appropriated in a separate City Council action in April 2007, after the closing is held and the sales proceeds are received by the City.

Respectfully submitted,

J. Brent McFall  
City Manager  
Attachments

BY AUTHORITY

ORDINANCE NO. **3336**

COUNCILLOR'S BILL NO. **10**

SERIES OF 2007

INTRODUCED BY COUNCILLORS  
**Lindsey - Dittman**

**A BILL**

**FOR AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A FIFTH AMENDMENT TO A PREVIOUSLY EXECUTED AND AMENDED LEASE PURCHASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AN OFFICIAL STATEMENT AND RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE REFERENCED DOCUMENTS; PROVIDING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY**

WHEREAS, the City of Westminster, Adams and Jefferson Counties, Colorado (the "City") is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Constitution of the State of Colorado and the home rule charter of the City (the "Charter"); and

WHEREAS, pursuant to Chapter XI of the Charter, the City is authorized to enter into one or more leases or lease-purchase agreements for land, buildings, equipment and other property for governmental or proprietary purposes; and

WHEREAS, the City and The City of Westminster Building Authority (the "Authority") have previously entered into a Lease Purchase Agreement dated as of November 15, 1998, as amended by the First Amendment to Lease Purchase Agreement dated as of August 15, 1999, the Second Amendment to Lease Purchase Agreement dated as of February 1, 2000, the Third Amendment to Lease Purchase Agreement dated as of May 1, 2001 and the Fourth Amendment to Lease Purchase Agreement dated May 1, 2005, all by and between the City and the Authority, whereby the City leases from the Authority certain real property and the buildings located thereon (the "Leased Property"); and

WHEREAS, the City Council of the City has determined and now hereby determines that it is in the best interests of the City and its inhabitants that the City enter into a Fifth Amendment to Lease Purchase Agreement dated as of March 1, 2007, with the Authority (the "Fifth Amendment")(the 1998 Lease as collectively amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment is referred to as the "Lease") for the purpose of restructuring the City's payments pursuant to the Lease so as to effect certain financial benefits for the City (the "Refunding"); and

WHEREAS, pursuant to the Lease, as amended by the Fifth Amendment, and subject to the right of the City to terminate the Lease and other limitations as therein provided, the City will pay certain recalculated Base Rentals and Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the City to use the Leased Property; and

WHEREAS, the City's obligation under the Lease to pay Base Rentals and Additional Rentals (both as defined in the Lease) shall be from year to year only; shall constitute currently budgeted expenditures of the City; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City 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 City in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

WHEREAS, the Authority and U.S. Bank National Association, as trustee (the "Trustee"), will enter into a Fourth Supplement to Mortgage and Indenture of Trust dated as of March 1, 2007 (the "Fourth Supplement") which supplements the previously executed and previously supplemented and amended Mortgage and Indenture of Trust dated as of November 15, 1998, Second Supplement to Mortgage and Indenture of Trust dated as of May 1, 2001, and Third Supplement to Mortgage and Indenture of Trust dated as of May 1, 2005 (as so supplemented, the "Indenture"), pursuant to which there will be issued Refunding Certificates of Participation, Series 2007, dated as of their date of delivery in the aggregate principal amount of not to exceed \$33,000,000 (the "2007 Certificates"); and

WHEREAS, the 2007 Certificates shall evidence assignments of the rights 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 City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect; and

WHEREAS, there has been presented to the City Council and are on file at the City offices the following: (i) the proposed form of the Fifth Amendment; (ii) the proposed form of the Continuing Disclosure Certificate to be provided by the City (the "Disclosure Certificate"); and (iii) the Preliminary Official Statement (the "Preliminary Official Statement") relating to the 2007 Certificates; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the "Supplemental Act"), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the transactions contemplated by this ordinance.

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Short Title. This ordinance shall be known and may be cited by the short title "2007 COP Refunding Ordinance."

Section 2. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the City Council or the officers or agents of the City Council or the City relating to the Lease including the Fifth Amendment, and the completion of the Refunding is hereby ratified, approved and confirmed. The designation of the Preliminary Official Statement by the City's Finance Director as a "nearly final Official Statement" for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission is hereby ratified, approved and confirmed.

Section 3. Finding of Best Interests. The City Council hereby finds and determines, pursuant to the Constitution, the laws of the State of Colorado and the Charter, that the Refunding under the terms and provisions set forth in the Lease and the Indenture is necessary, convenient and in furtherance of the City's purposes and is in the best interests of the inhabitants of the City and the City Council hereby authorizes and approves the same.

Section 4. Supplemental Act; Parameters. The City Council hereby elects to apply all of the Supplemental Act to the Lease and in connection therewith delegates to each of the City Manager or the Finance Director of the City the authority to independently make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease, and to execute a sale certificate (the "Sale Certificate") setting forth such determinations, subject to the following parameters and restrictions: (a) the aggregate principal amount of the Base Rentals relating to the 2007 Certificates shall not exceed \$33,00,000; (b) the maximum net effective interest rate on the interest component of the Base Rentals relating to the 2007 Certificates shall not exceed 4.75%; (c) the Lease Term shall end no later than December 1, 2025; (d) the Lease shall be subject to prepayment at the option of the City no later than December 1, 2017, without prepayment penalty; and (e) the purchase price of the 2007 Certificates shall not be less than 98%. In addition, the City Manager or the Finance Director of the City shall each have the independent authority to determine which 1998 Certificates (as defined in the Indenture) and which 1999 Certificates (as defined in the Indenture) will be refunded by the 2007 Certificates.

Further, each of the City Manager or the Finance Director of the City is independently authorized by the City Council to execute and deliver a commitment for the issuance of a municipal bond insurance policy on the 2007 Certificates, if any, with a bond insurer, and enter into any related documents or agreements to secure the payment of principal of and interest on the 2007 Certificates, subject to the provisions of this ordinance, the Sale Certificate and the Supplemental Act.

Section 5. Approval of Documents. The Fifth Amendment and the Disclosure Certificate, in substantially the forms presented to the City Council and on file with the City, are in all respects approved, authorized and confirmed, and the Mayor Pro-Tem of the City is hereby authorized and directed for and on behalf of the City to execute and deliver the Fifth Amendment and the Disclosure Certificate in substantially the forms and with substantially the same contents as presented to the City Council, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this ordinance.

Section 6. Approval of Official Statement. A final Official Statement, in substantially the form of the Preliminary Official Statement presented to the City Council and on file with the City, is in all respects approved and authorized. The Mayor Pro-Tem is hereby authorized and directed, for and on behalf of the City, to execute and deliver the final Official Statement in substantially the form and with substantially the same content as the Preliminary Official Statement on file with the City, with such changes as may be approved by the City Finance Director. The distribution by the Purchaser of the Preliminary Official Statement and the final Official Statement to all interested persons in connection with the sale of the 2007 Certificates is hereby ratified, approved and authorized.

Section 7. Authorization to Execute Collateral Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this ordinance and to place the seal of the City on any document authorized and approved by this ordinance. The Mayor Pro-Tem and City Clerk and other appropriate officials or employees of the City are hereby authorized to execute and deliver for and on behalf of the City 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. The appropriate officers of the City are authorized to execute on behalf of the City agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance, and are specifically authorized and directed hereby to invest such funds in Permitted Investments as are defined and provided in the Indenture. The execution of any instrument by the aforementioned officers or members of the City Council shall be conclusive evidence of the approval by the City 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 2007 Certificates, the Preliminary Official Statement or final Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory provision, nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year. The City shall have no obligation to make any payment with respect to the 2007 Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments may be terminated by the City in accordance with the provisions of the Lease. Neither the Lease nor the 2007 Certificates shall constitute a mandatory charge or requirement of the City 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 City within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. No provision of the Lease or the 2007 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 City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease nor the 2007 Certificates shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City's then current fiscal year.

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

Section 10. Exercise of Option; Direction to Trustee. In order to effect the Refunding, the City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Certificates (as set forth in the Sale Certificate) on the earliest applicable redemption date. The City 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 2007 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 City Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the 2007 Certificates. Such recourse shall not be available either directly or indirectly through the City Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the 2007 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. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent with this ordinance or with any of the documents hereby approved are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed. All rules of the City Council, if any, which might prevent the final passage and adoption of this ordinance as an emergency measure at this meeting of the City Council be, and the same hereby are, suspended.

Section 13. Severability. If any section, subsection, paragraph, clause or provision of this ordinance or the documents hereby authorized and approved (other than provisions as to the payment of Base Rentals by the City during the Lease Term, provisions for the quiet enjoyment of the Leased Property by the City during the Lease Term and provisions for the conveyance of the Leased Property to the City under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance or such documents, the intent being that the same are severable.

Section 14. Declaration of Emergency. In order to effect the Refunding 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 City. This ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 14. Effective Date, Recording and Authentication. This ordinance shall be in full force and effect immediately upon enactment following final passage. This ordinance shall be recorded in "The Ordinance Book" of the City kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro-Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.

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Mayor Pro-Tem

(SEAL)

ATTESTED:

---

City Clerk

APPROVED AS TO FORM:

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City Attorney

STATE OF COLORADO )  
 )  
 COUNTIES OF ADAMS ) SS.  
 AND JEFFERSON )  
 )  
 CITY OF WESTMINSTER )

I, the duly elected, qualified and Deputy City Clerk of the City of Westminster, Colorado (the "City") do hereby certify that:

1. The foregoing pages are a true, correct, and complete copy of an ordinance (the "Ordinance") passed and adopted by the City Council (the "Council") of the City at a regular meeting of the Council held at the City Hall on February 12, 2007.

2. The passage of the Ordinance as an emergency was duly moved and seconded and the Ordinance was approved by vote of a 6 of 7 of the members of the Council as follows:

| Name           | "Yes" | "No" | Absent | Abstain |
|----------------|-------|------|--------|---------|
| Chris Dittman  | X     |      |        |         |
| Mark L. Kaiser | X     |      |        |         |
| Tim Kauffman   | X     |      |        |         |
| Mary Lindsey   | X     |      |        |         |
| Scott Major    | X     |      |        |         |
| Nancy McNally  |       |      |        | X       |
| Jo Ann Price   | X     |      |        |         |

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

4. The Ordinance has been signed by the Mayor Pro-Tem, sealed with the City seal, attested by me as Deputy City Clerk and duly recorded in the books of the City; and the same remains of record in the book of records of the City.

5. There are no bylaws, rules or regulations of the Council which might prohibit the adoption of the Ordinance as an emergency.

6. Notice of the meeting of February 12, 2007, in the form, attached hereto as Exhibit A, was duly given to the Council members and was posted in a designated public place within the boundaries of the City no less than twenty-four hours prior to the meeting as required by law.

7. The Ordinance was published in full after adoption in the Westminster Window, a newspaper of general circulation within the City on February 22, 2007. The affidavit of publication is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this \_\_\_ day of \_\_\_\_\_, 2007.

(SEAL)

\_\_\_\_\_  
 Deputy City Clerk

EXHIBIT A

(Attach Notice of Meeting )

EXHIBIT B

(Attach Affidavit of Publication)

CERTIFICATE PURCHASE AGREEMENT

KUTAK ROCK LLP  
DRAFT 02/02/07

**\$31,980,000**  
**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2007**  
**representing an assignment of the right to receive certain revenues pursuant to a**  
**Lease Purchase Agreement dated as of November 15, 1998, as amended, between**  
**THE CITY OF WESTMINSTER COLORADO and**  
**THE CITY OF WESTMINSTER BUILDING AUTHORITY**

The City of Westminster Building Authority  
Westminster, Colorado

Ladies and Gentlemen:

This letter sets forth the terms of the offer from Stifel, Nicolaus & Company, Incorporated (the "Purchaser"), to purchase the above-captioned Certificates of Participation, consisting of \$31,980,000 principal amount of Refunding Certificates of Participation, Series 2007 (the "Certificates"). Upon your acceptance of this offer, the terms hereof will be binding upon the City of Westminster Building Authority (the "Authority") and upon the Purchaser. This offer is made subject to acceptance by the Authority on or before 11:59 p.m. \_\_\_\_\_, 2007, and, if not accepted, will be subject to withdrawal by the Purchaser upon written notice delivered to the Authority at any time prior to acceptance by the Authority.

1. **Purchase and Sale of the Certificates.** On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Purchaser agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Purchaser, all (but not less than all) of the Certificates, at a purchase price equal to \$\_\_\_\_\_ plus accrued interest on the Certificates from the dated date of the Certificates to the Closing Date, as hereinafter defined, if any. Said purchase price equals the par amount of the Certificates, plus an original issue premium (net of original issue discount) of \$\_\_\_\_\_, and less an underwriting discount of \$\_\_\_\_\_. The Certificates, which shall bear interest and mature on the dates set forth in Exhibit A hereto, shall be issued pursuant to the laws of the State of Colorado and a Mortgage and Indenture of Trust, dated as of November 15, 1998, as amended and supplemented by the Fourth Supplement to Mortgage and Indenture of Trust, dated as of March 1, 2007 (the "Indenture"), by and between the Authority and U.S. Bank National Association (the "Trustee"). The issuance of the Certificates has been authorized by a resolution (the "Resolution") previously adopted by the governing body of the Authority prior to delivery of the Certificates. The Certificates shall be issued for the purpose of refinancing certain outstanding certificates (the "Refunded Certificates", as more fully identified in the Indenture).

The Certificates represent an assignment of the right to receive certain revenues pursuant to an annually renewable Lease Purchase Agreement dated as of November 15, 1998, as amended and supplemented by the Fifth Amendment to Lease Purchase Agreement, dated as of March 1, 2007 (the "Lease"), by and between the Authority and the City of Westminster, Colorado (the "City"). The Lease has been authorized by an ordinance of the City adopted by the governing body of the City on February 12, 2007.

There has been prepared a Preliminary Official Statement dated \_\_\_\_\_, 2007, which provides information, on a preliminary basis, in connection with the offer and sale of the Certificates. In order to enable the Purchaser to comply with rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), the City has delivered a certificate within which the City, among other things, deems the Preliminary Official Statement final within the meaning of the Rule. The Preliminary Official Statement together with all amendments and supplements which may be approved by the City, the Authority and the Purchaser for use with that document, are referred to herein as the "Preliminary Official Statement." If the terms hereof are accepted by the Authority, as soon as practicable there shall be prepared a final Official Statement substantially in the same form as the Preliminary Official Statement, to be distributed in connection with such offering. The final Official Statement together with any and all amendments and supplements which may be approved by the City, the Authority and the Purchaser from time to time for use with such documents, are referred to herein collectively as the "Final Official Statement." The Preliminary Official Statement and the Final Official Statement may sometimes hereinafter be referred to collectively as the "Official Statement." Capitalized terms used but not defined herein shall have their respective meanings as set forth in the Official Statement. The Final Official Statement, in its initial form and excluding any subsequent amendment or supplement, shall state the offering price or yield at which the Purchaser shall initially offer the Certificates to the public, but the Purchaser, in its discretion and without prior notice to the Authority, shall have the right to vary such public offering price or yield and to allow concessions or discounts from the public offering price in sales to other securities dealers.

2. **Delivery of Certificates.** The Certificates shall be delivered to the Purchaser against payment of the purchase price therefor, by wire transfer in immediately available Federal funds at the instruction of the Authority, on or about March 27, 2007, in Denver, Colorado, or at such other time as the Purchaser and the Authority determine, such date and time being herein referred to as the "Closing Date."

The Certificates shall be made available for checking at the offices of the Depository Trust Company, 55 Water Street, New York, New York 10041, by at least 10:00 a.m., New York time on the day before the Closing Date. The Certificates shall be prepared and delivered as registered Certificates as to both principal and interest, and the shall be prepared and delivered as registered as to interest.

3. **Representations, Warranties and Covenants of the Trustee, the City and the Authority.** Prior to the purchase of the Certificates by the Purchaser, the Trustee the City and the Authority shall each represent, covenant and warrant to the Purchaser that it has or shall have executed the respective documents to which it is a party and has taken such other actions as have been directed or required in accordance with documents and materials prepared by special counsel prior to delivery of the Certificates.

4. **Payment of Costs.** All expenses incident to the issuance of the Certificates shall be paid from proceeds of the Certificates. Such expenses shall include, but shall not be limited to (a) the cost of preparing, printing or otherwise reproducing and distributing the Certificates, the principal documents and the Official Statement; (b) reasonable travel costs relating to obtaining ratings and insurance for the Certificates; (c) the fees and expenses of special counsel, special

disclosure counsel and any other experts and consultants retained in connection with the issuance of the Certificates; (d) the insurance premiums of MBIA Insurance Corporation; (e) the fees of any rating agency; (f) the initial fees and expenses of the Trustee; and (g) the costs of closing the issue.

5. **Use of Official Statement.** Prior to the purchase of the Certificates by the Purchaser, the City shall authorize the use of, and shall make available, the Official Statement for the use by the Purchaser in connection with the sale of the Certificates. Delivery of the Official Statement by the City shall be deemed to be a determination that the Official Statement is the “final official statement” within the meaning of the Rule. The Purchaser shall, within seven business days of the date of this Agreement, be provided with sufficient copies of the Official Statement for the Purchaser to provide them to potential customers on request and to comply with the rules of the Municipal Securities Rulemaking Board.

6. **Conditions of the Obligations of the Purchaser.** The obligations of the Purchaser are subject to the accuracy of the representations and warranties of the Authority herein, to the accuracy of the statements of officers of the Authority made pursuant to the provisions hereof, to the performance by each of the Authority, the Trustee and the City of their respective obligations to be performed on or prior to the Closing Date, and to the following additional conditions precedent:

(a) on or prior to the Closing Date:

(i) the market price of the Certificates, or the market price of obligations of the character of the Certificates, shall not have been materially and adversely affected, in the reasonable opinion of the Purchaser, by reason of the fact that (A) legislation shall have been enacted by the State of Colorado or the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a Colorado court or federal court, or (C) an order, ruling or regulation shall have been made by the Treasury Department of the United States or the Internal Revenue Service or the Department of Revenue of the State of Colorado, in any such case with the purpose or effect, directly or indirectly, of imposing federal or State of Colorado income taxation upon the interest which would be received by any holder of the Certificates, or original issue discount, if any;

(ii) no order, decree or injunction of any court of competent jurisdiction, judicial proceeding, nor any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, nor shall any legislation have been enacted, with the purpose or effect of prohibiting the delivery, offering or sale of the Certificates as contemplated hereby or by the Preliminary Official Statement and the Final Official Statement or the performance by the City or the Authority of their respective obligations hereunder or with respect to the Certificates;



(iii) no event shall have occurred which, in the reasonable opinion of the Purchaser, requires a supplement or amendment to the Preliminary Official Statement or the Final Official Statement; and

(iv) the marketability of the Certificates shall not, in the reasonable judgment of the Purchaser, have been adversely affected because trading in securities generally shall have been suspended on the New York Stock Exchange or a general banking moratorium shall have been declared by federal or New York authorities or a war involving the United States or other national calamity shall have occurred (the Purchaser duly acknowledging that the events of September 11, 2001 and subsequent actions taken by the executive and legislative branches of the United States to date do not qualify under such condition precedent).

(b) On the Closing Date, the Purchaser shall have received or there shall be delivered the following, in form and substance reasonably satisfactory to the Purchaser:

(i) an approving, written legal opinion of Sherman & Howard L.L.C., special counsel, dated the Closing Date as to, among other things, the valid authorization, issuance and delivery of the Certificates and the exclusion of interest on the Certificates and original issue discount, if any, properly allocable to owners, from federal gross income and state income taxation, addressed to the City and the Purchaser (or such other writing permitting the parties to rely upon the written legal opinion), in form and content acceptable to the Purchaser;

(ii) a written legal opinion of Kutak Rock LLP, special counsel, dated the Closing Date, addressed to the Purchaser and, upon requested of the City, upon which the City may rely, with respect to certain securities matters in connection with the Official Statement, in form and content acceptable to the Purchaser;

(iii) a tax certificate of the City in form and substance satisfactory to special counsel, signed by such officials of the City as shall be satisfactory to special counsel and the Purchaser;

(iv) the original fully executed Fourth Supplement to the Indenture and Fifth Amendment to the Lease;

(v) the original fully executed Escrow Agreement (as defined in the Indenture);

(vi) one transcript of all proceedings relating to the authorization and issuance of the Certificates certified by such official or officials of the City as shall be satisfactory to the Purchaser;

(vii) an agreement by the City that it will provide, pursuant to an “undertaking” within the meaning of the Rule, for the benefit of the holders of the

Certificates, certain financial information, operating data and notices of material events;

(viii) certificates, dated the Closing Date, by appropriate officers or elected officials of the Authority and the City relating to (a) the facts necessary to support the opinions referred to in clauses (i) and (ii) above, (b) the accuracy of the Preliminary Official Statement and the Official Statement, (c) litigation affecting the respective entities as it may relate to the Certificates and (d) such other matters as are customary with respect to the issuance of obligations such as the Certificates or as the Purchaser may reasonably request;

(ix) unless otherwise waived by the Purchaser, a legal opinion of counsel to the City and the Authority, respectively, dated the Closing Date as to, among other things, the due execution and delivery of documents to which the City and the Authority are a party, the lack of any litigation regarding the execution or delivery of such documents and the performance of the obligations of the City and the Authority, respectively, under said documents, addressed to the Purchaser, in form and content acceptable to the Purchaser;

(x) the original of the Municipal Bond Insurance Policy appertaining to the Certificates and the 2007 Surety Bond, both of which are to be issued by MBIA Insurance Corporation;

(xi) a written supplemental legal opinion or opinions of Sherman & Howard L.L.C., special counsel, dated the Closing Date, addressed to the Purchaser, with respect to certain matters concerning the Final Official Statement and the legal defeasance of the Refunded Certificates, in form and content acceptable to the Purchaser;

(xii) a written legal opinion of counsel to the MBIA Insurance Corporation regarding the validity and enforceability of the Municipal Bond Insurance Policy appertaining to the Certificates and the 2007 Surety Bond;

(xiii) letters evidencing that the Certificates are rated “AAA” by Standard & Poor’s and “AAA” by Fitch Ratings, which ratings shall be in full force and effect and shall not have been withdrawn or downgraded for any reason;

(xiv) such additional certificates, opinions, instruments and other documents which are standard to financings such as those represented by the issuance of the Certificates and which the Purchaser may reasonably request.

If the conditions to the obligations of the Purchaser contained herein are not satisfied, the provisions hereof shall terminate and neither the Purchaser nor the Authority shall have further obligations or liability hereunder.

7. **Authority’s Conditions.** The obligations of the Authority to deliver the Certificates pursuant to the provisions hereof shall be subject to the performance of the obligations of the

Purchaser hereunder, and of the City pursuant to the Lease, to be performed on or before the Closing Date.

8. **Survival of Certain Representations and Agreements.** The respective representations, agreements, warranties, covenants and other statements of the City and its officers, of the Authority and its officers and of the Purchaser set forth herein or made pursuant hereto will remain in full force and effect, regardless of any investigation or statement as to the results thereof, made by or on behalf of the Purchaser or the Authority and will survive delivery of and payment for the Certificates.

9. **Notices.** Any notice or other communication to be given to the Authority hereunder may be given by delivering the same to the City of Westminster, 4800 W. 92<sup>nd</sup> Avenue, Westminster, Colorado 80030-6399, attention: President, The City of Westminster Building Authority, and any such notice or other communication to be given to the Purchaser may be given by delivering the same to Public Finance Department, Stifel, Nicolaus & Company, Incorporated, 1125 17th Street, Suite 1600, Denver, Colorado 80202, attention: David Bell.

10. **Successors.** The provisions hereof will inure to the benefit of and be binding upon the parties hereto and their respective successors and no other person will have any right or obligation hereunder, provided that the term “successor” shall not include any purchaser, as such, or transferee, of Certificates from the Purchaser.

11. **Waiver of Conditions.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City and the Authority hereunder and the performance of any and all conditions contained herein for the benefit of the undersigned may be waived by the undersigned in their sole discretion, and the approval of the undersigned when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by the person whose approval or satisfaction is sought to be established.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be regarded as an original document and all of which shall constitute one and the same document.

13. **Governing Law, Defined Terms.** This agreement shall be governed by and construed and enforced in accordance with the laws of the State of Colorado. Terms not otherwise defined herein shall have the same meaning as in the Indenture or the Lease.

Very truly yours,

**Stifel, Nicolaus & Company, Incorporated**

By \_\_\_\_\_  
Authorized Signatory

Accepted and approved as of this  
\_\_\_\_ day of \_\_\_\_\_ 2007.

**The City of Westminster Building Authority**

By \_\_\_\_\_  
Authorized Signatory

Time and Date of Execution: \_\_\_\_\_

cc: City of Westminster, Colorado  
U.S. Bank National Association

[Signature page to Certificate Purchase Agreement.]

**EXHIBIT A**  
**TO CERTIFICATE PURCHASE AGREEMENT**

(Attach Schedule Indicating Interest Rates and Maturity Dates for Certificates)

## FIFTH AMENDMENT TO LEASE PURCHASE AGREEMENT

FIFTH AMENDMENT TO LEASE PURCHASE AGREEMENT dated as of March 1, 2007 (the "2007 Lease Amendment") which amends the Lease Purchase Agreement dated as of November 15, 1998 (the "1998 Lease"), as previously amended by the First Amendment to Lease Purchase Agreement dated as of August 15, 1999 (the "1999 Lease Amendment"), the Second Amendment to Lease Purchase Agreement dated as of February 1, 2000 (the "2000 Lease Amendment"), the Third Amendment to Lease Purchase Agreement dated as of May 1, 2001 (the "2001 Lease Amendment"), and the Fourth Amendment to Lease Purchase Agreement dated as of May 1, 2005 (the "2005 Lease Amendment") (as thereby and hereby amended, the "Lease"), by and between THE CITY OF WESTMINSTER BUILDING AUTHORITY, as lessor hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Colorado (the "Lessor"), and the CITY OF WESTMINSTER, COLORADO, as lessee hereunder, a home rule municipal corporation duly organized and existing under the Constitution of the State of Colorado and the Charter of the City (the "City").

### WITNESSETH:

WHEREAS, the Lease, including Articles I and III of this 2007 Lease Amendment, sets forth the definitions of all capitalized terms used herein except where the context indicates otherwise; and

WHEREAS, the City has been duly organized and is validly existing as a home rule city under the Constitution of the State of Colorado and the Charter; and

WHEREAS, pursuant to Section 11.3 of the Charter, the City Council is authorized to enter into installment or lease option contracts for the purchase of land, buildings, equipment and other property for governmental or proprietary purposes; and

WHEREAS, the Lessor is a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Colorado, and is duly qualified to do business in the State of Colorado, and under its articles and bylaws the Lessor is authorized to own and hold real and personal property and to lease the same as lessor or as lessee and to act in the manner contemplated in the Lease; and

WHEREAS, the City and the Lessor have previously entered into the Lease whereby the City leases from the Lessor certain real property and the buildings located thereon (the "Leased Property"); and

WHEREAS, the City Council has determined and hereby determines that it is in the best interests of the City and its inhabitants that the payments made by the City pursuant to the Lease be restructured so as to effect certain financial benefits for the City (the "Refunding"); and

WHEREAS, in order to complete the Refunding as planned, it is necessary to enter into this 2007 Lease Amendment; and

WHEREAS, pursuant to the Lease and subject to the right of the City to terminate the Lease and other limitations as therein provided, the City will pay certain recalculated Base

Rentals and Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the City to use the Leased Property; and

WHEREAS, the obligation of the City to pay Base Rentals and Additional Rentals under the Lease shall be from year to year only; shall constitute currently budgeted expenditures of the City; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or Charter limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of the City in any ensuing Fiscal Year beyond any Fiscal Year during which the Lease shall be in effect; and

WHEREAS, pursuant to that certain Mortgage and Indenture of Trust dated as of November 15, 1998 (the "1998 Indenture"), as supplemented by the First Supplement dated as of August 15, 1999 (the "1999 Supplemental Indenture"), the Second Supplement dated as of May 1, 2001 (the "2001 Supplemental Indenture"), the Third Supplement dated as of May 1, 2005 (the "2005 Supplemental Indenture") and the Fourth Supplement of even date herewith (the "2007 Supplemental Indenture" and collectively, the "Indenture") between the Lessor and U.S. Bank National Association, as trustee (the "Trustee"), the Lessor will assign its rights, title and interest in, to and under the Lease, including this 2007 Lease Amendment (with certain exceptions as therein provided) to the Trustee; and

WHEREAS, there will be issued pursuant to the Indenture the 2007 Certificates evidencing assignments of rights to receive certain payments under the Lease; and

WHEREAS, the 2007 Certificates shall evidence assignments of rights to receive certain revenues, shall be payable solely from the sources provided in the Lease, and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or Charter limitation or requirement concerning the creation of indebtedness, nor a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond the then current Fiscal Year; and

WHEREAS, neither the Lease nor the issuance of the 2007 Certificates shall directly or indirectly obligate the City to make any payments beyond those appropriated for the City's then current Fiscal Year; and

WHEREAS, the Board of Directors of the Lessor has by resolution authorized, approved and directed the execution, delivery and performance by the Lessor of this 2007 Lease Amendment, the 2007 Supplemental Indenture, the Escrow Agreement and certain other documents and has further authorized, approved and directed the issuance of the 2007 Certificates for the purpose of providing funds for the Refunding; and

WHEREAS, the City Council has adopted an ordinance authorizing and approving the execution, delivery and performance of this 2007 Lease Amendment; and

WHEREAS, the Trustee and MBIA Insurance Corporation, as the Certificate Insurer of the 1998 Certificates, the 1999 Certificates, the 2001 Certificates and the 2005

Certificates, have given their written consent to the execution and delivery of this 2007 Lease Amendment, pursuant to the requirements of the Indenture.

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

## ARTICLE I

### DEFINITIONS AND APPLICABILITY

Section 1.1. Definitions Generally. All words and phrases defined in the Indenture and the Lease shall have the same meanings in this 2007 Lease Amendment, unless amended hereby.

Section 1.2. 2007 Lease Amendment Definitions. For all purposes of the Lease and the Indenture, the following terms, except when the context otherwise requires, shall have the meanings set forth below.

“Escrow Agreement” means the Escrow Agreement, dated as of the date hereof, between the Lessor and U.S. Bank National Association, as escrow agent.

“Refunded Certificates” means, for purposes of this 2007 Lease Amendment only, the Certificates of Participation, Series 1998, maturing on and after December 1, 2009, and \$250,000 aggregate principal amount of the 1999 Certificates maturing on December 1, 2007, \$550,000 aggregate principal amount of the 1999 Certificates maturing on December 1, 2008, and the 1999 Certificates maturing on and after December 1, 2010, to be refunded, paid and discharged pursuant to the Refunding.

“2007 Certificates” means the Refunding Certificates of Participation, Series 2007, issued pursuant to the Indenture, which represent assignments of rights to receive Revenues pursuant to the Lease, proportionately and ratably secured with the 2001 Certificates, the 2005 Certificates and all other issues of Additional Certificates, if any, without preference priority or distinction of any Certificates or Additional Certificates over any other.

“2007 Lease Amendment” means the Fifth Amendment to Lease Purchase Agreement dated as of March 1, 2007, between the City and the Lessor.

“2007 Reimbursement Period” means, with respect to a particular 2007 Surety Bond Payment, the 12-month period commencing on the date of such payment.

“2007 Reimbursement Rate” means, as of the date of a particular 2007 Surety Bond Payment, a rate of interest which is three (3%) per annum above the rate of interest announced by Citibank, N.A., New York, New York, as its “prime rate.” The rate of interest shall be calculated on the basis of the actual number of days elapsed over a 360-day year.

“2007 Supplemental Indenture” means the Fourth Supplement to Mortgage and Indenture of Trust dated as of March 1, 2007, between the Lessor and the Trustee.



“2007 Surety Bond” means the surety bond issued by the 2007 Surety Provider and deposited into the Reserve Fund to guaranty certain payments from the Reserve Fund as provided therein.

“2007 Surety Bond Coverage” means the amount available at any particular time to be paid to the Trustee under the terms of the 2007 Surety Bond, which amount shall never exceed the 2007 Surety Bond Limit.

“2007 Surety Bond Limit” means, with respect to the 2007 Surety Bond, \$\_\_\_\_\_.

“2007 Surety Bond Payment” means an amount equal to the payment due on the Certificates on any interest payment date less the amount thereof paid from Base Rentals and other moneys available to the Trustee for such payment, all as certified in a Demand for Payment pursuant to the terms of the 2007 Surety Bond.

“2007 Surety Provider” means MBIA Insurance Corporation, a New York-domiciled stock insurance company, or any successor thereto.

“Unrefunded Certificates” means the 1998 Certificates and the 1999 Certificates that will remain outstanding after the Refunding.

Section 1.3. 2007 Lease Amendment. This 2007 Lease Amendment amends and supplements the Lease and is entered into in accordance with the provisions of the Lease and the Indenture.

Section 1.4. Applicability of Lease. Except as otherwise provided herein, the provisions of the Lease (which includes the 1999 Lease Amendment, the 2000 Lease Amendment, the 2001 Lease Amendment, the 2005 Lease Amendment, and this 2007 Lease Amendment) govern the Project (which includes the 1998 Project, the 1999 Project, the 2001 Leased Property Project, and the 2005 Project), the Leased Property (which includes the 1998 Leased Property, the 1999 Leased Property, the 2001 Leased Property, and the 2005 Leased Property) and the Certificates (which, after giving effect to the Refunding, includes the Unrefunded Certificates, the 2001 Certificates, the 2005 Certificates, the 2007 Certificates and the Additional Certificates, if any).

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants for the benefit of the Lessor, the Trustee and the Certificate Owners as follows:

- (a) Each of the City’s representations, covenants and warranties set forth in Section 2.1 of the Lease, as amended, remains true as of the date hereof.
- (b) The following representations by the City are made specifically with respect to this 2007 Lease Amendment:

(i) The City is authorized by its Charter to enter into the transactions contemplated by this 2007 Lease Amendment and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this 2007 Lease Amendment and other documents related to this transaction and the Refunding.

(ii) The execution and delivery hereof, the fulfillment of or compliance with the terms and conditions hereof, and the consummation of the transactions contemplated hereby does not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound, and does not constitute a default under any of the foregoing or result in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the City.

(iii) To the knowledge of the City, there is no litigation or proceeding pending or threatened against the City or any other Person affecting the right of the City to execute this 2007 Lease Amendment or the ability of the City to make the payments required under the Lease and/or to otherwise comply with the obligations contained in the Lease.

(iv) This 2007 Lease Amendment constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms.

Section 2.2. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants for the benefit of the City, the Trustee and the Certificate Owners as follows:

(a) Each of the Lessor's representations, covenants and warranties set forth in Section 2.2 and 5.1 of the Lease, as amended, remains true as of the date hereof.

(b) The following representations by the Lessor are made specifically with respect to this 2007 Lease Amendment:

(i) Lessor has duly authorized the execution and delivery of this 2007 Lease Amendment, the 2007 Supplemental Indenture and the Escrow Agreement.

(ii) Neither the execution and delivery of this 2007 Lease Amendment, the 2007 Supplemental Indenture or the Escrow Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, or 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 Lessor is now a party or by which the Lessor is bound, or constitutes a default under any of the foregoing and will not conflict with or constitute a violation of any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Lessor or its property and

which conflict or violation will have a material and adverse effect on the Lessor, the Project, the operation of the Project or the Refunding.

(iii) The Lessor acknowledges and recognizes that the Lease will be terminated in the event that funds are not specifically budgeted and appropriated by the City specifically with respect to the Lease to continue paying all Base Rentals and Additional Rentals during the ensuing Fiscal Year and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the City Council.

(iv) To the knowledge of the Lessor, there is no litigation or proceeding pending or threatened against the Lessor or any other Person affecting the right of the Lessor to execute this 2007 Lease Amendment, the 2007 Supplemental Indenture or the Escrow Agreement, or the ability of the Lessor to comply with the obligations contained herein or therein.

(v) This 2007 Lease Amendment constitutes a legal, valid and binding obligation of the Lessor, enforceable against the Lessor in accordance with its terms.

### ARTICLE III

#### AMENDMENTS TO LEASE

Section 3.1. Amendments to Definitions in Lease. The definitions of the following terms as set forth in Article I of the Lease are hereby amended to read as follows:

“Effective Interest Rate” shall be expanded by including: (iii) with respect to the 2007 Certificates, the lesser of the 2007 Reimbursement Rate or the maximum rate of interest permitted by then applicable law; provided, however, that the Effective Interest Rate with respect to the 2007 Certificates shall in no event be less than the interest rate on the 2007 Certificates.

“Surety Provider” means, after giving effect to the Refunding, with respect to the 1998 Certificates, the 1998 Surety Provider, with respect to the 1999 Certificates, the 1999 Surety Provider, with respect to the 2001 Certificates, the 2001 Surety Provider, with respect to the 2005 Certificates, the 2005 Surety Provider, with respect to the 2007 Certificates, the 2007 Surety Provider, and with respect to Additional Certificates, the entity or entities providing a Qualified Surety Bond or Bonds or its or their successors.

Section 3.2. Amendment to Lease Exhibit B. Exhibit B to the Lease, setting forth the Base Rentals Schedule, is hereby amended and replaced by Appendix A to this 2007 Lease Amendment, as further set forth in Section 4.1 hereof.

## ARTICLE IV

### PROVISIONS OF THIS 2007 LEASE AMENDMENT

Section 4.1. Recalculation of Base Rentals. Pursuant to Section 6.2 of the Lease and Section 2.11(a) of the Indenture, the Base Rentals set forth in Exhibit B to the Lease, as amended, are hereby recalculated to reflect the issuance of the 2007 Certificates and the Refunding of the Refunded Certificates. The Lessee hereby agrees to pay the recalculated Base Rentals directly to the Trustee for distribution to the Owners of the Certificates in accordance with the Indenture during the Lease Term, on the due dates set forth in Appendix A to this 2007 Lease Amendment, attached hereto and made a part hereof. Concurrently with the execution and delivery of this 2007 Lease Amendment, such Appendix A hereto shall replace Exhibit B to the Lease. All references to Exhibit B in the Lease refer to the revised schedule of Base Rentals and due dates set forth on Appendix A hereto.

Section 4.2. Title Insurance. Concurrently with the execution and delivery of this 2007 Lease Amendment, the Trustee shall be provided with one or more binders or commitments, or endorsements, for one or more standard mortgagee's title insurance policies issued to the Trustee, insuring the Corporation's fee simple interest in the Project, subject only to the Permitted Encumbrances, in the total aggregate amount not less than \$\_\_\_\_\_, or such lesser amount as shall be the maximum insurable value of the Project.

Section 4.3. Reimbursement for Payments under the 2007 Surety Bond and Expenses. If the Trustee draws under the 2007 Surety Bond as provided in Section 5.02 of the 2007 Supplemental Indenture, the City agrees, subject to the limitation of Sections 4.1, 4.2, 6.1, 6.2 and 6.6 of the Lease, to repay the 2007 Surety Provider, as follows:

(a) The City will reimburse the 2007 Surety Provider, within the 2007 Reimbursement Period, without demand or notice by the 2007 Surety Provider to the City or any other Person, to the extent of each 2007 Surety Bond Payment with interest from and including the date on which such 2007 Surety Bond Payment was made to the date of the reimbursement by the City at the Effective Interest Rate. The City agrees that it shall make monthly level principal repayments for each 2007 Surety Bond Payment during the 2007 Reimbursement Period. Interest on each 2007 Surety Bond Payment shall be paid monthly during the 2007 Reimbursement Period. To the extent that interest payments due hereunder are not paid on a monthly basis, or are not paid as each principal repayment is made, interest shall accrue on such unpaid amounts at a rate equal to the Effective Interest Rate.

(b) The City also agrees to reimburse the 2007 Surety Provider, immediately and unconditionally upon demand, for all reasonable expenses incurred by the 2007 Surety Provider in connection with the 2007 Surety Bond and the enforcement by the 2007 Surety Provider of the City's obligations under this Section, together with interest on all such expenses from and including the date which is 30 days after the date on which a statement for such expenses is received by the City to the date of reimbursement by the City at the rate set forth in subsection (a) of this Section.

(c) Each repayment of principal received by the 2007 Surety Provider from or on behalf of the City as a reimbursement to the 2007 Surety Provider as required by subsection (a) of this Section shall be applied to reinstate all or a portion of the 2007 Surety Bond Coverage to the extent of such repayment. Any interest payable pursuant to subsection (a) of this Section shall not be applied to the reinstatement of any portion of the 2007 Surety Bond Coverage.

(d) The obligations of the City under this Section 4.3 are absolute and unconditional and will be paid or performed strictly in accordance with this 2007 Lease Amendment, irrespective of:

(i) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Indenture, the Lease or the Certificates;

(ii) any exchange, release or nonperfection of any security interest in property securing the Certificates or the Lease or any obligations thereunder;

(iii) any circumstances which might otherwise constitute a defense available to, or discharge of, the City with respect to the Lease;

(iv) whether or not such obligations are contingent or matured, disputed or undisputed, liquidated or unliquidated.

(e) The 2007 Surety Provider shall have the exclusive right to decide and determine whether any claim, liability, suit or judgment made or brought against the 2007 Surety Provider, the City or any other party on the 2007 Surety Bond shall or shall not be paid, compromised, resisted, defended, tried or appealed, and the 2007 Surety Provider's decision thereon, if made in good faith, shall be final and binding upon the City. An itemized statement of payments made by the 2007 Surety Provider, certified by an officer of the 2007 Surety Provider, or the voucher or vouchers for such payments, shall be prima facie evidence of the liability of the City, and if the City fails to reimburse the 2007 Surety Provider, pursuant to subsection (b) of this Section, upon the receipt of such statement of payments, interest shall be computed on such amount from the date of any payment made by the 2007 Surety Provider at the rate set forth in subsection (a) of this Section.

(f) All computations of premium, interest and fees under this Section shall be made on the basis of the actual number of days elapsed over a year of 360 days.

(g) All payments made to the 2007 Surety Provider pursuant to this Section 4.3 shall be paid in lawful money of the United States and in immediately available funds at the 2007 Surety Provider's office at 113 King Street, Armonk, New York 10504, Attention: Accounting and Insured Portfolio Management Departments, or at such other place as shall be designated by the 2007 Surety Provider.

Section 4.4. Assignment by the Lessor. The Lessor's rights under the Lease, including this 2007 Lease Amendment, including rights to receive and enforce payments

thereunder and hereunder (except the Lessor's rights to payment or reimbursement of certain expenses, indemnification and attorneys' fees and expenses pursuant to Sections 6.2, 13.3 and 14.7 of the Lease) have been assigned to the Trustee pursuant to the Indenture.

Section 4.5. Undertaking to Provide Ongoing Disclosure. The City shall comply with the provisions of the Continuing Disclosure Agreement executed by the City and the Trustee in connection with the execution and delivery of this 2007 Lease Amendment and issuance by the Trustee of the 2007 Certificates. Any failure by the City to perform in accordance with this Section shall not constitute an "Event of Default" under the Lease, and the rights and remedies provided by the Lease upon the occurrence of an "Event of Default" shall not apply to any such failure. Neither the Lessor nor the Trustee shall have any power or duty to enforce this Section. Unless otherwise required by law, no registered owner of a 2007 Certificate shall be entitled to damages for the City's non-compliance with its obligations under this Section 4.5; however, the registered owners of the 2007 Certificates may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

## ARTICLE V

### MISCELLANEOUS

Section 5.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given as provided in Section 15.1 of the Lease with the added provision that the address for the 2007 Surety Provider shall be the same as that listed for the Series 1998 Surety Provider.

Section 5.2. Binding Effect. This 2007 Lease Amendment shall inure to the benefit of and shall be binding upon the Lessor and the City and their respective successors and assigns, subject, however, to the limitations contained in Article XIII of the Lease.

Section 5.3. Severability. In the event that any provision of the Lease, other than provisions concerning the requirement of the City to pay Base Rentals and the requirement of the Lessor to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the City under the conditions set forth in Article XII of the 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 5.4. Execution in Counterparts. This 2007 Lease Amendment may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 5.5. Applicable Law. This 2007 Lease Amendment shall be governed by and construed in accordance with the laws of the State.

Section 5.6. 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 2007 Lease Amendment.

IN WITNESS WHEREOF, the Lessor has caused this 2007 Lease Amendment to be executed in its corporate name and the seal of the Lessor to be affixed hereto and attested by its duly authorized officers; and the City has caused this 2007 Lease Amendment to be executed in its name and the seal of the City to be affixed hereto and attested by its duly authorized officers, all as of the date first above written.

[SEAL]

THE CITY OF WESTMINSTER BUILDING  
AUTHORITY, as Lessor

Attest:

\_\_\_\_\_  
Secretary-Treasurer

By \_\_\_\_\_  
President

[SEAL]

CITY OF WESTMINSTER, COLORADO,  
as Lessee

Attest:

\_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Mayor Pro-Tem

As evidenced by the signature below, MBIA Insurance Corporation, as the Certificate Insurer of the 1998 Certificates, the 1999 Certificates, the 2001 Certificates, and the 2005 Certificates hereby consents to this Fifth Amendment to Lease Purchase Agreement dated as of March 1, 2007.

MBIA INSURANCE CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF NEW YORK            )  
  ) ss.  
COUNTY OF WESTCHESTER    )

The foregoing signature was acknowledged before me this \_\_\_ day of March, 2007 by \_\_\_\_\_ as \_\_\_\_\_, of MBIA Insurance Corporation, a New York domiciled stock insurance company.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

[SEAL]

My commission expires: \_\_\_\_\_



STATE OF COLORADO )  
 ) ss.  
COUNTIES OF ADAMS AND JEFFERSON )

The foregoing instrument was acknowledged before me this \_\_\_ day of March, 2007 by Tim Kauffman and Tammy Hitchens, as President and Secretary-Treasurer, respectively, of The City of Westminster Building Authority, a Colorado nonprofit corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public for the State of Colorado

[SEAL]

My commission expires:

\_\_\_\_\_

STATE OF COLORADO )  
 ) ss.  
COUNTIES OF ADAMS AND JEFFERSON )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of March, 2007 by Tim Kauffman and by Linda Yaeger, as Mayor Pro-Tem and City Clerk, respectively, of the City of Westminster, Colorado, a Colorado municipal corporation.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public for the State of Colorado

[SEAL]

My commission expires:

\_\_\_\_\_

**APPENDIX A TO FIFTH AMENDMENT**

**EXHIBIT B TO LEASE<sup>1</sup>**

**SCHEDULE OF BASE RENTALS**

| <u>Date</u> | Base Rentals<br>Principal<br><u>Component</u> | Base Rentals<br>Interest<br><u>Component</u> | Total<br><u>Base Rentals</u> |
|-------------|---|--|------------------------------|
|-------------|---|--|------------------------------|

THE CITY OF WESTMINSTER BUILDING AUTHORITY,

AS LESSOR,

and

CITY OF WESTMINSTER, COLORADO,

AS LESSEE,

FIFTH AMENDMENT TO LEASE PURCHASE AGREEMENT

Dated as of March \_\_, 2007

The interest of The City of Westminster Building Authority in this Fifth Amendment to Lease Purchase Agreement has been assigned to U.S. Bank National Association, as trustee, under the Mortgage and Indenture of Trust, dated as of November 15, 1998, as amended by a First Supplement, a Second Supplement, a Third Supplement and a Fourth Supplement thereto, from The City of Westminster Building Authority to U.S. Bank National Association, as trustee, and is subject to the security interest of U.S. Bank National Association, as trustee.

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(This Table of Contents is not a part of this  
Fifth Amendment to Lease Purchase Agreement  
and is only for convenience of reference)

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§ \_\_\_\_\_  
**Refunding Certificates of Participation, Series 2007,  
Representing Assignments of the Right to Receive  
Certain Revenues Pursuant to a Lease Purchase  
Agreement dated as of November 15, 1998, as Amended,  
between the City of Westminster, Colorado and The City  
of Westminster Building Authority**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Westminster, Colorado (the “City”), in connection with its authorization, execution and delivery of a Fifth Amendment to Lease Purchase Agreement dated as of March \_\_, 2007, which amends the Lease Purchase Agreement dated as of November 15, 1998, as previously amended by the First Amendment to Lease Purchase Agreement dated as of August 15, 1999, the Second Amendment to Lease Purchase Agreement dated as of February 1, 2000, the Third Amendment to Lease Purchase Agreement dated as of May 1, 2001, and the Fourth Amendment to Lease Purchase Agreement dated as of May 1, 2005 (as amended, the “Lease”), by and between The City of Westminster Building Authority, as lessor (the “Lessor”), and the City, and the issuance of the above-captioned Certificates of Participation (the “Series 2007 Certificates”). The Series 2007 Certificates are being issued pursuant to a Mortgage and Indenture of Trust dated as of November 15, 1998, as supplemented by the First Supplement dated as of August 15, 1999, the Second Supplement dated as of May 1, 2001, the Third Supplement dated as of May 1, 2005 and the Fourth Supplement dated as of March \_\_, 2007 (collectively, the “Indenture”) between the Lessor and U.S. Bank National Association, as trustee (the “Trustee”). The City covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Series 2007 Certificates and the Certificate Insurer and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

**SECTION 2. Definitions.** In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Certificate Insurer” shall mean MBIA Insurance Corporation, a New York-domiciled stock insurance company.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repositories” shall mean all of the Nationally Recognized Municipal Securities Information Repositories for purposes of the Rule, as recognized from time to time by the SEC and as currently listed on the Internet at the website [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm).

“Participating Underwriter” shall mean the original underwriter of the Series 2007 Certificates required to comply with the Rule in connection with an offering of the Series 2007 Certificates.

“Repositories” shall mean the National Repositories and any State Repository.

“Repository Agent” shall mean any filing system approved by the SEC for transmission of filings under the Rule for submission to the Repositories, including without limitation the central post office known as DisclosureUSA, currently managed by the Municipal Advisory Council of Texas and located on the Internet at the website [www.DisclosureUSA.org](http://www.DisclosureUSA.org).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of Colorado as a state information depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

### SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s Fiscal Year of each year, commencing nine (9) months following the end of the City’s Fiscal Year ending December 31, 2006, provide to the Certificate Insurer and either (i) the Repositories or (ii) a Repository Agent, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) If the City is unable to provide to the Repositories or the Repository Agent an Annual Report by the date required in subsection (a) of this Section, the City shall send or cause to be sent a notice in substantially the form attached as Exhibit “A” to the Certificate Insurer and any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of the Repositories and any Repository Agent;

(2) if the Dissemination Agent is other than the City, send written notice to the City at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Series 2007 Certificates.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the Repositories or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The City shall provide or cause to be provided, in a timely manner, notice of any of the following events with respect to the Series 2007 Certificates to the Certificate Insurer, if such event is material to the Certificate Insurer, and to any of the following: (i) the MSRB and the State Repository, if any; or (ii) the National Repositories and the State Repository, if any; or (iii) a Repository Agent:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;



- (f) Adverse tax opinions or events affecting the tax-exempt status of the Series 2007 Certificates;
- (g) Modifications to rights of Series 2007 Certificate holders;
- (h) Series 2007 Certificate calls;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Series 2007 Certificates; or
- (k) Rating changes.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2007 Certificates; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2007 Certificates.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision hereof, without the consent of the holders and beneficial owners of the Series 2007 Certificates, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the Certificate Insurer and either the Repositories or Repository Agent.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Series 2007 Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed a Lease Event of Default, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Certificate Insurer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2007 Certificates, and shall create no rights in any other person or entity.

DATED: \_\_\_\_\_, 2007

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_  
Title:

EXHIBIT "A"

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name: City of Westminster, Colorado (the "City").

Name of Issue: Refunding Certificates of Participation, Series 2007, Representing Assignments of the Right to Receive Certain Revenues Pursuant to a Lease Purchase Agreement dated as of November 15, 1998, as Amended, between the City of Westminster, Colorado and The City of Westminster Building Authority, in the aggregate principal amount of \$\_\_\_\_\_ (the "Series 2007 Certificates").

Date of Issuance: \_\_\_\_\_, 2007.

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Series 2007 Certificates as required by the Lease Purchase Agreement, dated as of November 15, 1998, as amended, and the Continuing Disclosure Certificate executed on \_\_\_\_\_, 2007 by the City. The City anticipates that the Annual Report will be filed by \_\_\_\_\_, 20\_\_.

Dated: \_\_\_\_\_, 20\_\_

CITY OF WESTMINSTER, COLORADO

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED



Blanket Issuer Letter of Representations  
[To be Completed by Issuer]

CITY OF WESTMINSTER, COLORADO  
[Name of Issuer]

March 30, 1998  
[Date]

Attention: Underwriting Department — Eligibility  
**The Depository Trust Company**  
55 Water Street; 50th Floor  
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

CITY OF WESTMINSTER, COLORADO  
(Issuer)

By: *M. A. Parrot*  
(Authorized Officer's Signature)

MARY ANN PARROT, FINANCE DIRECTOR  
(Typewrite Name & Title)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY  
*Poly Bond*  
By: \_\_\_\_\_

4800 W. 92nd Ave.  
(Street Address)

Westminster, CO 80030  
(City) (State) (Zip)

(303) 430-2400  
(Phone Number)

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

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

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

NEW ISSUE  
BOOK-ENTRY-ONLY

RATINGS: Fitch “\_\_”  
Standard & Poor’s “\_\_”

INSURANCE: \_\_\_\_\_

UNDERLYING RATING: Fitch “\_\_”  
Standard & Poor’s “\_\_”

(See “MISCELLANEOUS—Ratings”)

*In the opinion of Sherman & Howard L.L.C., Special Counsel, assuming continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease as interest and paid by the Trustee as interest on the 2007 Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2007 Certificates (the “Tax Code”), is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the 2007 Certificates. See “TAX MATTERS.”*

**\$31,980,000\***

**REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2007**  
**Representing an Assignment of the Right to Receive Certain Revenues**  
**Pursuant to a Lease Purchase Agreement, dated as of November 15, 1998, as amended**  
**between THE CITY OF WESTMINSTER, COLORADO**  
**and THE CITY OF WESTMINSTER BUILDING AUTHORITY**

**Dated: Date of delivery**

**Due: December 1 as shown on the inside cover**

The Refunding Certificates of Participation, Series 2007, together with outstanding certificates issued in 2005, 2001, 1999 and 1998, represent an assignment of interests in the right to receive certain revenues under an annually terminable Lease Purchase Agreement dated as of November 15, 1998, as amended, between The City of Westminster Building Authority and the City of Westminster. Capitalized terms used on this cover page are defined in the Introduction to this Official Statement and in Appendix A.

The 2007 Certificates will be executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 15, 1998, as amended, between U.S. Bank National Association, which is acting as trustee, and the Authority. The 2007 Certificates will be delivered in book-entry-only form and The Depository Trust Company will act as securities depository for the 2007 Certificates.

The maturity schedule for the 2007 Certificates is set forth on the inside of this front cover. Interest on the 2007 Certificates, at the rates set forth on the inside front cover, is payable semiannually on June 1 and December 1 each year, commencing on June 1, 2007.

Payment of the principal of and interest on the 2007 Certificates when due will be insured by a Financial Guaranty Insurance Policy to be issued by MBIA Insurance Corporation simultaneously with the delivery of the 2007 Certificates.

[Insurer LOGO]

The 2007 Certificates are being issued for the purpose of: (i) refunding a portion of the Certificates of Participation, Series 1998 and the Certificates of Participation, Series 1999 and (ii) paying the costs of issuance on the 2007 Certificates. Pursuant to the Indenture, the Authority has granted a mortgage on a collateral pool to secure payment of the 1998 Certificates, the 1999 Certificates, the 2001 Certificates, the 2005 Certificates and the 2007 Certificates upon their delivery. The Indenture, pursuant to specific terms and conditions, permits the issuance of additional certificates and, as additional certificates are issued through the amendment of the Lease and the Indenture, the addition of real and personal property to become part of the Leased Property securing payment of all outstanding Certificates.

The 2007 Certificates are subject to redemption prior to maturity as described herein.

All payment obligations of the City under the Lease are from year to year and the City has no obligation to make any payments under the Lease beyond those budgeted and appropriated for the City’s then current fiscal year. The Lease can be terminated by the City, at its option, on an annual basis. In the event the City terminates the Lease, all payments from the City under the Lease which are otherwise used for payment of the Certificates will terminate, and the Certificates and the interest thereon will be payable solely from the 2007 Policy, the 2007 Surety Bond for the 2007 Certificates, and such moneys, if any, as may be held by the Trustee under the Indenture, including any moneys made available from foreclosure through the courts on and sale, other liquidation or disposition of, the Leased Property. The Authority has no obligation to make any payment of any of the 2007 Certificates or the interest thereon. Neither the Lease nor the 2007 Certificates constitute a general obligation or other indebtedness of the City and no voter approval was required with respect to the execution of the Lease by the City.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision and shall consider carefully the information contained in the Section entitled “RISK FACTORS.”

The 2007 Certificates are offered when, as, and if issued, and accepted by the Underwriter named below, subject to the approval of legality and certain other matters by Sherman & Howard L.L.C., Denver, Colorado, as Special Counsel. Certain matters will be passed upon by Kutak Rock LLP, Denver, Colorado, as Special Disclosure Counsel to the City for purposes of assisting the City with the preparation of this Official Statement. James Capital Advisors, Inc., Denver, Colorado, is acting as financial advisor to the City with respect to this financing. It is expected that the 2007 Certificates will be available for delivery through the facilities of DTC, on or about \_\_\_\_\_, 2007.

**Stifel Nicolaus**

**This Official Statement is dated \_\_\_\_\_, 2007.**



**\$31,980,000\***

**Representing an Assignment of the Right to Receive Certain Revenues  
Pursuant to a Lease Purchase Agreement dated as of November 15, 1998, as amended  
between THE CITY OF WESTMINSTER, COLORADO  
and THE CITY OF WESTMINSTER BUILDING AUTHORITY**

**MATURITY SCHEDULE  
CUSIP<sup>1</sup> 96065P**

| <b>Maturity<br/>(December 1)</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Yield</b> | <b>CUSIP<sup>1</sup></b> |
|----------------------------------|-----------------------------|--------------------------|--------------|--------------------------|
| 2009                             | \$ 510,000                  |                          |              |                          |
| 2010                             | 1,950,000                   |                          |              |                          |
| 2011                             | 2,015,000                   |                          |              |                          |
| 2012                             | 2,105,000                   |                          |              |                          |
| 2013                             | 2,180,000                   |                          |              |                          |
| 2014                             | 2,270,000                   |                          |              |                          |
| 2015                             | 2,360,000                   |                          |              |                          |
| 2016                             | 2,455,000                   |                          |              |                          |
| 2017                             | 2,555,000                   |                          |              |                          |
| 2018                             | 2,655,000                   |                          |              |                          |
| 2019                             | 2,775,000                   |                          |              |                          |
| 2020                             | 1,205,000                   |                          |              |                          |
| 2021                             | 1,270,000                   |                          |              |                          |
| 2022                             | 1,325,000                   |                          |              |                          |
| 2023                             | 1,380,000                   |                          |              |                          |
| 2024                             | 1,450,000                   |                          |              |                          |
| 2025                             | 1,520,000                   |                          |              |                          |

<sup>1</sup> Neither the Authority nor the City takes responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the 2007 Certificates.

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**The City of Westminster Building Authority  
Board of Directors**

Tim Kauffman  
Don Rhoda  
Steven Wagner  
Patricia Snyder  
Tammy A. Hitchens, CPA

**City of Westminster  
City Council**

Nancy McNally, Mayor  
Tim Kauffman, Mayor Pro Tem  
Chris Dittman  
Mark L. Kaiser  
Mary Lindsey  
Scott Major  
Jo Ann Price

**City Officials**

J. Brent McFall, City Manager  
Stephen P. Smithers, Assistant City Manager  
Tammy A. Hitchens, CPA, Finance Director  
Robert C. Smith, Treasury Manager  
Martin R. McCullough, Esq., City Attorney  
Linda Yeager, City Clerk

**Trustee**

U.S. Bank National Association  
Denver, Colorado

**Underwriter**

Stifel, Nicolaus & Company, Incorporated,  
Denver, Colorado

**Financial Advisor**

James Capital Advisors, Inc.  
Denver, Colorado

**Special Counsel**

Sherman & Howard L.L.C.  
Denver, Colorado

**Special Disclosure Counsel**

Kutak Rock LLP  
Denver, Colorado

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the 2007 Certificates, and, if given or made, such information or representation must not be relied upon as having been authorized by the City or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City or the Underwriter since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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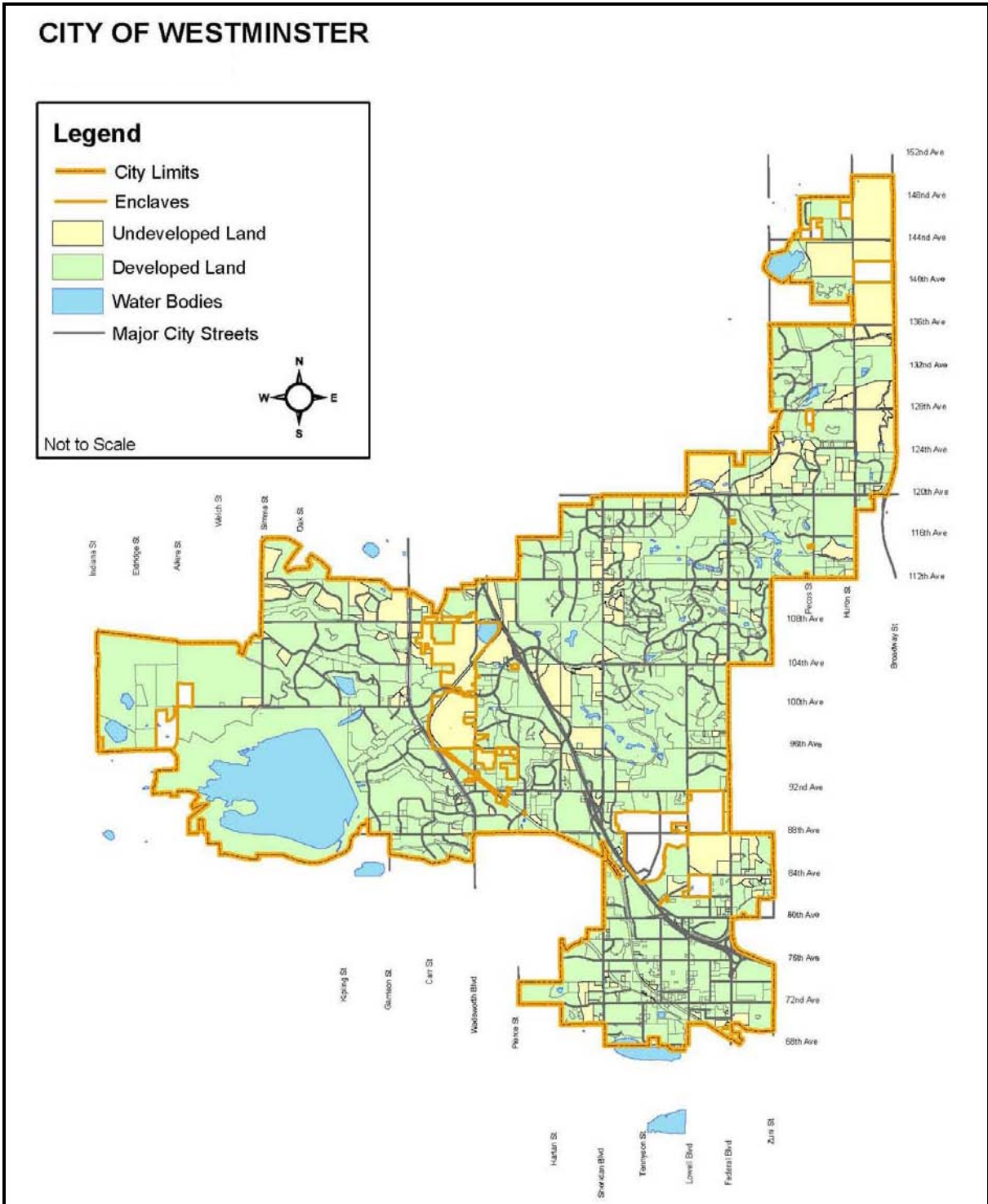
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|--|--|

Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Certificates or this Official Statement. Any representation to the contrary is unlawful.

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# CITY MAP



## INTRODUCTION

This Official Statement is furnished to prospective purchasers of \$31,980,000\* Refunding Certificates of Participation, Series 2007, dated as the date of their date of delivery (the “2007 Certificates”), evidencing assignments of the right to receive certain revenues under an annually terminable Lease Purchase Agreement dated as of November 15, 1998, as amended most recently pursuant to a Fifth Amendment to Lease Purchase Agreement dated as of March \_\_, 2007, by and between the City of Westminster, Colorado (the “City”), as lessee, and The City of Westminster Building Authority, a Colorado nonprofit corporation (the “Authority”), as lessor. The offering of the 2007 Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2007 Certificates. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Certain of the capitalized terms used herein are defined in Appendix A hereto.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

- Leased Property .....** The Leased Property includes real property and equipment located within the City and generally consists of a Public Safety Building (including an approximately 7.6 acre site) and related equipment, the Westminster City Hall (including an approximately 17.8 acre site), six fire stations, a fire department training facility, two municipal sports centers, a municipal swim and fitness center, a Municipal Court facility, two City libraries and approximately 138 acres comprising 10 public parks (collectively, the “Leased Property”). See “THE LEASED PROPERTY.”
- Lessee .....** The Leased Property is leased on an annual basis by the City from the Authority pursuant to the Lease. The City is a home rule city located in the northwestern portion of the Denver metropolitan area, in Adams and Jefferson Counties. The City encompasses approximately 33 square miles and, according to the Colorado Department of Regulatory Agencies, has a current estimated population of 107,363. See “CITY INFORMATION AND FINANCIAL DATA.”
- Security .....** The portion of the Series 1998 Certificates delivered on December 3, 1998 and outstanding after the issuance of the 2007 Certificates (the “Outstanding 1998 Certificates”), the portion of the Series 1999 Certificates delivered on September 15, 1999 and outstanding after the issuance of the 2007 Certificates (the “Outstanding 1999 Certificates”), the Series 2001 Certificates delivered on May 29, 2001 (the “2001 Certificates”) and the Series 2005 Certificates delivered in May 12, 2005 (the “2005 Certificates”), which together with the 2007 Certificates upon their issuance, will be outstanding in the aggregate principal amount of \$69,155,000\*, evidence assignments of the right to receive Revenues under the Lease. The Revenues generally consist of rental payments which are subject to annual appropriation by the City, interest earnings on moneys in certain funds and accounts established pursuant to the

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\* Preliminary; subject to change.

Indenture, net proceeds of insurance policies or condemnation awards relating to the Leased Property, and the net proceeds from the subleasing or a liquidation of the Trustee's interest in the Leased Property.

Neither the Certificates nor the Lease constitute a mandatory payment obligation in any fiscal year beyond a fiscal year for which the City has appropriated amounts to make payments under the Lease. The City may terminate its obligations under the Lease on an annual basis. The exercise by the City of its option to terminate its obligations under the Lease (which exercise is defined as an "Event of Nonappropriation") is determined by the failure of the City Council to specifically appropriate moneys sufficient to pay all Base Rentals and reasonably estimated Additional Rentals as provided in the Lease. As more fully set forth under the caption "DEFINITIONS" in Appendix A, the term "Base Rentals" generally means the amount payable by the City under the Lease during the Lease Term for the right to use the Leased Property (the schedule of payments of Base Rentals is designed to produce moneys sufficient to pay the Certificates), and the term "Additional Rentals" generally means the cost of maintenance and repair, insurance and utility charges with respect to the Leased Property, the reasonable fees and expenses of the Trustee, and certain other costs and charges payable by the City under the Lease.

The 2007 Certificates are also secured by the Reserve Fund, which is a common reserve under the Indenture. See "THE 2007 CERTIFICATES—Security for the 2007 Certificates."

The City will have the option to purchase the Leased Property by paying an amount sufficient to effect a defeasance of the Certificates then Outstanding. Additionally, certain of the Leased Property may be released from the Trust Estate prior to the final payment of the 2007 Certificates. See the caption "THE LEASE" in Appendix A.

The Authority does not have any obligation to, and will not, make any payment on the Certificates or pursuant to the Lease. The Lease requires the City to pay all expenses, taxes, fees and costs associated with the Leased Property. There is no act or performance required by the Authority, the failure of which will excuse the City from its obligations under the Lease, including, but not limited to, the City's obligations to pay the Base Rentals.

**Certificate Insurance .....** Payment of the principal of and interest on the 2007 Certificates when due will be insured by a financial guaranty insurance policy (the "2007 Policy") to be issued by MBIA Insurance Corporation (the "2007 Insurer") simultaneously with the issuance of the 2007 Certificates. A specimen of the 2007 Policy is attached as an appendix to this Official Statement. See "THE 2007 CERTIFICATES—Security for the 2007 Certificates." Payment of the principal of and interest on the Outstanding 1998 Certificates, the Outstanding 1999 Certificates, the 2001 Certificates and the 2005 Certificates are also secured by financial guaranty insurance policies issued by MBIA Insurance Corporation.

The Reserve Fund securing the 2007 Certificates will be funded with a surety bond issued by the 2007 Insurer. A specimen of the Qualified Surety Bond for the 2007 Certificates is attached as an appendix to this Official Statement. See “CERTIFICATE INSURANCE.” MBIA Insurance Corporation also issued Qualified Surety Bonds for the Outstanding 1998 Certificates, the Outstanding 1999 Certificates, the 2001 Certificates and the 2005 Certificates.

**Use of**

**Certificate Proceeds**..... The 2007 Certificates are being issued for the purpose of: (i) refunding a portion of the Certificates of Participation, Series 1998 (the “1998 Certificates”) and a portion of the Certificates of Participation, Series 1999 (the “1999 Certificates”) and (ii) paying the costs of issuance on the 2007 Certificates. See “THE 2007 CERTIFICATES—Application of Certificate Proceeds.”

**Payment Provisions**..... The 2007 Certificates mature and bear interest at the rates (computed on the basis of a 360-day year of twelve 30-day months) as set forth on the inside cover page hereof. Interest on the 2007 Certificates is payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2007. Payments to Beneficial Owners will be made as described in “APPENDIX G—Book-Entry Only System.”

**Book-Entry-**

**Only Registration**..... The 2007 Certificates will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the 2007 Certificates may be acquired in principal denominations of \$5,000 or integral multiples thereof through brokers and dealers who are, or who act through, participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded on the records of the Participants. Persons for which Participants acquire interests in the 2007 Certificates (the “Beneficial Owners”) will not receive certificates evidencing their interests in the 2007 Certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2007 Certificates. See “APPENDIX G—Book-Entry Only System.” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters. Except as otherwise provided in this Official Statement, the term “Owner” shall refer to the registered owner of any Certificate, as shown by the registration books maintained by the Certificate Registrar.

**Prior Redemption**..... The 2007 Certificates are subject to optional redemption and extraordinary redemption prior to maturity. The terms and provisions regarding such prior redemption are set forth in “THE 2007 CERTIFICATES—Redemption Provisions.”

**Registration and**

**Denominations**..... The 2007 Certificates will be issued in denominations of \$5,000 or any integral multiple thereof.



**Tax Status** ..... In the opinion of Special Counsel, assuming continuous compliance with certain covenants described herein, the portion of the Base Rentals paid which is designated in the Lease and paid by the Trustee as interest on the 2007 Certificates: is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2007 Certificates (the “Tax Code”), is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and is excluded from Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date of delivery of the 2007 Certificates as described herein. See “TAX MATTERS” herein.

Special Counsel has disclaimed any opinion regarding the tax status of the 2007 Certificates subsequent to the termination of the Lease. See “RISK FACTORS—Effect of an Event of Nonappropriation or an Event of Default on the Certificates.”

**Undertaking to  
Provide Ongoing  
Disclosure**.....

Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the City has agreed for the benefit of the holders of the 2007 Certificates to provide certain financial information, other operating data and notices of material events after the 2007 Certificates are issued (the “Continuing Disclosure Undertaking”). The form of the City’s Continuing Disclosure Undertaking is attached as an appendix to this Official Statement. The City has not failed to comply with any prior undertaking under the Rule. A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute an event of default under the Indenture. Nevertheless, if such a failure occurs it must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the 2007 Certificates in the secondary market.

**Authority for Issuance** .....

The Lease has been authorized, executed, and delivered in full conformity with the Westminster City Charter, and the constitution and laws of the State of Colorado, specifically Article 57 of Title 11, C.R.S. (the “Supplemental Act”). The 2007 Certificates are executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of November 15, 1998, as amended most recently pursuant to a Fourth Supplement to Mortgage and Indenture of Trust dated March \_\_, 2007, between U.S. Bank National Association, which is acting as trustee, and the Authority (the “Indenture”).

**Delivery Information** .....

The 2007 Certificates are offered when, as, and if executed and delivered, and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Special Counsel. It is expected that the 2007

Certificates will be available for delivery on or about \_\_\_\_\_, 2007, against payment therefor.

**Exchange and Transfer .....** While the 2007 Certificates remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption “APPENDIX G—Book-Entry-Only System.” In the event that DTC ceases to act as securities depository for the 2007 Certificates, the Indenture provides for the transfer of 2007 Certificates by the Registrar pursuant to specified terms and provisions.

**Financial Statements.....** Appended hereto are the audited general purpose financial statements of the City as of and for the year ended December 31, 2005, being the most recent audited financial statements available.

ALL OF THE SUMMARIES OF THE CITY CHARTER, STATUTES, ORDINANCES, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 West 92<sup>nd</sup> Avenue, Westminster, Colorado 80031, Telephone: (303) 430-2400 extension 2043; or Stifel, Nicolaus & Company, Incorporated, Suite 1600, 1125 Seventeenth Street, Denver, Colorado 80202, Telephone: (303) 296-2300.

## THE 2007 CERTIFICATES

### Redemption Provisions

**Redemption of 2007 Certificates.** Pursuant to the provisions of the Indenture, the 2007 Certificates are subject to redemption as follows:

**Optional Redemption.** The 2007 Certificates maturing on and after December 1, 20\_\_ may be called for redemption on December 1, 20\_\_, or any date thereafter at the option of the City, but only if all amounts owing to the 2007 Surety Provider in connection with the 2007 Surety Bond in the Reserve Fund have been fully paid, in whole or in part in Authorized Denominations in such order of maturity as directed by the City, and by lot within a maturity in such manner as the Trustee shall determine (giving proportionate weight to 2007 Certificates in Authorized Denominations larger than \$5,000), for a redemption price equal to 100% of the principal amount so redeemed plus accrued interest to the redemption date. Any amounts owing to the Surety Provider of any Qualified Surety Bond pursuant to the Lease must be paid in full prior to any optional redemption of the 2007 Certificates.

**Extraordinary Redemption.** The 2007 Certificates may be called for mandatory redemption in the event that the Lease Term is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Default under the Lease. If called for redemption pursuant to this paragraph, the Certificates shall be redeemed in whole on such date or dates as the Trustee may determine to be in the best interests of the Certificate Owners for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date (subject to the availability of funds therefor as provided in the Indenture). If the Certificates are to be redeemed for an amount less than 100% of the aggregate principal amount thereof Outstanding plus accrued interest to the redemption date, such payment shall be deemed to constitute a redemption in full of the Certificates, and upon such payment no Certificate Owner shall have any further claim for payment against the City, the Authority or the Trustee.

See “RISK FACTORS—Results of a Termination of the Lease Term.” Notwithstanding the mandatory redemption provisions of this paragraph, so long as the 2007 Insurer is not in default with respect to its payment obligation under the 2007 Policy, unless the 2007 Insurer consents to such mandatory redemption, the Trustee shall not apply any Net Proceeds or other moneys available for redemption of the Certificates to the redemption of any Certificates prior to their maturity, and in the absence of such consent the Trustee shall apply such moneys (net of fees and expenses of the Trustee) to the payment of principal of and interest on the Certificates on the normal maturity and interest payment dates.

**Notice of Redemption.** Notice of the call for any redemption, identifying the 2007 Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration records; provided however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of 2007 Certificates as to which no such failure has occurred. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

### **Application of Certificate Proceeds**

**The Refunding Plan.** The net proceeds from the sale of the 2007 Certificates will be used to advance refund a portion of the Certificates of Participation, Series 1998 and a portion of the Certificates of Participation, Series 1999.

The Certificates of Participation, Series 1998 to be advance refunded are comprised of those certificates maturing on and after December 1, 2009, which include Current Interest Certificates in the outstanding principal amount of \$10,335,000 which bear interest at rates which range from 4.35% to 5.00% per annum and Capital Appreciation Certificates having an original principal amount of \$4,472,832.10 and an accreted value as of December 1, 2006, of \$6,766,133.95 which were sold at yields to maturity which range from 5.05% to 5.40% per annum (collectively, the “1998 Refunded Certificates”). The Certificates of Participation, Series 1998 maturing in the years 2007 and 2008, which certificates are collectively outstanding in the aggregate principal amount of \$2,045,000, are not part of the refunding.

The Certificates of Participation, Series 1999 to be advance refunded are comprised of a portion of those certificates maturing in 2007 and 2008, and those certificates maturing on and after September 1, 2010, which certificates are currently outstanding in the aggregate principal amount of \$13,650,000 and bear interest at rates which range from 4.85% to 5.625% per annum (collectively, the “1999 Refunded Certificates”). The Certificates of Participation, Series 1999 comprised of \$620,000 in principal amount of certificates maturing in the year 2007, \$360,000 in principal amount of certificates maturing in the year 2008 and all \$950,000 in principal amount of the certificates maturing in the year 2009, which certificates are collectively outstanding in the aggregate principal amount of \$1,930,000, are not part of the refunding.

The 1998 Refunded Certificates which do not otherwise mature are subject to prior redemption on December 1, 2008 at a price of par and accrued interest to the redemption date, plus, with respect to the Capital Appreciation Certificates, a redemption premium of 2% of the Appreciated Principal Amount to the redemption date. The 1999 Refunded Certificates which do not otherwise mature are subject to prior redemption on September 1, 2009, at a price of par and accrued interest to the redemption date, plus a redemption premium of 1% of the principal amount so redeemed.

Upon issuance of the Bonds, the proceeds of the Bonds, together with legally available moneys of the City, will be deposited into the Escrow Account (the “Escrow Account”) created pursuant to the Indenture and an Escrow Agreement (the “Escrow Agreement”) between the City and U.S. Bank National Association, as Escrow Agent. The moneys in the Escrow Account will be used by the Escrow Agent to acquire direct, noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (“U.S. Government Obligations”), the maturing principal of and interest on which when due, together with cash held in the Escrow Account, will be sufficient to pay the interest on the 1998 Refunded Certificates and the 1999 Refunded Certificates as the same become due and to redeem the 1998 Refunded Certificates and the 1999 Refunded Certificates on their respective optional redemption dates at their respective redemption prices, on which dates the respective Refunded Certificates have been called by the City for prior redemption.

A certified public accountant will deliver a report verifying (a) the adequacy of the maturing principal of and interest on the U.S. Government Obligations when due and the cash on deposit in the Escrow Account will be sufficient to pay the interest on the 1998 Refunded Certificates and the 1999 Refunded Certificates as the same become due and to redeem the 1998 Refunded Certificates and the 1999 Refunded Certificates on their respective optional redemption dates and (b) certain computations supporting the conclusion of Bond Counsel that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

***Application of Certificate Proceeds.*** The estimated source and uses of the proceeds of the 2007 Certificates is as follows:

**SOURCES**

|  |  |
|--|--|
| Certificate Proceeds .....                   |  |
| Net of original issue premium/discount ..... |  |
| Total  |  |

**USES**

|  |  |
|--|--|
| Deposit to Escrow Account .....  |  |
| Certificate issuance costs, including, without limitation,<br>title insurance, municipal bond insurance, reserve fund surety bond,<br>and underwriting discount <sup>1</sup> ..... |  |
| Total .....  |  |

<sup>1</sup> See “Miscellaneous—Underwriting.”

**Security for the 2007 Certificates**

***Generally.*** Each Certificate evidences an assignment of right to receive Base Rentals paid by the City under the Lease and certain other moneys received pursuant to the Lease. The Authority will assign its rights to receive Base Rentals and other moneys under the Lease to the Trustee for the benefit of the Certificate Owners. As more fully described under the caption “RISK FACTORS” herein, the Lease is subject to termination on an annual basis at the option of the City. The Lease Term and the schedule of payments of Base Rentals is designed to produce moneys sufficient to pay the Certificates and interest thereon when due if the City does not terminate the Lease.

The Authority has mortgaged its interest in the Leased Property to the Trustee under the Indenture for the benefit of the owners of the Certificates. Upon a termination of the Lease Term by

reason of an Event of Nonappropriation or an Event of Default, the City is required to vacate the Leased Property by the first day of the second month following the end of any Fiscal Year during which an Event of Nonappropriation occurs (unless otherwise waived by the Trustee as provided in the Indenture). The Trustee, upon an Event of Nonappropriation, is entitled to all moneys on hand and being held in all funds created under the Indenture, excluding the Rebate Fund and the Escrow Account. The Lease is also subject to termination at the option of the City upon the occurrence of events involving damage, destruction or condemnation of the Leased Property. See Appendix A hereto for a description of the provisions relating to “Damage, Destruction and Condemnation.” The Leased Property is insured as described under “THE LEASE—Insurance to be Maintained for the Leased Property” in Appendix A hereto.

NEITHER THE LEASE NOR THE CERTIFICATES CONSTITUTE A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION AND SHALL NOT CONSTITUTE A MULTIPLE FISCAL YEAR DIRECT OR INDIRECT CITY DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER. THE LEASE, THE INDENTURE AND THE CERTIFICATES DO NOT DIRECTLY OR INDIRECTLY OBLIGATE THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE BUDGETED AND APPROPRIATED FOR THE CITY’S THEN CURRENT FISCAL YEAR. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE 2007 CERTIFICATES, CERTAIN INVESTMENT INCOME, NET PROCEEDS OF CERTAIN INSURANCE POLICIES AND CONDEMNATION AWARDS, OR NET PROCEEDS OF FORECLOSURE THROUGH THE COURTS ON AND SALE, OTHER LIQUIDATION OR DISPOSITION OF, THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, INCLUDING AMOUNTS PAID UNDER THE 2007 POLICY AND THE 2007 SURETY BOND FOR THE 2007 CERTIFICATES, THE CERTIFICATES WILL BE PAYABLE SOLELY FROM BASE RENTALS AND THE PURCHASE OPTION PRICE, IF ANY, TO BE PAID BY THE CITY UNDER THE LEASE. ALL PAYMENT OBLIGATIONS OF THE CITY UNDER THE LEASE, INCLUDING, WITHOUT LIMITATION, THE CITY’S OBLIGATION TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY CHARGE OR REQUIREMENT IN ANY ENSUING FISCAL YEAR BEYOND THE THEN CURRENT FISCAL YEAR. THE LEASE IS SUBJECT TO ANNUAL TERMINATION AT THE OPTION OF THE CITY AND WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE, AND THE 2007 CERTIFICATES AND THE INTEREST THEREON WILL BE PAYABLE FROM THE 2007 POLICY AND SUCH MONEYS, IF ANY, AS MAY BE HELD BY THE TRUSTEE UNDER THE INDENTURE, INCLUDING ANY MONEYS MADE AVAILABLE FROM FORECLOSURE THROUGH THE COURTS ON AND SALE, OTHER LIQUIDATION OR DISPOSITION OF, THE LEASED PROPERTY. THE AUTHORITY HAS NO OBLIGATION TO MAKE, AND SHALL NOT MAKE, ANY PAYMENT OF ANY OF THE CERTIFICATES OR THE INTEREST THEREON. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT BY THE CITY, THE LESSOR OR THE TRUSTEE OF THE CERTIFICATES OR THE INTEREST THEREON.

***Funds Established Pursuant to the Indenture.*** The Indenture provides for the establishment of various funds, all of which will be in the custody of the Trustee, which funds include the Construction Fund, the Certificate Fund, the Reserve Fund, the Extraordinary Revenue Fund, the Repair and Replacement Fund, and the Rebate Fund, certain of which are discussed below. See “THE INDENTURE—Funds and Accounts” in Appendix A hereto for a description of the Funds established pursuant to the Indenture.

***Certificate Fund.*** The Certificate Fund will be used to pay the principal of, premium, if any, and interest on the Certificates. Within the Certificate Fund are established the Principal Account and the Interest Account, into which will be deposited, among other things, Base Rentals paid by the City and designated as principal and interest, respectively. To the extent that Base Rentals paid by the City on any Base Rental Payment Date are not sufficient to pay the principal of and interest on the Certificates on the ensuing interest payment date, the Trustee is required to satisfy any deficiency from the Reserve Fund.

***The Reserve Fund.*** The Reserve Fund represents a common reserve under the Indenture. The Reserve Fund, prior to the issuance of the 2007 Certificates, has been funded through the purchase of Qualified Surety Bonds issued by MBIA Insurance Corporation for the 1998 Certificates, the 1999 Certificates, the 2001 Certificates and the 2005 Certificates. Upon the issuance of the 2007 Certificates, the Reserve Fund will be additionally funded through the purchase of a Qualified Surety Bond issued by the 2007 Insurer, as described hereafter. Qualified Surety Bonds for the 1998 Certificates, the 1999 Certificates, the 2001 Certificates and the 2005 Certificates are outstanding in the aggregate face amount of \$\_\_\_\_\_, and the Qualified Surety Bond for the 2007 Certificates is to be issued in the face amount of \$\_\_\_\_\_. Moneys in the Reserve Fund will be applied to any of the following purposes: (a) to the payment of the principal of and interest on the Certificates as the same become due to the extent of any deficiency in either the Interest Account or the Principal Account of the Certificate Fund; (b) at the option of the Trustee, to the payment of any Additional Rentals in the event the City fails to make payment thereof; (c) at the option of the Trustee, subsequent to the occurrence of an Event of Nonappropriation or an Event of Default, to the payment of any cost or expense necessary to preserve or protect the Leased Property or the interest of the Trustee or the Certificate Owners therein, or necessary to make any repairs or modifications to the Leased Property in preparation for sale or other disposition thereof; (d) except to the extent applied pursuant to clause (c) above, proportionately to the redemption or payment of the Certificates then Outstanding and the payment of the interest thereon; or (e) to the reduction of the Purchase Option Price or the final Base Rental payment in the event that the City exercises its purchase option in accordance with the provisions of the Indenture. Notwithstanding the sources of funding for the Reserve Fund, all amounts available to be drawn therefrom shall be used to pay deficiencies in the Certificate Fund without regard to the series of Certificates to which deficiencies relate, and any Qualified Surety Bond therein shall be drawn upon and prepaid on a pro rata basis. The City has agreed to reimburse MBIA Insurance Corporation within a twelve month period, to the extent of each payment of the principal of and interest on the Certificates from the applicable Qualified Surety Bonds, such amounts, with interest as are required to restore the amount on deposit in the Reserve Fund to the Reserve Fund Requirement. The City has further agreed that failure to budget and appropriate moneys for such payment by the last day of the Fiscal Year during which such withdrawal occurs shall constitute an Event of Default.

***Certificate Insurance.*** The 2007 Insurer has committed to issue, effective as of the date of issuance of the 2007 Certificates, a non-cancelable policy of insurance which guarantees the payment of the principal of and interest on the 2007 Certificates when due as described under “CERTIFICATE INSURANCE.” A specimen of the 2007 Policy is attached as an Appendix hereto.

The 2007 Insurer will issue the 2007 Policy pursuant to which it will unconditionally guarantee the payment of principal of and interest on the 2007 Certificates when due. The ongoing stability and financial condition of the 2007 Insurer and the 2007 Insurer’s ability to pay the principal of and interest on the 2007 Certificates and otherwise perform its obligations under the 2007 Policy are the basis for the ratings assigned to the 2007 Certificates as set forth on the cover page hereof. Upon the occurrence and continuation of an Event of Default under the Lease, proceeds of claims under the 2007 Policy are expected to be the primary source of payment of the principal of and interest on the 2007 Certificates. See “CERTIFICATE INSURANCE” and “MISCELLANEOUS—Ratings.”

## **The Trustee**

U.S. Bank National Association, a national banking association organized under the laws of the United States, will serve as Trustee for the Certificates. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Official Statement.

The Trustee has no oversight responsibility, and is not accountable, for the use or application of the proceeds of such Certificates. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Certificates and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the Certificates, the technical or financial feasibility of the Refunding Plan, or the investment quality of the Certificates, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Information about the Trustee and its services may be found at U.S. Bank's website at <http://www.usbank.com/corporatetrust>. The U.S. Bank website is not incorporated into this Official Statement by such reference and is not a part hereof.

## **Debt Service Schedule for the Certificates**

Set forth below are the annual debt service requirements for the Certificates. Pursuant to the Lease, the Base Rental Payment Dates are February 15, May 15, August 15 and November 15 of each year.

**TABLE I**  
**Certificate Debt Service Requirements**

| Fiscal Year | Series 2007 Certificates |                         | Outstanding Series 1998, Series 1999, Series 2001 and Series 2005 Certificates <sup>3</sup> | Annual Total |
|-------------|--------------------------|-------------------------|---|--------------|
|             | Principal <sup>1,2</sup> | Interest <sup>1,2</sup> |   |              |
| 2007        | --                       |                         |   |              |
| 2008        | --                       |                         |   |              |
| 2009        | \$ 510,000               |                         |   |              |
| 2010        | 1,950,000                |                         |   |              |
| 2011        | 2,015,000                |                         |   |              |
| 2012        | 2,105,000                |                         |   |              |
| 2013        | 2,180,000                |                         |   |              |
| 2014        | 2,270,000                |                         |   |              |
| 2015        | 2,360,000                |                         |   |              |
| 2016        | 2,455,000                |                         |   |              |
| 2017        | 2,555,000                |                         |   |              |
| 2018        | 2,655,000                |                         |   |              |
| 2019        | 2,775,000                |                         |   |              |
| 2020        | 1,205,000                |                         |   |              |
| 2021        | 1,270,000                |                         |   |              |
| 2022        | 1,325,000                |                         |   |              |
| 2023        | 1,380,000                |                         |   |              |
| 2024        | 1,450,000                |                         |   |              |
| 2025        | <u>1,520,000</u>         |                         |   |              |
| Total       | <u>\$31,980,000</u>      |                         |   |              |

<sup>1</sup> Assumes no optional redemptions prior to maturity.

<sup>2</sup> Principal payable on December 1. Interest payable on June 1 and December 1.

<sup>3</sup> This column includes both the principal of and interest on the Outstanding 1998 Certificates and the Outstanding 1999 Certificates remaining after the refunding, as well as the 2001 Certificates and the 2005 Certificates, which certificates are currently outstanding in the aggregate principal amount of \$37,175,000.

Source: Stifel, Nicolaus & Company, Incorporated

### CERTIFICATE INSURANCE

The following information has been furnished by the 2007 Insurer for use in this Official Statement. Reference is made to the specimen of the 2007 Policy attached as an appendix hereto.

[to be provided]

### RISK FACTORS

THE PURCHASE OF THE 2007 CERTIFICATES IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE 2007 CERTIFICATES IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2007 CERTIFICATES, AND



COULD ALSO AFFECT THE MARKET PRICE OF THE 2007 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

### **Certificates are Limited Obligations**

The 2007 Certificates evidence assignments of the rights to receive certain Revenues under the Lease, proportionately and ratably secured with the Outstanding 1998 Certificates, the Outstanding 1999 Certificates, the 2001 Certificates and the 2005 Certificates. The 2007 Certificates are payable solely from the Revenues (which, with the exception of Extraordinary Revenues, generally consist of Base Rentals) received by the Trustee, from payments by the 2007 Insurer under the 2007 Policy and from amounts paid pursuant to the 2007 Surety Bond. All payment obligations of the City under the Lease, including but not limited to payment of Base Rentals, are from year to year only and do not constitute a mandatory charge or requirement in any year beyond the City's then current fiscal year. Any legally available moneys may be applied to the City's payment obligations pursuant to the Lease. However, neither the City, nor the Trustee on its behalf, has pledged the full faith and credit of the City to the payment of the City's obligations under the Lease. See "THE 2007 CERTIFICATES—Security for the 2007 Certificates" and "CITY INFORMATION AND FINANCIAL DATA."

### **Annual Right of the City To Terminate the Lease**

The obligation of the City to pay Base Rentals and Additional Rentals under the Lease constitutes a currently budgeted expenditure of the City, payable only if funds are appropriated by the Council each year. The exercise of the City's annual option to terminate the Lease is determined by whether or not the Council has, on or before the last day of its current Fiscal Year, specifically budgeted and appropriated with respect to the Lease moneys to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year. The decision to terminate the Lease is to be made solely by the Council and not by any other City officer, and the City Manager or other officer charged with formulating budget proposals is directed to include in budget proposals submitted to Council all Lease payments required for the ensuing Fiscal Year.

Because the payment obligations of the City under the Lease may be terminated by the City on an annual basis without any penalty, there is no guarantee that the City will not terminate the Lease at some time during the stated Lease Term. However, a termination of the Lease would mean the loss of occupancy and use of the Leased Property by the City. Accordingly, the likelihood that the Lease will continue in effect until the 2007 Certificates are paid is dependent upon various factors including but not limited to the ability of the City to generate sufficient legally available funds to pay obligations associated with the Lease as well as other obligations of the City.

### **Results of a Termination of the Lease Term**

In the event that the City does not budget and appropriate, specifically with respect to the Lease, on or before the last day of each Fiscal Year, moneys sufficient to pay all Base Rentals and the reasonably estimated Additional Rentals coming due for the ensuing Fiscal Year, an "Event of Nonappropriation" is deemed to have occurred. Upon an Event of Nonappropriation, a termination of the Lease Term is effected and the City is required to vacate the Leased Property by the first day of the second month following the end of any Fiscal Year during which an Event of Nonappropriation occurs. The City may also terminate the Lease as a result of certain events described herein in Appendix A such as the damage to, destruction of, or the discovery of a defect in construction with respect to, any of the Leased Property.

In the event that the City fails to pay Base Rentals which are due, fails to vacate the Lease Property when required, or fails to observe and perform specified covenants, conditions or agreements

following a period of 30 days after written notice thereof, the Trustee may, among other things, terminate the Lease Term and give notice to the City to vacate the Leased Premises within 120 days from the date of such notice. See the discussion of Events of Default and Remedies on Default described in Appendix A.

In the event that the Lease was terminated and sufficient moneys were not received from payments by the 2007 Insurer under the 2007 Policy and from amounts paid pursuant to the 2007 Surety Bond, for whatever reason, the Net Proceeds from the sale of the Leased Property, along with other moneys then held by the Trustee under the Indenture (with certain exceptions as provided in the Lease and the Indenture), are required to be used to redeem the Certificates, to the extent of such moneys. See the caption “THE 2007 CERTIFICATES—Redemption Provisions” herein.

The pool of collateral which comprises the Leased Property has not been independently appraised to determine its individual or collective value as of the date of the execution and delivery of the 2007 Certificates. Estimated values for the respective property comprising the Leased Property and the approach used by the City in determining such estimated values is set forth in “THE LEASED PROPERTY.” Such values are not intended to represent the current market value for each respective property and such information is presented solely for the purpose of representing the estimated value of such property to the City for insurance and related purposes. NO REPRESENTATION IS MADE IN THIS OFFICIAL STATEMENT OF THE CURRENT MARKET VALUE OF THE LEASED PROPERTY AS OF THE DATE OF ISSUANCE OF THE 2007 CERTIFICATES.

The Leased Property consists of real property of particular design and use. Because of its configuration and contemplated use, any building and other improvement to real property that is included in the Leased Property may not be easily converted to alternate uses. The real property upon which any building or other improvement included in the Leased Property is located is specifically zoned and may be subject to other public use restrictions. See “THE LEASED PROPERTY” for a general description of zoning and public use restrictions. Accordingly, a potential purchaser of the 2007 Certificates should not assume that it will be possible to sell the Trustee’s leasehold interest in the Leased Property after an Event of Nonappropriation or an Event of Default (a) for an amount necessary to pay the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon; or (b) within a time period that would prevent a default in the timely payment of the principal of and interest on the 2007 Certificates. If the 2007 Certificates are redeemed subsequent to an Event of Nonappropriation or an Event of Default for an amount less than the aggregate principal amount thereof and accrued interest thereon, the owners of the 2007 Certificates have no further claims for payment upon the Authority, the Trustee or the City. See the caption “THE 2007 CERTIFICATES—Redemption Provisions” herein.

The Leased Property is to be insured by policies of casualty and property damage insurance as described herein in “THE LEASE—Insurance to be Maintained for the Leased Property” in Appendix A. In the event of the damage to, destruction of, or the discovery of a defect in construction with respect to, any of the Leased Property, and if the Net Proceeds from such insurance policies or certain other sources are insufficient to repair or replace such Leased Property, the City may terminate its obligations under the Lease with respect to such Leased Property by paying such Net Proceeds into the Extraordinary Revenue Fund. If the City should exercise its option to terminate the Lease with respect to the Leased Property in such an event, the Leased Property is required to be foreclosed upon and the Trustee’s interest therein liquidated and the proceeds thereof are required to be applied to the redemption of the Certificates. See the caption “THE 2007 CERTIFICATES—Redemption Provisions” herein.

## **No Survey for Leased Property**

No land title surveys have been performed on the Leased Property, and the title insurance for the Leased Property excludes any discrepancies, conflicts in boundary lines, shortage in area, encroachments, and facts which a correct survey and inspection of the land comprising the Leased Property would disclose, and which are not shown on public records.

## **Issuance of Additional Certificates**

So long as the Lease Term is in effect and no Event of Nonappropriation or Event of Default shall have occurred, additional certificates evidencing the assignment of a proportionate right to receive Revenues under the Lease may be issued for the costs of any capital improvement or the cost of the acquisition of real or personal property as the City may deem necessary or desirable. See “THE INDENTURE—Additional Certificates” in Appendix A to this Official Statement for a description of the conditions relating to such Additional Certificates.

## **Enforceability of Remedies**

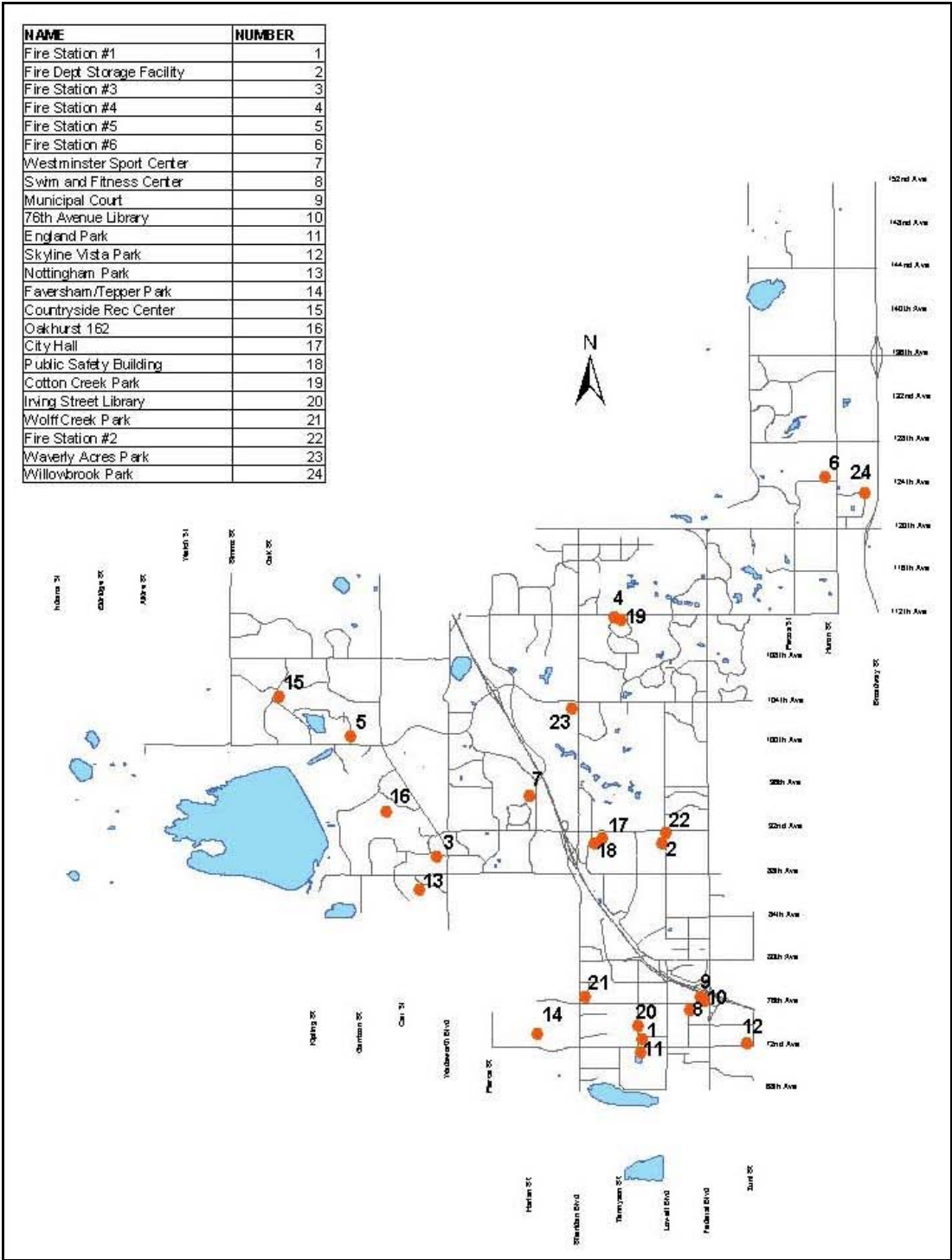
A termination of the Lease Term as a result of an Event of Nonappropriation or an Event of Default will give the Trustee the right to possession of, and the right to sublease or liquidate its leasehold interest in the Leased Property, all in accordance with the provisions of the Lease and the Indenture. The enforceability of the 2007 Certificates, the Lease and the Indenture is subject to applicable bankruptcy laws, principles of equity affecting the enforcement of creditors’ rights generally and liens securing such rights, the police powers of the State of Colorado and its political subdivisions and judicial discretion. Because of the delays inherent in enforcing the remedies of the Trustee upon the Leased Property through the courts, a potential purchaser of the 2007 Certificates should not anticipate that the remedies of the Trustee are remedies which could be accomplished rapidly. Any delays in the ability of the Trustee to resolve its claim to the Leased Property in order to sublease or liquidate any Leased Property may result in delays in the payment of the 2007 Certificates after the expenditure of amounts on deposit in the Reserve Fund.

## **Effects of an Event of Nonappropriation or an Event of Default on the Certificates**

Special Counsel has rendered no opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to any Certificate subsequent to a termination of the Lease Term by reason of an Event of Nonappropriation or an Event of Default. If the Lease Term is terminated by reason of an Event of Nonappropriation or an Event of Default, there is no assurance that the 2007 Certificates may be transferred by a registered owner thereof without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Special Counsel has rendered no opinion as to the treatment for federal or State of Colorado income tax purposes of any moneys received by a registered owner of the 2007 Certificates subsequent to an Event of Nonappropriation or an Event of Default. There is no assurance that any moneys received by the registered owners of the 2007 Certificates subsequent to an Event of Nonappropriation or an Event of Default will be excludible from gross income for purposes of federal or State of Colorado income taxation.

# MAP OF LEASED PROPERTY



## THE LEASED PROPERTY

### Leased Property Schedule

The following described facilities and underlying real estate, as well as the Wolff Creek Park, Waverley Acres Park, Willowbrook Park, Fire Station No. 2 and the Irving Street Library and Park represent the Leased Property. Certain of the Leased Property may be released from the Trust Estate prior to the final payment of the 2007 Certificates as described in “—Release of Leased Property Schedule” hereafter.

| City Facilities   | Estimated Value <sup>1</sup> | Year Built | Construction/Zoning   |
|---|------------------------------|------------|---|
| Public Safety Building<br>9110 Yates Street<br>on 7.64 acres  | \$20,031,200 <sup>2</sup>    | 2001-2002  | 73,000 sq. ft. two-story structure, constructed over a crawl space with composite structural steel on drilled piers, including brick veneer on structural studs, windows and curtainwall, membrane roof, and a fully finished interior. The building and interior areas are designed to incorporate light from generous amounts of glass and open spaces. The property includes parking for approximately 350 vehicles – zoned public/quasi public  |
| City Hall<br>4800 West 92 <sup>nd</sup> Avenue<br>on 17.8 acres   | 17,883,910 <sup>2</sup>      | 1987       | A Class C, three story building containing 73,963 square feet, with a 134 foot tall bell/clock tower, water fountains, a plaza area, and other yard improvements. The building is constructed with a masonry load bearing wall with steel frame of standard shapes and sizes, reinforced concrete ground floor with upper floors of poured concrete on ribbed metal supported by I beams and steel joists, and flat roof structure of single ply mechanically fastened elastic sheet roofing system on rigid insulation on metal deck. Exterior walls are typically brick and insulated plate glass wall on the south wall, and the interior walls are painted drywall. The property includes approximately 300 parking spaces – zoned public/quasi public. |
| Swim & Fitness Center <sup>3</sup><br>3290 West 76 <sup>th</sup> Avenue<br>on 6.0 acres                               | 4,903,766                    | 1975       | 21,649 sq. ft. two story steel reinforced concrete – zoned R-1 (Single Family Residential)  |
| Irving Street Library and Park <sup>2</sup><br>7292 Irving Street<br>On 5.75 acres                                    | 4,446,493                    | 2004       | The Library is a 15,000 sq. ft. single story sandstone and brick building placed in a park setting. The park has a shelter, picnic tables, playground, walking path, horseshoes, a water sculpture and open play areas.   |
| Municipal Court<br>3030 Turnpike Drive<br>(Former City Hall<br>Administration Building)                               | 2,532,938                    | 1960       | 24,690 sq. ft. one story steel reinforced poured concrete on a basement – zoned R-1 (Single Family Residential)   |
| Fire Station No. 2<br>9150 Lowell Boulevard<br>On 1.78 acres  | 1,983,821                    | 2003       | 15,000 sq. ft. one story steel reinforced concrete block on concrete slab- zoned C-1 & C-4 at purchase – <b>zoned _____?</b>  |
| Countryside Rec. Ctr. <sup>4</sup><br>10470 Oak Street<br>on 6.0 Acres – Improved                                     | 1,795,044                    | 1976       | Little leagues fields, basketball courts, paths, outdoor swimming pool, tennis courts, volleyball court, picnic shelter, and playground – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)  |
| Westminster Sports Center <sup>5</sup><br>(Trends Home Building)<br>6051 West 95 <sup>th</sup> Avenue<br>on 3.0 acres | 1,710,713                    | 1980       | 20,000 sq. ft. one story steel and wood beam frame with steel covering over frame – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)  |
| Fire Station No. 1<br>3948 West 73 <sup>rd</sup> Avenue<br>on 1.7 acres   | 1,057,606                    | 1967       | 9,557 sq. ft. one story steel reinforced concrete block on concrete slab – zoned C-1 (Commercial)   |

| <b>City Facilities</b>   | <b>Estimated Value <sup>1</sup></b> | <b>Year Built</b> | <b>Construction/Zoning</b>  |
|--|-------------------------------------|-------------------|---|
| 76 <sup>th</sup> Avenue Library<br>3031 West 76 <sup>th</sup> Avenue<br>on 3.0 acres | 828,336                             | 1961              | 7,590 sq. ft. two story steel reinforced poured concrete – zoned R-1 (Single Family Residential)  |
| Fire Station No. 4<br>4580 West 112 <sup>th</sup> Avenue<br>on 1.5 acres             | 759,562                             | 1980              | 8,750 sq. ft. one story with 2 <sup>nd</sup> story storage concrete block on concrete slab – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)   |
| Fire Dept. Training Facility<br>9099 Lowell<br>on 3.8 acres                          | 703,420                             | 1960              | 4,112 sq. ft. one story steel reinforced concrete block on concrete slab zoned C-1 (Commercial)   |
| Fire Station No. 6 <sup>6</sup><br>999 West 124 <sup>th</sup> Avenue<br>on 1.3 acres | 727,878                             | 1987              | 5,600 sq. ft. one story concrete block on concrete slab – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)  |
| Fire Station No. 5 <sup>7</sup><br>10100 Garland<br>on 0.9 acres                     | 607,051                             | 1982              | 6,780 sq. ft. one story concrete block on concrete slab – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)  |
| Fire Station No. 3<br>7702 West 90 <sup>th</sup> Avenue<br>on 1.2 acres              | <u>572,944</u>                      | 1978              | 2,520 sq. ft. one story with 2 <sup>nd</sup> story storage concrete block on concrete slab – zoned P.U.D. (Planned Unit Development – must comply with planning requirements)   |
| <b>City Facilities Sub Total</b>   | <b><u>\$60,544,682</u></b>          |                   |   |
| <b>Park Properties</b>   |                                     |                   |   |
| Faversham Park<br>6109 West 73 <sup>rd</sup><br>on 28.0 Acres Improved               | \$ 2,372,600                        | 1982              | Little league fields, multi purpose fields, paths, and playground zoned P.U.D. (Planned Unit Development must comply with planning requirements)  |
| Oakhurst 1 & 2<br>9311 Lark Bunting<br>on 23.9 Acres Improved                        | 2,071,120                           | 1981-1983         | Field with backstop, basketball court, multi purpose fields, paths, regulation soccer, recreational soccer, volleyball court, barbecue grills, picnic shelter, picnic tables, playgrounds, and restroom/sanolets zoned P.U.D. (Planned Unit Development must comply with planning requirements) |
| Skyline Vista Park<br>2595 West 72 <sup>nd</sup> Avenue<br>on 11.0 Acres Improved    | 1,145,200                           | 1998              | Little league field, field with backstop, multi purpose field, paths, recreational soccer, volleyball courts, barbecue grills, picnic shelters, playgrounds, restroom/sanolets, and inline skate rink zoned P.U.D. (Planned Unit Development must comply with planning requirements)            |
| Nottingham Park<br>88 <sup>th</sup> & Wadsworth<br>on 11.7 Acres Improved            | 1,095,120                           | 1990              | Basketball courts, multi purpose field, paths, barbecue grills, picnic shelters, picnic tables, playground, and restroom/sanolets zoned P.U.D. (Planned Unit Development must comply with planning requirements)  |
| Cotton Creek Park<br>112 <sup>th</sup> & Sheridan<br>on 10.7 acres Improved          | 988,600                             | 2000              | Multiuse playfield, two play grounds, picnic shelter, barbecue grills, picnic tables, benches, water fountains, walking rails and restroom/sanolets (Planned Unit Development must comply with planning requirements)   |
| England Park<br>72 <sup>nd</sup> & Raleigh<br>on 9.3 Acres Improved                  | 881,516                             | 1984              | Regulation baseball field, basketball courts, multi purpose field, paths, BBQ grills, picnic shelters, picnic tables, and playground zoned M-1 (Light Industrial)   |
| Wolff Creek Park<br>4705 W 76 <sup>th</sup> Ave<br>on 18.0 Acres Improved            | 1,988,604                           | 1980              | Basketball court, two picnic shelters, restroom, barbecue grills, picnic tables, two baseball/softball fields, two tennis courts, playground, multi-use turf fields, zoned P.U.D. (Planned Unit Development must comply with planning requirements)   |
| Willowbrook Park<br>12300 Bannock St<br>on 11.5 Acres Improved                       | 973,040                             | 1986              | Picnic shelter, picnic tables, barbeque grill, playground, multi-use trail, zoned T-1. (Transitional District: residential or office)   |
| Waverly Acres <sup>8</sup><br>10320 Eaton St<br>on 14.0 Acres Improved               | <u>1,199,560</u>                    | 1983              | Picnic shelter, picnic tables, playground, multi-use trail zoned P.U.D. (Planned Unit Development must comply with planning requirements)   |
| <b>Park Properties Sub Total</b>   | <b><u>12,715,360</u></b>            |                   |   |
| <b>TOTAL</b>   | <b><u>\$73,260,042</u></b>          |                   |   |

## **NOTES:**

1. Except as described hereafter, estimated values are not intended to represent the current market value for each respective property; such information is presented solely for the purpose of representing an estimate of value of such property to the City for insurance and related purposes. The estimated values were compiled by the City and are based upon criteria established by the City and not upon appraised values. The value of improvements reflects insurance values with the exception of City Hall and the Public Safety Building. The estimated value of all acreage was determined based upon a value assumption of \$80,000 per acre. No representation is made in this Official Statement of the market value of the Leased Property as of the date of issuance of the 2005 Certificates. See “RISK FACTORS—Results of a Termination of the Lease Term.”
2. The estimated improvement value of the Public Safety Building, the City Hall and the Irving Street Library are based upon the current replacement cost valuation as estimated by the general contractor of each facility as of January 1, 2007.
3. Portion of land subject to lease with Adams County Mental Health Association, on which they have constructed a facility. Renewals of the lease are for two years (expiring in even years), automatic each January 1 unless the City gives notice by October 1 of the prior year.
4. Use restricted to residential. Subject to protective covenants for Countryside Filing No. 3.
5. Subject to protective covenants for Trendwood Addition Subdivision. Use of the property restricted to residential, church, or recreation facility purposes.
6. Subject to protective covenants for Park Center Office Park regarding permitted uses, as per the Official Development Plan filed with the City of Westminster; and a 20-year lease with Denver Cellular Telephone Co. for a 2,000 square feet concrete pad for their telephone tower, located in the northwest corner of the property. The lease term runs through the year 2011.
7. Subject to undivided 1/4 interest on oil and mineral rights.
8. Use restricted to open space and to remain in a “natural state” pursuant to development plat restrictions.

## **Release of Leased Property Schedule**

When the principal component of Base Rentals paid by the City, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or defeased in accordance with the terms of the Indenture, equals the amount set forth below, the cost of the corresponding portion of the Leased Property set forth below will be deemed to have been fully amortized, and the Authority and the Trustee are to release such portion of the Leased Property from the Trust Estate and convey such property to the City, provided, however, the fair value of the remaining Leased Property must be at least equal to 110% of the aggregate principal amount of the Certificates then Outstanding, as certified to by the City Representative. After such release and conveyance, the property so released and conveyed will no longer be a part of the Leased Property for any purpose of the Lease or the Indenture. The list of property to be released may change if any property is substituted for Leased Property pursuant to the provisions of the Lease.

**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**

| <b>Portion of the Leased Property<sup>1,2</sup></b> | <b>Estimated Year<sup>3</sup></b>             |
|---|---|
| 76 <sup>th</sup> Avenue Library                     |   |
| Fire Department Training Facility                   |   |
| Municipal Court                                     |   |
| England Park  |   |
| Wolff Run Park                                      |   |
| Willowbrook Park                                    |   |
| Waverly Acres                                       |   |
| Oakhurst 1 and 2                                    |   |
| Faversham Park                                      |   |
| Nottingham Park                                     |   |
| Skyline Vista Park                                  |   |
| Cotton Creek Park                                   |   |
| Countryside Recreation Center                       |   |
| Westminster Sports Center                           |   |
| Swim and Fitness Center                             |   |
| Fire Station #1                                     |   |
| Fire Station #3                                     |   |
| Fire Station #4                                     |   |
| Fire Station #5                                     |   |
| Fire Station #6                                     |   |
| Fire Station #2 (new)                               |   |
| Irving Street Library                               |   |
| Public Safety Building                              |   |
| City Hall   |   |
|   | Final payment of the Outstanding Certificates |

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

<sup>2</sup> See the preceding subsection for a description of the respective properties.

<sup>3</sup> Assumes no optional or extraordinary redemptions prior to maturity.

**THE AUTHORITY**

The Articles of Incorporation of the Authority were filed with the Secretary of State of the State of Colorado on or about March 9, 1998. The Authority was incorporated as a nonprofit corporation under the laws of the State of Colorado, for the stated purposes, among others, to: acquire by purchase, lease or otherwise, real or personal property, including, without limitation, interests in real or personal property, or any combination thereof, to finance the acquisition, construction or installation of improvements, or the acquisition, construction, renovation, expansion and improvement of buildings, and to lease or otherwise convey interests in real or personal property or improvements or any combination thereof to the City; and, borrow money, to become indebted, and to execute and deliver bonds, notes, or debentures or other securities, instruments or obligations for the purposes of acquiring such real or personal property, or interests in real or personal property, constructing or installing such improvements, renovating, expanding and improving such buildings, or any combination thereof, and for such other purpose or purposes as may be necessary or desirable to accomplish the objectives of the corporation. Such indebtedness may be unsecured, may be secured by any mortgage, trust deed or other lien upon the property to be acquired or any other property of the corporation, or may be otherwise secured.



The directors of the Authority serve for three year terms (except the position held by the City Finance Director) unless removed for cause by the City Council. Vacancies on the Board of Directors are to be filled by appointment by the remaining member or members. If there are no remaining members, vacancies will be filled by the City Council. The directors of the Authority have no private or proprietary interest in the Authority. The Board of Directors serve without compensation (except reimbursement of expenses), and no part of the Authority's net earnings, income or assets will inure to the benefit of any private entity or person. The following table sets forth certain information regarding the current Board of Directors. [UPDATE]

**Authority Board of Directors**

| Name                      | Principal Occupation             | Term Expires<br>(January 1) |
|---------------------------|----------------------------------|-----------------------------|
| Tim Kauffman              | Business Executive               | 2008                        |
| Don Rhoda                 | Education – Retired              | 2008                        |
| Steven Wagner             | Financial Consultant             | 2008                        |
| Patricia Snyder           | Financial Planner and Consultant | 2008                        |
| Tammy A. Hitchens, C.P.A. | Finance Director                 | -- <sup>1</sup>             |

<sup>1</sup>The term for Ms. Hitchens continues so long as she is Finance Director of the City.

The Authority has agreed to amend the Lease to facilitate the financing of the Refunding Project. The Authority has assigned its rights and interests under the Lease (with certain exceptions) to the Trustee for the benefit of the Owners of the Certificates. THE AUTHORITY IS NOT LIABLE FOR THE PAYMENT OF BASE RENTALS OR ADDITIONAL RENTALS, AND THE CERTIFICATE OWNERS HAVE NO RIGHT TO LOOK TO THE AUTHORITY FOR ANY PAYMENTS OF THE 2007 CERTIFICATES OR FOR ANY OTHER PAYMENTS. In addition, the Authority has no control over the expenditure of the proceeds of the 2007 Certificates.

The Authority is also the lessor of the property which secures the Certificates of Participation (Ice Centre Project), Series 1998, currently outstanding in the aggregate principal amount of \$11,395,000. The Certificates of Participation (Ice Centre Project), Series 1998 are not issued pursuant to the Indenture and are not secured by Revenues under the Lease.

**CITY INFORMATION AND FINANCIAL DATA**

The City of Westminster is located in western Adams and northeastern Jefferson Counties, two miles from the northwestern boundary of the City and County of Denver. The City encompasses approximately 33 square miles and, according to the Colorado Department of Regulatory Agencies, the City's current estimated population is 107,363. Incorporated as a municipal corporation in 1911, the City became a home rule municipality in 1958 upon adoption of its Charter.

**City Powers**

Pursuant to the Charter, the City has the power of local self government and home rule, as well as all municipal powers established by the constitution and laws of the State of Colorado. Among those powers, rights and liabilities specifically granted by the Charter are the following: perpetual succession; to own, possess and hold real and personal property; to succeed to all rights and liabilities, to acquire all benefits and to assume payment of all bonds, obligations and indebtedness of the City; to sue and defend, plead and be impleaded in all courts and places and in all matters and proceedings; to purchase, receive, hold and enjoy, or sell and dispose of real and personal property; to acquire, hold and manage property

outside City limits by gift, lease or purchase for park or recreation purposes and to adopt rules, regulations and schedules of charges for the use of such property; and to have and use a common seal. Pursuant to Chapter XIV of the Charter, the City has the power to fix from time to time such just and reasonable rates and other charges as may be deemed advisable for supplying the inhabitants of the City and others with such public utility services as the City may provide. In addition, the powers granted to municipalities by the constitution and laws of the State of Colorado include the powers relating to the assessment of property and the levy and collection of general taxes.

### **Governing Body**

The City operates under a council manager form of government whereby, except as otherwise provided by the Charter or statute, the City Council exercises all powers conferred upon or possessed by the City and has the power and authority to adopt such laws, ordinances and resolutions as it deems proper in the exercise thereof, and the City Manager serves as the chief administrative officer of the City government. The Council consists of seven members, six councillors and the mayor, all of whom are elected from the City at large. The mayor is the presiding officer of the Council and has an equal voice and vote in all proceedings of the Council, but has no veto power. The mayor pro tem is appointed from the Council membership to serve in the event of absence or disability of the mayor. One City councillor serves in the additional capacity of representative to the Denver Regional Council of Governments.

| <b>Name</b>                | <b>Principal Occupation</b>                 | <b>Years of Service</b> | <b>Term Expires</b> |
|----------------------------|---|-------------------------|---------------------|
| Nancy McNally <sup>1</sup> | Assistant Vice President and Office Manager | 5                       | 2009                |
| Tim Kauffman               | Business Executive                          | 6                       | 2007                |
| Chris Dittman              | Education—Retired                           | 4                       | 2007                |
| Jo Ann Price               | Real Estate Appraiser                       | 3                       | 2007                |
| Mark Kaiser                | Fleet, Tire Sales                           | 1                       | 2009                |
| Mary Lindsey               | Realtor                                     | 1                       | 2009                |
| Scott Major                | Test Engineer                               | 1                       | 2009                |

<sup>1</sup> Nancy McNally has abstained from voting on matters relating to the Certificates because she is an employee of the Underwriter, Stifel, Nicolaus & Company, Incorporated.

### **Administration**

The council-manager form of government vests responsibility for City operations in the City Manager and City staff. The City Manager is appointed by the City Council and, pursuant to an employment contract, serves for an indefinite term at the pleasure of the Council. During his tenure in office, the City Manager must reside within the City’s boundaries. The staff functions through the City’s various departments which are under the direction of the City Manager. The following is a list of the administrative and management personnel most directly involved in the issuance of the Bonds, their duties within the City government and their background experience.

**City Manager.** The City Manager is the chief administrative officer of the City. He is responsible to the Council for all City affairs placed in his charge by the Charter or by law, including responsibility for the efficient operation of all administrative departments of the City government with the exception of those under the direction of the City Attorney and the municipal court. He is further required to perform such other duties as requested by the Council.

J. Brent McFall began as the City Manager on May 21, 2001. Prior to assuming his duties in Westminster, Mr. McFall was the Chief Administrative Officer of the City of Kent, Washington (a Seattle

suburb with approximately 75,000 residents) since 1994. Mr. McFall also served as the City Manager in Federal Way, Washington and Emporia, Kansas, and as Chief Administrator in Merriam, Kansas. He received his bachelor's degree in personnel administration in 1974 and his master's degree in public administration in 1976, both from the University of Kansas. Mr. McFall was twice recognized by the Washington City Management Association with its Award for Excellence for progressive and innovative management, and in 2005 received the University of Kansas Edwin O. Stene Award for Managerial Excellence. His professional affiliations include active membership in the International City and County Managers' Association, and the Colorado City & County Management Association. Mr. McFall is a member of the Board of Directors of the Metro North Chamber of Commerce, and is on the Board of Directors of the Westminster Legacy Foundation.

***Assistant City Manager.*** The Assistant City Manager is the second highest administrative officer of the City generally responsible for daily City operations. In the absence of the City Manager, he performs all duties of the City Manager. Specific responsibilities include production of the City's annual budget, developing and monitoring the capital improvement program, tracking and projecting City revenues, and managing special projects.

Stephen P. Smithers returned to the City as the Assistant City Manager in June 2000. He also has served the City in several roles from 1983 to 1989 as Management Intern, Management Assistant and as the Assistant to the City Manager. Prior to his current position with the City, he was Manager of Special Programs for the Colorado Municipal League. In addition, Mr. Smithers has served on the Public Utilities Commission E 911 Task Force, as a board member of the Colorado Association of Commerce and Industry's Business Council for Healthcare Competition, president of the Colorado Municipal Management Assistants' Association, served on the Advisory Committee for the Colorado Telecommunications Infrastructure Fund, and during 2005, served as Chairman of the US 36 Transportation Management Organization. His professional affiliations include the International City and County Managers' Association, Colorado City and County Management Association and the National League of Cities. Mr. Smithers holds a Bachelor of Arts degree from Boston University and a master's degree in public administration from the University of Colorado.

***Finance Director.*** The City Finance Director is the chief financial officer of the City and acts as the City Treasurer pursuant to the City Charter and Code. The responsibilities of the Finance Director include, but are not limited to, accounting and financial reporting, debt management, sales tax administration, revenue collection, investments, pension administration.

Tammy A. Hitchens, CPA, was appointed Finance Director in April 2005. Prior to her appointment as Finance Director, she served as the Accounting Manager for the City of Westminster for seven years. She also served the City as the Accounting Manager or Investment Officer from 1989 to 1995. Prior to returning to the City in 1998, she served as the Assistant Director of Budget and Finance for two and one-half years at Jefferson County School District in Colorado. She holds a Master of Science Degree in Finance from the University of Colorado and a Bachelor of Science degree in Business Administration—Accounting from the University of Northern Colorado. She is a Certified Public Accountant in the State of Colorado and a Certified Public Finance Officer. Ms. Hitchens is an active member of the Government Finance Officers Association of the United States and Canada ("GFOA").

***Treasury Manager.*** The Treasury Manager reports to the Finance Director and the responsibilities of the Treasury Manager include, but are not limited to, revenue collection, all aspects of debt management, cash and portfolio management, utility billing and financial analysis.

Robert C. Smith was appointed as the Treasury Manager of the Finance Department in 2002. Prior to his appointment to the City of Westminster, Mr. Smith was a private financial consultant engaged

on a wide range of corporate planning and treasury matters for two years, and a Treasury Manager for the Coors Brewing Company for 10 years. He holds a Bachelor of Arts degree in Economics from Earlham College and a Master's in Business Administration in Finance from the John M. Olin School of Business at Washington University. Mr. Smith is an active member of the Government Finance Officers Association of the United States and Canada ("GFOA").

**City Attorney.** The Office of the City Attorney acts as the legal advisor to the City Council and the Authority and is responsible solely to the City Council pursuant to the City Charter. The City Attorney is appointed by the City Council for an indefinite period and serves at the pleasure of the City Council.

Martin R. McCullough was appointed City Attorney on February 10, 1986, after holding the position of acting City Attorney since September 1985. Mr. McCullough received his Juris Doctor degree in 1982 from the University of Houston in Houston, Texas. He is admitted to practice law in Texas and Colorado and is a member of the Colorado and Denver Bar Associations, and past president of the Metro City Attorney's Association and the Attorney's Section of the Colorado Municipal League. In 2004 he was designated a Fellow in Local Government Law by the International Municipal Lawyers Association.

### Capital Improvement Program

The projects budgeted in the General CIP are expected to be financed primarily with moneys from the General Fund, park development fees, Lottery funds, interest income, sales and use tax revenues available after payment of debt service on sales and use tax bonds, grants and revenue bonds or other obligations. The following table sets forth the pay-as-you-go portion of the City's capital improvement programs as presented in the City's 2007-2008 Budget.

**TABLE II**  
**Five-Year General Capital Improvement Program<sup>1</sup>**  
**(In Thousands of Dollars)**

|                               | <b>2007<br/>Adopted</b> | <b>2008<br/>Adopted</b> | <b>2009<br/>Recommended</b> | <b>2010<br/>Recommended</b> | <b>2011<br/>Recommended</b> |
|-------------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| Streets and traffic           | \$ 2,351                | \$ 2,130                | \$ 2,240                    | \$ 2,426                    | \$2,064                     |
| Non-Park and<br>public safety | 4,062                   | 4,083                   | 4,353                       | 4,201                       | 3,664                       |
| Park improvements             | <u>4,083</u>            | <u>4,351</u>            | <u>4,018</u>                | <u>4,047</u>                | <u>4,004</u>                |
| Total                         | <u>\$10,496</u>         | <u>\$10,564</u>         | <u>\$10,611</u>             | <u>\$10,674</u>             | <u>\$9,732</u>              |

Source: City of Westminster 2007-2008 Budget

### Services Provided by the City

Westminster is a full-service city, providing a broad range of municipal services to the community including police and fire protection; emergency medical and ambulance; water and wastewater utilities; parks, recreation and libraries; street maintenance and construction; cultural and general administrative services; and planning and community development.

### Accounting Policies and Financial Statements

The accounts of the City are organized on the basis of funds which are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Each fund is

considered a separate accounting entity. The operations of each fund include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. For a description of the various funds and account groups, see the City's financial statements appended hereto.

The City Charter requires that an independent audit shall be made of all City accounts at least annually, and more frequently if deemed necessary by the Council. The audited financial statements must be filed with the state auditor by July 31<sup>st</sup> of each year. Failure to comply with this requirement to file an audit report may result in the withholding of the City's property tax revenues by the county treasurers pending compliance.

The general purpose financial statements from the City's 2005 Comprehensive Annual Financial Report are appended hereto. Such financial statements are the most current audited financial information available for the City.

For the past 23 years, including 2005, Westminster has received the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. Such certificate is the highest form of recognition for excellence in state and local government financial reporting and is awarded to governmental entities whose comprehensive annual financial reports are judged to conform substantially to program standards. To receive the award, the report must be easily readable and understandable. It must include all funds and financial transactions during the fiscal year and it must go beyond the requirements of generally accepted accounting principles to provide the many users of government financial statements with a wide variety of information using standard formatting conventions. The City's 2006 Comprehensive Annual Financial Report will be submitted for consideration for the award.

### **Major Sources of General Fund Revenues**

The governmental fund utilized for the administration and operation of the City is the General Fund. The following are the major sources of revenue to such fund.

***Sales and Use Taxes.*** Sales and Use Tax revenues have represented the largest single source of revenue, in the form of transfers from the Sales and Use Tax Fund, in the City's General Fund over the past five years, comprising \$54,674,442 (62%) of total 2005 General Fund revenues and transfers in and estimated to comprise \$55,756,916 (64%) of total 2006 General Fund revenues and transfers in. Sales and Use Tax revenues are transferred to the General Fund from the City's Sales and Use Tax Fund after sufficient credits are made for the payment of the City's sales and use tax revenue bond obligations.

The City's current sales and use tax rate is 3.85%. The portion of the sales and use tax imposed by the City at the rate of 0.25% and deposited solely to the Open Space Fund expires on January 1, 2033; however, the Public Safety Tax portion of the sales and use tax rate (0.60%) does not have a sunset provision as the intention of the tax is to fund ongoing public safety related operating and capital expenditures. The 3.0% portion of the sales and use tax not including the 0.25% Open Space Tax and the 0.60% Public Safety Tax is referred to as the General Sales and Use Tax. Chapters 1 and 2 of Title IV of the City's Municipal Code ("Title IV") governs the imposition, collection, distribution and enforcement of the sales and use tax.

From time to time, the City has entered into assistance agreements with the owners of proposed retail, office, and manufacturing facilities for purposes of securing the location of projects, advancing employment, expanding the tax base and expanding economic development within the City. Such agreements may, among other things, provide for the waiver or rebate of certain of the City's use tax revenues on construction materials or the use tax imposed upon tenants for limited periods of time and

subject to stated conditions. The City has a number of agreements waiving City use tax outstanding from time to time and, while the City does not specifically account for the amount of use taxes which have historically been waived, the annual amount of such waivers when compared to the total amount of Pledged Revenues is not believed to be material by the City. Additionally, for purposes stated above, the City has entered into agreements wherein the sales tax collected by a sales tax generator is rebated back to said entity for defined periods and defined dollar amounts. In 2006, revenues subject to rebate pursuant to such agreements totaled approximately \$1,692,117. Currently, the aggregate amount of future sales, use, admission, and accommodations tax revenues subject to rebate pursuant to such agreements (which amount is calculated, in most instances, based upon various formulas which require the generation of new or additional revenues for the City) is approximately \$29,276,890 over a period which does not exceed 27 years. See “—Other Revenue Sources” below.

***Other Revenue Sources.*** The City also receives General Fund revenues from several additional sources including ad valorem property taxes, admissions taxes, franchise fees, licenses and permits, recreation fees, park development fees, fines and forfeits, interest income and fleet maintenance billings. Several intergovernmental revenue sources are also included in the General Fund; among these are State highway users’ taxes, specific ownership taxes, motor vehicle registration fees, cigarette taxes, road and bridge revenues, library rebates, victim’s assistance funding and revenues received from Hyland Hills Park and Recreation District pursuant to an agreement with said district.

In 1997, the City entered into an agreement with Inland Pacific Colorado, L.L.C., a Colorado Limited Liability Company (“Inland LLC”) regarding the development and construction of the 367 room Westin Hotel and an adjoining conference center located within the Westminster Promenade. The City financially participated in the development by, among other things, constructing, equipping and furnishing a municipally owned conference center (which conference center was completed in March 2000 and contains approximately 44,000 square feet of net space and approximately 50,000 square feet of gross area) and providing Inland LLC with a business assistance rebate of \$13,750,000 payable solely from that portion of the City’s accommodations tax, sales and use tax, and conference center fees attributable to the hotel and conference center operations. In 1998, the City entered into a lease agreement with Inland LLC pursuant to which the City agrees to lease the conference center, pavilion and equipment to Inland LLC for rent, over the initial 25 year term, of approximately \$40,000,000. Said lease agreement sets forth various provisions regarding the use and operation of the premises, maintenance and repair of the facility, insurance, assignment and subletting, and events of default by the parties.

### **Historical General Fund Operations**

Set forth in the following table is a comparative statement of revenues and expenditures of the City’s General Fund, including the December 31 fund balance for each year. The following information should be read together with the general purpose financial statements and accompanying notes of the City appended hereto. Preceding years’ audited financial statements of the City may be obtained from the sources designated in “MISCELLANEOUS—Additional Information.”

**TABLE III**  
**Historical General Fund Revenues, Expenditures**  
**and Changes in Fund Balance**

|   | <b>2001</b>                | <b>2002</b>                | <b>2003</b>                | <b>2004</b>                    | <b>2005</b>                | <b>2006<br/>(unaudited)<sup>1</sup></b> |
|---|----------------------------|----------------------------|----------------------------|--------------------------------|----------------------------|---|
| <b>Revenues</b>   |                            |                            |                            |                                |                            |   |
| Property taxes  | \$ 2,967,845               | \$ 3,602,179               | \$ 3,773,028               | \$ 3,887,254                   | \$ 3,942,328               | \$4,133,067                             |
| Business fees and other taxes   | 3,443,618                  | 3,183,267                  | 3,621,391                  | 3,950,630                      | 4,298,336                  | 641,038                                 |
| Licenses and permits  | 2,318,905                  | 1,971,068                  | 2,293,599                  | 2,321,833                      | 2,101,468                  | 2,596,800                               |
| Intergovernmental   | 5,049,930                  | 5,007,730                  | 4,778,467                  | 4,907,730                      | 4,780,392                  | 4,724,786                               |
| Recreation fees   | 4,749,005                  | 5,360,607                  | 5,352,397                  | 5,072,051                      | 5,311,991                  | 5,610,844                               |
| Fines and forfeits  | 1,705,357                  | 1,714,040                  | 1,628,840                  | 1,978,450                      | 2,212,981                  | 2,501,276                               |
| Interest  | 1,225,763                  | 583,000                    | 533,347                    | 328,519                        | 472,941                    | 872,559                                 |
| Fleet maintenance billings and other  | <u>3,475,525</u>           | <u>3,542,839</u>           | <u>4,448,203</u>           | <u>4,480,890</u>               | <u>5,240,097</u>           | <u>9,851,609</u>                        |
| <b>Total revenues</b>   | <b><u>24,935,948</u></b>   | <b><u>24,964,730</u></b>   | <b><u>26,429,272</u></b>   | <b><u>26,927,357</u></b>       | <b><u>28,360,534</u></b>   | <b><u>30,931,978</u></b>                |
| <b>Expenditures</b>   |                            |                            |                            |                                |                            |   |
| General government  | 20,418,572                 | 20,004,576                 | 23,551,054                 | 29,780,602                     | 30,298,995                 | 28,656,719                              |
| Public safety   | 20,309,142                 | 21,127,822                 | 20,876,684                 | 24,053,416                     | 27,316,618                 | 28,060,599                              |
| Public works  | 6,812,732                  | 6,418,668                  | 6,208,225                  | 6,635,754                      | 6,644,285                  | 6,789,378                               |
| Community development   | 3,638,444                  | 3,434,298                  | 3,368,849                  | 4,377,784                      | 4,357,104                  | 4,408,416                               |
| Culture and recreation  | <u>12,313,838</u>          | <u>11,775,664</u>          | <u>11,346,622</u>          | <u>11,560,470</u>              | <u>12,508,632</u>          | <u>12,734,661</u>                       |
| <b>Total expenditures</b>   | <b><u>63,492,728</u></b>   | <b><u>62,761,028</u></b>   | <b><u>65,351,434</u></b>   | <b><u>76,408,026</u></b>       | <b><u>81,125,634</u></b>   | <b><u>80,649,773</u></b>                |
| Excess of revenues over (under) expenditures                                    | (38,556,780)               | (37,796,298)               | (38,922,162)               | (49,480,669)                   | (52,765,100)               | (49,717,795)                            |
| <b>Other financing sources (uses)</b>   |                            |                            |                            |                                |                            |   |
| Operating transfers in  | 49,229,100                 | 40,902,000                 | 41,849,652                 | 54,393,710                     | 57,386,506                 | 58,295,702                              |
| Operating transfers out   | (6,899,059)                | (8,400,931)                | (379,000)                  | (3,226,925)                    | (8,256,684)                | (7,959,072)                             |
| Proceeds from Lease   | <u>1,003,943</u>           | <u>354,785</u>             | <u>250,523</u>             | <u>488,414</u>                 | <u>2,984,418</u>           | <u>--</u>                               |
| <b>Total</b>  | <b><u>43,333,984</u></b>   | <b><u>32,855,854</u></b>   | <b><u>41,721,175</u></b>   | <b><u>51,655,199</u></b>       | <b><u>52,114,240</u></b>   | <b><u>50,336,630</u></b>                |
| Excess of revenues and other sources over (under) expenditures and other (uses) | 4,777,204                  | (4,940,444)                | 2,799,013                  | 2,174,530                      | (650,860)                  | 618,835                                 |
| Beginning Fund Balance  | <u>13,636,182</u>          | <u>18,413,386</u>          | <u>13,472,942</u>          | <u>16,271,955</u> <sup>2</sup> | <u>18,446,485</u>          | <u>17,795,625</u>                       |
| Ending Fund Balance   | <b><u>\$18,413,386</u></b> | <b><u>\$13,742,942</u></b> | <b><u>\$16,271,955</u></b> | <b><u>\$18,446,485</u></b>     | <b><u>\$17,795,625</u></b> | <b><u>\$18,414,460</u></b>              |

<sup>1</sup> Unaudited, unadjusted figures for the year ended December 31, 2006.

<sup>2</sup> During 2004 it was determined that a cooperative agreement between the City and WEDA had not been recorded. The December 15, 1997 agreement provides for the payment of administrative and legal fees to the City for services it provides to WEDA, as well as for the repayment of a 1991 advance of funds to WEDA for the South Westminster revitalization project. As a result of this omission, the fund balance between 2003 and 2004 changed by \$839,626.

Source: City of Westminster Comprehensive Audited Financial Statements 2001-2005; and the Westminster Finance Department

**TABLE IV**  
**General Fund Balances 2001-2006**

|   | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  | <b>2006<sup>1</sup></b> |
|---|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Actual Expenditures                     | \$63,492,728 | \$62,761,028 | \$65,351,434 | \$76,408,026 | \$81,125,634 | \$80,649,773            |
| Total Fund Balance                      | 18,413,386   | 13,472,942   | 16,271,955   | 18,446,485   | 17,795,625   | 18,414,460              |
| Percent of Fund Balance to Expenditures | 29.0%        | 21.5%        | 24.9%        | 24.1%        | 21.9%        | 22.83%                  |

<sup>1</sup> Unaudited, unadjusted figures for the year ended December 31, 2006.

## **Budget Process**

The City of Westminster's budget is a fiscal blueprint for service delivery. Per the City Charter, the City Council must adopt a balanced budget for the next fiscal year. The City's budget is constructed on a calendar year as required by the City Charter. The voters approved a charter amendment in November 2000 that allows City Council to adopt a two-year budget; the City Council began officially implementing a two year budget with the adoption of the 2003/2004 Biennial Budget.

On or before September 15th of each year the City Manager must prepare and submit a recommended budget to the City Council. The recommended budget must provide detailed estimates of proposed expenditures for each City department, office and agency, and for the court for the ensuing fiscal year. In addition, the budget must set forth the corresponding actual expenditures for the last full fiscal year, the current fiscal year through September 1st and estimates of expenditures for the balance of the current fiscal year. The budget also must set forth all actual and anticipated revenues from sources other than taxes for the equivalent periods, and the estimated balance or deficit for the end of the current fiscal year. If required by the City Council, by resolution or ordinance, the City Manager shall submit to the City Council, simultaneously with his recommended budget, a schedule showing all recommended capital outlay expenditures during the following five fiscal years. Debt service requirements for the budget year must be stated separately. The Charter further requires the budget to set forth the amount to be raised from current and delinquent taxes and the amount to be raised from bond issues during the upcoming fiscal year which, together with any unappropriated revenue surplus and any revenues from other sources, will be necessary to meet the proposed expenditures. The budget must also contain such additional information as the Council may request.

A public hearing on the proposed budget must be held before its final adoption. Notice of the hearing must be published at least one week prior to its scheduled date, stating that the proposed budget is available for public inspection. The budget is to be adopted no later than the fourth Monday of October. On or before the last day of the current fiscal year, the Council shall appropriate by ordinance, based upon the budget as adopted, the moneys needed for municipal purposes during the next fiscal year. The City Council can adopt a budget for two (2) fiscal years instead of one (1) fiscal year, according to such procedures as City Council shall prescribe by ordinance. The City Council adopted the City's 2007-2008 biennial budget in a timely manner pursuant to the above described procedure.

Subject to the restriction discussed below, the adopted budget must provide for a levy on real and personal property which will result in the collection of revenues in the amount necessary to be raised from ad valorem property taxes for municipal purposes. Following adoption of the budget, the Council certifies to the county assessors the amount to be levied on taxable property within the City for collection by the county treasurers.

At the end of each month during the fiscal year, the City Manager submits to the Council data comparing the estimated and actual revenues and appropriated expenditures to date. If accrued revenues are less than anticipated, the Council may reduce appropriations, except amounts required for debt and interest charges, as is necessary to keep expenditures within revenues.

With the exception of expenditures to be financed by the issuance of bonds or by special assessment, no expenditure may be made from City funds unless a specific appropriation has been made for such purpose. The City Council must approve all purchases and contracts in excess of \$50,000, with the City Manager having the authority to approve purchases and contracts in lesser amounts if funds have previously been budgeted to cover such expenses. In the case of an emergency or other unforeseeable



event, money designated for contingencies may be transferred without additional appropriation by ordinance but does require the adoption of a resolution; the City Manager may order the transfer of funds within a departmental budget; or the Council may transfer any unencumbered appropriation balance, or any portion thereof, from one account or department (by motion) to another, and from one fund or agency (by ordinance) to another, at any time during the year. If the City receives revenues which were unanticipated at the time of adoption of the budget, the City Council may authorize, by ordinance, the expenditure thereof by adopting supplemental appropriations. The balance of any budget appropriation which has not been spent at the end of the year reverts to the fund from which the appropriation was made.

***General Fund Budget Summary and Comparison.*** The City implemented a two-year budget format in calendar year 2002. The budgets for 2007 and 2008 were adopted by City Council on October 23, 2006 and are compared with the 2006 budget as adopted in the following table.

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**TABLE V**  
**General Fund Budget Summary and Comparison**

|                                    | <b>2006 Budget<br/>(Adopted)</b> | <b>2007 Budget<br/>(Adopted)</b> | <b>2008 Budget<br/>(Adopted)</b> |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <i>Revenues</i>                    |                                  |                                  |                                  |
| Property tax                       | \$ 3,987,125                     | \$ 4,204,787                     | \$ 4,356,546                     |
| Business tax                       | 3,327,560                        | 4,090,654                        | 4,190,489                        |
| Admissions tax                     | 576,000                          | 506,000                          | 517,000                          |
| Licenses                           | 195,000                          | 190,000                          | 192,000                          |
| Building Permits                   | 1,625,000                        | 1,485,000                        | 1,380,000                        |
| Intergovernmental                  | 4,894,000                        | 4,740,500                        | 4,777,500                        |
| Recreation charges                 | 5,319,500                        | 5,611,336                        | 5,731,166                        |
| Fines & forfeitures                | 2,050,000                        | 2,311,250                        | 2,353,275                        |
| Total reimbursement                | 60,000                           | 55,000                           | 55,000                           |
| Interest income                    | 300,000                          | 360,000                          | 360,000                          |
| Contributions                      | 5,000                            | 5,000                            | 5,000                            |
| General miscellaneous <sup>1</sup> | 4,364,700                        | 7,493,125                        | 7,967,324                        |
| Refunds                            | <u>(70,000)</u>                  | <u>--</u>                        | <u>--</u>                        |
| Total Revenue                      | <u>26,633,885</u>                | <u>31,052,652</u>                | <u>31,885,300</u>                |
| <i>Transfer payments</i>           |                                  |                                  |                                  |
| From GIDs                          | 75,000                           | --                               | --                               |
| From Sales/Use Tax                 | 57,033,108                       | 55,760,254                       | 57,243,969                       |
| From Utility Fund                  | 2,467,586                        | 2,489,214                        | 2,540,500                        |
| Carryover                          | --                               | --                               | --                               |
| Total Funds Available              | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |
| <i>Expenditures</i>                |                                  |                                  |                                  |
| City Council                       | \$ 193,469                       | \$ 205,023                       | \$ 206,348                       |
| City Attorney                      | 919,252                          | 1,064,790                        | 1,065,807                        |
| City Manager                       | 1,075,127                        | 1,121,996                        | 1,126,326                        |
| Central Charges                    | 21,712,662                       | 21,268,702                       | 23,363,038                       |
| General Services                   | 4,932,864                        | 5,030,427                        | 5,078,192                        |
| Finance                            | 1,567,222                        | 1,806,674                        | 1,806,204                        |
| Police                             | 18,704,436                       | 19,752,848                       | 19,809,725                       |
| Fire                               | 9,923,185                        | 10,648,095                       | 10,691,821                       |
| Community Development              | 4,559,584                        | 4,594,371                        | 4,570,622                        |
| Public Works & Utilities           | 7,257,755                        | 7,418,362                        | 7,209,602                        |
| Parks, Recreation, & Libraries     | <u>13,103,339</u>                | <u>13,867,983</u>                | <u>14,168,087</u>                |
| Total Operating                    | <u>83,948,895</u>                | <u>86,779,271</u>                | <u>89,095,772</u>                |
| Transfer Payments                  | 1,260,684                        | 1,522,849                        | 1,573,997                        |
| Contingency                        | <u>1,000,000</u>                 | <u>1,000,000</u>                 | <u>1,000,000</u>                 |
| Total Expenditures                 | <u>\$86,209,579</u>              | <u>\$89,302,120</u>              | <u>\$91,669,769</u>              |

<sup>1</sup>According to City officials the increase in "General Miscellaneous" in 2007 and 2008 is primarily attributable to a new infrastructure fee for street lighting and certain payments made to the City of Thornton for the financing of certain infrastructure costs.

Source: City of Westminster Finance Department

## **Retirement and Pension Matters**

See Notes G, H and I to the City’s financial statements appended hereto for a discussion of the City’s pension plans.

## **Insurance Coverage**

The Council acts to protect the City against loss and liability by maintaining certain insurance coverages. The City is insured as a member of CIRSA, a property and liability insurance pool established for Colorado municipalities on January 1, 1982. CIRSA provides liability coverage, including errors and omissions; property coverage; and specific catastrophe coverage, which is renewable annually on January 1<sup>st</sup>. See Notes 4.A and 4.B to the City’s financial statements appended hereto for a discussion of CIRSA. The City Manager believes the City’s present insurance coverage to be adequate. However, there can be no assurance that the City will continue to maintain this level of coverage.

## **Deposit and Investment of City Funds**

State statutes set forth requirements for the deposit of City funds in eligible depositaries and for the collateralization of such deposited funds. See also Note D to the City’s financial statements appended hereto. The City also may invest available funds in accordance with applicable state statutes. The investment of the proceeds of this issue also is subject to the provisions of the Federal Tax Code. See “TAX EXEMPTION.”

## **DEBT STRUCTURE**

### **Required Elections**

Article X, Section 20 of the Colorado Constitution requires that, with certain exceptions, the City must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Enterprises, as defined in Article X, Section 20, refundings at a lower interest rate, and obligations subject to annual appropriation are excluded from the application of said Section and the voter approval requirements established therein. For a discussion of Article X, Section 20 see “Constitutional Amendment Limiting Taxes and Spending.”

### **Revenue Bonds**

The City Council has the power to issue revenue bonds, subject to the election requirements described above in “Required Elections,” payable from the revenues derived from the operation of facilities to be acquired, constructed or improved with the proceeds of the bonds, or payable in whole or part from available proceeds of sales and use taxes. The City provides for the operation of certain of its services, such as water and wastewater, and certain of its recreational facilities as enterprises which are not subject to the provisions of Article X, Section 20, see “—Constitutional Amendment Limiting Taxes and Spending.” The following table sets forth the City’s outstanding revenue obligations upon issuance of the Bonds.

**TABLE VI**  
**Outstanding Revenue Obligations**

| Issue   | Outstanding<br>Principal | Principal<br>Totals  |
|---|--------------------------|----------------------|
| <i>Sales and Use Tax Obligations</i>  |                          |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A <sup>1</sup>                | \$ 12,400,000            |                      |
| Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001                              | 7,125,000                |                      |
| Sales and Use Tax Revenue Bonds (136 <sup>th</sup> Ave, & I 25 Project ), Series 2002 <sup>1</sup>  | 4,100,000                |                      |
| Sales and Use Tax Revenue Refunding Bonds, Series 2007A <sup>1</sup>                                | 21,900,000               |                      |
| Subtotal  |                          | \$45,525,000         |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1997B <sup>2</sup>           | 1,175,000                |                      |
| Special Purpose Sales and Use Tax Revenue Bonds (POST Project), Series 1999                         | 400,000                  |                      |
| Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B <sup>2</sup> | 14,160,000               |                      |
| Subtotal  |                          | 15,735,000           |
| <i>Utility Fund Obligations</i>   |                          |                      |
| Water and Wastewater Revenue Refunding Bonds, Series 2001   | 14,050,000               |                      |
| Variable Rate Demand Water and Wastewater Revenue Bonds, Series 2002                                | 6,425,000                |                      |
| Subtotal  |                          | 20,475,000           |
| Subordinate Water and Wastewater Revenue Bonds, Series 1997   | 8,716,814                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 1998   | 2,501,765                |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2000A  | 11,082,905               |                      |
| Subordinate Water and Wastewater Revenue Bonds, Series 2005   | 14,555,000               |                      |
| Subtotal  |                          | 36,856,484           |
| <i>Golf Course Fund Obligations</i>   |                          |                      |
| Golf Course Enterprise Revenue Bonds (Heritage Golf Course Project) Series 1998                     | <u>5,425,000</u>         |                      |
| Subtotal  |                          | <u>5,425,000</u>     |
| Total   |                          | <u>\$124,016,484</u> |

<sup>1</sup> Or or about the date of the pricing of the 2007 Certificates the City anticipates that it will have issued its Sales and Use Tax Revenue Refunding Bonds, Series 2007A. The principal amount of such bonds has been estimated for purposes of this Preliminary Official Statement and the principal amount of the Series 1997A Bonds and the Series 2002 Bonds excludes those bonds which are to be refunded and legally defeased from proceeds of the Sales and Use Tax Revenue Refunding Bonds, Series 2007A.

<sup>2</sup> On or about the date of pricing of the 2007 Certificates the City anticipates that it will have issued its the Special Purpose Sales and Use Tax Revenue Refunding Bonds, Series 2007B. The principal amount of such bonds has been estimated for purposes of this Preliminary Official Statement and the principal amount of the Series 1997A Bonds and the Series 2002 Bonds excludes those bonds which are to be refunded and legally defeased from proceeds of the Sales and Use Tax Revenue Refunding Bonds, Series 2007.

Source: The City

At the November 7, 2006 election, in addition to extending the Open Space Tax through January 1, 2033, City voters authorized the creation of indebtedness not to exceed \$20,000,000 to finance a portion of the acquisition and development of open space, parks, recreation and trails by the City with revenues received from the Open Space Tax. The City expects to issue such indebtedness in the fall of 2007.

### **Leases and Long-Term Contracts**

The City Council has the authority to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval as

described above in “—Required Elections.” The term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment. The following table sets forth the City’s outstanding leases and long term contracts.

**TABLE VII**  
**Outstanding Leases and Long-Term Contracts**

| <b>Issue</b> | <b>Outstanding Principal</b> |
|--------------|------------------------------|
|--------------|------------------------------|

|   |                     |
|---|---------------------|
| Certificates of Participation, Series 1998 (Various Capital Facilities) | \$ 2,045,000*       |
| Certificates of Participation, Series 1999 (Various Capital Facilities) | 1,930,000*          |
| Certificates of Participation, Series 2001 (Public Safety Building)     | 16,070,000          |
| Certificates of Participation, Series 2005 (144th Interchange)          | 17,130,000          |
| Refunding Certificates of Participation, Series 2007                    | <u>31,980,000*</u>  |
| Subtotal (parity certificates secured by Revenues)                      | <u>\$69,155,000</u> |
| <br>  |                     |
| Certificates of Participation, Series 1998 (Ice Centre)                 | 11,395,000          |
| Equipment Leases  | <u>3,964,291</u>    |
| Subtotal (other lease and long-term contracts)                          | <u>\$15,359,291</u> |
| <br>  |                     |
| Total (all outstanding leases and long-term contracts)                  | <u>\$84,514,291</u> |

Source: The City

\*Preliminary subject to change.

### **General Obligation Debt**

“Debt” or “indebtedness” as used in this section means, generally, obligations backed by the City’s full faith and credit and secured by the unlimited power of the City to levy ad valorem property taxes for the payment of bonds and the interest thereon. Any general obligation indebtedness of the City is subject to the election requirements described above in “—Required Elections.” The City does not have any outstanding general obligation debt.

### **Other Financial Obligations**

Subject to the election requirements described above in “—Required Elections,” the Council also has the power to issue special assessment bonds payable from assessments levied against specially benefited properties within special assessment districts. At this time, there are no special assessment bonds outstanding.

### **Moral Obligations**

The City has entered into moral obligations, which represent non binding declarations of the present intent of the City Council to replenish funds securing bond payments, with respect to \$6,460,000 of Tax Increment Adjustable Rate Revenue Bonds (Westminster Plaza Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 1997, currently outstanding in the principal amount of \$5,930,000; \$68,300,000 of Tax Increment Adjustable Rate Revenue Bonds (North Huron Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2005 currently outstanding in the principal amount of \$68,300,000; \$38,455,000 of Tax Increment Adjustable Rate Revenue Refunding Bonds (Mandalay Urban Renewal Project) issued by the Westminster Urban Renewal Authority in calendar year 2006 currently outstanding in the principal amount of \$38,455,000; and the \$6,300,000 Golf Course Enterprise Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$5,620,000 referenced above. In calendar year 2007, the City expects to enter into an

additional moral obligation with WEDA with respect to approximately \$5-8 million of Tax Increment Adjustable Rate Revenue Bonds (South Sheridan Urban Renewal Project) expected to be issued by the Westminster Urban Renewal Authority in 2007. Payments, if any, required pursuant to such obligations are subject to annual appropriation by the City Council.

### **Constitutional TABOR Limiting Taxes and Spending**

**General.** A citizen initiated amendment which added Article X Section 20 to the State constitution was passed on November 3, 1992 (“TABOR”). TABOR applies to the State and any local governments (but excluding government owned enterprises as defined in the TABOR and certain other entities, including urban renewal authorities which satisfy certain legal conditions hereafter described), and among other things, provides significant restrictions regarding taxes, spending, revenue increases, and borrowing. The applicable limitations established pursuant to TABOR can be exceeded with prior voter approval.

With certain exceptions concerning general obligation bonds, pensions, final court judgments, and emergency taxes, TABOR requires local governments to obtain voter approval prior to the imposition of any new tax, tax rate increase, mill levy above that for the prior year, assessed valuation ratio increase, or extension of an expiring tax, or a tax policy change directly causing a net revenue gain to the local government.

Unless otherwise approved by the voters, TABOR also limits the annual percentage increases in both property tax revenue and local government “fiscal year spending,” with certain adjustments, to inflation (defined as the Denver Boulder consumer price index) in the prior calendar year plus “local growth.” Local growth is defined as the net percentage change in actual value of all real property in the local government from construction of improvements and additions to taxable real property less destruction of improvements and deletions to taxable real property. Fiscal year spending includes all the local government’s expenditures and reserve increases and excludes reserve transfers or expenditures, refunds made in the current or next fiscal year, gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, damage awards, and property sales. Any revenue collected in excess of the limit on spending and property tax revenue is required to be refunded during the next fiscal year.

**Enterprises.** Enterprises are excluded from the provisions of the Amendment. As defined in the Amendment, enterprise means a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.

**De-Brucing.** At the election held on November 5, 2002, the City received voter approval to exempt all City revenues not previously exempted pursuant to voter approval, which moneys would otherwise be subject to the TABOR’s fiscal year spending limitation (which revenues are comprised primarily of non-tax revenues such as user-charged fees and state and local grant moneys).

## **LEGAL MATTERS**

### **Pending and Threatened Litigation Involving the City**

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

The Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which is not willful and wanton, and which occurs during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$150,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$600,000; except in such instance, no person may recover in excess of \$150,000. Suits against both the City and a public employee do not increase such maximum amounts which may be recovered. The City may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the City is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of ten mills per annum for all outstanding settlements or judgments.

The City may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti competitive practices which violate the antitrust laws. However, the Act provides that it applies to any action brought against a public entity or a public employee in any Colorado state court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

***Pending and Threatened Litigation.*** The City Attorney states that as of the date hereof, to the best of his knowledge, belief, and information, no litigation of any nature is now pending or threatened against the City which, if determined adversely to the City, would be expected to have a material adverse effect upon the City's ability to comply with its obligations under the Lease.

## **Legal Representation**

Legal matters incidental to the authorization, issuance and delivery of the 2007 Certificates, and with respect to the treatment of interest thereon for purposes of federal and State of Colorado income taxation, are subject to the approval of validity by Sherman & Howard L.L.C., as Special Counsel. In addition Kutak Rock LLP has been retained to advise the City concerning, and has assisted the City in the preparation of, this Official Statement. Certain legal matters will be passed upon for the City by Martin R. McCullough, Esq., as City Attorney.

The obligations of the City under the Lease are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to exercise by the United States of America of the powers delegated to it by the federal Constitution including without limitation, bankruptcy powers.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **No Litigation Certificate**

The Underwriter's purchase of the 2007 Certificates is conditioned on, among other things, receipt from the City Attorney and certain City officials of certification at closing that there is no litigation then pending, or to their knowledge threatened, affecting the validity of or security for the 2007 Certificates.

## **TAX MATTERS**

In the opinion of Special Counsel, assuming continuous compliance with certain covenants described below, the portion of the Base Rentals which is paid by the City and designated in the Lease as interest and paid by the Trustee as interest on the 2007 Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2007 Certificates (the "Tax Code"), is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the 2007 Certificates. The opinion of Special Counsel does not cover the treatment for federal or Colorado income tax purposes of any moneys received in payment of or in respect to the 2007 Certificates subsequent to the occurrence of an Event of Default or an Event of Nonappropriation.

The Tax Code and Colorado law impose several requirements which must be met with respect to the 2007 Certificates in order for the interest thereon to be excluded from gross income, alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations), Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2007 Certificates. These requirements include: (a) limitations as to the use of proceeds of the 2007 Certificates; (b) limitations on the extent to which proceeds of the 2007 Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2007 Certificates above the yield on the 2007 Certificates to be paid to the United States Treasury. The City will covenant and represent in the Lease that it will, during the Lease Term, take all steps to comply with the requirements of the Tax Code and Colorado law (in effect on the date of delivery of the 2007 Certificates) to the extent necessary to maintain the exclusion of interest on the 2007 Certificates from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Special Counsel's opinion as to the exclusion of interest on the 2007 Certificates from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. (The foregoing covenant does not, however, preclude the City from exercising its right to terminate the Lease at the times and in the manner previously described in this Official Statement.) The failure or inability of the City to comply with these requirements could cause the interest on the 2007 Certificates to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Special Counsel's opinion also is rendered in reliance upon certifications of the City and other certifications furnished to Special Counsel. Special Counsel has not undertaken to verify such certifications by independent investigation.



Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the 2007 Certificates.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2007 Certificates. Owners of the 2007 Certificates should be aware that the ownership of tax exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Special Counsel's opinion relates only to the exclusion of interest on the 2007 Certificates from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the 2007 Certificates. Owners of the 2007 Certificates should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Special Counsel are based upon existing law as of the delivery date of the 2007 Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to any pending or proposed legislation. Amendments to federal and Colorado tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the 2007 Certificates, the exclusion of interest on the 2007 Certificates from gross income, alternative minimum taxable income, Colorado taxable income, Colorado alternative minimum taxable income or any combination thereof from the date of issuance of the 2007 Certificates or any other date, or which could result in other adverse federal or Colorado tax consequences. Owners of the 2007 Certificates are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2007 Certificates. If an audit is commenced, under current procedures the Service will treat the City as the taxpayers and the Owners may have no right to participate in such procedure. Neither the Initial Purchaser nor Special Counsel are obligated to defend the tax-exempt status of the 2007 Certificates. The City has covenanted in the Lease not to take any action that would cause the interest on the 2007 Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the Owners thereof for federal income tax purposes. None of the City, the Underwriter nor Special Counsel are responsible to pay or reimburse the costs of any registered owner or Beneficial Owner with respect to any audit or litigation relating to the 2007 Certificates.

## MISCELLANEOUS

### Ratings

Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("S&P"), and Fitch Investors Service ("Fitch") have assigned the ratings to the 2007 Certificates shown on the cover page hereof, with the understanding that, upon delivery of the 2007 Certificates, the 2007 Policy

will be issued by the 2007 Insurer. Such ratings reflect only the view of such rating agencies. Any explanations of the significance of such ratings should be obtained from S&P at 55 Water Street, New York, New York 10041 and from Fitch at One State Street Plaza, New York, New York 10004.. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2007 Certificates.

Standard & Poor's Ratings Services has also assigned the underlying rating shown on the cover page which is reflective of the capacity of the City to fulfill its payment obligations under the Lease without giving effect to the 2007 Policy to be provided by the 2007 Insurer.

### **Registration of Certificates**

Registration or qualification of the offer and sale of the 2007 Certificates (as distinguished from registration of the ownership of the 2007 Certificates) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, pursuant to an exemption from registration provided in said act. THE CITY ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE 2007 CERTIFICATES FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE 2007 CERTIFICATES MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

### **Financial Advisor**

James Capital Advisors, Inc. ("James Capital") served as financial advisor to the City with respect to the sale of the 2007 Certificates. As the City's financial advisor, James Capital has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the 2007 Certificates. In its role of financial advisor to the City, James Capital has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement and the Appendices hereto.

### **Interest of Certain Persons Named in this Official Statement**

The legal fees to be paid to Sherman & Howard L.L.C. and to Kutak Rock LLP are contingent upon the sale and delivery of the 2007 Certificates.

### **Underwriting**

The 2007 Certificates are being sold by the City at an underwriting discount of \$\_\_\_\_\_ to the Underwriter pursuant to a purchase contract. See "THE 2007 CERTIFICATES—Application of Certificate Proceeds." Expenses associated with the issuance of the 2007 Certificates are being paid by the City from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the 2007 Certificates. The Underwriter has initially offered the 2007 Certificates to the public at the prices or yields set forth on the cover page of this Official Statement. Such prices or yields, as the case may be, may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the 2007 Certificates to the public.

**Independent Auditors**

The general purpose financial statements of the City as of and for the year ended December 31, 2005, included in this Official Statement, have been audited by independent auditors, Swanhorst & Company LLC, Greenwood Village, Colorado, as stated in their report appearing therein.

**Additional Information**

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: City of Westminster Finance Department, 4800 West 92<sup>nd</sup> Avenue, Westminster, Colorado 80031, Telephone: (303) 430-2400 extension 2040; or Stifel, Nicolaus & Company, Incorporated, Suite 1600, 1125 Seventeenth Street, Denver, Colorado 80202, Telephone: (303) 296-2300.

**Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Council. This Official Statement is hereby duly approved by the Council as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the City and the purchasers or holders of any Certificate.

CITY OF WESTMINSTER, COLORADO

By \_\_\_\_\_  
Mayor Pro Tem

**APPENDIX A**

**CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN TERMS  
OF THE LEASE AND THE INDENTURE**

[TO BE PROVIDED BY SPECIAL COUNSEL]

**APPENDIX B**

**SPECIMEN INSURANCE POLICY AND RESERVE FUND SURETY BOND  
FROM 2007 INSURER**

**APPENDIX C**

**AUDITED GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2005**

**APPENDIX D**  
**CONTINUING DISCLOSURE UNDERTAKING**

[to be provided by Special Counsel]

## APPENDIX E

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the larger metropolitan area within which the City is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the City is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the City or its officers, employees, or advisors.*

#### Population and Median Age

The following table sets forth the population of the City of Westminster, Adams County, Jefferson County and the Denver metropolitan statistical area (the “DMA”) which includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

| Year              | Population          |                |                           |                  |             |
|-------------------|---------------------|----------------|---------------------------|------------------|-------------|
|                   | City of Westminster | Percent Change | Adams County <sup>1</sup> | Jefferson County | DMA         |
| 1960              | 13,850              | --             | 120,296                   | 127,520          | 934,199     |
| 1970              | 19,634              | 41.8%          | 185,789                   | 235,300          | 1,238,273   |
| 1980              | 50,211              | 155.7          | 245,944                   | 371,753          | 1,618,461   |
| 1990              | 74,625              | 48.6           | 265,038                   | 438,430          | 1,848,319   |
| 2000              | 100,940             | 35.3           | 363,857                   | 527,056          | 2,400,570   |
| 2001              | 102,905             | 0.0            | 361,262                   | 529,404          | 2,195,883   |
| 2002              | 104,011             | 3.0            | 375,380                   | 530,821          | 2,236,522   |
| 2003              | 104,522             | 0.5            | 385,262                   | 529,479          | 2,553,636   |
| 2004              | 105,177             | 0.6            | 394,257                   | 532,723          | 2,592,441   |
| 2005              | 105,944             | 0.7            | 405,561                   | 532,608          | 2,627,322   |
| 2006 <sup>2</sup> | 107,363             | 1.3            | unavailable               | unavailable      | unavailable |

<sup>1</sup> The City of Westminster is located in both Adams and Jefferson Counties and therefore information for both counties is included herein as pertinent to the City.

<sup>2</sup> As provided by the City of Westminster.

Source: The 1960-2000 population figures were obtained from the U.S. Department of Commerce, Bureau of the Census; the 2001-2005 figures were obtained from the Division of Local Government, Demographic Division

According to the United States Census Bureau, Adams County’s median age in 1990 was 30.5 years as compared with 31.4 years in 2000. Westminster’s median age was 30.1 in 1990 compared with 32.6 for 2000. The State’s median age for the same period increased from 31.4 in 1990 to 34.3 years in 2000, with the median age of the United States being 33.0 and 35.3 years in 1990 and 2000, respectively.



**Income**

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and per capita personal income. The City of Westminster, Adams County, Jefferson County, the Denver-Aurora-Boulder Consolidated Area, the State and the United States.

**Median Household Effective Buying Income <sup>1</sup>**

|                     | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| City of Westminster | \$46,161    | \$51,512    | \$50,742    | \$51,634    | \$52,313    |
| Adams County        | 38,952      | 42,802      | 43,981      | 42,738      | 43,561      |
| Jefferson County    | 51,452      | 54,470      | 50,830      | 51,688      | 52,289      |
| CBSA <sup>1</sup>   | 44,312      | 48,397      | 46,613      | 47,567      | 48,539      |
| Colorado            | 39,741      | 44,050      | 43,510      | 43,544      | 44,489      |
| United States       | 39,129      | 38,365      | 38,035      | 38,201      | 39,324      |

Note: A household consists of all the people occupying a house, an apartment, room or group of rooms regarded as a housing unit according to the 2000 Census definitions. Members of the household need not be related.

<sup>1</sup> Historically the Survey of Buying Power reported data for the Denver-Boulder-Greeley consolidated metropolitan statistical area (“MSA”) which included the counties of Adams, Arapahoe, Boulder, Denver, Douglas, Jefferson, and Weld. Beginning with the 2004 Survey of Buying Power, data is now being reported for the newly defined core based statistical areas (“CBSA”) instead of MSA, which data is based on the census. The newly created Denver-Aurora-Boulder CBSA includes the counties of Adams, Arapahoe, Broomfield, Boulder, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park, therefore; CBSA figures are not directly comparable to historical MSA data presented herein.

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2001-2005

**Percent of Households by Effective Buying Income Groups—2005**

|                     | <b>Less Than<br/>\$20,000</b> | <b>\$20,000-<br/>\$34,999</b> | <b>\$35,000-<br/>\$49,999</b> | <b>\$50,000<br/>and Over</b> |
|---------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------|
| City of Westminster | 8.5%                          | 17.0%                         | 21.1%                         | 53.4%                        |
| Adams County        | 14.2                          | 22.8                          | 22.2                          | 40.8                         |
| Jefferson County    | 10.3                          | 17.5                          | 19.1                          | 53.1                         |
| CBSA                | 13.5                          | 19.3                          | 19.0                          | 48.2                         |
| Colorado            | 16.1                          | 21.3                          | 19.4                          | 43.2                         |
| United States       | 21.5                          | 22.5                          | 19.3                          | 36.7                         |

Source: “Survey of Buying Power,” *Sales & Marketing Management*, 2005

**Per Capita Personal Income**

|                  | <b>2000</b> | <b>2001</b> | <b>2002</b> | <b>2003</b> | <b>2004</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Adams County     | \$26,732    | \$27,528    | \$27,707    | \$27,682    | \$28,694    |
| Jefferson County | 38,231      | 39,362      | 38,059      | 38,466      | 40,334      |
| DMA              | 38,147      | 39,566      | 39,006      | 39,461      | 41,229      |
| Colorado         | 33,371      | 34,493      | 34,027      | 34,528      | 36,113      |
| United States    | 29,845      | 30,574      | 30,810      | 31,484      | 33,050      |

Source: State of Colorado, Division of Local Government, Demographic Section

**School Enrollment**

The following table presents a five year history of school enrollment for Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1, the school districts serving the City.

**School Enrollment**

| <b>Year</b> | <b>Adams County School District No. 12</b> | <b>Adams County School District No. 50</b> | <b>Jefferson County School District R-1</b> |
|-------------|--|--|---|
| 2002/2003   | 33,522                                     | 11,012                                     | 87,925                                      |
| 2003/2004   | 34,869                                     | 10,562                                     | 87,180                                      |
| 2004/2005   | 36,430                                     | 10,671                                     | 86,877                                      |
| 2005/2006   | 36,994                                     | 10,049                                     | 85,043                                      |
| 2006/2007   | 37,433                                     | 10,683                                     | 84,790                                      |

Source: Colorado Department of Education, *State Trends in Colorado Public School Membership by School District and individual school districts*

**Building Activity**

The following tables set forth building permit activity for the City of Westminster.

**Building Permit Activity in the City of Westminster**

| <b>Year</b> | <b>Residential</b>        |                            |                                | <b>Commercial</b> | <b>Valuation for All Permits</b> |
|-------------|---------------------------|----------------------------|--------------------------------|-------------------|----------------------------------|
|             | <b>Multi-Family Units</b> | <b>Single-Family Units</b> | <b>Total Residential Units</b> |                   |                                  |
| 2002        | 374                       | 463                        | 857                            | 17                | \$171,559,369                    |
| 2003        | 16                        | 497                        | 513                            | 31                | 182,245,326                      |
| 2004        | 24                        | 489                        | 513                            | 21                | 124,281,747                      |
| 2005        | 87                        | 183                        | 270                            | 30                | 151,800,465                      |
| 2006        | 109                       | 155                        | 264                            | 55                | 191,445,758                      |

Source: City of Westminster Building Department

## Foreclosure Activity

The number of foreclosures filed in Adams County and in Jefferson County are set forth in the following table.

### History of Foreclosures

| Year | Adams County | Percent Change | Jefferson County | Percent Change |
|------|--------------|----------------|------------------|----------------|
| 2002 | 927          | --             | 1,130            | --             |
| 2003 | 1,899        | 4.9%           | 1,532            | 35.6%          |
| 2004 | 2,499        | 31.6           | 1,880            | 22.7           |
| 2005 | 3,281        | 31.3           | 2,120            | 12.8           |
| 2006 | 4,330        | 32.0           | 2,971            | 40.1           |

Source: Adams County and Jefferson County Public Trustees

## Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for Adams County and Jefferson County.

### Total Business Establishments and Employment—Adams County

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 48                  | 1,197              | 50                  | 1,403              | 2                | 206                |
| Mining                                       | 29                  | 243                | 35                  | 234                | 6                | (9)                |
| Utilities                                    | 12                  | 925                | 12                  | 616                | 0                | 309                |
| Construction                                 | 1,447               | 17,593             | 1,475               | 19,165             | 28               | 1,572              |
| Manufacturing                                | 500                 | 14,001             | 512                 | 14,237             | 12               | 236                |
| Wholesale trade                              | 959                 | 13,596             | 988                 | 14,248             | 29               | 652                |
| Retail trade                                 | 999                 | 15,441             | 993                 | 15,906             | (6)              | 465                |
| Transportation and warehousing               | 476                 | 13,521             | 480                 | 13,379             | 4                | (142)              |
| Information                                  | 117                 | 2,002              | 120                 | 2,071              | 3                | 69                 |
| Finance and insurance                        | 468                 | 2,908              | 494                 | 3,034              | 26               | 126                |
| Real estate and rental and leasing           | 461                 | 2,834              | 487                 | 2,884              | 26               | 50                 |
| Professional and technical services          | 735                 | 3,959              | 803                 | 3,957              | 68               | (2)                |
| Management of companies and enterprises      | 49                  | 1,371              | 57                  | 1,558              | 8                | 187                |
| Administrative and waste services            | 544                 | 9,428              | 570                 | 10,996             | 26               | 1,568              |
| Educational services                         | 86                  | 1,547              | 99                  | 1,690              | 13               | 143                |
| Health care and social assistance            | 499                 | 9,505              | 530                 | 10,018             | 31               | 513                |
| Arts, entertainment, and recreation          | 85                  | 1,032              | 83                  | 976                | (2)              | (56)               |
| Accommodation and food services              | 625                 | 11,049             | 641                 | 11,378             | 16               | 329                |
| Other services, except public administration | 749                 | 4,671              | 757                 | 4,926              | 8                | 255                |
| Non-classifiable                             | 3                   | 4                  | 5                   | 9                  | 2                | 5                  |
| Government                                   | 95                  | 20,563             | 96                  | 21,003             | 1                | 440                |
| <b>Total</b>                                 | <b>8,986</b>        | <b>147,387</b>     | <b>9,287</b>        | <b>153,689</b>     | <b>301</b>       | <b>6,302</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.  
Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Total Business Establishments and Employment—Jefferson County**

| Industry <sup>1</sup>                        | Second Quarter 2005 |                    | Second Quarter 2006 |                    | Quarterly Change |                    |
|--|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|  | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, forestry, fishing and hunting   | 44                  | 486                | 38                  | 441                | (7)              | (45)               |
| Mining                                       | 72                  | 268                | 80                  | 385                | 8                | 117                |
| Utilities                                    | 38                  | 785                | 39                  | 847                | 1                | 62                 |
| Construction                                 | 2,435               | 14,909             | 2,360               | 15,665             | 75               | 756                |
| Manufacturing                                | 573                 | 18,508             | 581                 | 18,651             | 8                | 143                |
| Wholesale trade                              | 1,464               | 5,922              | 1,469               | 6,071              | 5                | 149                |
| Retail trade                                 | 2,096               | 29,078             | 2,088               | 29,271             | (8)              | 193                |
| Transportation and warehousing               | 259                 | 2,112              | 251                 | 2,183              | (8)              | 71                 |
| Information                                  | 317                 | 4,190              | 326                 | 4,444              | 9                | 254                |
| Finance and insurance                        | 1,359               | 8,322              | 1,368               | 8,412              | 9                | 90                 |
| Real estate and rental and leasing           | 948                 | 4,177              | 968                 | 3,966              | 20               | (211)              |
| Professional and technical services          | 3,173               | 15,494             | 3,389               | 16,105             | 216              | 611                |
| Management of companies and enterprises      | 135                 | 2,370              | 153                 | 2,496              | 18               | 126                |
| Administrative and waste services            | 1,097               | 15,436             | 1,110               | 14,121             | 13               | (1,315)            |
| Educational services                         | 229                 | 2,390              | 247                 | 2,443              | 18               | 53                 |
| Health care and social assistance            | 1,373               | 18,947             | 1,357               | 19,523             | (16)             | 576                |
| Arts, entertainment, and recreation          | 241                 | 3,478              | 228                 | 3,400              | (13)             | (78)               |
| Accommodation and food services              | 1,084               | 20,067             | 1,106               | 20,359             | 22               | 292                |
| Other services, except public administration | 1,427               | 6,187              | 1,441               | 6,211              | (14)             | 24                 |
| Non-classifiable                             | 9                   | 8                  | 10                  | 17                 | 1                | 9                  |
| Government                                   | 160                 | 34,127             | 162                 | 33,533             | 2                | (594)              |
| <b>Total</b>                                 | <b>18,533</b>       | <b>207,261</b>     | <b>18,771</b>       | <b>208,542</b>     | <b>238</b>       | <b>1,281</b>       |

<sup>1</sup> Information provided herein reflects only those employers who are subject to state unemployment insurance law.  
Source: Colorado Department of Labor and Employment, Labor Market Information, ES-202

**Labor Force Estimates**

| Year              | Adams County |                    | Jefferson County |                    | DMSA        |                    | Colorado    |                    |
|-------------------|--------------|--------------------|------------------|--------------------|-------------|--------------------|-------------|--------------------|
|                   | Labor Force  | Percent Unemployed | Labor Force      | Percent Unemployed | Labor Force | Percent Unemployed | Labor Force | Percent Unemployed |
| 2001              | 198,052      | 3.7%               | 305,772          | 3.2%               | 1,152,615   | 3.5%               | 2,379,092   | 3.7%               |
| 2002              | 196,440      | 6.2                | 309,536          | 5.3                | 1,215,905   | 5.9                | 2,437,413   | 5.7                |
| 2003              | 201,891      | 7.1                | 310,080          | 5.6                | 1,252,299   | 6.3                | 2,477,874   | 6.0                |
| 2004              | 199,128      | 6.5                | 303,628          | 5.5                | 1,275,498   | 5.9                | 2,522,225   | 5.5                |
| 2005              | 202,472      | 5.8                | 308,500          | 5.0                | 1,306,362   | 5.2                | 2,547,895   | 5.1                |
| 2006 <sup>1</sup> | 207,925      | 5.2                | 317,140          | 4.5                | 1,342,435   | 4.7                | 2,625,070   | 4.5                |

<sup>1</sup> Labor force estimates through October 31, 2006.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, Colorado Labor Force Review

The following table sets forth selected major employers within the City of Westminster. No independent investigation has been made of and there can be no representation as to the stability or financial condition of the entities listed below, or the likelihood that they will maintain their status as major employers in the City. Three school districts are represented within Westminster: Adams County School District No. 12, Adams County School District No. 50 and Jefferson County School District R-1. The breakdown of employees within facilities within Westminster is not readily available.

**City of Westminster-Selected Major Employers**

| <b>Employer</b>                   | <b>Product or Service</b>                               | <b>Estimated Number of Employees<sup>1</sup></b> |
|-----------------------------------|---|--|
| Avaya                             | Business Communication Systems, Research & Development  | 1,860 <sup>2</sup>                               |
| City of Westminster               | City Government   | 1,665  |
| Ball Corporation                  | Packaging Operations, Research & Development, Aerospace | 659  |
| Centura Health/ St. Anthony North | Full Service Hospital                                   | 570  |
| Access Distribution (GE Access)   | Computer Systems & Networks Vendor                      | 390  |
| Tri State Generation              | Electric Utility Wholesaler                             | 355  |
| Alliance Data Systems             | Network Credit Authorization Services and Equipment     | 323  |
| Kaiser Permanente                 | Health Care Provider                                    | 263  |
| Corporate Express                 | Office Supplies Provider                                | 263  |
| LaFarge North America             | Construction Materials                                  | 190  |
| Finali                            | ECRM Solutions Service Provider                         | 175  |
| Global Healthcare Exchange        | Supply Chain Solutions and Services Provider            | 140  |
| Trimble Navigation                | Satellite Navigation Equipment                          | 132  |
| Celestica Services, Inc.          | Communications Systems Research and Development         | 107  |

<sup>1</sup> As of March 2006.

<sup>2</sup>As of January 2007.

Source: City of Westminster and individual employers

**APPENDIX F**

**Form of Special Counsel Opinion**

## APPENDIX G

### BOOK-ENTRY-ONLY SYSTEM

*The information in this section concerning DTC and DTC's book-entry-only system has been obtained from DTC. The City and the Underwriter take no responsibility for the accuracy thereof.*

DTC will act as securities depository for the 2007 Certificates. The 2007 Certificates will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the 2007 Certificates, in the aggregate principal amount of each maturity of the 2007 Certificates and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such both as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: "AAA." The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the 2007 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2007 Certificates on DTC's records. The ownership interest of each actual purchaser of each 2007 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2007 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2007 Certificates, except in the event that use of the book-entry system for the 2007 Certificates is discontinued.

To facilitate subsequent transfers, all 2007 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2007 Certificates with DTC and their

registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of 2007 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2007 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2007 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2007 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of the 2007 Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2007 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2007 Certificates unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2007 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the 2007 Certificates are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2007 Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2007 Certificates will be printed and delivered to DTC.



## Summary of Proceedings

Summary of proceedings of the regular meeting of the Westminster City Council held Monday, February 12, 2007. Mayor McNally, Mayor Pro Tem Kauffman, and Councillors Dittman, Kaiser, Lindsey, Major, and Price were present at roll call.

The minutes of the January 22, 2007 regular meeting were approved.

Council approved the following: Purchase of water treatment chemicals; extended reclaimed water master plan change order; Table Mountain Animal Center annual assessment; termination of the Colorado Rapids training facility lease agreement; spillway improvements at Hyland Hills Golf Course Pond I; intergovernmental agreement with the City of Thornton for the 128<sup>th</sup> Avenue bridge replacement over I-25; bond and disclosure counsel service agreements for the \$22 million Sales and Use Tax Refunding Revenue Bonds, \$14 million Parks, Open Space and Trails Bonds and \$32 million Certificates of Participation; final passage of Councillor's Bill No. 3 amending the FY2006 budgets of the General and Fleet Maintenance Funds; final passage of Councillor's Bill No. 4 vacating easements within lots 1-19 and 62-65 of the Country Club Highlands Subdivision Filing No. 1; and re-appointed Councillor Price as Director and Jim Arndt and Ron Hellbusch as Alternate Directors for the City to the Rocky Flats Stewardship Council.

Council adopted Resolution No. 6 establishing the 2007 recovery contract interest rate.

The following Councillors' Bills were passed on first reading:

**A BILL FOR AN ORDINANCE INCLUDING PROPERTY WITHIN THE CITY OF WESTMINSTER 136<sup>th</sup> AVENUE GENERAL IMPROVEMENT DISTRICT** Purpose: To expand the boundaries of the 136<sup>th</sup> Avenue GID to include the Ramirez Properties LLC.

**A BILL FOR AN ORDINANCE AMENDING THE WESTMINSTER MUNICIPAL CODE TO CREATE AN ADMINISTRATIVE PENALTY CITATION PROGRAM AND TO MODIFY PROPERTY MAINTENANCE STANDARDS** Purpose: Make ordinance changes affecting property standards and create an administrative penalty process for enforcing such standards.

**A BILL FOR AN ORDINANCE AMENDING THE 2006 BUDGETS OF THE GENERAL, GENERAL CAPITAL IMPROVEMENT, WATER, WASTEWATER AND OPEN SPACE FUNDS AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2006 ESTIMATED REVENUES IN THE FUNDS** Purpose: Amend appropriations for the 2006 budget.

Council passed the following emergency Ordinances:

**A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2007A, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY** Purpose: Refund Series 1997A (Streets) and Series 2002 Sales and Use Tax Revenue Bonds.

**A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST PROJECT), SERIES 2007B, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY** Purpose: Refund 1997B series (POST) Sales and Use Tax Revenue Bonds.

**A BILL FOR AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A FIFTH AMENDMENT TO A PREVIOUSLY EXECUTED AND AMENDED LEASE PURCHASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AN OFFICIAL STATEMENT AND RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE REFERENCED DOCUMENTS; PROVIDING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY** Purpose: Refund Certificates of Participation, Series 1998 (Capital Facilities) and Series 1999 (Westminster Mall Public Improvements / Westminster Boulevard) in the amount not to exceed \$33,000,000.

The meeting adjourned at 7:43 p.m.

By Order of the Westminster City Council  
Carla Koeltzow, Deputy City Clerk  
Published in the Westminster Window on February 22, 2007

BY AUTHORITY

ORDINANCE NO. 3332  
SERIES OF 2007

COUNCILLOR'S BILL NO. 3  
INTRODUCED BY COUNCILLORS  
Major - Lindsey

**A BILL FOR AN ORDINANCE INCREASING THE 2006 BUDGET OF THE FLEET MAINTENANCE FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 2006 ESTIMATED REVENUES IN THIS FUND**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 2006 appropriation for the Fleet Fund, initially appropriated by Ordinance No. 3162 is hereby increased by \$48,600. This appropriation is due to an increase in the transfer from the General Fund.

Section 2. The \$48,600 increase in the Fleet Fund shall be allocated to City revenue and expense accounts as described in the City Council Agenda Item 10c&d, dated January 22, 2007 (a copy of which may be obtained from the City Clerk) increasing City fund budgets as follows:

|            |                 |
|------------|-----------------|
| Fleet Fund | <u>\$48,600</u> |
| Total      | <u>\$48,600</u> |

Section 3 – Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 22<sup>nd</sup> day of January, 2007. PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

BY AUTHORITY

ORDINANCE NO. 3333  
SERIES OF 2007

COUNCILLOR'S BILL NO. 4  
INTRODUCED BY COUNCILLORS  
Lindsey - Price

**A BILL FOR AN ORDINANCE VACATING EASEMENTS WITHIN LOTS 1 THROUGH 19 AND LOTS 62 THROUGH 65 OF THE COUNTRY CLUB HIGHLANDS SUBDIVISION FILING NO. 1**

WHEREAS, certain easements were dedicated on the Final Plat for Country Club Highlands Subdivision Filing No 1, recorded at Reception No. 20060714000712680 in the records of Adams County; and

WHEREAS, the 8-foot wide utility easements on Lots 1 through 19 and 62 through 65 contain no utility facilities nor is it necessary for future utility purposes; and

WHEREAS, the underlying blanket utility easements will still apply throughout the Country Club Highlands Subdivision, Filing No. 1; and

NOW THEREFORE, THE CITY OF WESTMINSTER ORDAINS:

Section 1. City Council finds and determines that the public convenience and welfare require the vacation of the easements in Sections 2 hereof.

Section 2. Legal Description of Utility Easements: See attached legal descriptions, exhibits A through C.

Section 3. This ordinance shall take effect upon its passage after second reading. The title and purpose of this ordinance shall be published prior to its consideration on second reading. The full text of this ordinance shall be published within ten (10) days after its enactment after second reading.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 22<sup>nd</sup> day of January, 2007. PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 12<sup>th</sup> day of February, 2007.

BY AUTHORITY

ORDINANCE NO. 3334  
SERIES OF 2007

COUNCILLOR'S BILL NO. 8  
INTRODUCED BY COUNCILLORS  
Price - Dittman

**A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2007A, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY**

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Definitions. As used herein, unless the context clearly indicates otherwise, the following terms shall have the respective meanings set forth below:

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "2007 Sales and Use Tax Revenue Bonds" created by the provisions of this Ordinance.

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

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

Bond Purchase Agreement: the agreement between the City and the Underwriter, concerning the purchase of the Bonds by the Underwriter.

Bonds: the Sales and Use Tax Revenue Refunding Bonds, Series 2007A, as authorized by this Ordinance.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Charter: the home rule charter of the City adopted in accordance with Article XX of the Colorado Constitution.

City: the City of Westminster, Adams and Jefferson Counties, Colorado.

Code: the Internal Revenue Code 1986, as in effect on the date of delivery of the Bonds.

Combined Average Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the aggregate of all future payments of principal of and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneous with the delivery of the Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Council: the City Council of the City of Westminster, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Depository: any securities depository as the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Account: the account created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

Escrow Agreement: the Escrow Agreement dated as of its date, between the City and the Escrow Bank.

Escrow Bank: American National Bank, or its successors and assigns, acting as Escrow Bank under the Escrow Agreement.

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

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

General Debt Service Fund: the “General Debt Service Fund” heretofore established as a governmental fund of the City.

Insurance Trustee: the commercial bank appointed by the Bond Insurer to act as insurance trustee under the Bond Insurance Policy, or its successors.

Letter of Representations: the letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Maximum Annual Combined Debt Service Requirement: the maximum amount of all required payments of principal and interest on the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, any Parity Lien Bonds, and any Parity Lien Bonds proposed to be issued which will become due in any Fiscal Year; provided that if any particular issue has a single principal payment date and is issued as interim notes or securities in anticipation of permanent financing, such principal amount shall be excluded from this computation; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

1997 Bonds: the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 1997A, dated March 1, 1997.

2001 Bonds: the City's Sales and Use Tax Revenue Refunding and Improvement Bonds, Series 2001, dated September 1, 2001.

2002 Bonds: The City's Sales and Use Tax Revenue Refunding Bonds, Series 2002, dated December 1, 2002.

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

Owners: the Beneficial Owners and the Registered Owners; provided however, that for purposes of Sections 23 and 24 hereof, to the extent provided in any ordinance authorizing the 1997 Bonds, the 2001 Bonds, 2002 Bonds, any Parity Lien Bonds, any bond insurer which is not in default in its obligations under its bond insurance policy insuring payment of the any Parity Lien Bonds shall be deemed the Owner thereof.

Parity Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

Participant: any broker-dealer, bank, or other financial institution from time to time for which DTC or other Depository holds the Bonds.

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

Paying Agent Agreement: the Registrar and Paying Agent Agreement dated as of February 1, 2007, between the City and the Registrar and Paying Agent.

Permitted Investments: any investment or deposit permitted for the City under the laws of the State and listed on Schedule I to this Ordinance or otherwise approved by the Bond Insurer.

Person: any natural person, firm, partnership, association, corporation, trust, public body, or other entity.

Pledged Revenue: so long as the rate of the Sales and Use Tax is three and eighty-five hundredths percent (3.85%), the revenue derived from the Sales and Use Tax, after deducting (i) 6.49% thereof for deposit to the City's Open Space Fund, (ii) 15.58% thereof which is reserved for the City's public safety related expenditures and (iii) all costs of administering and collecting the Sales and Use Tax; and so long as the rate of the Sales and Use Tax is three and sixty-hundredths percent (3.60%), . the revenue derived from the Sales and Use Tax, (i) 16.67% thereof which is reserved for the City's public safety related expenditures and (ii) after deducting all costs of administering and collecting the Sales and Use Tax.

Preliminary Official Statement: the Preliminary Official Statement prepared in connection with the issuance of the Bonds.

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

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

Refunded Bonds: any or all of the 1997 Bonds and the 2002 Bonds as designated in the Sale Certificate.

Refunded Bond Requirements: means: (i) the payment of the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before the Redemption Date; (ii) the payment of principal of the Refunded Bonds as the same becomes due upon prior redemption on the Redemption Date; and (iii) the payment of any required redemption premium;

Refunding Project: the issuance of the Bonds for the purpose of defraying the costs of refunding the Refunded Bonds and payment of the costs of issuance of the Bonds.

Registered Owner: the registered owner of any Bond, as shown by the registration books maintained by the Registrar on behalf of the City.

Registrar: American National Bank, in Denver, Colorado or its successor, which shall perform the registration and transfer functions of bond registrar as set forth in this Ordinance.

Required Reserve: the amount of the Reserve Fund required by Section 19(e) hereof.

Reserve Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the “Sales and Use Tax Revenue Bonds Reserve,” created by the provisions of Section 19(e) of this Ordinance.

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

Sales and Use Tax: the sales and use tax of the City, as imposed by Title IV in effect as of the date hereof. The term “Sales and Use Tax” does not include any increases in the rate of sale and use taxes from the present rate of 3.85%, nor does it include any other excise taxes which may now or hereafter be imposed by the City, whether contained in Title IV or any other Chapter or ordinance of the City.

Sales and Use Tax Fund: the “Sales and Use Tax Special Revenue Fund” heretofore established as a governmental fund of the City.

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

Subordinate Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds.

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

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

Title IV: Chapters 1 and 2 of Title IV of the Municipal Code of the City governing the imposition, collection, distribution, and enforcement of the Sales and Use Tax, and any successor or other ordinance pertaining to the Sales and Use Tax.

Underwriter: Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, the original purchaser of the Bonds, or its successor.

#### Section 2. Recitals.

A. This Ordinance shall be known as and may be cited by the short title “2007 Sales and Use Tax Bond Ordinance.”

B. The City is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Colorado Constitution and the Charter.

C. Pursuant to Section 10.2 of the Charter and Title IV of the City's Municipal Code, the City has heretofore imposed and is collecting a sales and use tax upon the sale or use of tangible personal property and certain services.

D. Pursuant to said Title IV, for transactions consummated or contracts entered into on or after January 1, 2004, but prior to January 1, 2033, the rate of the sales and use tax shall be three and eighty-five hundredths percent (3.85%), and for transactions consummated or contracts entered into prior to January 1, 1986, or on or after January 1, 2033, the rate of the sales and use tax shall be three and sixty-hundredths percent (3.60%).

E. Pursuant to said Title IV, six and forty-nine hundredths percent (6.49%) of all sales and use taxes collected at the rate of three and eighty-five hundredths percent (3.85%) shall be distributed to the City's Open Space Fund and 15.58% thereof is reserved for the City's public safety related expenditures.

- F. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, revenue bonds for any public purpose payable in whole or in part from the available proceeds of sales and use taxes which may be imposed pursuant to Chapter X of the Charter.
- G. Pursuant to Chapter XI of the Charter, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof its 1997 Bonds, 2001 Bonds and 2002 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City.
- H. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, bonds for the purpose of refunding outstanding bonds of the City.
- I. Article X, Section 20 of the Colorado Constitution permits the City to issue bonds without an election to refund outstanding bonds at a lower rate of interest.
- J. The Council has determined that it is necessary to undertake the Refunding Project in order to lower the interest rate paid by the City.
- K. The Bonds shall have an irrevocable and first lien, but not necessarily an exclusive such lien, on certain sales and use tax revenues of the City, as set forth herein.
- L. The City has received a proposal in the form of a Bond Purchase Agreement from the Underwriter concerning the purchase of the Bonds.
- M. The Council has determined that the Bonds shall be sold to the Underwriter in accordance with its proposal, and that such sale is to the best advantage of the City.
- N. There are on file with the City Clerk the forms of the following documents: (i) the form of the Escrow Agreement; (ii) the form of the Bond Purchase Agreement; (iii) the form of the Paying Agent and Registrar Agreement; (iv) the form of a Preliminary Official Statement for the Bonds; (v) the Letter of Representations; and (vi) the form of the Continuing Disclosure Certificate.
- O. It is necessary to provide for the form of the Bonds, the Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.
- P. Except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this Ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the issuance of the Bonds.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and all other laws of the State of Colorado thereunto enabling, and pursuant to the provisions of this Ordinance, the City hereby authorizes, for the purpose of paying the costs of the Refunding Project, the issuance of its "Sales and Use Tax Revenue Refunding Bonds, Series 2007A," in the maximum aggregate principal amount of \$22,000,000. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Acts and shall so recite as provided in Section 9 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

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

Section 4. Special Obligations. All of the Bonds, together with the interest thereon and any premium due in connection therewith, and any payments due to the Bond Insurer under the Bond Insurance Policy shall be payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds shall constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided herein, but not necessarily an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds as provided herein. Neither the Bond Insurer nor Owners may look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of, premium, if any, and interest on the Bonds, or any payments due to the Bond Insurer under the Bond Insurance Policy. The Bonds and any payments under



the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

Section 5. Bond Details. The Bonds shall be issued only as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds of each series shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-" and such other series designation as the Registrar deems necessary.

The Bonds shall be dated as of the date of their delivery to the Underwriter. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that (i) the aggregate principal amount of the Bonds shall not exceed \$22,000,000; (ii) the maximum net effective interest rate of the Bonds shall not exceed 4.5%; (iii) the Bonds shall mature no later than December 1, 2022; (iv) the purchase price of the Bonds, shall not be less than 98.5%; (vii) the first optional redemption date on the Bonds shall not be later than December 1, 2017; (viii) the net present value savings as a result of the Refunding Project shall be at least 3% of the principal amount of the Bonds so redeemed; and (ix) the optional redemption price shall not exceed 100% of the principal amount of the Bonds so redeemed. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds; Paying Agent and Registrar. The principal of and premium, if any, on each Bond is payable in lawful money of the United States of America to the Registered Owner of such Bond upon maturity and presentation of the Bond, at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date, to the Registered Owner thereof at his or her address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Letter of Representations.

Section 7. Book-Entry System. The Bonds shall be initially issued in the form of a single, certificated, fully registered Bond for each maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial

Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The City, the Registrar, and the Paying Agent may treat the Registered Owner of a Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the payment of the same. No Person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the City pursuant to this Ordinance.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Additionally, the City Finance Director may terminate the services of DTC if she determines, in her sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book entry transfers through DTC is not in the best interests of the Beneficial Owners or the City. Such termination shall be effected by written notice of the same from the City to DTC and to the Registrar and Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the City or, if the City Finance Director determines in her sole and absolute discretion that it is in the best interests of the Beneficial Owners or the City that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

#### Section 8. Prior Redemption.

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

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

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

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the City.

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

(c) Notice. Notice of redemption shall be given by the Registrar in the name of the City by sending a copy of such official notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the redemption date to the Bond Insurer and each Registered Owner at his address as it last



The City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for value received, hereby promises to pay from the special fund hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond is one of an authorized series issued pursuant to an ordinance of the City Council of the City adopted on February 12, 2007 (the "Bond Ordinance"). This bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

This Bond is one of a series aggregating \_\_\_\_\_ dollars (\$ \_\_\_\_\_) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for the purpose of paying the costs of certain street improvements in the City, in accordance with the Constitution of the State of Colorado, the Charter of the City, Title 11, Article 57, Part 2, C.R.S. and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance duly adopted prior to the issuance of this Bond. Pursuant to Section 11-57-210, C.R.S., this recital conclusively imparts full compliance with all of the provisions and limitations of said sections and this bond shall be incontestable for any cause whatsoever after its delivery for value.

The principal of, premium, if any, and interest on this Bond are payable only out of a special fund of the City created in full conformity with law and designated as the "2007 Sales and Use Tax Revenue Bonds" (the "Bond Fund"), into which the City covenants and agrees to credit, from certain sales and use tax proceeds defined hereafter as the "Pledged Revenue," and other legally available revenues, amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same become due and payable, all as is more particularly set forth in the authorizing Bond Ordinance. The Pledged Revenue consists only of the revenue derived from the City's existing 3.85% sales and use tax, after deducting 22.07% thereof for deposit to other accounts of the City and after deducting all costs of administering and collecting the sales and use tax; or to the extent the sales and use tax rate is reduced to 3.60% (as is presently provided by City ordinances), the Pledged Revenue will consist only of the revenue derived from the City's 3.60% sales and use tax, after deducting 16.67% thereof which is reserved for the City's public safety related expenditures and all costs of administering and collecting the sales and use tax. In the authorizing Bond Ordinance the City has covenanted that it will not amend or repeal the ordinance imposing the sales and use tax in any way which would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. The Bonds of this issue constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided in the Bond Ordinance, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of said Bond Ordinance.

**THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY.**

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

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

IN TESTIMONY WHEREOF, the City Council of the City of Westminster, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor Pro Tem, sealed with a facsimile of the seal of the City, countersigned with the manual or facsimile signature of the Finance Director, and attested by the manual or facsimile signature of the City Clerk, all as of the February 1, 2007.

( S E A L )

CITY OF WESTMINSTER, COLORADO

(Manual or Facsimile Signature)

Mayor Pro Tem

COUNTERSIGNED:

ATTESTED:

By: (Manual or Facsimile Signature)

By: (Manual or Facsimile Signature)

City Clerk

Finance Director

[End Form of Bond]

[Form of Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication: \_\_\_\_\_

AMERICAN NATIONAL BANK,

in Denver, Colorado, as Registrar

By: \_\_\_\_\_

Authorized Officer or Employee

[End Form of Registrar's Certificate of Authentication]

[Form of Transfer]

ASSIGNMENT

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

\_\_\_\_\_  
Social Security or Federal Employer

Identification Number of Assignee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

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

Signature guaranteed:

\_\_\_\_\_  
(Bank, Trust Company, or Firm)

[End Form of Transfer]

STATEMENT OF INSURANCE

[To be inserted if bond insurance is obtained]

Section 10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 11. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Registrar, and the Registrar shall authenticate the Bonds and deliver them to the Underwriter, as directed by the City, and in accordance with the Bond Purchase Agreement and the Letter of Representations.

Section 12. Registration, Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, the Registrar shall enter

such transfer in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of Bonds which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such exchange or transfer.

(b) The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

(c) Except as herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. In the event a Bond is registered in the name of a Depository, cancellation may consist of the notation thereof on the registration books of the Registrar. The Registrar shall notify the Depository of all Bonds, or portions thereof, canceled in accordance with this Section.

Section 14. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Registrar.

Section 15. Disposition and Investment of Bond Proceeds. The Bonds shall be issued and sold for the purposes of paying the costs of the Refunding Project. Accrued interest on the Bonds shall be deposited to the Bond Fund. All other Bond proceeds shall be deposited to such fund or account as the Finance Director determines and applied to pay the costs of the Refunding Project. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Creation of Fund and Accounts. There are hereby created and established the following funds and accounts which shall be established as book accounts and maintained in accordance with this Ordinance:

(a) the Bond Fund; and

(b) the Reserve Fund pursuant to Section 19(e).

In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and

expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director.

Section 17. Payment of Principal and Interest; Attachment of Lien. The City shall credit to the Sales and Use Tax Fund all revenue derived from the Sales and Use Tax immediately upon receipt. Thereafter, the City shall apply the Pledged Revenue in the following order of priority:

FIRST: To the credit of the Bond Fund the amounts required by Section 18 hereof, and to the credit of any other fund or account established for the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, or hereafter established for the payment of the principal of, premium if any, and interest on Parity Lien Bonds, in the amounts required by the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and the Parity Lien Bonds.

SECOND: To the credit of any sinking fund, reserve fund, or similar fund or account established in connection with the 1997 Bonds, the 2001 Bonds, the 2002 Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by this Ordinance or the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 2001 Bonds, the 2002 Bonds and the Parity Lien Bonds.

THIRD: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

FOURTH: To the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in Section 17 FIRST through THIRD hereof.

The lien of the Bonds on the Pledged Revenue shall attach immediately upon receipt of any Sales and Use Tax proceeds, shall remain in effect so long as such Pledged Revenue is credited to the Sales and Use Tax Fund or the Bond Fund or the Reserve Fund, and shall be extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund pursuant to Section 18 hereof or the Reserve Fund pursuant to Section 19(e) hereof and which is transferred to other funds of the City for other purposes.

Section 18. Bond Fund. The City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, in substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively. Notwithstanding the foregoing, the City shall credit to the Bond Fund from the Pledged Revenue an amount which, when combined with other legally available moneys credited thereto, will be sufficient to pay when due the principal of and interest on the Bonds.

Moneys credited to the Bond Fund may be invested or deposited in accordance with the Charter. The investment of moneys in the Bond Fund shall, however, be subject to the tax covenants and provisions of Section 19(f) hereof. Except to the extent otherwise required by Section 19(f) hereof, any investment income earned on amounts credited to the Bond Fund shall be credited to the Bond Fund, and for purposes of making the deposits required by this Section, any investment income so credited to the Bond Fund shall be deemed the credit of Pledged Revenue to the Bond Fund.

Section 19. Additional Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Registered Owner and Beneficial Owner, that so long as any of said Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending said Title IV in order to increase the rate of tax above that currently imposed by said Title IV, or to make certain changes in the administration, collection, or enforcement of such Sales or Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the Sales and Use Tax authorized by Title IV, and shall take such reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with

appropriate officers of the City. The City will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit. While the Bond Insurance Policy is in effect, the Bond Insurer shall receive, as soon as practicable after the filing thereof, a copy of the City's annual audited financial statements and annual budget.

(e) In the event the City does not receive Pledged Revenue in any fiscal year in an amount at least equal to 200% of the Combined Average Annual Principal and Interest Requirements for the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of the 1997 Bonds, the 2001 Bonds, 2002 Bonds the Bonds and Parity Lien Bonds (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by twelve equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenue, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established. Draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

(h) It will provide such additional information as the Bond Insurer may reasonably request from time to time.

(i) The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

#### Section 20. Additional Bonds.

(a) No additional bonds, notes, interim securities, or other obligations shall be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien of the Bonds.

(b) The City may issue Parity Lien Bonds if:

(i) No Event of Default has occurred and is continuing.

(ii) The City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by this Ordinance.

(iii) The Pledged Revenue for the twelve (12) month period immediately preceding the date of issuance of such Parity Lien Bonds is sufficient to pay an amount representing not less than 200% of the Maximum Annual Combined Debt Service Requirement.

(c) A written certificate signed by the City Finance Director that the requirements of Section 20(b) hereof are met shall conclusively determine the right of the City to authorize, issue, sell, and deliver Parity Lien Bonds.

(d) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the City from issuing Subordinate Lien Bonds.



Section 21. Delegated Powers. The officers of the City be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing: the printing of the Bonds; the procuring of bond insurance, if in the best interests of the City; entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. The form, terms and provisions of the Registrar Agreement and the Continuing Disclosure Certificate are hereby approved, and the City shall enter into and perform its obligations under the Escrow Agreement, the Bond Purchase Agreement, the Registrar Agreement and the Continuing Disclosure Certificate in the forms of such documents presented to the Council at this meeting, with only such changes therein as are required by the circumstances and are not inconsistent herewith; and the Mayor Pro Tem and the City Clerk are hereby authorized and directed to execute and deliver such documents as required hereby.

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

- (a) Payment of the principal of or premium due on any Bond is not made by the City when due at maturity or upon prior redemption;
- (b) Payment of the interest on any Bond is not made by the City when due; or
- (c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

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

Section 24. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged.

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

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

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

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

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

(b) Exclusive of the amendatory ordinances permitted by paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the Council in accordance with the law, without receipt by the City of any additional consideration but with the prior written consent of the

Owners of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance.

(c) Written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

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

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

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

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

(v) The establishment of priorities as between outstanding 1997 Bonds, 2001 Bonds and the Bonds or the establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or

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

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

Section 25. Notices to and Reports to Bond Insurer. The Paying Agent and Registrar shall give the Bond Insurer copies of any notice to be given by it to the Owners of Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and notices required pursuant to the Continuing Disclosure Certificate. The City shall give to the Bond Insurer any certificate delivered by the City pursuant to this Ordinance relating to the security for the Bonds. Notwithstanding any other provision of this Ordinance, the Paying Agent shall promptly notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required hereunder and promptly upon the occurrence of any other Event of Default hereunder. The Paying Agent shall also notify the Bond Insurer of the City's failure to provide the Paying Agent with any notice, certificate or other item required to be given to the Paying Agent hereunder.

Section 26. Additional Provisions Concerning Bond Insurer.

(a) Notwithstanding any other provision of this Ordinance, the Bond Insurer shall be deemed to be the sole Owner of all Bonds insured by the Bond Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental resolution or any amendment, supplement, change or modification of the Ordinance, removal of the Paying Agent or selection and appointment of a successor paying agent, and the initiation or approval by Owners of any action which under this Ordinance requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the Bonds at the time Outstanding; and (ii) following an Event of Default hereunder, for all other purposes. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to, but not in lieu of, the consent of the Owners for the execution and delivery of any supplemental resolutions for which the consent of 100% of the Owners is required pursuant to Section 24 hereof.

(b) Any provisions of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(c) To the extent permitted by law, any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the City, the Bond Insurer shall have the right to vote on behalf of all Owners of Bonds absent a default by the Bond Insurer under the Bond Insurance Policy.

(d) Anything in this Ordinance to the contrary notwithstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Bonds or the Paying Agent for the benefit of the Owners of the Bonds under this Ordinance.

(e) Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Owners of Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Owners of Bonds as if there were no Bond Insurance Policy.

Section 27. Rights of the Bond Insurer Suspended Upon Default Under Bond Insurance Policy. Notwithstanding any other provision hereof, any rights granted to or conferred upon the Bond Insurer

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

Section 28. Bond Insurer As Third Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 29. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds.

Section 30. Successor Registrar or Paying Agent. American National Bank, in Denver, Colorado is hereby appointed as Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall determine to remove the Registrar or Paying Agent, the City may, upon notice mailed to the Bond Insurer and each Registered Owner of Bonds at the address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or removal of the Registrar or Paying Agent may take effect until a successor, acceptable to the Bond Insurer, is appointed by the City and has accepted such appointment. Every such successor Paying Agent shall be either the City or a bank or trust company having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. The Registrar and Paying Agent may be removed at any time at the request of the Bond Insurer for any breach of trust set forth herein.

Section 31. Defeasance. When all principal, premium, if any, and interest in connection with a Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and said Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of a Bond when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest with respect to said Bond as the same become due at final maturity or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

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

Notwithstanding anything herein to the contrary, in the event that the principal and or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the City, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 32. Authorization to Execute Collateral Documents. The officers of the City and the members of the Council are hereby authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to the execution of the Letter of Representations, the Escrow Agreement, the Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and such certificates and affidavits as may be reasonably required by the Underwriter. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 33. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the Underwriter's discount and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with DTC, are hereby ratified, approved, and confirmed.

Section 35. Approval of the Bond Purchase Agreement. The Council does hereby accept and approve the Bond Purchase Agreement as submitted by the Underwriter, and the Bonds shall be sold to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 36. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the Finance Director to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Underwriter to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 37. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 38. Creation and Maintenance of Escrow Account: The Escrow Account is created pursuant to the Escrow Agreement and shall be maintained in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the Redemption Date.

Section 39. Use of Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the principal of, redemption premium, if any, and interest on the Refunded Bonds on the applicable redemption date. Any moneys remaining in the Escrow Account after provision shall have been made for the payment in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the City Council may hereafter determine.

Section 40. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the earliest applicable redemption date. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed as herein provided.

Section 41. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 42. Pecuniary Interest. The Mayor is an employee of the Underwriter. The Mayor has disclosed this and abstained from voting on this Ordinance. Pursuant to Section 5.12(c) of the City Charter, the Council determines that the best interests of the City are served by entering into the Bond Purchase Agreement and that obtaining comparative prices is not feasible in this case.

Section 43. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners, and shall be and remain

irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 44. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 45. Repealer. All orders, ordinances, resolutions, bylaws, and regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 46. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 47. Declaration of Emergency. In order to complete the issuance and sale of the Bonds while favorable market conditions exist to effect the Refunding Project, it is hereby declared that an emergency exists and that this ordinance is necessary for the immediate preservation of the public peace, health, safety and financial well-being of the City. This Ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 48. Effective Date, Recording and Authentication. This Ordinance shall be in full force and effect immediately upon enactment following final passage. This Ordinance shall be recorded in the City Book of Ordinances kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.

BY AUTHORITY

ORDINANCE NO. 3335  
SERIES OF 2007

COUNCILLOR'S BILL NO. 9  
INTRODUCED BY COUNCILLORS  
Dittman - Major

**A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE SALES AND USE TAX REVENUE REFUNDING BONDS (POST PROJECT), SERIES 2007B, OF THE CITY OF WESTMINSTER, COLORADO, PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY**

THE CITY OF WESTMINSTER ORDAINS:

Definitions. As used herein, unless the context clearly indicates otherwise, the following terms shall have the respective meanings set forth below:

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "2007 Special Purpose Sales and Use Tax Revenue Bonds" created by the provisions of this Ordinance.

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

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

Bond Purchase Agreement: the agreement between the City and the Underwriter, concerning the purchase of the Bonds by the Underwriter.

Bonds: the Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B, as authorized by this Ordinance.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Charter: the home rule charter of the City adopted in accordance with Article XX of the Colorado Constitution.

City: the City of Westminster, Adams and Jefferson Counties, Colorado.

Code: the Internal Revenue Code 1986, as in effect on the date of delivery of the Bonds.

Combined Average Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the aggregate of all future payments of principal of and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues, divided by the number of years between said dates; provided further that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption.

Combined Maximum Annual Principal and Interest Requirements: with regard to any two or more particular issues of bonds or other obligations, the maximum annual payment of principal of and interest on all of said issues (excluding redemption premiums) to become due from the date of computation to the date of maturity of the latest maturing obligation of any of said issues; provided that such computation shall assume the redemption and payment of bonds or other obligations subject to mandatory redemption, but shall be made without regard to optional redemption or any other assumed amortization.

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneous with the delivery of the Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Council: the City Council of the City of Westminster, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Depository: any securities depository as the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Escrow Account: the account created and maintained by the Escrow Bank pursuant to the Escrow Agreement.

Escrow Agreement: the Escrow Agreement dated as of its date, between the City and the Escrow Bank.

Escrow Bank: American National Bank, or its successors and assigns, acting as Escrow Bank under the Escrow Agreement.

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

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

General Debt Service Fund: the "General Debt Service Fund" heretofore established as a governmental fund of the City.

Insurance Trustee: the commercial bank appointed by the Bond Insurer to act as insurance trustee under the Bond Insurance Policy, or its successors.

Letter of Representations: the letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

1997 Bonds: the City's Special Purpose Sales and Use Tax Revenue Bonds, Series 1997B, dated March 1, 1997.

1999 Bonds: the City's Special Purpose Sales and Use Tax Revenue Bonds, Series 1999.

Open Space Fund: the "Open Space Fund" heretofore established as a governmental fund of the City.

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

Owners: the Beneficial Owners and the Registered Owners; provided however, that for purposes of Sections 23 and 24 hereof, to the extent provided in any ordinance authorizing the 1997 Bonds, the 1999 Bonds or any Parity Lien Bonds, any bond insurer which is not in default in its obligations under its bond insurance policy insuring payment of the 1997 Bonds, the 1999 Bonds or any Parity Lien Bonds shall be deemed the Owner thereof.

Parity Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is on a parity with the lien of the Bonds.

Participant: any broker-dealer, bank, or other financial institution from time to time for which DTC or other Depository holds the Bonds.

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

Paying Agent Agreement: the Registrar and Paying Agent Agreement dated as of February 1, 2007, between the City and the Registrar and Paying Agent.

Permitted Investments: any investment or deposit permitted for the City under the laws of the State and listed on Schedule I to this Ordinance or otherwise approved by the Bond Insurer.

Person: any natural person, firm, partnership, association, corporation, trust, public body, or other entity.

Pledged Revenue: 6.49% of the revenue derived from the Sales and Use Tax, after deducting all costs of administering and collecting the Sales and Use Tax.

Preliminary Official Statement: the Preliminary Official Statement prepared in connection with the issuance of the Bonds.

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

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

Refunded Bonds: any or all of the 1997 Bonds as designated in the Sale Certificate.

Refunded Bond Requirements: means: (i) the payment of the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before the Redemption Date; (ii) the payment of principal of the Refunded Bonds as the same becomes due at maturity or upon prior redemption on the Redemption Date as set forth in the Sale Certificate; and (iii) the payment of any required redemption premium;

Refunding Project: the issuance of the Bonds for the purpose of defraying the costs of refunding the Refunded Bonds and payment of the costs of issuance of the Bonds.

Registered Owner: the registered owner of any Bond, as shown by the registration books maintained by the Registrar on behalf of the City.

Registrar: American National Bank, in Denver, Colorado or its successor, which shall perform the registration and transfer functions of bond registrar as set forth in this Ordinance.

Required Reserve: the amount of the Reserve Fund required by Section 19(e) hereof.

Reserve Fund: offsetting revenue and expense accounts within the General Debt Service Fund of the City, designated as the "Special Purpose Sales and Use Tax Revenue Bonds Reserve," created by the provisions of Section 19(e) of this Ordinance.

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

Sales and Use Tax: the sales and use tax of the City, as imposed by Title IV in effect as of the date hereof. The term "Sales and Use Tax" does not include any increases in the rate of sale and use taxes from the present rate of 3.85%, nor does it include any other excise taxes which may now or hereafter be imposed by the City, whether contained in Title IV or any other Chapter or ordinance of the City.

Sales and Use Tax Fund: the "Sales and Use Tax Special Revenue Fund" heretofore established as a governmental fund of the City.

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

Subordinate Lien Bonds: one or more series of additional bonds, notes, interim securities, or other obligations issued by the City in accordance with the provisions hereof, having a lien on the Pledged Revenue which is subordinate or junior to the lien of the Bonds.

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

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

Title IV: Chapters 1 and 2 of Title IV of the Municipal Code of the City governing the imposition, collection, distribution, and enforcement of the Sales and Use Tax, and any successor or other ordinance pertaining to the Sales and Use Tax.

Underwriter: Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, the original purchaser of the Bonds, or its successor.

#### Section 2. Recitals.

A. This Ordinance shall be known as and may be cited by the short title "2007B Sales and Use Tax Bond Ordinance."

B. The City is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Colorado Constitution and the Charter.

Pursuant to Section 10.2 of the Charter and Title IV of the City's Municipal Code, the City has heretofore imposed and is collecting a sales and use tax upon the sale or use of tangible personal property and certain services.

C. Pursuant to said Title IV, for transactions consummated or contracts entered into on or after January 1, 2004, but prior to January 1, 2033, the rate of the sales and use tax shall be three and eighty-five hundredths percent (3.85%), and for transactions consummated or contracts entered into prior to January 1, 1986, or on or after January 1, 2033, the rate of the sales and use tax shall be three and sixty-hundredths percent (3.60%).

D. Pursuant to said Title IV, six and forty-nine hundredths percent (6.49%) of all sales and use taxes collected at the rate of three and eighty-five hundredths percent (3.85%) shall be distributed to the City's Open Space Fund.

E. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, revenue bonds for any public purpose payable in whole or in part from the available proceeds of sales and use taxes which may be imposed pursuant to Chapter X of the Charter.

G. At the general election held on November 5, 1996, the registered electors of the City approved the following question

SHALL THE CITY OF WESTMINSTER DEBT BE INCREASED \$26,000,000 WITH A REPAYMENT COST OF \$48,000,000 (MAXIMUM PRINCIPAL AND INTEREST OVER AN ESTIMATED TWENTY YEAR PAYMENT PERIOD) WITHOUT ANY NEW TAXES OR TAX RATE INCREASES FOR THE PURPOSE OF:

ACQUIRING MORE OPEN SPACE AND PARKLAND THROUGHOUT THE CITY,

DEVELOPING AND ENHANCING NEIGHBORHOOD PARKS AND OTHER PARKS IN THE CITY,



DEVELOPING AND EXTENDING TRAILS THROUGHOUT THE CITY,  
DEVELOPING AND ENHANCING RECREATIONAL FACILITIES IN THE CITY  
TO BE REPAID FROM THE CURRENT 1/4 OF 1 PERCENT SALES AND USE TAX INCLUDING  
THE EXTENSION TO DECEMBER 31, 2016, AND ANY OTHER AVAILABLE REVENUES; AND  
SHALL THE CITY CONTINUE TO LEVY UNTIL DECEMBER 31, 2016, THE 1/4 OF 1 PERCENT  
SALES AND USE TAX CURRENTLY PROVIDED FOR BY CITY CODE SECTION 4-2-3 AND USE  
SUCH REVENUES FOR THE ACQUISITION OF OPEN SPACE AND PARKLAND AND FOR THE  
DEVELOPMENT AND ENHANCEMENT OF PARKS, RECREATIONAL FACILITIES AND  
TRAILS; AND SHALL THE PROCEEDS OF SUCH DEBT, SUCH TAXES, ANY GRANTS  
RECEIVED BY THE CITY FOR OPEN SPACE AND TRAILS, AND ANY INVESTMENT INCOME  
THEREFROM BE EXCLUDED FROM THE SPENDING THE REVENUE LIMITATIONS OF  
ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

H. Pursuant to Chapter XI of the Charter and the question approved at the November 5, 1996 election, the City has heretofore duly authorized, sold, issued, and delivered to the purchasers thereof its 1997 Bonds and 1999 Bonds payable solely from certain sales and use tax and other excise tax revenues to be derived by the City.

I. Pursuant to Chapter XI of the Charter, the Council has the power to issue, without the vote of the qualified electors of the City, bonds for the purpose of refunding outstanding bonds of the City.

J. Article X, Section 20 of the Colorado Constitution permits the City to issue bonds without an election to refund outstanding bonds at a lower rate of interest.

K. The Council has determined that it is necessary to undertake the Refunding Project in order to lower the interest rate paid by the City.

L. The Bonds shall have an irrevocable and first lien, but not necessarily an exclusive such lien, on certain sales and use tax revenues of the City, as set forth herein.

M. The City has received a proposal in the form of a Bond Purchase Agreement from the Underwriter concerning the purchase of the Bonds.

N. The Council has determined that the Bonds shall be sold to the Underwriter in accordance with its proposal, and that such sale is to the best advantage of the City.

O. There are on file with the City Clerk the forms of the following documents: (i) the form of the Escrow Agreement; (ii) the form of the Bond Purchase Agreement; (iii) the form of the Paying Agent and Registrar Agreement; (iv) the form of a Preliminary Official Statement for the Bonds; (v) the Letter of Representations; and (vi) the form of the Continuing Disclosure Certificate.

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

Q. Except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this Ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the issuance of the Bonds.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and all other laws of the State of Colorado thereunto enabling, and pursuant to the provisions of this Ordinance, the City hereby authorizes, for the purpose of paying the costs of the Refunding Project, the issuance of its "Special Purpose Sales and Use Tax Revenue Refunding Bonds (POST Project), Series 2007B," in the maximum aggregate principal amount of \$14,920,000. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Acts and shall so recite as provided in Section 9 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

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

Section 4. Special Obligations. All of the Bonds, together with the interest thereon and any premium due in connection therewith, and any payments due to the Bond Insurer under the Bond Insurance Policy shall be payable only out of the Bond Fund, into which the City covenants to deposit the Pledged Revenue in amounts sufficient to pay promptly, when due, the principal of, premium, if any, and interest on the Bonds. The Bonds shall constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided herein, but not necessarily an exclusive such lien, and the Pledged Revenue is hereby pledged to the payment of the Bonds as provided herein. Neither the Bond Insurer nor Owners may look to any general or other revenue of the City, including without limitation the proceeds of ad valorem taxes, for the payment of the principal of, premium, if any, and interest on the Bonds, or any payments due to the Bond Insurer under the Bond Insurance Policy. The Bonds and any payments under the Bond Insurance Policy shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City.

Section 5. Bond Details. The Bonds shall be issued only as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof. Unless the City shall otherwise direct, the registered Bonds of each series shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-" and such other series designation as the Registrar deems necessary.

The Bonds shall be dated as of the date of their delivery to the Underwriter. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that (i) the aggregate principal amount of the Bonds shall not exceed \$14,920,000; (ii) the maximum net effective interest rate of the Bonds shall not exceed 4.25%; (iii) the Bonds shall mature no later than December 1, 2016; (iv) the purchase price of the Bonds, shall not be less than 98.5%; (vii) the Bonds may be sold with or without a provision for redemption at the option of the City prior to maturity; (viii) the net present value savings as a result of the Refunding Project shall be at least 3% of the principal amount of the Bonds so redeemed; and (ix) the optional redemption price, if any shall not exceed 101% of the principal amount of the Bonds so redeemed. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds; Paying Agent and Registrar. The principal of and premium, if any, on each Bond is payable in lawful money of the United States of America to the Registered Owner of such Bond upon maturity and presentation of the Bond, at the principal office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the Registered Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date, to the Registered Owner thereof at his or her address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

If the date for making any payment or performing any action hereunder shall be a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Paying Agent or Registrar is authorized or required by law to remain closed.

The principal of, premium, if any, and interest on the Bonds shall be paid in accordance with the terms of the Letter of Representations.

Section 7. Book-Entry System. The Bonds shall be initially issued in the form of a single, certificated, fully registered Bond for each maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede.

With respect to Bonds registered in the name of Cede or held by a Depository, the City, the Registrar, and the Paying Agent shall have no responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or Person other than the Registered Owner, of any notice concerning the Bonds, including notice of redemption; (iii) the payment to any Participant, Beneficial Owner, or Person other than the Registered Owner, of the principal of, premium if any, and interest on the Bonds. The City, the Registrar, and the Paying Agent may treat the Registered Owner of a Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest with respect to such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium if any, and interest on the Bonds only to or upon the order of the Registered Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the payment of the same. No Person, other than a Registered Owner, shall receive a certificated Bond evidencing the obligations of the City pursuant to this Ordinance.

DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Additionally, the City Finance Director may terminate the services of DTC if she determines, in her sole and absolute discretion, that DTC is unable to discharge its responsibilities with respect to the Bonds or that continuation of the system of book entry transfers through DTC is not in the best interests of the Beneficial Owners or the City. Such termination shall be effected by written notice of the same from the City to DTC and to the Registrar and Paying Agent. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the City or, if the City Finance Director determines in her sole and absolute discretion that it is in the best interests of the Beneficial Owners or the City that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

Section 8. Prior Redemption.

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

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

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

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth (60<sup>th</sup>) day next preceding each such sinking fund redemption date, the City may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the same maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the

obligation of the City on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph.

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

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

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

Section 9. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor Pro Tem of the City, sealed with a facsimile or manual impression of the seal of the City, countersigned by the facsimile or manual signature of the City's Finance Director, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Underwriter, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

The Bonds shall be in substantially the following form:

[Form of Bond]

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Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is

requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered Owner hereof, Cede & Co., has an interest herein.

No. R-\_\_\_\_\_ \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTIES OF ADAMS AND JEFFERSON  
CITY OF WESTMINSTER

SPECIAL PURPOSE SALES AND USE TAX REVENUE BOND, SERIES 2007B

INTEREST RATE                      MATURITY DATE                      DATED DATE                      CUSIP

December 1, 20\_\_

REGISTERED OWNER: CEDE & COMPANY

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for value received, hereby promises to pay from the special fund hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. This bond is one of an authorized series issued pursuant to an ordinance of the City Council of the City adopted on January 22, 2007 (the "Bond Ordinance"). This bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance.

This Bond is one of a series aggregating \_\_\_\_\_ dollars (\$\_\_\_\_\_) par value, all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity, issued by the City Council of the City of Westminster, in the Counties of Adams and Jefferson and the State of Colorado, for the purpose of paying the costs of certain street improvements in the City, in accordance with the Constitution of the State of Colorado, the Charter of the City, Title 11, Article 57, Part 2, C.R.S. and all other laws of the State of Colorado thereunto enabling, and pursuant to the Bond Ordinance duly adopted prior to the issuance of this Bond. Pursuant to Section 11-57-210, C.R.S., this recital conclusively imparts full compliance with all of the provisions and limitations of said sections and this bond shall be incontestable for any cause whatsoever after its delivery for value.

The principal of, premium, if any, and interest on this Bond are payable only out of a special fund of the City created in full conformity with law and designated as the "2007 Sales and Use Tax Revenue Bonds" (the "Bond Fund"), into which the City covenants and agrees to credit, from certain sales and use tax proceeds defined hereafter as the "Pledged Revenue," and other legally available revenues, amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when the same become due and payable, all as is more particularly set forth in the authorizing Bond Ordinance. The Pledged Revenue consists only of 6.49% of the revenue derived from the City's existing 3.85% sales and use tax, after deducting all costs of administering and collecting the sales and use tax. In the authorizing Bond Ordinance the City has covenanted that it will not amend or repeal the ordinance imposing the sales and use tax in any way which would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. The Bonds of this issue constitute an irrevocable and first lien upon the Pledged Revenue to the extent provided in the Bond Ordinance, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien on the Pledged Revenue on a parity with the lien of the Bonds of this issue, in accordance with the provisions of said Bond Ordinance.

THIS BOND DOES NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER, OR STATUTORY PROVISION OR LIMITATION, AND SHALL NOT BE CONSIDERED OR HELD TO BE A GENERAL OBLIGATION OF THE CITY.

It is hereby recited, certified, and warranted that all the requirements of law have been complied with fully by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the constitution and laws of the State, with the Charter of the City, and with the

Bond Ordinance; and that this Bond does not contravene any constitutional, statutory, or Charter limitation.

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

IN TESTIMONY WHEREOF, the City Council of the City of Westminster, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor Pro Tem, sealed with a facsimile of the seal of the City, countersigned with the manual or facsimile signature of the Finance Director, and attested by the manual or facsimile signature of the City Clerk, all as of the February 1, 2007.

( S E A L ) CITY OF WESTMINSTER, COLORADO  
(Manual or Facsimile Signature)  
\_\_\_\_\_  
Mayor Pro Tem

ATTESTED: COUNTERSIGNED:  
By: (Manual or Facsimile Signature) \_\_\_\_\_ By: (Manual or Facsimile Signature) \_\_\_\_\_  
City Clerk Finance Director

[End Form of Bond]

[Form of Registrar's Certificate of Authentication]

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the issue described in the within mentioned Bond Ordinance.

Date of Registration and Authentication: \_\_\_\_\_  
AMERICAN NATIONAL BANK,  
in Denver, Colorado, as Registrar  
By: \_\_\_\_\_  
Authorized Officer or Employee

[End Form of Registrar's Certificate of Authentication]

[Form of Transfer]

**ASSIGNMENT**

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

\_\_\_\_\_  
Social Security or Federal Employer  
Identification Number of Assignee:  
\_\_\_\_\_  
\_\_\_\_\_

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature of Registered Owner: \_\_\_\_\_

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

(Bank, Trust Company, or Firm)

[End Form of Transfer]

**STATEMENT OF INSURANCE**

[To be inserted if bond insurance is obtained]

Section 10. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such

Bond has been authenticated and delivered under this Ordinance. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 11. Delivery of Bonds. Upon the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Registrar, and the Registrar shall authenticate the Bonds and deliver them to the Underwriter, as directed by the City, and in accordance with the Bond Purchase Agreement and the Letter of Representations.

Section 12. Registration, Transfer and Exchange of Bonds.

(a) Records for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer of any Bond at the Registrar, with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney, the Registrar shall enter such transfer in the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with exchanges or transfers of Bonds which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such exchange or transfer.

(b) The Registrar shall not be required (1) to transfer or exchange all or a portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days preceding the mailing of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing or (2) to transfer or exchange all or a portion of a Bond after the mailing of notice calling such Bond or portion thereof for prior redemption except for the unredeemed portion of Bonds redeemed in part.

(c) Except as herein provided with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(e) Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Destruction of Bonds. Whenever any outstanding Bond shall be delivered to the Registrar for cancellation pursuant to this Ordinance, and upon payment of the principal amount and interest represented thereby, or whenever any outstanding Bond shall be delivered to the Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled and destroyed by the Registrar and counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Registrar to the City. In the event a Bond is registered in the name of a Depository, cancellation may consist of the notation thereof on the registration books of the Registrar. The Registrar shall notify the Depository of all Bonds, or portions thereof, canceled in accordance with this Section.

Section 14. Lost Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced or paid by the Registrar in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Registrar.

Section 15. Disposition and Investment of Bond Proceeds. The Bonds shall be issued and sold for the purposes of paying the costs of the Refunding Project. Accrued interest on the Bonds

shall be deposited to the Bond Fund. All other Bond proceeds shall be deposited to such fund or account as the Finance Director determines and applied to pay the costs of the Refunding Project. Neither the Underwriter nor any subsequent owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Creation of Fund and Accounts. There are hereby created and established the following funds and accounts which shall be established as book accounts and maintained in accordance with this Ordinance:

(a) the Bond Fund; and

(b) the Reserve Fund pursuant to Section 19(e).

In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance the City Finance Director may create offsetting revenue and expense accounts not inconsistent with the provisions hereof, all as may be determined by the City Finance Director.

Section 17. Payment of Principal and Interest; Attachment of Lien. The City shall credit to the Sales and Use Tax Fund all revenue derived from the Sales and Use Tax immediately upon receipt. Thereafter, the City shall transfer the Pledged Revenue to the Open Space Fund to be applied in the following order of priority:

FIRST: To the credit of the Bond Fund the amounts required by Section 18 hereof, and to the credit of any other fund or account established for the 1997 Bonds, the 1999 Bonds, or hereafter established for the payment of the principal of, premium if any, and interest on Parity Lien Bonds, in the amounts required by the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 1999 Bonds, and the Parity Lien Bonds.

SECOND: To the credit of any sinking fund, reserve fund, or similar fund or account established in connection with the 1997 Bonds, the 1999 Bonds, the Bonds or any Parity Lien Bonds, in the amounts required by this Ordinance or the ordinance or other enactment authorizing issuance of the 1997 Bonds, the 1999 Bonds, and the Parity Lien Bonds.

THIRD: To the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on Subordinate Lien Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, in the amounts required by the ordinance or other enactment authorizing issuance of the Subordinate Lien Bonds.

FOURTH: To the credit of any other fund as may be designated by the City, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth in Section 17 FIRST through THIRD hereof.

The lien of the Bonds on the Pledged Revenue shall attach immediately upon receipt of any Sales and Use Tax proceeds, shall remain in effect so long as such Pledged Revenue is credited to the Open Space Fund or the Bond Fund or the Reserve Fund, and shall be extinguished with respect to any Pledged Revenue not required to be credited to the Bond Fund pursuant to Section 18 hereof or the Reserve Fund pursuant to Section 19(e) hereof and which is transferred to other funds of the City for other purposes.

Section 18. Bond Fund. The City shall credit to the Bond Fund from the Pledged Revenue, or other legally available moneys, in substantially equal monthly installments of the total principal to become due and interest to accrue on the Bonds on the next principal payment date and interest payment date, respectively. Notwithstanding the foregoing, the City shall credit to the Bond Fund from the Pledged Revenue an amount which, when combined with other legally available moneys credited thereto, will be sufficient to pay when due the principal of and interest on the Bonds.

Moneys credited to the Bond Fund may be invested or deposited in accordance with the Charter. The investment of moneys in the Bond Fund shall, however, be subject to the tax covenants and provisions of Section 19(f) hereof. Except to the extent otherwise required by Section 19(f) hereof, any investment income earned on amounts credited to the Bond Fund shall be credited to the Bond Fund, and for purposes of making the deposits required by this Section, any investment income so credited to the Bond Fund shall be deemed the credit of Pledged Revenue to the Bond Fund.

Section 19. Additional Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Registered Owner and Beneficial Owner, that so long as any of said Bonds remain outstanding:

(a) It will not amend or repeal Title IV in any way that would materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund. Nothing shall prevent the City from amending said Title IV in order to increase the rate of tax above that currently imposed by said Title IV, or to make certain changes in the administration, collection, or enforcement of such Sales or



Use Tax, provided that such changes do not materially adversely affect the amount of Pledged Revenue which would be otherwise available for credit to the Bond Fund.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the Sales and Use Tax authorized by Title IV, and shall take such reasonable, necessary action to collect delinquent payments in accordance with law.

(c) It will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governments, and any Owner shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipts of such Sales and Use Tax. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City. The City will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(d) It will, at least once a year, cause an audit of the records relating to the collection and receipts of the Sales and Use Tax revenues. Such audit may be made part of and included within the general audit of the City, and made at the same time as such audit. While the Bond Insurance Policy is in effect, the Bond Insurer shall receive, as soon as practicable after the filing thereof, a copy of the City's annual audited financial statements and annual budget.

(e) In the event the City does not receive Pledged Revenue in any fiscal year in an amount at least equal to 150% of the Combined Average Annual Principal and Interest Requirements for the 1997 Bonds, the 1999 Bonds, the Bonds and any Parity Lien Bonds, the City shall establish and maintain a reserve fund solely for the 1997 Bonds, the 1999 Bonds, the Bonds and Parity Lien Bonds (the "Reserve Fund"), in an amount equal to 10% of the outstanding aggregate principal amount of the 1997 Bonds, the 1999 Bonds, the Bonds and Parity Lien Bonds, 125% of the Combined Average Annual Principal and Interest Requirements, or the maximum principal and interest due on the Bonds and Parity Lien Bonds in any fiscal year (the "Required Reserve"). The City shall accumulate the Required Reserve in the Reserve Fund by twelve equal monthly deposits. The City shall make the initial deposit into the Reserve Fund of Pledged Revenue, within 90 days after the end of the fiscal year in which such deficiency occurs. Such Reserve Fund shall not be released after it has been established. Draws on the Reserve Fund must be replenished within one year. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years.

(f) It will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds (the "Code"), (ii) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose the exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Code and State law have been met.

(g) It will comply with the provisions of the Continuing Disclosure Certificate to be executed by City officers and delivered in connection with the delivery of the Bonds.

(h) It will provide such additional information as the Bond Insurer may reasonably request from time to time.

(i) The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

#### Section 20. Additional Bonds.

(a) No additional bonds, notes, interim securities, or other obligations shall be issued payable from the Pledged Revenue and having a lien thereon which is superior to the lien of the Bonds.

(b) The City may issue Parity Lien Bonds if:

(i) No Event of Default has occurred and is continuing.

(ii) The City is then current in the accumulation of all amounts required to be then accumulated in the Bond Fund as required by this Ordinance.

(iii) The Pledged Revenue for the twelve (12) month period immediately preceding the date of issuance of such Parity Lien Bonds is sufficient to pay an amount representing not less than 150% of the Combined Maximum Annual Principal and Interest Requirements of the Bonds, any Parity Lien Bonds, and the Parity Lien Bonds proposed to be issued.

(iv) To the extent the Reserve Fund has been established, a deposit is made to the Reserve Fund so that the balance therein on the date of delivery of the Parity Lien Bonds equals the Required Reserve.

(c) A written certificate signed by the City Finance Director that the requirements of Section 20(b) hereof are met shall conclusively determine the right of the City to authorize, issue, sell, and deliver Parity Lien Bonds.

(d) So long as no Event of Default shall have occurred and be continuing, nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

Section 21. Delegated Powers. The officers of the City be, and hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing: the printing of the Bonds; the procuring of bond insurance, if in the best interests of the City; entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

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

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

(c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds.

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

Section 24. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged.

(a) The City may, without the consent of, or notice to the Owners of the Bonds, but with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default of its payment obligations under

the Bond Insurance Policy, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

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

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

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

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

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

(c) Written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

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

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

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

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

(v) The establishment of priorities as between outstanding 1997 Bonds, 1999 Bonds and the Bonds or the establishment of priorities as between Bonds issued and outstanding under the provisions of this Ordinance; or

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

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

Section 25. Notices to and Reports to Bond Insurer. The Paying Agent and Registrar shall give the Bond Insurer copies of any notice to be given by it to the Owners of Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and notices required pursuant to the Continuing Disclosure Certificate. The City shall give to the Bond Insurer any certificate delivered by the City pursuant to this Ordinance relating to the security for the Bonds. Notwithstanding any other provision of this Ordinance, the Paying Agent shall promptly notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required hereunder and promptly upon the occurrence of any other Event of Default hereunder. The Paying Agent shall also notify the Bond Insurer of the City's failure to provide the Paying Agent with any notice, certificate or other item required to be given to the Paying Agent hereunder.

Section 26. Additional Provisions Concerning Bond Insurer.

(a) Notwithstanding any other provision of this Ordinance, the Bond Insurer shall be deemed to be the sole Owner of all Bonds insured by the Bond Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental resolution or any amendment, supplement, change or modification of the Ordinance, removal of the Paying Agent or selection and appointment of a successor paying agent, and the initiation or approval by Owners of any action which under this Ordinance requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the Bonds at the time Outstanding; and (ii) following an Event of Default hereunder, for all other purposes. Notwithstanding the foregoing, the Bond Insurer's consent shall be required in addition to, but not in lieu of, the consent of the Owners for the execution and delivery of any supplemental resolutions for which the consent of 100% of the Owners is required pursuant to Section 24 hereof.

(b) Any provisions of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

(c) To the extent permitted by law, any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the City, the Bond Insurer shall have the right to vote on behalf of all Owners of Bonds absent a default by the Bond Insurer under the Bond Insurance Policy.

(d) Anything in this Ordinance to the contrary notwithstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of Bonds or the Paying Agent for the benefit of the Owners of the Bonds under this Ordinance.

(e) Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Owners of Bonds will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Owners of Bonds as if there were no Bond Insurance Policy.

Section 27. Rights of the Bond Insurer Suspended Upon Default Under Bond Insurance Policy. Notwithstanding any other provision hereof, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Bond Insurance Policy, and upon any such default by the Bond Insurer, its rights hereunder shall be suspended (except to the extent of subrogation for any payments under the Bond Insurance Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Bond Insurance Policy.

Section 28. Bond Insurer As Third Party Beneficiary. To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 29. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Paying Agent, and the Owners of the Bonds.

Section 30. Successor Registrar or Paying Agent. American National Bank, in Denver, Colorado is hereby appointed as Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall determine to remove the Registrar or Paying Agent, the City may, upon notice mailed to the Bond Insurer and each Registered Owner of Bonds at the address last shown on the registration records, appoint a successor Registrar or Paying Agent. No resignation or removal of the Registrar or Paying Agent may take effect until a successor, acceptable to the Bond Insurer, is appointed by the City and has accepted such appointment. Every such successor Paying Agent shall be either the City or a bank or trust company having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. The Registrar and Paying Agent may be removed at any time at the request of the Bond Insurer for any breach of trust set forth herein.

Section 31. Defeasance. When all principal, premium, if any, and interest in connection with a Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and said Bond shall no longer be deemed to be outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of a Bond when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, premium, if any, and interest with respect to said Bond as the same become due at final maturity or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

In the event that there is a defeasance of only part of the Bonds, the Paying Agent shall, if requested by the City, institute a system to preserve the identity of the individual Bonds or portions thereof so defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds and the

Paying Agent shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Notwithstanding anything herein to the contrary, in the event that the principal and or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not considered paid by the City, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 32. Authorization to Execute Collateral Documents. The officers of the City and the members of the Council are hereby authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to the execution of the Letter of Representations, the Escrow Agreement, the Bond Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and such certificates and affidavits as may be reasonably required by the Underwriter. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

Section 33. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the Underwriter's discount, the premium due in connection with the Bond Insurance Policy, and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 34. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with DTC, are hereby ratified, approved, and confirmed.

Section 35. Approval of the Bond Purchase Agreement. The Council does hereby accept and approve the Bond Purchase Agreement as submitted by the Underwriter, and the Bonds shall be sold to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement.

Section 36. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the Finance Director to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Underwriter to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 37. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 38. Creation and Maintenance of Escrow Account: The Escrow Account is created pursuant to the Escrow Agreement and shall be maintained in an amount at the time of those initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the principal of, redemption premium, if any, and interest on the Refunded Bonds on the Redemption Date.

Section 39. Use of Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the principal of, redemption premium, if any, and interest on the Refunded Bonds on the applicable redemption date. Any moneys remaining in the Escrow Account after provision shall have been made for

the payment in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the City Council may hereafter determine.

Section 40. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the earliest applicable redemption date. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed as herein provided.

Section 41. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 42. Pecuniary Interest. The Mayor is an employee of the Underwriter. The Mayor has disclosed this and abstained from voting on this Ordinance. Pursuant to Section 5.12(c) of the City Charter, the Council determines that the best interests of the City are served by entering into the Bond Purchase Agreement and that obtaining comparative prices is not feasible in this case.

Section 43. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 44. Severability. If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 45. Repealer. All orders, ordinances, resolutions, bylaws, and regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 46. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made, act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 47. Declaration of Emergency. In order to complete the issuance and sale of the Bonds while favorable market conditions exist to effect the Refunding Project, it is hereby declared that an emergency exists and that this ordinance is necessary for the immediate preservation of the public peace, health, safety and financial well-being of the City. This Ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 48. Effective Date, Recording and Authentication. This Ordinance shall be in full force and effect immediately upon enactment following final passage. This Ordinance shall be recorded in the City Book of Ordinances kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.

BY AUTHORITY

ORDINANCE NO. 3336  
SERIES OF 2007

COUNCILLOR'S BILL NO. 10  
INTRODUCED BY COUNCILLORS  
Lindsey - Dittman

**A BILL FOR AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A FIFTH AMENDMENT TO A PREVIOUSLY EXECUTED AND AMENDED LEASE PURCHASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AN OFFICIAL STATEMENT AND RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE REFERENCED DOCUMENTS; PROVIDING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY**

WHEREAS, the City of Westminster, Adams and Jefferson Counties, Colorado (the "City") is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX of the Constitution of the State of Colorado and the home rule charter of the City (the "Charter"); and

WHEREAS, pursuant to Chapter XI of the Charter, the City is authorized to enter into one or more leases or lease-purchase agreements for land, buildings, equipment and other property for governmental or proprietary purposes; and

WHEREAS, the City and The City of Westminster Building Authority (the "Authority") have previously entered into a Lease Purchase Agreement dated as of November 15, 1998, as amended by the First Amendment to Lease Purchase Agreement dated as of August 15, 1999, the Second Amendment to Lease Purchase Agreement dated as of February 1, 2000, the Third Amendment to Lease Purchase Agreement dated as of May 1, 2001 and the Fourth Amendment to Lease Purchase Agreement dated May 1, 2005, all by and between the City and the Authority, whereby the City leases from the Authority certain real property and the buildings located thereon (the "Leased Property"); and

WHEREAS, the City Council of the City has determined and now hereby determines that it is in the best interests of the City and its inhabitants that the City enter into a Fifth Amendment to Lease Purchase Agreement dated as of March 1, 2007, with the Authority (the "Fifth Amendment") (the 1998 Lease as collectively amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment is referred to as the "Lease") for the purpose of restructuring the City's payments pursuant to the Lease so as to effect certain financial benefits for the City (the "Refunding"); and

WHEREAS, pursuant to the Lease, as amended by the Fifth Amendment, and subject to the right of the City to terminate the Lease and other limitations as therein provided, the City will pay certain recalculated Base Rentals and Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the City to use the Leased Property; and

WHEREAS, the City's obligation under the Lease to pay Base Rentals and Additional Rentals (both as defined in the Lease) shall be from year to year only; shall constitute currently budgeted expenditures of the City; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City 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 City in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

WHEREAS, the Authority and U.S. Bank National Association, as trustee (the "Trustee"), will enter into a Fourth Supplement to Mortgage and Indenture of Trust dated as of March 1, 2007 (the "Fourth Supplement") which supplements the previously executed and previously supplemented and amended Mortgage and Indenture of Trust dated as of November 15, 1998, Second Supplement to Mortgage and Indenture of Trust dated as of May 1, 2001, and Third Supplement to Mortgage and Indenture of Trust dated as of May 1, 2005 (as so supplemented, the "Indenture"), pursuant to which there will be issued Refunding Certificates of Participation, Series 2007, dated as of their date of delivery in the aggregate principal amount of not to exceed \$33,000,000 (the "2007 Certificates"); and

WHEREAS, the 2007 Certificates shall evidence assignments of the rights 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 City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect; and

WHEREAS, there has been presented to the City Council and are on file at the City offices the following: (i) the proposed form of the Fifth Amendment; (ii) the proposed form of the

Continuing Disclosure Certificate to be provided by the City (the “Disclosure Certificate”); and (iii) the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the 2007 Certificates; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the “Supplemental Act”), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, except for the Mayor who has disclosed a potential conflict of interest and abstained from voting on this ordinance, no member of the Council has any conflict of interest or is interested in any pecuniary manner in the transactions contemplated by this ordinance.

THE CITY OF WESTMINSTER ORDAINS:

Section 1. Short Title. This ordinance shall be known and may be cited by the short title “2007 COP Refunding Ordinance.”

Section 2. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the City Council or the officers or agents of the City Council or the City relating to the Lease including the Fifth Amendment, and the completion of the Refunding is hereby ratified, approved and confirmed. The designation of the Preliminary Official Statement by the City’s Finance Director as a “nearly final Official Statement” for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission is hereby ratified, approved and confirmed.

Section 3. Finding of Best Interests. The City Council hereby finds and determines, pursuant to the Constitution, the laws of the State of Colorado and the Charter, that the Refunding under the terms and provisions set forth in the Lease and the Indenture is necessary, convenient and in furtherance of the City’s purposes and is in the best interests of the inhabitants of the City and the City Council hereby authorizes and approves the same.

Section 4. Supplemental Act; Parameters. The City Council hereby elects to apply all of the Supplemental Act to the Lease and in connection therewith delegates to each of the City Manager or the Finance Director of the City the authority to independently make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease, and to execute a sale certificate (the “Sale Certificate”) setting forth such determinations, subject to the following parameters and restrictions: (a) the aggregate principal amount of the Base Rentals relating to the 2007 Certificates shall not exceed \$33,00,000; (b) the maximum net effective interest rate on the interest component of the Base Rentals relating to the 2007 Certificates shall not exceed 4.75%; (c) the Lease Term shall end no later than December 1, 2025; (d) the Lease shall be subject to prepayment at the option of the City no later than December 1, 2017, without prepayment penalty; and (e) the purchase price of the 2007 Certificates shall not be less than 98%. In addition, the City Manager or the Finance Director of the City shall each have the independent authority to determine which 1998 Certificates (as defined in the Indenture) and which 1999 Certificates (as defined in the Indenture) will be refunded by the 2007 Certificates.

Further, each of the City Manager or the Finance Director of the City is independently authorized by the City Council to execute and deliver a commitment for the issuance of a municipal bond insurance policy on the 2007 Certificates, if any, with a bond insurer, and enter into any related documents or agreements to secure the payment of principal of and interest on the 2007 Certificates, subject to the provisions of this ordinance, the Sale Certificate and the Supplemental Act.

Section 5. Approval of Documents. The Fifth Amendment and the Disclosure Certificate, in substantially the forms presented to the City Council and on file with the City, are in all respects approved, authorized and confirmed, and the Mayor Pro-Tem of the City is hereby authorized and directed for and on behalf of the City to execute and deliver the Fifth Amendment and the Disclosure Certificate in substantially the forms and with substantially the same contents as presented to the City Council, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this ordinance.

Section 6. Approval of Official Statement. A final Official Statement, in substantially the form of the Preliminary Official Statement presented to the City Council and on file with the City, is in all respects approved and authorized. The Mayor Pro-Tem is hereby authorized and directed, for and on behalf of the City, to execute and deliver the final Official Statement in substantially the form and with substantially the same content as the Preliminary Official Statement on file with the City, with such changes as may be approved by the City Finance Director. The distribution by the



Purchaser of the Preliminary Official Statement and the final Official Statement to all interested persons in connection with the sale of the 2007 Certificates is hereby ratified, approved and authorized.

Section 7. Authorization to Execute Collateral Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this ordinance and to place the seal of the City on any document authorized and approved by this ordinance. The Mayor Pro-Tem and City Clerk and other appropriate officials or employees of the City are hereby authorized to execute and deliver for and on behalf of the City 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. The appropriate officers of the City are authorized to execute on behalf of the City agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance, and are specifically authorized and directed hereby to invest such funds in Permitted Investments as are defined and provided in the Indenture. The execution of any instrument by the aforementioned officers or members of the City Council shall be conclusive evidence of the approval by the City 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 2007 Certificates, the Preliminary Official Statement or final Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional or statutory provision, nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year. The City shall have no obligation to make any payment with respect to the 2007 Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments may be terminated by the City in accordance with the provisions of the Lease. Neither the Lease nor the 2007 Certificates shall constitute a mandatory charge or requirement of the City 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 City within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. No provision of the Lease or the 2007 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 City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease nor the 2007 Certificates shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City's then current fiscal year.

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

Section 10. Exercise of Option; Direction to Trustee. In order to effect the Refunding, the City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Certificates (as set forth in the Sale Certificate) on the earliest applicable redemption date. The City 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 2007 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 City Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the 2007 Certificates. Such recourse shall not be available either directly or indirectly through the City Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the 2007 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. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent with this ordinance or with any of the documents hereby approved are hereby

repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed. All rules of the City Council, if any, which might prevent the final passage and adoption of this ordinance as an emergency measure at this meeting of the City Council be, and the same hereby are, suspended.

Section 13. Severability. If any section, subsection, paragraph, clause or provision of this ordinance or the documents hereby authorized and approved (other than provisions as to the payment of Base Rentals by the City during the Lease Term, provisions for the quiet enjoyment of the Leased Property by the City during the Lease Term and provisions for the conveyance of the Leased Property to the City under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance or such documents, the intent being that the same are severable.

Section 14. Declaration of Emergency. In order to effect the Refunding 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 City. This ordinance is hereby declared, pursuant to Section 8.14 of the Charter, exempt from referendum.

Section 15. Effective Date, Recording and Authentication. This ordinance shall be in full force and effect immediately upon enactment following final passage. This ordinance shall be recorded in "The Ordinance Book" of the City kept for that purpose, and shall be authenticated by the signatures of the Mayor Pro-Tem and City Clerk, and published in accordance with law.

INTRODUCED, PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE on February 12, 2007.