

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2023

NEW ISSUE
BOOK-ENTRY ONLY

RATING: Moody's: "____"
See "RATING"

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming continuous compliance with certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease (as defined herein) and paid as interest on the Certificates (as defined herein) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Certificates (the "Tax Code"), interest on the Certificates is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022 and is excludable from State of Colorado (the "State") taxable income and State alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates, as described herein. See "TAX MATTERS."

\$ _____ *

CERTIFICATES OF PARTICIPATION, SERIES 2023

Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of _____, 2023*, between UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor, and THE TOWN OF FRISCO, COLORADO, as lessee

Dated: Date of Delivery

Due: December 1, as shown herein

The Certificates of Participation, Series 2023 (the "Certificates") evidence a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement dated as of _____, 2023* (the "Lease"), entered into between UMB Bank, n.a., solely in its capacity as trustee (the "Trustee") under the Indenture (as defined below), as lessor, and the Town of Frisco, Colorado, as lessee (the "Town"). The Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of _____, 2023 (the "Indenture"), executed and delivered by the Trustee.

The Certificates are issued as fully registered certificates in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which is acting as the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System." The Certificates bear interest at the rates set forth herein, payable on June 1 and December 1 of each year, commencing on _____ 1, 2023*, to and including the maturity dates shown herein (unless the Certificates are redeemed earlier), payable to the registered owner of the

* Preliminary, subject to change.

Certificates, initially Cede & Co. The principal of the Certificates will be payable upon presentation and surrender at the Trustee. See “THE CERTIFICATES.”

The maturity schedule for the Certificates appears on the inside cover page of this Official Statement.

The Certificates are subject to redemption prior to maturity at the option of the Town and are also subject to mandatory sinking fund redemption as described in “THE CERTIFICATES--Redemption Provisions.” *The Certificates are also subject to extraordinary mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an Event of Lease Default, as described in “THE CERTIFICATES--Redemption Provisions - Extraordinary Redemption upon the Occurrence of Certain Events.”*

The proceeds from the issuance of the Certificates will be used to: (i) finance the acquisition, construction, installation, equipping of for rent workforce housing on the Leased Property (defined herein), including any legally permitted costs and expenditures in connection therewith; and (ii) pay the costs of issuing the Certificates. See “SOURCES AND USES OF FUNDS.”

Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the Town within the meaning of any constitutional or statutory debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligates the Town to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from certain Net Proceeds (defined herein), including the net proceeds from exercising certain remedies under the Lease or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the Town under the Lease are from year to year only. The Lease is subject to annual renewal by the Town. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Site Lease, the Lease and the Indenture, all as more fully described herein.

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled “CERTAIN RISK FACTORS.”

The Certificates are offered when, as, and if issued, subject to the approval of validity by Butler Snow LLP, Denver, Colorado, Special Counsel, and certain other conditions. Butler Snow LLP also has acted as special counsel to the Town in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Town by the Town Attorney, Murray Dahl Berry & Renaud LLP, Lakewood, Colorado. Stradling, Yocca, Carlson & Rauth, P.C., Denver, Colorado, is acting as counsel to the Underwriter. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about _____, 2023.

[STIFEL LOGO]

RED HERRING: 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 such jurisdiction.

MATURITY SCHEDULE
(CUSIP® 6-digit issuer number: 35876P)

\$ _____ *

CERTIFICATES OF PARTICIPATION, SERIES 2022

**Evidencing Proportionate Interests in the Base Rentals and other Revenues under an
Annually Renewable Lease Purchase Agreement dated as of _____, 2023*,
Between UMB Bank, N.A. , solely in its capacity as trustee under the Indenture, as lessor,
and THE TOWN OF FRISCO, COLORADO, as lessee**

Maturing (December 1)	Principal Amount	Interest Rate	Yield	CUSIP® Issue Number	Maturing (December 1)	Principal Amount	Interest Rate	Yield	CUSIP® Issue Number
2024		%	%	35876P____	2032		%	%	35876P____
2025				35876P____	2033				35876P____
2026				35876P____	2034				35876P____
2027				35876P____	2035				35876P____
2028				35876P____	2037				35876P____
2029				35876P____	2038				35876P____
2030				35876P____	2039				35876P____
2031				35876P____	2040				
				\$ _____ % Term Bond Due December 1, 20__ Yield ____ %					
				\$ _____ % Term Bond Due December 1, 20__ Yield ____ %					

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*Preliminary, subject to change.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

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

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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

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

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

TOWN OF FRISCO, COLORADO

Mayor and Town Council

Hunter Mortensen, Mayor
Rick Ihnken, Mayor Pro-Tem
Jessica Burley
Andrew Aerenson
Andy Held
Elizabeth Skrzypczak-Adrian
Lisa Holenko

Town Administrative Officials

Tom Fisher, Town Manager
Diane McBride, Assistant Town Manager
Leslie Edward, Director of Finance
Dylan Olchin, Finance Senior Manager
Don Reimer, Community Development Director
Stacey Nell, Town Clerk & Assistant to the Town Manager
Thad Renaud, Town Attorney

TRUSTEE

UMB Bank, n.a.
Denver, Colorado

SPECIAL COUNSEL

Butler Snow LLP
Denver, Colorado

UNDERWRITER

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

UNDERWRITER'S COUNSEL

Stradling Yocca Carlson & Rauth, P.C.
Denver, Colorado

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
General.....	1
The Town.....	1
Purpose	2
The Certificates; Prior Redemption	2
The Leased Property	2
Security for the Certificates; Termination of Lease	3
Tax Status of Interest on the Certificates.....	6
Professionals	6
Continuing Disclosure Undertaking	7
Additional Information	7
CERTAIN RISK FACTORS	8
Nonappropriation	8
Sources of Base Rentals are Limited to Appropriated Funds	8
Factors that May Cause Insufficiency of Expected Revenues.....	9
Effect of a Termination of the Lease Term	10
No Reserve Fund	11
Factors that Could Impact Value of Property if Lease is Terminated	11
Limited Duration of Site Lease.....	12
Enforceability of Remedies; Liquidation Delays	13
Effect of Termination on Exemption from Taxation and on Exemption from Registration	13
Condemnation Risk	13
Casualty Risk	14
Insurance Risk	14
Future Changes in Laws	14
Forward-Looking Statements	15
Secondary Market.....	15
Climate Change	15
Cybersecurity	15
SOURCES AND USES OF FUNDS.....	17
Sources and Uses of Proceeds	17
The Project.....	17
THE CERTIFICATES.....	17
General.....	17
Payment Provisions	18
Redemption Provisions.....	18
Tax Covenants	22
Book-Entry Only System.....	22
BASE RENTALS SCHEDULE	23
SECURITY FOR THE CERTIFICATES	24

	<u>Page</u>
General.....	24
Additional Certificates.....	25
THE TOWN.....	26
General.....	26
Town Powers	27
Governing Body.....	27
Administration and Management	27
Town Employees; Benefits; Retirement Plans	29
Intergovernmental and Other Agreements.....	30
Capital Improvement Plan	30
Risk Management	30
CURRENT SOURCES OF AVAILABLE REVENUE	31
General.....	31
The Town Sales Tax	31
History of Sales Tax Collections	33
The Town Lodging Tax	34
Town Real Estate Investment Fee	35
Other Town Excise Taxes.....	37
General Fund - Budget Summary and Comparison.....	37
General Fund - History of Revenue, Expenditures and Changes in Fund Balance	40
Capital Improvement Fund - History of Revenue, Expenditures and Changes in Fund Balance	41
Estimated Overlapping General Obligation Debt.....	43
TOWN FINANCIAL OPERATIONS	43
Budget Process.....	43
Financial Statements	44
TOWN DEBT STRUCTURE.....	45
General.....	45
General Obligation Debt.....	45
Special Revenue Obligations.....	45
Special Assessment Bonds	46
Short-Term Borrowing	46
Long-Term Contracts and Leases	46
ECONOMIC AND DEMOGRAPHIC INFORMATION	47
Population	47
Income	47
Employment.....	48
Recreation and Tourism.....	50
Current Construction	51
Foreclosure Activity	52
LEGAL MATTERS.....	53
Litigation.....	53
Sovereign Immunity	53

	<u>Page</u>
Approval of Certain Legal Proceedings	54
Certain Constitutional Limitations	54
Police Power	55
TAX MATTERS	56
INDEPENDENT AUDITORS	58
RATING	58
UNDERWRITING	58
OFFICIAL STATEMENT CERTIFICATION	59
APPENDIX A - Audited Basic Financial Statements of the Town for the Fiscal Year Ended December 31, 2021	A-1
APPENDIX B - Certain Definitions and Document Summaries	B-1
APPENDIX C - Book-Entry Only System.....	C-1
APPENDIX D - Form of Continuing Disclosure Certificate	D-1
APPENDIX E - Form of Opinion of Special Counsel	E-1

INDEX OF TABLES

NOTE: Tables marked with an (°) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2 12, as amended. See Appendix D - Form of Continuing Disclosure Certificate.

The information to be updated may be reported in any format chosen by the Town; it is not required that the format reflected in this Official Statement be used in future years. The budget information in the General Fund history table is to be satisfied with the current year budget information found in the CAFR; no budget information for future years need be provided.

	<u>Page</u>
Sources and Uses of Funds	17
Schedule of Base Rentals.....	23
° History of Sales Tax Collections.....	34
° Taxable Sales by Category – 2022	34
° History of Lodging Tax Collections.....	35
° History of Real Estate Real Estate Investment Fee Collections.....	37
Budget Summary and Comparison - General Fund.....	38
Budget Summary and Comparison – Capital Improvement Fund.....	39
° General Fund-History of Revenues, Expenditures and Changes in Fund Balances.....	40
° Capital Improvement Fund-History of Revenues, Expenditures and Changes in Fund Balances	42
Population	47
Per Capita Personal Income.....	47
Labor Force and Percent Unemployed	48
Average Number of Employees within Selected Industries - Summit County	49
Largest Employers in the Town of Frisco	50
History of Building Permits Issued in Summit County	51
History of Building Permits Issued in the Town of Frisco	52
History of Foreclosures - Summit County	52

OFFICIAL STATEMENT

\$ _____ *

CERTIFICATES OF PARTICIPATION, SERIES 2022

Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of _____, 2023*, between UMB Bank, N.A. , solely in its capacity as trustee under the Indenture, as lessor, and THE TOWN OF FRISCO, COLORADO, as lessee

INTRODUCTION

General

This Official Statement, including the cover page and appendices, is furnished in connection with the execution, delivery and sale of \$ _____ aggregate principal amount of Certificates of Participation, Series 2022 (the “Certificates”), evidencing proportionate interests in the base rentals and other revenues under an annually renewable Lease Purchase Agreement dated as of _____, 2023* (the “Lease”), between UMB Bank, N.A., Denver, Colorado, solely in its capacity of trustee under the Indenture (the “Trustee”), as lessor, and the Town of Frisco, Colorado, as lessee (the “Town”). The Certificates will be executed and delivered pursuant to the terms of an Indenture of Trust executed by the Trustee dated as of _____, 2023* (the “Indenture”). Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement.

The offering of the 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 Certificates. 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, particularly the section entitled “CERTAIN RISK FACTORS.” Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The Town

The Town is located on the western slope of the Continental Divide in Summit County, Colorado, approximately 70 miles west of Denver, Colorado, at an elevation of 9,096 feet above sea level. The Town is centrally located in Summit County and has access at two interchanges on Interstate Highway 70. According to the Colorado Division of Local Government, the Town had an estimated permanent population of 2,913 as of 2020 Census (latest figure available). The Town is adjacent to the 275,000 acre-foot Dillion Reservoir, which is owned by the Denver Water Board and serves as a primary summer recreation facility for the Denver metropolitan area. The Town is also situated in close proximity to three major ski resorts, Keystone, Copper Mountain and Breckenridge. See “THE TOWN.”

Purpose

The proceeds from the issuance of the Certificates will be used to: (i) finance the acquisition, construction, installation, equipping of for rent workforce housing on the Leased Property, including any legally permitted costs and expenditures in connection therewith (the “*Project*”); and (ii) pay the costs of issuing the Certificates. See “SOURCES AND USES OF FUNDS.”

The Certificates; Prior Redemption

The Certificates are issued solely as fully registered certificates in the denomination of \$5,000, or any integral multiple thereof. The Certificates are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Certificates is described in “THE CERTIFICATES--Payment Provisions.” The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“*DTC*”), which is acting as the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See “THE CERTIFICATES--Book-Entry Only System.”

The Certificates are subject to redemption prior to maturity at the option of the Town and are also subject to mandatory sinking fund redemption as described in “THE CERTIFICATES--Redemption Provisions.”

The Certificates are also subject to extraordinary mandatory redemption upon the occurrence of certain events, including an Event of Nonappropriation or an Event of Lease Default, as described in “THE CERTIFICATES--Redemption Provisions - Extraordinary Redemption upon the Occurrence of Certain Events.”

The Leased Property

General. At the time of execution and delivery of the Certificates, the Town will lease the Site (defined below) to the Trustee pursuant to the terms and provisions of the Site Lease Agreement dated as of _____, 2023 (the “*Site Lease*,” as more particularly defined in Appendix B). Simultaneously, the Trustee will lease back to the Town the Site, the Leased Property (described below) and the Project pursuant to the Lease. In addition, any improvements (including new buildings, which are part of the Project) constructed on the Site will become part of the Leased Property pursuant to the Lease.

The Leased Property. The Leased Property consists of (i) a site of approximately 24,500 square feet, also known as 619 Granite Street within the Town (the “*Site*”), as further described in the Lease, and (ii) the buildings and improvements to be constructed on the Site (the “*Project*”).

CDOT IGA. The Town and the Colorado Department of Transportation (“*CDOT*”) entered into that certain Intergovernmental Agreement, dated June 8, 2022, as amended by the _____, dated January __, 2023, as may be further amended from time to

time (together, the “CDOT IGA”), for the joint development of the Leased Property to provide for workforce housing. At the time of execution of the CDOT IGA, the CDOT owned the Lease Property but as provided in the CDOT IGA CDOT sold the Leased Property to the Town, subject to CDOT having a right of first refusal to purchase the property if the Town desires to sell the Leased Property. The Town and CDOT have agreed to the design of the Project and to share the costs and expenses of the construction of the Project with the Town responsible for 50.9% and CDOT responsible for 49.1%. Under the CDOT IGA, the parties have agreed (a) to contract with a property management company to be responsible for the day to day management of the Project, (b) the CDOT IGA may be mutually terminated up until the CDOT Units (described herein) have been released and (c) to settle disputes pursuant to dispute resolution procedures.

In compliance with the CDOT IGA, CDOT and the Town have selected MW Golden Constructors, as the general contractor. It is expected that the Town and entered into a GMP for the Project as of January 24, 2023. There is no assurance that the Project can be completed with the net proceeds of the Certificates or within the budget contemplated within the CDOT IGA. Pursuant to the CDOT IGA, the parties have estimated to costs of construction to be \$9,378,274, with CDOT’s portion being \$4,604,732 and the Town’s \$4,773,541. Any amounts being over CDOT’s portion are subject to the change order process outlined in Section 6.D. of the CDOT IGA. See “CERTAIN RISK FACTORS – Factors that Could Impact Value of Property if Lease is Terminated – Construction Risk” herein.

The Project. The Project is comprised of for rent workforce housing, and more particularly, two buildings with a total of 22 apartment units – five studio, 11 one bedroom, and six two-bedroom units. 32 There will be 32 parking spaces. Construction is set to start April 17, 2023, with completion by November 1, 2024.



Security for the Certificates; Termination of Lease

General. At the time of execution and delivery of the Certificates, the Town will lease the Site to the Trustee pursuant to the terms and provisions of the Site Lease and the Project will be acquired, constructed and installed on the Site with net proceeds of the Certificates. The

Project will initially be owned by the Trustee, solely in its capacity as trustee under the Indenture. Concurrently with the execution and delivery of the Site Lease, the Trustee will lease the Leased Property, including the Site and the Project, back to the Town pursuant to the terms of the Lease.

The Certificates and the interest thereon are payable solely from certain revenues (the “Revenues”) received under the Lease, which include: (a) all amounts payable by or on behalf of the Town or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals (all as defined in Appendix B); (b) any portion of the proceeds of the Certificates deposited into the Base Rentals Fund created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund and any defeasance escrow funds). See “SECURITY FOR THE CERTIFICATES” and “CERTAIN RISK FACTORS.”

Under the Indenture, the Trustee, for the benefit of the Owners of the Certificates, is to receive Base Rentals payable by the Town under the Lease. The amount and timing of the Base Rentals are designed to provide sufficient money to the Trustee to pay the principal of and interest on the Certificates when due. The Trustee is to deposit to the Base Rentals Funds created under the Indenture all amounts payable by or on behalf of the Town or with respect to the Leased Property pursuant to the Lease, including all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds (but not Additional Rentals). See Appendix B - Certain Definitions and Document Summaries.

Sources of Payment of Base Rentals. Amounts due under the Lease are payable from all general revenues of the Town and no particular revenues of the Town are pledged to the payment of Base Rentals.

The Town currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from the General Fund and Housing Fund. The primary sources of legally available revenue in the General Fund are certain Sales Tax (as defined herein) revenues, and Lodging Tax (as defined herein) revenues. The primary sources of legally available revenues in the Housing Fund is the Summit Combined Housing Authority Tax and Short Term Rental Property Excise Tax revenues. See “CURRENT SOURCES OF AVAILABLE REVENUES.” As described herein, not all of the moneys in the General Fund or the Housing Fund are available to pay Base Rentals. The Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the Town’s available funds in the future.

Certain statutory and constitutional limitations limit the amount of property taxes the Town can levy and collect. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT--Ad Valorem Property Taxes” and “LEGAL MATTERS--Certain Constitutional Limitations” for a discussion of those limitations. Further, there is no assurance that the excise taxes which have generated the Town’s sales, accommodations, and Real Estate Investment Fee revenues in the past will be generated at past levels. State of Colorado (the “State”) laws may also limit the imposition, collection or expenditure of those tax revenues in the future.

Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory limitation. Neither the Lease nor the Certificates will directly or indirectly obligate the Town to make any payments other than those which may be appropriated by the Town for each fiscal year.

The Trustee does not have any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise except to the extent Revenues are available.

Termination of Lease; Annual Appropriation. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The Town must take action annually in order to renew the Lease term for another year. If the Town fails to take such action, the Lease automatically will be terminated. The Town's decision to terminate its obligations under the Lease will be determined by the failure of the Town Council of the Town (the "Town Council") to specifically budget and appropriate moneys to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year. The Town Manager or other officer of the Town at any time charged with the responsibility of formulating budget proposals is directed under the Lease to include in the annual budget proposal submitted to the Town Council, in any year in which the Lease is in effect, items for all payments required under the Lease for the ensuing Renewal Term until such time, if any, as the Town may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the Town that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the Town Council and not by any other official of the Town, as further provided in the Lease.

If on or before the December 31 prior to the beginning of any Fiscal Year of the Town, the Town fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the Town will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the Town's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the lease or sublease of the Leased Property, or the sale or assignment of any interest in the Leased Property, including the Project or Trustee's leasehold interest in the Site, or take one or any combination of the steps described in the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease - Nonappropriation by the Town. The net proceeds of any such disposition are required to be applied by the Trustee toward the payment of the Certificates.

Termination of the Site Lease. The Leased Property will be leased by the Town to the Trustee pursuant to the Site Lease. At the end of the term of the Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee in and to the Leased Property will vest in the Town. The Site Lease will terminate on the earliest to occur of the following: (a) the termination of the Lease Term as provided in the Lease due to the payment of the Purchase Option Price by the Town, or upon payment by the Town of all Base Rentals and Additional Rentals for the entire Lease Term; or (b) discharge of the Indenture as a result of the fact that all Certificates have been paid or have been deemed to have been paid as provided in the Indenture; or (c) December 31, 20___. The Leased Property will no longer be subject to the provisions of the Site Lease, the Lease or the Indenture upon the termination of the Site Lease. See "CERTAIN RISK FACTORS--

Limited Duration of Site Lease” and Appendix B - Certain Definitions and Document Summaries--The Site Lease - Site Lease and Term.

No Reserve Fund. The Certificates are not secured by a reserve fund.

Purchase Option. The Town has the option to purchase the Trustee’s interest in the Leased Property and terminate the Site Lease and the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all Outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease - Purchase Option and Conditions for Purchase Option. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See “THE CERTIFICATES--Redemption Provisions.”

Release and Substitution of Lease Property Under certain circumstances, the Town also may substitute property for all or a portion of the Leased Property. In compliance with the CDOT IGA, after the delivery of the Certificate of Completion, the Town may provide written direction to the Trustee to release eleven 911) condominium units from the Lease and the Site Lease without complying with the substitution provisions of the Lease. See Appendix B - Certain Definitions and Document Summaries--The Lease – Release and Substitution of Leased Property.

Additional Certificates. The Indenture permits the issuance of Additional Certificates (defined in Appendix B) without notice to or approval of the owners of the outstanding Certificates under the circumstances described in “SECURITY FOR THE CERTIFICATES--Additional Certificates.”

Tax Status of Interest on the Certificates

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease and paid as interest on the Certificates, is excludable 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 Certificates (the “Tax Code”), interest on the Certificates is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, and is excludable from State taxable income and State alternative minimum taxable income under State income tax laws in effect on the date of delivery of the Certificates. See “TAX MATTERS.”

Notwithstanding the foregoing, Special Counsel has disclaimed any opinion regarding the tax status of the Certificates after termination of the Lease. See “CERTAIN RISK FACTORS--Effect of Termination on Exemption from Taxation and on Exemption from Registration and “TAX MATTERS.”

Professionals

Butler Snow LLP, Denver, Colorado, has acted as Special Counsel to the Town in connection with execution and delivery of the Certificates and also has acted as special counsel to the Town in connection with preparation of this Official Statement. The fees of Butler Snow LLP will be paid only from Certificate proceeds at closing. Certain legal matters will be passed upon for the Town by the Town Attorney, Murry, Dahl, Berry & Renaud, LLP, Lakewood, Colorado. UMB Bank, N.A., is serving as the Trustee. The Town's audited financial statements as of and for the year ended December 31, 2021, including the report thereon of McMahan and Associates, L.L.C., certified public accountants, Avon, Colorado, are attached hereto as Appendix A. See "INDEPENDENT AUDITORS." Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, is acting as the Underwriter for the Certificates (the "Underwriter"). See "UNDERWRITING." Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado, is acting as counsel to the Underwriter.

Continuing Disclosure Undertaking

The Town will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the Certificates. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Certificates and the Town will covenant in the Lease to comply with its terms. However, any failure by the Town to comply with the Disclosure Certificate will not constitute an Event of Lease Default. The Disclosure Certificate will provide that so long as the Certificates remain outstanding, the Town will provide the following information to the Municipal Securities Rulemaking Council, through the Electronic Municipal Market Access ("EMMA") system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain listed events; each as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D.

(insert results of continuing disclosure filings review).

Additional Information

This introduction is only a brief summary of the provisions of the Certificates, the Indenture, the Lease, the Site Lease and other documents described herein; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Project, the Town, the Certificates, the Indenture, the Lease, the Site Lease and other documents are included in this Official Statement. All references herein to the Certificates, the Lease, the Site Lease, the Indenture and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change without notice.*

Additional information and copies of the documents referred to herein are available from the Town or the Underwriter as follows:

Town of Frisco, Colorado
Attn: Director of Finance
1 Main Street
P.O. Box 4100
Frisco, Colorado 80443
Telephone: (970) 668-9138

Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street, Suite 900
Denver, Colorado 80202
Telephone: (303) 296-2300.

CERTAIN RISK FACTORS

Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.

Nonappropriation

Prospective purchasers of the Certificates must look to the ability of the Town to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The Town is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the Town each year. If, prior to December 31 of each year, the Town Council does not specifically budget and appropriate amounts sufficient to pay all Base Rentals for the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due for the ensuing Fiscal Year, an “Event of Nonappropriation” occurs. If an Event of Nonappropriation occurs, the Town will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the Original or Renewal Term during which such Event of Nonappropriation occurs.

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the Town Council will appropriate sufficient funds to renew the Lease each year and the Town has no obligation to do so. In addition, the ability of the Town to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the Town’s control, such as the economy, collections of various excise taxes and changes in law. See “LEGAL MATTERS--Certain Constitutional Limitations,” “SECURITY FOR THE CERTIFICATES,” and “TOWN FINANCIAL OPERATIONS.”

Sources of Base Rentals are Limited to Appropriated Funds

The obligation of the Town to pay Base Rentals and Additional Rentals is limited to those Town funds that are specifically budgeted and appropriated annually by the Town Council for such purpose. The Lease directs the Town Manager or officer of the Town charged at any time with the responsibility of formulating budget proposals with respect to the Leased Property to include, in the annual budget proposals submitted to the Town Council, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the Town determines not to renew the Lease. The Lease provides that it is the intention of the Town that any decision not to renew the Lease is to be made solely by the Town and not by any other official or employee of the Town. See Appendix B - Certain Definitions and Document Summaries--The Lease.

Factors that May Cause Insufficiency of Expected Revenues

Economic and Other Factors Beyond the Control of the Town. Although the Town is not obligated to pay Base Rentals and Additional Rentals from any particular revenue source, it is the current expectation of the Town Council that Base Rentals and Additional Rentals for the Certificates will be paid (to the extent funds are appropriated therefor each year) primarily from certain excise tax revenues reported in the Town's General Fund. See "CURRENT SOURCES OF AVAILABLE REVENUE." Such revenues are subject to fluctuation and may be impacted by adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the Town, the County, the State and the region, a decrease in rates of population growth and rates of residential and commercial development in the Town, the County, the State and the region and various other factors.

In addition, collections of Sales Tax revenues are subject to fluctuations in consumer spending. Such fluctuations cause Sales Tax revenues to increase along with the increasing prices brought about by inflation, but also cause collections to be vulnerable to adverse economic conditions and reduced spending. Consequently, the rate of Sales Tax collections can be expected to correspond generally to economic cycles. The Town has no control over general economic cycles and is unable to predict what general economic factors or cycles will occur while the Certificates remain outstanding.

In addition, other circumstances (over which the Town has no control) may adversely affect tourist activity or general spending. Such circumstances may include, among others, unwillingness to travel to the Town due to terrorist attacks or other hostile acts occurring in the United States or other parts of the world, natural disasters, pandemics, increases in gas prices impacting travel by car, a decrease in rates of population growth in the Town, County, the State and the region and various other factors.

COVID-19. General.

The novel coronavirus and its variants (and associated COVID-19 infections) continue to circulate in the State. The State and local governments have implemented orders, guidance, recommendations and other measures intended to slow the spread of the COVID-19; certain of those actions resulted in the closure of nonessential businesses during 2020 and related increases in unemployment rates. COVID-19 measures change rapidly due to ever-evolving circumstances. There can be no assurance that the spread of COVID-19 and the implementation of restrictions on a local, State and national level will not continue into the future. Those restrictions have negatively impacted the local, State and national economies and may continue to do so in the future.

The severe economic impacts of the COVID-19 pandemic have led the Town to focus more clearly on priorities that will help to ensure long-term fiscal sustainability. The strategic development of capital projects that serve to strengthen the long-term economic outlook of the Town, the maintenance of existing assets and infrastructure, and an emphasis on controlling operational expenditures in the face of rising fixed costs continue to be top priorities.

Relationship of Town's Revenues to Skiing and Tourism Industries. The operating revenues of the Town (which consist, in substantial part, of the proceeds of the various excise taxes) are heavily dependent upon the skiing and tourism industries, which in turn are subject to such factors as weather conditions, the availability of sufficient transportation and wildfire conditions. In addition, many second/vacation homes are located within the Town. Any decrease in the level of tourist activity in the Town is likely to result in a reduction in Sales Tax revenues. Decreases in tourist activity have been and will continue to be impacted by many factors, some of which are described in "COVID-19" above and in the remainder of this paragraph. The failure or inability of the owners of the ski areas to offer amenities or recreational experiences that are competitive with other ski areas in the region or the country may cause a decline in tourism (particularly during the winter); the Town has no control over the marketing or operations of the ski areas. Decreased levels of snow available for skiing due to climate change or any other factor also may cause a decline in winter visitors to the Town. In addition, reductions in air service or sharp increases in the price of such service, poor condition or congestion of roads leading to the Town (including Interstate 70 out of Denver) may result in reduced visitors to the Town and a subsequent reduction in excise tax revenues.

In addition, businesses have reopened within the Town, and it appears that the summer tourism season was just as robust in previous years, if not more.

It is not possible to predict whether such events will occur in the future.

Other Obligations Payable from Legally Available Revenues. The Town previously entered into other lease-purchase agreements which support the payment of Certificates of Participation, Series 2017 (the "2017 Certificates"), a refunding of the 2010B Certificates of Participation, which are outstanding in the aggregate principal amount of \$ 2,000,700 _____, and lease purchase agreement with First & Main Frisco, LLC, dated April 1, 2015 (the "2015 Agreement") which are currently outstanding in the aggregate principal amount of \$ 633,272 _____. The Prior Certificates are also payable from any legally available revenues of the Town; in the event that the Town experiences a reduction in excise taxes or other legally available revenues, the Town may choose to nonappropriate funds for any of the Prior Certificates or the Certificates. The base rentals payable under the Lease are set forth in "BASE RENTALS SCHEDULE."

Future Liens on Excise Tax Revenues. Subject to voter approval, the Town is authorized to issue bonds secured by revenues generated by any Town taxes, except general ad valorem property taxes (including the Lodging Tax, Real Estate Investment Fee and Sales Tax). See "TOWN DEBT STRUCTURE." The Town currently does not have any such bonds outstanding and does not plan to issue any in the foreseeable future but reserves the right to issue them at any time in the future. If such bonds are issued, the excise taxes would be used to pay debt service on those bonds prior to being available to pay Base Rentals on the Certificates.

Effect of a Termination of the Lease Term

In the event of termination of the Town's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Town is required to vacate and surrender the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default

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

A potential purchaser of the Certificates should not assume that the amount of money received by the Trustee upon the exercise of its rights under the Site Lease, the Lease and the Indenture after a termination of the Lease Term will be sufficient to pay the aggregate principal amount of the Certificates (including any Additional Certificates) then outstanding plus accrued interest thereon. See “BASE RENTALS SCHEDULE.”

IF THE CERTIFICATES (INCLUDING ANY ADDITIONAL CERTIFICATES) ARE REDEEMED SUBSEQUENT TO A TERMINATION OF THE LEASE TERM FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST THEREON, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE TOWN.

No Reserve Fund

The Certificates are not secured by a reserve fund.

Factors that Could Impact Value of Property if Lease is Terminated

There is no guarantee that the Trustee will be able to liquidate its interest in the Leased Property in an amount equal to the amount of the outstanding Certificates (including any Additional Certificates).

General. The Town will retain title to the Site and the Trustee initially will own the Project and will have a leasehold interest in the Site pursuant to the Site Lease. All of the Leased Property (including the Project) will be leased to the Town pursuant to the Lease. Upon termination of the Lease, the Trustee will have the right to use and possession of all of the Leased Property.

The Trustee is able to sell its interest in the Leased Property; however, ownership of the Project will revert to the Town at the end of the Site Lease Term. As a result, it may be difficult for the Trustee to sell its interest in the Leased Property. The Trustee is not able to sell the remainder of the Leased Property upon the occurrence of an Event of Lease Default or an Event of Nonappropriation and as a result, the construction cost of the Project may not be indicative of amounts the Trustee may receive in exercising its remedies under the Lease. There is no assurance that the current level of value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to sublease or otherwise sell or dispose of its interest in the Leased Property under the Site Lease in an amount equal to the amount of the outstanding Certificates, or that such subleasing or disposal can be accomplished in time to pay any installment of principal or interest on the Certificates when due.

Construction Risk. Construction of the Project will be financed in part with the net proceeds of the Certificates. There is no assurance that the Project can be completed with the net proceeds of the Certificates or within the budget proposed by the Town and contemplated within the CDOT IGA. See “SOURCES AND USES OF FUNDS--The Project.” The United States of America (the “United States”) is currently experiencing an increased rate of inflation. This period of inflation may cause the costs of materials, labor and construction to increase and cause the cost of the Project to increase. Additionally, the United States is experiencing supply chain issues which are affecting the timely delivery of materials. This delay may also cause the cost of the Project to increase. Furthermore, normal contingencies generally involved with the construction of any facility, such as natural disasters, labor difficulties, unanticipated engineering or structural problems, difficulties in obtaining materials, weather conditions and economic conditions in general, or issues related to the water table on the Site may cause delays resulting in increased costs. Any unanticipated increase in the cost of the Project could require the issuance of Additional Certificates which would dilute the revenues available to pay Base Rentals. Further, if the Project is not completed for any reason, or is downsized or partially completed, the Trustee may not be able to sublease the Leased Property or otherwise sell or dispose of its interest in the Leased Property for an amount equal to the aggregate principal amount of the Certificates then outstanding, plus accrued interest.

Current Uses of Property; Title Restrictions and Zoning; Valuation. The Town anticipates expending approximately \$ 7,200,000 of Certificate proceeds on the Project. However, the amount spent on the improvements may not be indicative of amounts the Trustee may receive in exercising its remedies under the Lease. Upon a termination of the Lease, there is no guarantee that the Trustee will be able to sublease or otherwise sell or dispose of its leasehold interest in the Leased Property under the Site Lease in an amount equal to the amount of the outstanding Certificates. The Leased Property is subject to pre-existing title restrictions which may make the Leased Property less attractive to potential users if the Trustee must leave, sell or otherwise dispose of the Leased Property. Further, the Leased Property is subject to present and future zoning requirements or other land use regulations imposed by the Town.

Zoning and land use regulations in effect in the future may restrict the future uses of the Leased Property. Should that occur, the Leased Property may have less value to third parties than its current value would indicate.

Limited Duration of Site Lease

The term of the Site Lease is 10 years longer than the term of the Certificates. Upon termination of the Lease for any reason (including the occurrence of an Event of Nonappropriation), the Trustee may assign its interest in the Site Lease and may foreclose through the courts on or sell, lease, sublease or otherwise liquidate or dispose of its interest in the Leased Property. The Trustee's interest in the Leased Property, including the Project, will terminate upon termination of the Site Lease. The net proceeds received from those activities are to be applied to pay the Certificates. However, due to the limited term of the Site Lease, the Trustee may find it difficult or impossible to locate third parties that are interested in accepting an assignment of the Trustee's rights in the Leased Property. Further, the limited term of the Site Lease may make it difficult or impossible for the Trustee to collect revenues over the remaining term of the Site Lease in an amount sufficient to pay the Certificates.

Enforceability of Remedies; Liquidation Delays

Under the Lease and the Site Lease, the Trustee has the right to take possession of and dispose of the Trustee's interest in the Leased Property upon an Event of Nonappropriation or an Event of Lease Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the Town. Because of the use of the Leased Property by the Town for the public welfare, a court in any action brought to enforce the remedy of the Trustee to take possession of the Leased Property may delay possession for an indefinite period, even though the Town may have terminated the Lease or be in default thereunder. As long as the Trustee is unable to take possession of the Leased Property or any other projects or property which may subsequently be approved in connection with the issuance of Additional Certificates, it will be unable to sublease or otherwise dispose of its leasehold interests in the Leased Property as permitted under the Site Lease and the Indenture or to redeem or pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See "SECURITY FOR THE CERTIFICATES."

Effect of Termination on Exemption from Taxation and on Exemption from Registration

Special Counsel has specifically disclaimed any opinion as to the effect that termination of the Lease may have upon the treatment for federal or State income tax purposes of amounts received by an Owner of Certificates subsequent to such termination. There is no assurance that any amounts representing interest received by the Owners of the Certificates after termination of the Lease as a consequence of an Event of Nonappropriation or Event of Lease Default will be excludable from gross income under federal or State laws. In view of past private letter rulings by the United States Department of Treasury, Owners of the Certificates should not assume that payments allocable to interest received from the Certificates would be excludable from gross income for federal or State income tax purposes if an Event of Nonappropriation or an Event of Lease Default occurs, and the Lease is terminated. See "TAX MATTERS."

In the event of a termination of the Town's obligations under the Lease, there is no assurance that Owners of Certificates would be able to transfer their interests without compliance with federal securities laws.

Condemnation Risk

In the mid-1990's, the Town of Sheridan, Colorado ("Sheridan") exercised its eminent domain powers to acquire an administration building it previously had leased under an annually terminable lease purchase agreement. Sheridan sought to use its condemnation power to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan's lease). Sheridan's condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the certificates. The Town considers the occurrence of a situation such as the one described above to be unlikely; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

Casualty Risk

If all, substantially all, or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available monies of the Town and the County (as required by the CDOT IGA) will be sufficient either to repair or replace the damaged or destroyed property or to pay all the outstanding Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See "THE CERTIFICATES--Redemption Provisions." Although the Town believes its casualty insurance coverages is adequate, there is no assurance that such damage or destruction would not have a material adverse effect on the ability of the Town to make use of the Leased Property. Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of property damaged or destroyed also could have an adverse effect upon the ability of the Town to make use of the Leased Property or upon its ability to make timely payment of rental payments under the Lease.

Insurance Risk

The Lease requires that the Town provide casualty, public liability and property damage insurance for the Leased Property in an amount equal to the full replacement value of the Leased Property. The Town may provide such insurance through commercial policies or, in its discretion, through a qualified self-insurance pool. For a description of the insurance requirements related to the Leased Property (including requirements related to a qualified self-insurance pool), see Appendix B - Certain Definitions and Document Summaries--The Lease - Required Insurance. The Town currently maintains the insurance described in "THE TOWN--Insurance." There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction of the Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date.

Future Changes in Laws

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes, sales taxes, other revenues, and the operation of the

Town. 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 Town and the imposition, collection, and expenditure of its revenues. Such changes could include, but are not limited to, future restrictions on real estate development and growth in the Town and State law changes in the items subject to sales taxes or exemptions therefrom.

Forward-Looking Statements

This Official Statement, including but not limited to the sections entitled “CERTAIN RISK FACTORS,” “TOWN FINANCIAL OPERATIONS--Budget Summary and Comparison-General Fund,” and any sections referring to interim, unaudited or budgeted information, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Revenues available to pay Base Rentals and Additional Rentals under the Lease.

Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Certificates or its maintenance by the Underwriter or others, and prospective purchasers of the Certificates should therefore be prepared to hold their Certificates to maturity.

Climate Change

Changing weather patterns have impacted the State, including the Town. The impacts include increasing temperatures, more extreme weather patterns, longer periods of drought, and increased wildfires. Recent wildfires have been widespread and, in some cases, have occurred near the Town. Wildfires are a fact of life in the Colorado mountains, and significant resources for prevention, management and eradication of fires are provided by a combination of federal, State and local firefighting agencies.

It is difficult to predict whether or how a changing climate will impact the Town and its finances, but increased wildfire activity could impact the Town’s facilities, including the Leased Property. The Town maintains casualty property insurance policies to insure against damage or destruction of its facilities.

Extensive wildfire activity in or near the Town could impact tourism which may impact revenues from Town excise taxes such as sales tax. Wildfires could also damage or destroy private properties located in the Town. Such damage or destruction could potentially impact the Town’s property tax revenues.

Cybersecurity

The Town relies on computer systems and technologies to conduct many of its operations. Despite security measures, policies and training, the Town, like other public and private entities, may be vulnerable to cyber-attacks by third parties. Any such attack could compromise systems and the information stored thereon. A cyber-attack could result in a disruption in the operations of the Town and may adversely affect revenues. The Town carries cyber security coverage and has protocols in place to protect confidential data and detect unauthorized intrusions. No assurances can be given that these security measures will successfully prevent all cyber-attacks.

SOURCES AND USES OF FUNDS

Sources and Uses of Proceeds

The Town expects to apply the proceeds of the Certificates as set forth below.

Sources and Uses of Funds

	<u>Amount</u>
<u>Sources of Funds</u>	
Par amount of the Certificates.....	
Plus: original issue premium.....	
Total:	
<u>Uses of Funds</u>	
The Project	
Costs of issuance (including Underwriter's discount) ..	
Total:	

Source: The Underwriter.

The Project

The budget for the Project is \$ 12,279,678 _____. Pursuant to the CDOT IGA, a per unit construction id to be determined on a square footage basis by diving the sum of all Project costs by the combined total square footage of all units construction (the "Square Foot Cost"). The Square Foot Cost is applied to the square footage of each unit to be owned to CDOT and the Town to determine each party's allocation of construction cost for each unit. CDOT's share in the costs and expenses for the Project is 49.1% (the "State Share") and the Town's share in the costs and expenses for the Project is 50.9% (the "Town Share"). The initial construction estimate of the Project is \$9,378,274; any additional costs over this amount are subject to the change order procedure of the CDOT IGA. These change order procedures require the approval of the State Controller. See "CERTAIN RISK FACTORS – Factors that Could Impact Value of Property if Lease is Terminated – Construction Risk" herein.

The apartments will serve local workforce and primarily target 100% AMI households. The income requirements will be managed and verified by the property manager at time of lease.

THE CERTIFICATES

General

The Certificates are dated as of their date of delivery and mature on the dates set forth on the inside cover page of this Official Statement. The Certificates bear interest (based on a 360-day year consisting of twelve 30-day months) from their dated date to maturity, payable semiannually on June 1 and December 1 of each year (each an "Interest Payment Date"),

commencing _____ 1, 2023* The Certificates are issuable as fully registered certificates and initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in “Book-Entry Only System” and Appendix C.

Payment Provisions

Except for any Certificates for which DTC is acting as Depository or for an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. In the case of any Certificates for which DTC is acting as Depository, the principal of, premium, if any, and interest on such Certificates shall be payable as directed in writing by the Depository. In the case of an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on such Certificates shall be payable by wire transfer of funds to a bank account located in the United States as designated by the Certificate Owner in written instructions to the Trustee.

Interest shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the 15th day of the calendar month (whether or not a Business Day) immediately preceding the Interest Payment Date (the “Regular Record Date”), irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by either electronic means or by first class mail postage prepaid at least 10 days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

Notwithstanding the foregoing, payments of the principal of and interest on the Certificates will be made directly to DTC or its nominee, Cede & Co., by the Paying Agent, so long as DTC or Cede & Co. is the registered owner of the Certificates. Disbursement of such payments to DTC’s Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and the Indirect Participants, as more fully described herein. See “Book-Entry Only System” below.

Redemption Provisions

Optional Redemption. The Certificates maturing on or prior to December 1, 203_, shall not be subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after December 1, 203_, shall be subject to redemption prior to their respective maturity dates at the option of the Town, in whole or in part, in integral multiples of \$5,000, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on

* Preliminary, subject to change.

December 1, 203_, and on any date thereafter, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date without a premium.

In the case of a Prepayment in part of Base Rentals under the Lease, the Trustee shall confirm that the revised Base Rentals Schedule to be provided by the Town Representative pursuant to the Lease sets forth Principal Portions and Interest Portions of Base Rentals that are equal to the principal and interest due on the Certificates that remain Outstanding after such Optional Redemption. For such confirmation, the Trustee may rely on a certification of the Town Representative or other person as provided in the Lease.

Mandatory Sinking Fund Redemption. The Certificates maturing on December 1, 20__ and December 1, 20__ (the "Term Certificates") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date, as more particularly described below.

The following principal amounts of the Certificates maturing December 1, 20__, are subject to mandatory sinking fund redemption (after credit as described below) on December 1 of the following years:

Redemption Date (December 1)	Principal <u>Amount</u>
20__	\$
20__	
20__	
20__	
20__ (maturity)	\$

The following principal amounts of the Certificates maturing December 1, 20__, are subject to mandatory sinking fund redemption (after credit as described below) on December 1 of the following years:

Redemption Date (December 1)	Principal <u>Amount</u>
20__	\$
20__	
20__	
20__	
20__ (maturity)	\$

On or before the 30th day prior to each such sinking fund payment date, the Trustee shall proceed to call the Term Certificates indicated above (or any Term Certificate or Certificates issued to replace such Term Certificates) for redemption from the sinking fund on the next December 1 and give notice of such call without other instruction or notice from the Town.

The amount of each sinking fund installment may be reduced by the principal amount of any Term Certificates of the maturity and interest rate which are subject to sinking fund redemption on such date and which prior to such date have been redeemed (otherwise than through

the operation of the sinking fund) or otherwise canceled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the Town.

Extraordinary Mandatory Redemption Upon the Occurrence of Certain Events. If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, (b) an Event of Lease Default, or (c) the Trustee, with the written consent of the Town, fails to repair or replace the Leased Property pursuant to the terms of the Lease, if (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the Town does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to the Indenture for such purpose, then all Outstanding Certificates are required to be called for redemption. If called for redemption, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the Town as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO

THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE REDEMPTION IN FULL OF THE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE TOWN.

Partial Redemption. The Certificates are to be redeemed only in integral multiples of \$5,000. The Trustee shall treat any Certificates of denomination greater than \$5,000 as representing that number of separate Certificates each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Certificates by \$5,000. Upon surrender of any Certificates for redemption in part, the Trustee is to execute and deliver to the Owner thereof, at no expense of the Owner, a new Certificates or Certificates of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Certificates so surrendered.

Notice of Redemption. Whenever Certificates are to be redeemed, the Trustee is required to, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption notice which is required to be immediate), give notice of redemption to all Owners of all Certificates to be redeemed by Electronic Means or by first class mail, postage prepaid, or in the event that the Certificates to be redeemed are registered in the name of the Depository, such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Depository. Any notice of redemption is to (1) be given in the name of the Trustee, (2) identify the Certificates to be redeemed, (3) specify the redemption date and the redemption price, (4) in the event of optional redemption, state that the Town has given notice of its intent to exercise its option to purchase or prepay Base Rentals under the Lease, (5) state that such redemption is subject to the deposit of the funds related to such option by the Town on or before the stated redemption date and (6) state that on the redemption date the Certificates called for redemption will be payable at the corporate trust office of the Trustee and that from that date interest will cease to accrue. The Trustee may use "CUSIP" numbers in notices of redemption as a convenience to Certificates Owners, provided that any such notice is required to state that no representation is made as to the correctness of such numbers either as printed on the Certificates or as contained in any notice of redemption and that reliance may be placed only on the identification numbers containing the prefix established under the Indenture.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Certificates 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 Certificates called for redemption in the same manner as the original redemption notice was given.

Tax Covenants

In the Lease, the Town covenants for the benefit of the owners of the Certificates that it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the Town or any facilities financed or refinanced with the proceeds of the Certificates (except for the possible exercise of the Town's right to terminate the Lease as provided therein) if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Certificates to lose its exclusion from alternative

minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the Town's right to terminate the Lease, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Certificates, until the date on which all obligations of the Town in fulfilling the above covenant under the Tax Code and Colorado law have been met.

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

Book-Entry Only System

The Certificates will be available only in book-entry form in the principal amount of \$5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C - Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the Town nor the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

BASE RENTALS SCHEDULE*

The following table sets forth the schedule of Base Rentals due pursuant to the Lease in each year, including the Principal Component and the Interest Component. The Town previously entered into other lease-purchase agreements in connection with the Prior Certificates, which are also payable from legally available revenues. The Town separately budgets the base rental payments for each of the Prior Certificates and will also separately budget for the Certificates. See “TOWN DEBT STRUCTURE – Long-Term Contracts and Leases” and “TOWN FINANCIAL OPERATIONS –Budget Process.”

Schedule of Base Rentals(1)(2)

Calendar	Principal	Interest	Total	2015 Lease	2017	
Year	Component	Component	Base Rentals	Base Rentals	Certificates	Grand Total
					Base Rentals	
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
Total	\$.00

(1) Totals may not add due to rounding.

(2) The Base Rentals are due semi-annually on May 21 and November 20 of each year that the Lease remains in effect (10 days prior to the payment dates for the Certificates). The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates on June 1 and December 1 of each year.

Source: The Underwriter.

* Preliminary, subject to change.

SECURITY FOR THE CERTIFICATES

General

Each Certificate evidences a proportionate interest in the right to receive certain designated Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Site Lease, the Leased Property has been leased by the Town to the Trustee, and under the Lease, the Leased Property has been leased by the Trustee back to the Town and the Town has agreed to pay directly to the Trustee, Base Rentals in consideration of the Town's right to possess and use the Leased Property. Certain Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the Town. The execution and delivery of the Certificates does not directly or contingently obligate the Town to make any payments beyond those appropriated for the Town's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the Town. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the Town elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the Town in any ensuing Fiscal Year beyond the current Fiscal Year and shall not constitute or give rise to a general obligation or other indebtedness of the Town or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Town, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the Town to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the Town's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available Town monies appropriated for that purpose. See "TOWN FINANCIAL OPERATIONS."

In the event of termination of the Town's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Town is required to vacate and surrender the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) terminate the Lease Term and give notice to the Town to vacate and surrender possession of the Leased Property which vacation and surrender the Town agrees under the Lease to complete within sixty (60) days from the date of such notice; (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; (iii) recover from the Town (a) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such purpose, which would otherwise have been payable under the Lease, during any period in which the Town continues to occupy, use or possess the Leased Property; and (b) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such

purpose, which would otherwise have been payable by the Town under the Lease during the remainder, after the Town vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or (iv) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, the Lease and the Indenture. In the event the Town does not vacate and surrender possession on the termination date, the “holdover tenant” provisions of the Lease shall apply.

Additional Certificates

So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth in the Indenture. The principal of any Additional Certificates shall mature on _____ 1 and the interest payment dates therefore shall be the same as the interest payment dates for the Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Certificates, to provide moneys to pay any one or more of the following:

(a) the costs of acquiring, constructing, improving and installing any capital improvements of the Town or any New Facility, or of acquiring a Site for any New Facility, or of acquiring a Site for any New Facility (and costs reasonably related thereto);

(b) the costs of completing the Project or making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the Town may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(c) for the purpose of refunding or refinancing all or any portion of Outstanding Certificates or Additional Certificates.

In such case, the Costs of Execution and Delivery of the Additional Certificates and other costs reasonably related to the purposes for which Additional Certificates are being executed and delivered may be included.

Each of the Additional Certificates issued pursuant to the Indenture will evidence a proportionate interest in the rights to receive Revenues under the Indenture and shall be ratably secured with all Outstanding Certificates and in respect of all Revenues and shall be ranked *pari passu* with such Outstanding Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

THE TOWN

General

General. Incorporated in 1879, the Town has approximately 2,913 full-time residents and became officially charted as a Colorado home-rule municipality in 1988. The Town is roughly 70 miles west of Denver, at an elevation of 9,097 feet above sea-level. It is situated along Ten Mile Creek, in the shadow of 12,900 foot Peak One of the Ten Mile mountain range, bordered on the east by Lake Dillon reservoir and is largely surrounded by wilderness areas owned by the U.S. Forest Service. Often referred to as the heart of the County, the Town is conveniently located off of Interstate 70 and very near to four major ski resorts and serves as a central gathering point for tourists and a location for second homeowners (described in more detail in “ECONOMIC AND DEMOGRAPHIC INFORMATION--Recreation and Tourism”).

The basic municipal services provided by the Town include police protection, street construction and maintenance, infrastructure, water services, community development and planning, cultural events, and recreational programs. Sewer and wastewater services are provided by a separate legal entity, the Frisco Sanitation District, which the Town does not manage or control. The Town operates and maintains a vast array of recreational amenities, including the Frisco Bay Marina, the Frisco Historic Park and Museum, the Frisco Adventure Park at the Peninsula Recreation Area, the Frisco Nordic Center, the Frisco/Copper Visitor information Center, numerous multi-purpose ball fields, a disc-golf course, a skateboard park, an extensive paved trail system for all season-use, and several parks, campgrounds and picnic facilities.

Population. According to the State Division of Local Government, the Town had an estimated permanent population of 2,913 as of the 2020 Census (latest figure available). The Town has a “peak” population of more than 20,000, occurring around the Christmas holiday. Peak population is the total number of people who are in the Town at one time, including permanent residents, second homeowners, day-visitors, day skiers, along with an assumed 100% occupancy of all available lodging units. Peak population is an important figure for the Town because service requirements (including utility infrastructure capacities) are based on the actual number of people using Town services at any one time.

The Town’s existing economy is dominated by the tourism industry and thus the Town’s economic health is dependent upon providing quality winter and summer experiences for the visitor. The Town has evolved into a year-round resort community offering skiing and other winter activities as well as summer activities, including those at the Frisco Bay Marina and Lake Dillon. Numerous recreational activities are available in the vicinity of the Town, including camping, hiking, biking, rock-climbing, in-line skating, horseback riding, fishing, sailing, golfing, and kayaking. See “ECONOMIC AND DEMOGRAPHIC INFORMATION--Recreation and Tourism.”

Town Powers

The Town existed as a statutory town until 1988, when the Charter was adopted by a majority of the electors of the Town. Pursuant to the Charter, the Town 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. The Town Council may, by ordinance, provide a system for the assessment,

levy, and collection of all Town taxes, including the Sales Tax, Lodging Tax, Real Estate Investment Fee, and other excise taxes.

Governing Body

Under the Charter, the Town has a Council-Manager form of government, and is governed by a seven-member Council, including a Mayor who is elected specifically to that position and a Mayor Pro Tem, who is elected by the Town Council from its membership. The Mayor and Council Members are compensated for their service; currently the Mayor earns \$1,050 per month and Council Members earn \$600 per month. The Town Council holds regular meetings on the second and fourth Tuesdays of each month. Special meetings may be held as needed in accordance with the Charter.

The present Mayor and members of the Town Council are as follows:

<u>Name and Title</u>	<u>Principal Occupation</u>	<u>First Elected</u>	<u>Term Expires</u>
Hunter Mortensen, Mayor	Professional Ski Patroller	April 2020	April 2024
Rick Ihnken, Mayor Pro-Tem	Firefighter	May 2016	April 2024
Jessica Burley, Councilmember	Sustainability Officer, Town of Breckenridge	April 2016	April 2024
Andrew Aerenson, Councilmember	Real Estate	April 2020	April 2024
Andy Held, Councilmember	Business owner	April 2020	April 2026
Elizabeth Skrzypczak-Adrian	Business owner	April 2022	April 2026
Lisa Holenko	Business owner	April 2022	April 2026

Pursuant to the State Constitution, Council members are limited to two consecutive terms of office. Town voters may lengthen, shorten or eliminate the term limitations; however, no election to do so has been held within the Town.

The Town Council effects its decisions through the passage of ordinances, resolutions, or motions. Every act making an appropriation, creating an indebtedness, authorizing the borrowing of money, levying a tax, establishing any rule or regulation for the violation of which a penalty is imposed, or placing any burden upon or limiting the use of private property, is required to be by ordinance (with the exception of adoption of the budget, which may be done by resolution).

Administration and Management

The Town has a council-manager form of government. The Town Manager is appointed by the Town Council and serves for a definite or indefinite term as determined by the Town Council, the Town Manager administers the policies of the Mayor and the Town Council. In addition to the Town Manager, the municipal judge, the Town attorney, and the Town's planning commission are appointed by the Town Council. Other Town employees, including the employees listed below, are hired administratively by staff.

The following is a list of the administrative and management personnel involved in the issuance of the Certificates, their duties, and their background and experience.

Town Manager. The Town Manager is the chief executive and administrative officer of the Town. The Town Manager possesses and exercises all the executive powers and administrative powers vested to him in the Charter. Pursuant to the Charter, the administrative departments of the Town, which are under the general supervision of the Town Manager, consist of those in existence at the time of adoption of the Charter, and such other departments as have thereafter been established by ordinance. The principal departments of the Town presently consist of the finance department, the police department, the department of community development (planning), the department of public works, the department of human resources and the recreation department.

Tom Fisher is an experienced County/Town Manager with over 20 years of public service. Mr. Fisher began his service with the Town in August of 2022. Mr. Fisher previously served the Summit County, Utah for more than 7 years. From 2001 to 2015, Fisher worked in various leadership roles for Mesa County, Colorado, including the positions of Deputy Administrator for Internal Services, Deputy Administrator for Regional Services, Director of the Regional Transportation Planning Office, and finally as the County Administrator, which is akin to a County Manager role. Mr. Fisher received his Master's Degree in Public Administration in 2001 from San Diego State University (SDSU). He earned his Summa Cum Laude Bachelor's Degree in Criminal Justice in 1998, also from SDSU. In addition to Fisher's extensive local government experience, he has also served in leadership positions in the Utah Army National Guard and Army National Guard. Positions held include Brigadier General, Commander of Land Component Command, Deputy Commanding General, and Senior Commander. Fisher honed and utilized his expertise in logistics and engineering during his 32-year military career, which included a deployment to Iraq, relief efforts for hurricanes Katrina and Rita, and support for the 2002 Winter Olympics.

Director of Finance. The Director of Finance ("Finance Director") is responsible for preparation, review, evaluation, and management of Town budget, accounting and information systems, annual audit, debt, cash, and investments. In addition to the Revenue Manager, the Finance Director develops, plans, and directs the accounting function and budget process for the Town. The position is responsible for the oversight of all financial operations, including accounts payable, payroll, accounts receivable, cash and investment management, financial reporting, asset inventory, audit, utility billing, and general ledger functions.

Leslie Edwards was hired as Finance Director on October 19, 2021. Prior to joining the Town, she was worked for the Town of Breckenridge for sixteen years. While she was with the Town of Breckenridge she served in several roles with the Town of Breckenridge Finance Department, including the Accounting Services Manager from 2016 to 2021. She has a B.A. in Accounting from Michigan State University. In 2015 she received her Certified Public Accountant License from the State of Colorado.

Town Attorney. The Town Attorney is the general legal counsel of the Town and advises the Town Council and Town officials in matters relating to their official powers and duties. The firm of Murray Dahl Beery Renaud LLP serves as general legal counsel of the Town. Murray Dahl Beery Renaud LLP concentrates its practice in the representation of local governments and litigation involving local government issues.

Thad Renaud, Esq. is a founding partner of Murray Dahl Beery & Renaud LLP. Mr. Renaud's 25 years of legal practice have been concentrated in the areas of local government, land use and real estate law. Prior to the formation of Murray Dahl, he was special counsel with Gosuch Kirgis LLP. Prior to joining Gorsuch Kirgis, he was senior counsel at Holme Roberts & Owens LLP. Mr. Renaud is currently the Town Attorney for the Town, as well as the City Attorney for the City of Edgewater, Colorado. He also currently serves as special counsel for the Beaver Creek Resort Company of Colorado and as the Associate Municipal Court Judge for the City of Blackhawk, Colorado. He has previously served as the City Attorney for the City of Cherry Hills Village, Colorado (2004-2008), Assistant City Attorney for the City of Lafayette, Colorado (1997-2004) and Assistant Town Attorney for the Town of Frisco, Colorado (1996-2004). In addition, Mr. Renaud has acted as special counsel for several Colorado cities and towns in various land use and litigation matters. Mr. Renaud's practice has also included a successful argument before the Colorado Supreme Court concerning the home rule authority of Colorado municipalities. Mr. Renaud received his Bachelor of Arts degree from the University of Texas at Arlington in 1990, and his Juris Doctor degree, with honors, from the University of Texas at Austin in 1993. He was admitted to the Colorado Bar in 1993. He is a member of the Colorado Municipal League and of the Metro City Attorneys Association.

Town Employees; Benefits; Retirement Plans

Employees. As of January 1, 2023, the Town currently has 89 full-time employees and 14 full-time seasonal employees and 44 part-time and seasonal employees. None of the Town employees is a member of a labor union. According to the Town Manager, the state of employee relations within the organization is excellent.

Benefits. The Town provides a comprehensive compensation and benefits package to its employees. Benefits include: a self-insured medical plan and dental coverage for employees and dependents (with differing premium levels); Nordic passes to full time year round employees; Copper Mountain lift vouchers; dental plan, supplemental insurance, flexible spending accounts; an employee assistance program; vacation, sick days, personal time and paid holidays; and long-term disability and term life insurance. (Town to confirm.)

The Town self-insures its health insurance for certain City employees. See Note V.G.2 in the audited financial statements attached hereto as Appendix A for a description of coverage limits and information about historic claims liability.

Retirement Matters. The Town provides pension benefits through a defined contribution money purchase plan administered by ICMA Retirement Corporation. Town employees are eligible to participate in the pension plan upon employment, provided they make elective contributions to the plan. For employees hired after January 1, 2005, vesting of the Town's contribution is 33% after the first year of employment, with an additional vesting of 33% per year through the third year, when vesting is 100%. Employees hired before January 1, 2005 were 100% vested upon employment. During the year ended December 31, 2021, contributions totaled \$229,198. Pursuant to GASB Statement No. 32: Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the Town established a trust to hold the assets of its Deferred Compensation Plan and modified the plan document to state that the plan is

“held in trust for the exclusive benefit of participants and their beneficiaries.” As such the plan’s assets are not the property and rights of the Town and are not reflected in the financial statements of the Town. See Note V.C. in the audited financial statements attached here to as Appendix A for a further description of the Town’s retirement commitments.

Intergovernmental and Other Agreements

The Town is party to numerous intergovernmental and other agreements which impose obligations upon the Town. None of those agreements have a material impact on the Town’s legally available revenues.

Capital Improvement Plan

A five-year capital improvement program (“CIP”) is presented to the Town Council each year along with the budget for the succeeding year. The current CIP covers the years 2023-27. The capital planning process represents an effort to translate Council discussions of goals and objectives for the Town into budgets over a five-year period. The capital planning process helps assure that priorities for projects are established and that the necessary financial, engineering, and planning factors are given attention. The CIP projects are annually reevaluated and amended to reflect the changing circumstances and financial capability of the Town.

The following table illustrates the 2023-27 CIP and are included in the Town’s 2023 budget approved by the Town Council on October 11, 2022.

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Streets and Park Improvements	\$10,885,000	\$2,450,000	\$2,850,000	\$1,307,700	\$ 586,800	\$18,079,500
Marina Improvements	750,000	--	--	--	1,592,333	2,342,333
Town Hall Master Plan						
Improvements	250,000	500,000	--	--	--	750,000
Environmental Sustainability	400,000	50,000	50,000	50,000	50,000	600,000
Fiber Infrastructure	170,000	350,000	500,000	1,000,000	1,000,000	3,020,000
Pubic Art	75,000	25,000	25,000	25,000	25,000	175,000
Total	\$14,630,000	\$3,375,000	\$3,425,000	\$2,382,700	\$3,254,133	\$57,891,833

CIP projects are funded through a variety of sources, including current revenues, carryover funds from prior years, Real Estate Investment Fee, grants, contributions, and certificates of participation.

Risk Management

The Town is exposed to various risk of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to insure against these risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”), a separate and independent governmental and legal entity formed by intergovernmental agreement among member municipalities. See Note V.G. in the audited financial statements attached hereto as Appendix A for a further discussion of CIRSA. The Town’s current CIRSA coverages include property coverage (including auto), liability coverage (general, auto, law enforcement and public officials’ errors and omissions), and crime coverage. Each coverage is subject to self-insured retentions, deductibles and aggregate coverage limits. The Town’s current workers compensation coverage is provided by Pinnacol Assurance in accordance

with statutory limits. The current coverages expire December 31, 2023. In the opinion of the Town Manager, the Town's insurance policies provide adequate insurance protection for the Town.

CURRENT SOURCES OF AVAILABLE REVENUE

General

No particular funds or sources of revenue are pledged to make Base Rental payments under the Lease. However, the Town currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from its General Fund. Notwithstanding the foregoing, such Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the Town's available funds in the future.

The Town receives General Fund revenues from a variety of sources, including: ad valorem property taxes, auto ownership taxes, various excise taxes (primarily Sales Taxes, Lodging Taxes and Real Estate Investment Fees), licenses and permits, intergovernmental revenues (including motor vehicle fees, highway user taxes, road and bridge taxes, grants and other payments passed through from the State), charges for services, fines and forfeitures, investment income and miscellaneous revenues.

The significant sources of legally available revenues available in the General Fund in 2021 were Sales Tax and Lodging Tax, each of which is discussed in more detail below. Also see "TOWN FINANCIAL INFORMATION." The Town imposes other excise taxes which are not legally available to pay Base Rentals under the Lease.

The Town Sales Tax

General. The Town currently levies its sales tax (the "Sales Tax") at a rate of 2.0%. The Sales Tax is administered pursuant to Section 160-8.1 through 160-8.15 of the Town's Town Code (the "Sales Tax Code"). The Charter authorizes the levy of sales taxes after approval of the Town's voters. The Sales Tax initially was imposed at a rate of 2% beginning January, 1979.

Overlapping Sales Tax Rate. The total sales tax paid by purchasers within the Town boundaries is 8.375%, comprised of the Town's 2.0% Sales Tax, the State's 2.9% sales tax, and the County's 2.5% sales tax (including a 0.75% mass transit tax) and the Summit Combined Housing Authority's 0.725% sales tax. Pursuant to the provisions of a 1970 election within the County, the State (on behalf of the County), distributes revenue from the County sales tax (imposed at a rate of 2%) collected within the Town directly to the Town (less a vendor fee of 3.33%).

Description of the Sales Tax. The Sales Tax is levied on the purchase price paid or charged upon all sales, purchases, rentals, and leases of tangible personal property at retail (including food) and on specific services as provided in the Sales Tax Code. Taxable transactions are set forth in the Section 160-8.7 of the Sales Tax Code and generally include sales and exchanges of property as well as the sale of tangible personal property for money. Specific services subject to the Sales Tax include, but are not limited to: telecommunication; gas, electric and steam services; computer software sales; cable television services; the transaction of furnishing accommodations; and the rental of any tangible personal property, including but not

limited to ski rentals, car rentals, bicycle rentals, skate rentals, snowboard rentals and other sporting goods rentals.

The Sales Tax is imposed on all taxable transactions in the Town, subject to certain stated exemptions, including but not limited to the following: automotive vehicles sold to nonresidents of the Town for registration outside of the Town; tangible personal property that is to be used, stored or consumed outside the State by persons residing or doing business outside the State; prosthetic device and drugs dispensed in accordance with a prescription; sales of therapeutic devices, appliances or related accessories; sales of medical supplies; cigarettes; direct sales to charitable organizational functions and activities, when billed to and paid for by the charitable organization; individual sales of \$25.00 or less by charitable organization in the conduct of events or sales to general funds for charitable purposes; direct sales to the United States government, the State, its departments or institutions and the political subdivisions thereof in their governmental capacities only; sales which the Town is prohibited from taxing under the constitution or laws of the United States or the State; tangible personal property sold to a public utility company or railroad doing business both inside and outside the Town, for use in its business operations outside the Town; motor fuel upon which there has been accrued or paid either the gasoline tax or a special fuel tax required by Article 27 of Title 39, C.R.S. and which is not subject to refund; wholesale sales; tangible personal property sold to a person engaged in manufacturing or processing for sale when the product being manufactured or processed is transformed in fact by the addition of the property and such property becomes a constituent part of the finished product; commercial shipping materials; newspapers; newsprint and printer's ink for use by publishers, newspapers and commercial printers; tangible personal property sold for rental or leasing inventory, including but not limited to coin operated devices; food purchased with federal food stamps or with funds provided by the special supplemental food program for women, infants and children from retailers who qualify; carrier access services, modified or customized software programs; garage sales or yard sales in a residential area, not exceeding a consecutive three-day period nor a total of nine (9) days per calendar year; all sales of feed for livestock; and all sales made before July 1, 2014 of wood from salvaged trees killed or infested in Colorado by mountain pine beetles, including but not limited to products such as lumber, furniture built from the salvaged trees, and fire wood, wood chips or wood pellets generated from the salvaged trees. Reference is made to Section 160-8.10 of the Sales Tax Code for a complete list of exemptions from the Sales Tax.

Collection and Administration. The Sales Tax is imposed on the purchaser at retail. Vendors have the duty to collect and remit the Sales Tax to the Town. Every vendor is liable and responsible for the payment of an amount equal to 2.0% of all sales made (or services provided) which are subject to the Sales Tax. Vendors make a return of sales and remit 2.0% of such sales to the Finance Director before the 20th day of each month for the preceding calendar month. The Sales Tax Code contains penalties for failure to collect and remit Sales Tax. Vendors also must retain three years of records related to collection and remittance of the Sales Tax. Vendors are not entitled to retain any portion of the Sales Tax as a vendor's fee. Pursuant to the Sales Tax Code, all revenues collected by the Town as a result of the elimination of the vendor's fee in 1992 are designated for the Town's Marketing Fund.

The Town collects its own Sales Tax. The Town Finance Director is responsible for the proper administration of the Sales Tax. A license is required for any person to engage in the business of selling tangible personal property at retail within the Town. The Finance Director

issues such licenses and may revoke the license of any vendor found to have violated any provision of the Sales Tax Code. In 2022, there were 2,077 Business Licenses within the Town (including vendors, nonprofits, lodges, in-home vendors, seasonal vendors, short-term rentals and chalet homes).

The Finance Director may make refunds upon application of the vendor in accordance with the Sales Tax Code. Refund claims must be made within three years of the date of purchase.

Enforcement and Remedies for Collection of Delinquent Taxes. The Sales Tax constitutes a first and prior lien on the real and personal property of or used by the taxpayer, including without limitation the good, inventory (stock in trade) and business fixtures of such taxpayers. That lien takes precedence over all other liens, encumbrances, security interests and claims of whatsoever kind or nature.

If a retailer neglects or refuses to make a return in payment of the Sales Tax or to pay any Sales Tax as required, the Finance Director makes an estimate, based on available information, of the amount of Sales Tax due and adds to such estimate the amount of \$15 or 10% of the delinquency, whichever is greater, together with interest on such delinquent taxes at an interest rate established pursuant to State law. Written notice of the estimated Sales Tax, penalty and interest is sent by first-class mail to the last-known address of the delinquent taxpayer. Within 20 days after such notice is mailed, the taxpayer may petition the Finance Director for a hearing. Following a hearing, taxpayers may appeal the Finance Director's decision to the courts.

If any taxes, penalties or interest imposed and due are not paid within five days after the same or due, then the Finance Director may issue a notice, setting forth the name of the taxpayer, the amount due, the date of the accrual thereof and the Town's claim to a first and prior lien therefore on the property listed above. The notice may be filed in the office of the county clerk and recorder in the county in which the taxpayer owns real or tangible personal property, and the filing of such notice creates a lien on such property in that county and constitutes notice thereof. The Finance Director also may issue a warrant authorizing the levy, seizure and sale of sufficient property to satisfy the amount due together with interest, penalties and costs as provided by law. The Finance Director also may seek recovery of any unpaid tax by any appropriate action at law. The Sales Tax Code also provides for fines and/or imprisonment for violation of any of its provisions.

History of Sales Tax Collections

The following table sets forth a history of the portion of the Town's Sales Tax collections deposited into the General Fund since 2016. The table includes sales tax revenues received from the County. Although the Town does not expect any material change in the sales tax revenue distributed by the County to the Town, the Town cannot make any representations regarding the reliability of such revenues in the future.

History of Sales Tax Collections

<u>Year</u>	<u>Sales Tax Revenues⁽¹⁾</u>	<u>Percent Change</u>
2016	8,517,740	-
2017	9,003,384	5.7%
2018	9,607,845	6.7%
2019	10,217,057	6.3%
2020	10,485,217	2.6%
2021	12,018,088	14.6%
2022 ⁽²⁾	13,335,666	11%

⁽¹⁾ Collections at a rate of 2% . Includes only those sales tax revenues deposited to the General Fund and sales tax revenues received from the County.

Unaudited year-end information only; subject to accruals and adjustments during the audit process.

⁽²⁾ As of December 31, 2022.

Source: The Town.

Principal Sales Tax Generators. The top 10 individual generators of Sales Tax accounted for approximately 44% of total Sales Tax collected within the Town in 2022; the largest individual generator of Sales Tax accounted for approximately 11% of Sales Tax collected within the Town in 2022. Because of the confidential nature of the gross sales of Sales Tax generators, the identities of the individual vendors and the amount of Sales Tax revenues generated by each vendor cannot be divulged under penalty of law. Because of the small size of the Town, it is not possible to identify individual vendors in the Town generically without revealing the identities of the largest vendors. Accordingly, the following table provides information about the generators of Sales Tax revenues within the Town, by categories.

Taxable Sales by Category – 2022

<u>Sales Tax Sector</u>	<u>Taxable Sales</u>	<u>% of Total</u>
Short-term lodging	\$75,850,464	11%
Retail sales	\$234,125,040	35%
Restaurants/bars	\$110,038,392	17%
Grocery/Liquor	\$164,156,461	25%
Construction	\$46,352,275	7%
Utilities	\$27,279,035	4%
Weedtail	\$8,981,600	1%
Undefined		
Total	\$666,783,267	100%

Source: The Town as of December 31, 2022.

The Town Lodging Tax

General. The Town imposes a public lodging tax of 2.35% of the purchase price paid or charged for the leasing or rental of any hotel room, motel room, town home, condominium, time share or other lodging located in the Town as provided in Sections 160-26 through 160-52 of

the Town Code (the “*Lodging Tax*”). The Lodging Tax collected are deposited into the General Fund, the Capital Improvements Fund or such other fund as the Town Council may determine from time to time. Since 2012, forty-five percent of the Lodging Tax collected must be used for advertising and marketing of the Frisco Information Center, twenty percent for economic development; twenty percent for recreational amenities, multi-purpose facilities and/or open space; and fifteen percent for operation and maintenance of recreation amenities, multi-purpose facilities, and/or tourism-related operation and maintenance expenses.

Manner of Collection and Administration. The Lodging Tax is collected by persons providing lodging. Those persons are required to hold a Town-issued business license. According to the Town, in 2022 there were 887 Business Licenses collecting Lodging Tax within the Town. Each business must file a return, together with Lodging Tax revenue collected in the preceding month, by the 20th of each month. Business license tax holders must retain records related to the Lodging Tax for a period of three years.

Enforcement and Remedies. The Lodging Tax is a first and prior lien on real property and on tangible person property in which the person responsible for collecting the tax has an ownership interest, subject to prior valid mortgages or other liens of record at the time of the recording of a tax lien for nonpayment of the Lodging Tax. The Town Manager monitors the Lodging Tax.

History of Lodging Tax Collections. The following table sets forth a history of the portion of the Town’s Lodging Tax collections deposited into the General Tax Fund since 2016.

History of Lodging Tax Collections

<u>Year</u>	<u>Accommodations Tax Revenues</u>	<u>Percent Change</u>
2016	471,041	-
2017	490,541	4.1%
2018	534,342	8.9%
2019	555,083	3.9%
2020	498,972	(10.1%)
2021	701,513	40.6%
2022 ⁽¹⁾	809,962	15.5%

⁽¹⁾ Year-to-date collections through December 31, 2022.

Source: The Town.

Town Real Estate Investment Fee

General. Section 160-10 of the Town Code provisions for the Frisco Real Estate Investment Fee (the “*Real Estate Investment Fee*”). The Real Estate Investment Fee generally is an amount equal to 1% of the consideration paid for the transfer of real property and is paid when the transfer is made. Exemptions from the Real Estate Investment Fee are codified in Section 160-15 of the Town Code and include, but are not limited to: transfers for which the consideration is \$500 or less; transfers in which the United States or an agency thereof or the State or a political subdivision thereof is the grantee; true gifts of real property; change of title or interest by reason of death; certain transfers made among related corporations; transfers made to effect a lien

confirmed in a bankruptcy situation; transfers made for the purpose of clearing title, granting easements or making minor boundary adjustments; termination of co-ownerships where no consideration is paid for such termination; decrees of a court quieting or vesting title; transfers between spouses made pursuant to a separation agreement or dissolution of marriage; transfers of cemetery lots; any mineral transfer or royalty transfer; transfers made to satisfy debt or other obligations or release property which is security for a debt or other obligation; transfers by deed in lieu of foreclosure under certain circumstances; and transfers in connection with execution sales or foreclosure sale or judicial decrees under certain circumstances.

The purchaser or grantor must apply for and obtain a certificate of exemption for any transaction that qualifies for an exemption from the Real Estate Investment Fee. The certificate must be issued by the Town Manager no less than three (3) business days prior to the date on which the tax is payable. If the Town Manager denies an exemption, appeal is to the Town Council. If an application is not granted before a transfer takes place, the Real Estate Investment Fee must be paid at the time of transfer and a refund will be granted later if the exemption is allowed. The Real Estate Investment Fee is due and payable at the time of the transfer and constitutes a perpetual lien property over all other liens except general tax liens and special improvement district assessments.

Manner of Collection. The person responsible for payment of the Real Estate Investment Fee is the purchaser or the person to whom the transfer is made. The Town has implemented various measures to facilitate the collection and enforcement of the Real Estate Investment Fee. The Town has adopted and recorded an ordinance providing notice to purchasers of real property in the Town of the existence of the Real Estate Investment Fee. The practical effect of that notice is that title companies generally require proof of payment of the tax as a condition to the issuance of a title policy.

Enforcement and Remedies. If the Real Estate Investment Fee is not paid within 30 days of the transfer it is considered delinquent and a delinquency penalty of 10% of the tax due shall accrue for each thirty-day period during which the fee has not been paid. In addition, interest shall accrue at the rate of 1.5% per month on the amount of the tax from the date the tax becomes delinquent to the date of payment. Interest and penalty accrued become part of the tax due. The Town may foreclose the lien in the manner provided by State law for the foreclosure of mortgages.

History of Real Estate Investment Fee Collections. The following table sets forth a history of Real Estate Investment Fee collections since 2016.

History of Real Estate Real Estate Investment Fee Collections

<u>Year</u>	<u>Real Estate Transfer Tax Revenues</u>	<u>Percent Change</u>
2016	1,389,027	-
2017	1,293,353	(6.9%)
2018	1,415,715	9.5%
2019	1,542,417	8.9%
2020	2,070,516	34.2%
2021	2,773,501	25.3%
2022 ⁽¹⁾	1,957,428	(29.4%)

(1) Year-to-date collections through December 31, 2022.

Source: The Town.

Other Town Excise Taxes

The Town imposes or receives other excise taxes, including cigarette taxes, nicotine tax, marijuana taxes, short-term rental property, utility taxes, and franchise fees. The cigarette tax revenues are those distributed to the Town from the State according to the percentage of State sales tax collections within the Town. The County also imposes special sales taxes on the sale of cigarettes, tobacco products and nicotine products and shares the revenue with the Town. The Town imposes an excise tax on medical marijuana and retail marijuana. The utilities tax is imposed on each telephone utility company operating in the Town. Franchise fees are collected from private utilities (currently telephone, cable and gas/electric) in respect of the provision of service within the Town.

None of these sources of revenue accounted for more than 5% of the total revenues in the General Fund in 2021.

General Fund - Budget Summary and Comparison

General. Set forth in the following tables are comparisons of the Town's General Fund and Capital Improvements Fund budgets for 2021, 2022 and 2023, compared to actual (unaudited results for the eleven-month periods ending November 30, 2021 and 2022. The tables below are presented in budgetary format and are not intended to conform to generally accepted accounting principles ("GAAP").

Fund Balance Policies. In addition to the Town's required reserves, the Town maintains the following reserves:

- Operations reserve (aka "Rainy-day fund") equal to 7 months of current year budgeted General Fund expenditures.
- Amounts in excess of the Rainy-day fund are required to be transferred to the Capital Improvement Fund for capital projects.

In 2020, as a result of the Covid-19 pandemic, the Town Council chose to forego any transfer to the Capital Improvement Fund until a budget re-evaluation in the second quarter of 2021; amounts in excess of the required seven-month reserve was retain in the General Fund as a budget stabilization reserve. In 2021, the pandemic had stabilized and the reserves returned to the standard seven-month policy.

Budget Summary and Comparison - General Fund

	<u>2021 Final</u> <u>Budget</u>	<u>2021 YTD</u> <u>through Nov.</u>	<u>2022 Final</u> <u>Budget</u>	<u>2022 YTD</u> <u>through Nov (1)</u>	<u>2023 Budget</u>
Revenues					
Taxes	\$9,816,511	10,216,384	\$12,137,511	11,358,152	\$15,100,074
Licenses & Permits	468,500	688,644	610,100	862,702	654,900
Intergovernmental	206,000	743,624	662,000	680,826	250,000
Charges for Services	3,288,600	2,188,340	3,209,150	2,653,183	3,480,300
Investment Income	32,000	10,880	19,000	43,111	10,000
Other Revenues	133,500	332,448	171,500	226,367	193,075
Total Revenues	\$13,945,111	14,180,340	\$16,809,261	15,824,341	\$19,688,349
Expenditures					
General Government	4,128,684	4,665,584	4,935,297	4,804,186	\$ 4,292,458
Public Safety	1,669,808	1,274,046	1,789,988	1,573,715	2,311,981
Community Development	1,432,322	1,309,028	1,588,087	1,472,599	2,000,731
Public Works	2,202,320	1,727,818	2,619,913	1,915,418	3,322,297
Culture and Recreation	3,721,237	1,911,002	4,229,905	2,867,808	4,892,569
Total Expenditures	\$13,154,237	10,887,478	\$15,163,190	12,633,726	\$16,819,946
Other Sources (uses)					
Transfers In – Capital Improvement Fund	--	-	--	-	--
Transfers Out – Capital Improvement Fund	--	-	(928,193)	-	(3,372,584)
Transfers Out – Insurance Reserve Fund	--	-	--	-	(1,687,338)
Transfers Out – Housing Fund	--	-	--	-	--
Net Change in Fund Balance	790,740	3,292,862	717,878	3,190,615	(2,191,519)
Unavailable Fund Balance	--	-	--	-	799,480
Unassigned Fund Balance – January 1	14,367,595	17,052,179	6,901,032	8,398,873	10,757,408
Unassigned Fund Balance – December 31	\$15,158,335	20,345,041	\$7,618,910	11,589,488	\$ 8,565,889

(1) Unaudited, interim information only.

Source: Derived from the Town's 2021 budget and 2021 audited information, 2022 budget and unaudited interim information, and 2023 budget provided by the Town.

Major capital projects (items costing \$5,000 or more) are budgeted in the Capital Improvement Fund. As stated above, in 2020 the Town did not transfer from the General Fund until a budget re-evaluation was completed in the 2nd quarter of 2021.

Budget Summary and Comparison – Capital Improvement Fund

	<u>2021 Final Budget</u>	<u>2021 YTD through Nov.</u>	<u>2022 Final Budget</u>	<u>2022 YTD through Nov ⁽¹⁾</u>	<u>2023 Budget</u>
Revenues					
Real Estate Transfer Fees	\$ 1,400,000	\$ 2,541,353	\$ 2,200,000	\$ 1,847,628	\$ 1,500,000
Intergovernmental Grants	84,195	95,465	--	29,153	50,000
Investment Income	30,000	2,985	6,000	46,089	6,000
Other Revenues	--	-	--	-	--
Total Revenues	\$ 1,514,195	\$ 2,639,803	\$ 2,206,000	\$ 1,922,870	\$ 1,556,000
Expenditures					
Capital Outlay	1,955,195	\$ 1,095,519	11,797,400	\$ 4,531,772	17,368,000
Debt Service ⁽²⁾	535,807	402,009	537,890	402,890	395,795
Agent Fees	2,000	2,800	2,000	-	--
Other	-	-	-	-	33,000
Total Expenditures	\$ 2,493,002	\$ 1,500,328	\$12,337,290	\$ 4,934,662	\$19,606,795
Other Sources (uses)					
Capital Interest Subsidy	--	-	--	-	--
Loan Proceeds	--	-	--	-	--
Repayment of Loan from Water Fund	--	-	--	-	(95,000)
Sales of Assets	70,000	14,190	--	3,925	10,000
Miscellaneous/Rental Income	73,440	-	--	-	--
Transfers out – General Fund	--	-	--	-	--
Transfers In – General Fund	--	-	928,193	-	3,372,584
Transfer In – Conservation Trust Fund	--	-	--	-	130,000
Transfer In – Lodging Tax	--	-	--	-	815,000
Net Change in Fund Balance	(835,367)	1,153,665	(9,203,097)	(3,007,867)	(13,818,211)
Unavailable Fund Balance					--
Unassigned Fund Balance – January 1	1,915,902	1,918,902	16,353,564	12,928,640	14,272,460
Unassigned Fund Balance – December 31	\$ 1,083,535	3,072,567	\$ 7,353,567	9,920,773	\$ 454,249

(1) Unaudited, interim information only.

(2) (What Debt Service is paid from this fund?) Copier Leases, 1st & Main Building Note Payable, Water Fund Loan

Source: Derived from the Town's 2021 budget and 2021 audited information, 2022 budget and unaudited interim information, and 2023 budget provided by the Town.

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General Fund - History of Revenue, Expenditures and Changes in Fund Balance

The following table provides a five-year comparative statement of revenues, expenditures and changes in fund balance in the General Fund for the years 2017 through 2021. This table has been derived from the Town's audited financial statements for the years 2017 through 2021.

The information in this table should be read together with the Town's audited basic general-purpose financial statements for the year ended December 31, 2021, and the accompanying notes included as Appendix A to this Official Statement. Audited financial statements for prior years may be obtained from the sources listed in "INTRODUCTION--Additional Information."

General Fund-History of Revenues, Expenditures and Changes in Fund Balances

<u>Revenues</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes	\$ 9,874,864	\$10,498,855	\$11,153,119	\$11,516,311	\$13,088,079
Licenses and permits	445,918	627,894	654,070	500,791	663,963
Intergovernmental	266,401	273,797	276,481	1,020,843	770,268
Charges for services	3,525,690	3,521,017	3,645,371	2,513,018	2,495,833
Investment Income	59,365	126,495	219,985	95,332	10,392
Other Revenues	<u>42,656</u>	<u>56,673</u>	<u>85,240</u>	<u>284,774</u>	<u>392,378</u>
Total Revenues	<u>\$14,214,894</u>	<u>\$15,104,731</u>	<u>\$16,034,239</u>	<u>\$15,931,069</u>	<u>\$17,420,903</u>
<u>Expenditures</u>					
General government	3,121,799	3,715,707	4,084,286	4,814,347	5,164,805
Public safety	1,473,245	1,404,537	1,457,574	1,381,818	1,447,067
Community development	1,328,378	1,522,306	1,505,557	1,311,296	1,480,323
Public works	1,832,232	1,891,301	1,989,535	1,957,973	1,990,149
Culture and recreation	<u>2,714,222</u>	<u>2,749,410</u>	<u>2,844,351</u>	<u>2,254,421</u>	<u>2,224,260</u>
Total Expenditures	<u>\$10,469,876</u>	<u>\$11,283,261</u>	<u>\$11,881,303</u>	<u>\$11,719,855</u>	<u>\$12,306,604</u>
Excess of Revenues Over (Under) Expenditures	3,745,018	3,821,470	4,152,936	4,211,214	5,114,299
<u>Other Financing Sources (Uses)</u>					
Transfers in	--	--	--	4,700,000	--
Transfers out	(3,350,000)	(2,191,510)	(3,304,674)	--	(13,767,605)
Total Other Sources (Uses)	(3,500,000)	(2,191,510)	(3,304,674)	--	(13,767,605)
Net Change in Fund Balance	395,018	1,629,960	848,262	8,911,214	(8,653,306)
Fund Balance – January 1	\$ 5,267,734	\$ 5,662,752	\$ 7,292,712	\$ 8,140,965	\$17,052,179
Fund Balance - December 31	\$ 5,662,752	\$ 7,292,712	\$ 8,140,974	\$17,052,179	\$ 8,398,873

Source: Derived from the Town's audited financial statements for the years ended December 31, 2017 through 2021.

Capital Improvement Fund - History of Revenue, Expenditures and Changes in Fund Balance

The following table provides a five-year comparative statement of revenues, expenditures and changes in fund balance in the Capital Improvement Fund for the years 2017 through 2021. This table has been derived from the Town's audited financial statements for the years 2017 through 2021.

The information in this table should be read together with the Town's audited basic general-purpose financial statements for the year ended December 31, 2021, and the accompanying notes included as Appendix A to this Official Statement. Audited financial statements for prior years may be obtained from the sources listed in "INTRODUCTION--Additional Information."

((Chart follows on next page.))

Capital Improvement Fund-History of Revenues, Expenditures and Changes in Fund Balances

<u>Revenues</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes – Real Estate Transfer Fees	\$1,293,353	\$1,415,715	\$1,542,417	\$2,070,516	\$2,773,501
Intergovernmental Grants	--	--	391,974	109,792	105,584
Investment Income	37,409	116,072	136,049	75,852	2,470
Capital Interest Subsidy	35,668	--	--	--	--
Miscellaneous	--	--	7,796	2,201	16,628
Total Revenues	<u>\$1,366,430</u>	<u>\$1,531,787</u>	<u>\$2,078,236</u>	<u>\$2,258,361</u>	<u>\$2,898,183</u>
<u>Expenditures</u>					
General Government – Agent Fees	1,500	1,500	1,500	1,569	2,800
Capital Outlay	1,237,006	5,400,413	2,745,945	1,882,051	1,715,034
Cost of Issuance	74,559	--	--	--	--
Debt Service					
Principal	437,062	274,712	282,573	295,627	303,781
Interest	<u>212,837</u>	<u>145,370</u>	<u>141,420</u>	<u>119,768</u>	<u>98,795</u>
Total Expenditures	<u>\$1,962,964</u>	<u>\$5,821,995</u>	<u>\$3,171,438</u>	<u>\$2,299,015</u>	<u>\$2,120,410</u>
Excess of Revenues Over (Under) Expenditures	(596,534)	(4,290,208)	(1,093,202)	(40,654)	777,773
<u>Other Financing Sources (Uses)</u>					
Certificate of Participation Debt Proceeds	2,487,000	--	--	--	--
Payment to refund bond escrow agent	(2,500,000)	--	--	--	--
Sale of assets ⁽³⁾	45,973	769,292	69,527	6,500	14,190
Transfers Out ⁽¹⁾	--	--	--	(4,700,000)	--
Transfers In ⁽²⁾	<u>3,350,000</u>	<u>2,195,510</u>	<u>3,304,674</u>	<u>--</u>	<u>13,480,105</u>
Total Other Sources (Uses)	<u>\$3,382,973</u>	<u>\$2,964,802</u>	<u>\$3,374,201</u>	<u>\$4,693,500</u>	<u>\$13,494,295</u>
Net Change in Fund Balance	2,786,439	(1,329,406)	2,280,999	(4,734,154)	14,272,068
Fund Balance – January 1	4,402,501	7,188,940	5,859,534	8,140,533	3,406,379
Fund Balance - December 31	\$7,188,940	\$5,859,534	\$8,140,533	\$3,406,379	\$17,678,447

Source: Derived from the Town's audited financial statements for the years ended December 31, 2017 through 2021.

- (1) In 2020, the Town transferred out these funds to the General Fund.
- (2) These funds are transferred out of the General Fund into the Capital Improvement Fund.
- (3) In 2018 the sale of assets was \$769,292.

Estimated Overlapping General Obligation Debt

In addition to general obligation indebtedness the Town may issue, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the Town. The following table sets forth the estimated overlapping general obligation debt chargeable to property owners within the Town as of the date of this Official Statement. Additional taxing entities may overlap the Town in the future.

Estimated Overlapping General Obligation Debt

Entity ⁽¹⁾	2021 Assessed Valuation ⁽²⁾	Outstanding General Obligation Debt	Outstanding General Obligation Debt Chargeable to the Town ⁽³⁾	
			Percent	Debt
Summit County	\$2,477,541,750	--	10.66%	
Summit School District	2,441,567,490	67,825,000	10.82	7,337,942
Summit Fire and EMS	1,279,449,430	--	20.65	
Frisco Sanitation District	284,222,980	--	92.94	
		70,843,005		
Total Overlapping Debt				7,337,942

(1)

Sources: Summit County Assessor's Office; and information obtained from individual taxing entities.

TOWN FINANCIAL OPERATIONS

The Certificates are not obligations of the Town, and the Town's obligation to pay Base Rentals and Additional Rentals pursuant to the Lease is subject to the annual appropriation of such amounts by the Town Council. See "SECURITY FOR THE CERTIFICATES" and "CERTAIN RISK FACTORS." The information in this section is provided for informational purposes only and does not indicate that any of the sources of revenue described herein are pledged to the payment of the Certificates or that any such revenue is currently available to pay Base Rentals under the Lease.

Budget Process

Pursuant to the Charter, the Town budget is submitted by the Town Manager to the Town Council once a year. The prepared budget is required to provide a complete financial plan of all Town funds and activities for the ensuing fiscal year. In addition, the Town Manager is required annually to submit to the Town Council a capital program for the Town's infrastructure, equipment, and public buildings for the next five years. See "THE TOWN--Capital Improvement Plan."

A public hearing is conducted on the proposed budget and proposed capital program at least 45 days before the end of the fiscal year. After the public hearing, the Town Council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except

expenditures required by law or for debt service or for estimated cash deficits. The Town Council must adopt a budget by resolution on or before the final day of its fiscal year. If it fails to adopt the budget by this date, the amounts appropriated for current operation for the current fiscal year are deemed adopted for the ensuing fiscal year on a month-to-month basis, until the Town Council adopts a budget for the ensuing fiscal year. Adoption of the budget by the Town Council constitutes appropriation of the amounts specified therein for expenditure from the funds indicated. The Town Council is required to cause the property tax levy to be certified to the County no later than December 22 of each year for collection as required by law.

The Charter provides that if, during the fiscal year the Town Manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the Town Council by resolution may make supplemental appropriations for the year up to the amount of such excess. In addition, to meet a public emergency affecting life, health, property or the public peace, the Town Council may make emergency appropriations.

Furthermore, the Charter requires that if, at any time during the fiscal year, it appears probable to the Town Manager that the revenues available will be insufficient to meet the amount appropriated, he must report such deficit to the Town Council, which must then take such action as necessary to prevent or minimize any deficit. For that purpose, the Town Council may by ordinance reduce one or more appropriations. Further, any unencumbered appropriation balance among programs within a department or agency may be transferred to another department, upon approval by the Town Council, acting by resolution.

Financial Statements

The “Colorado Local Government Audit Law” and the Charter require that an independent annual audit be made of the Town’s financial affairs at the end of the fiscal year. Pursuant to the Charter the audited financial statements of the Town must be completed within four months of the close of the fiscal year. Pursuant to State law, the Town must forward a copy of its audit report to the State auditor within thirty days after receipt of such audit report. The Town filed its 2021 audit in a timely fashion.

The Town’s financial statements for the year ended December 31, 2021, are attached to this Official Statement as Appendix A. The audited financial statements for the year ended December 31, 2021 represent the most recent audited financial statements of the Town.

TOWN DEBT STRUCTURE

General

The following is a discussion of the Town's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

General Obligation Debt

General. Indebtedness and other obligations of the Town may be incurred as provided in the Charter and in accordance with TABOR. The Town Council has the power to contract indebtedness on behalf of the Town and upon the credit thereof by borrowing money or issuing bonds or other obligations. General obligation bonds may be issued only pursuant to an ordinance and the approval, at a special or regular election, of a majority of the registered electors voting thereon. Pursuant to the TABOR, the Town may refund existing debt at a lower interest rate without an election; however, the Amendment requires all other multiple fiscal year obligations to have voter approval.

Limitation on Indebtedness. Pursuant to the Charter, there is no limitation as to the amount of bonds and securities which may be issued by the Town, subject to the election provisions of the Charter, the election provisions of TABOR, and the provisions of any authorizing bond ordinances.

Outstanding General Obligations. The Town currently has no general obligation debt outstanding.

Special Revenue Obligations

The Town has the power to issue revenue bonds for the purpose of purchasing, constructing, or otherwise acquiring, extending, or improving any municipal utility system or other income producing project payable solely from the net revenue derived from the operation of such system or project. In addition, revenue bonds may be issued for any public purpose and made payable from any taxes (except general ad valorem property taxes) which generate revenue for the Town. Such obligations do not constitute an indebtedness of the Town; however, TABOR requires that all multiple fiscal year obligations of the Town have voter approval. The issuance of revenue bonds by the Town acting by and through a properly qualified enterprise would be exempt from the provisions of TABOR. See "LEGAL MATTERS--Certain Constitutional Limitations."

In 2019 the Town, acting by and through its Marina Enterprise, the \$5,450,000 Marina Enterprise Revenues Bonds, Series 2019. Pursuant to its ordinance, the Town is required to make principal and interest payments through December 1, 2048. The 2019 Bonds are secured by revenues of the Frisco Bay Marina.

Special Assessment Bonds

The Town has the authority, pursuant to the Charter, to issue special assessment bonds subject to voter approval of all multiple-year fiscal obligations as set forth in the

Amendment. Special assessment bonds are payable solely from moneys to be collected by the Town from special assessments levied upon properties within special improvement districts and are not a debt of Town nor is any revenue of the Town to be pledged to the repayment of such bonds. The Town presently has no outstanding special assessment bonds.

Short-Term Borrowing

The Town may borrow money without an election by issuing short-term notes. Such short-term notes must mature within the fiscal year in which they are issued. The Town has done no short-term borrowing in the current fiscal year.

Long-Term Contracts and Leases

In addition to the lease-purchase agreements entered into for the Prior Certificates, the Town Council may enter into lease-purchase and installment-purchase agreements as a means acquiring any real or personal property for public purposes.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding Summit County. It is intended only to provide prospective investors with general information regarding the Town's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The Town makes no representation as to the accuracy or completeness of data obtained from parties other than the Town.

Population

The following table sets forth a history of the populations of the Town, the County and the State. Between 2010 and 2020, the Town's population increased 8.1%. During the same time period, the populations of the County and State increased 10.9% and 14.8%, respectively.

<u>Population</u>						
Year	Town of Frisco	Percent Change	Summit County	Percent Change	Colorado	Percent Change
1970	471	--	2,665	--	2,207,259	--
1980	1221	159.2%	8,848	232.0%	2,889,735	30.9%
1990	1601	31.1%	12,881	45.6	3,294,394	14.0
2000	2443	52.6%	23,548	82.8	4,301,261	30.6
2010	2683	9.8%	27,994	18.9	5,029,196	16.9
2020	2913	8.6%	31,055	10.9	5,773,714	14.8

Source: United States Department of Commerce, Bureau of the Census.

Income

The following table sets forth annual per capita personal income levels for the County, the State and the United States.

<u>Per Capita Personal Income</u>			
Year ⁽¹⁾	Summit County	Colorado	United States
2016	\$62,322	\$52,390	\$49,613
2017	65,209	55,251	51,550
2018	69,416	58,453	53,786
2019	73,435	62,124	56,250
2020	77,754	65,358	59,765
2021	n/a	70,706	64,143

(1) Figures for Summit County updated November 16, 2021; state and national figures updated September 30, 2022. All figures are subject to periodic revisions.

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

Employment

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

<u>Labor Force and Percent Unemployed</u>					
Year	Summit County ⁽¹⁾		Colorado ⁽¹⁾		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2017	21,663	1.7%	2,963,789	2.6%	4.4%
2018	22,291	2.0	3,049,640	3.0	3.9
2019	22,770	1.7	3,100,598	2.6	3.7
2020	21,962	9.3	3,087,271	6.9	8.1
2021	22,727	4.0	3,156,110	5.4	5.3
<u>Month of August⁽²⁾</u>					
2021	22,205	3.8%	3,175,446	5.2%	5.2%
2022	23,063	2.2	3,266,884	3.3	3.7

(1) Figures for the County and the State are not seasonally adjusted.

(2) Due to the seasonal nature of much of the employment in the County, the monthly estimates are not necessarily representative of overall employment in the area.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data and United States Department of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed within selected Summit County industries which are covered by unemployment insurance. In 2021, the largest employment sector in the county was accommodation and food services (comprising approximately 31.8% of Summit County's work force), followed, in order, by retail trade; arts, entertainment and recreation; government; and construction. For the 12-month period ended December 31, 2021, total average employment in the County increased 7.1% as compared to the same 12-month period ending December 31, 2020. Total average wages increased 4.1% during the same time period.

Average Number of Employees within Selected Industries - Summit County

Industry	2017	2018	2019	2020	2021	2022 ⁽³⁾
Accommodation and Food Services	7,039	7,207	7,399	5,889	6,676	8,298
Administrative and Waste Services	900	941	1,001	970	995	829
Agriculture, Forestry, Fishing, Hunting	16	16	16	15	16	14
Arts, Entertainment and Recreation	1,546	1,729	1,783	1,418	1,641	2,327
Construction	1,291	1,391	1,467	1,391	1,392	1,247
Educational Services	950	919	914	817	808	836
Finance and Insurance	253	262	262	259	257	275
Government	1,593	1,606	1,630	1,544	1,528	1,479
Health Care and Social Assistance	1,350	1,325	1,345	1,256	1,268	1,199
Information	173	178	169	151	153	120
Management of Companies/Enterprises	25	30	44	52	52	48
Manufacturing	180	215	234	253	322	336
Mining	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾
Non-classifiable	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾
Other Services	564	561	589	515	521	635
Professional and Technical Services	678	683	695	700	791	891
Real Estate, Rental and Leasing	1,118	1,100	1,136	1,088	1,199	1,446
Retail Trade	2,963	2,827	2,824	2,667	2,779	3,067
Transportation and Warehousing	361	357	347	289	287	323
Utilities	87	88	90	89	90	89
Wholesale Trade	191	193	166	141	134	144
Totals ⁽¹⁾	<u>21,391</u>	<u>21,726</u>	<u>22,207</u>	<u>19,593</u>	<u>20,985</u>	<u>23,666</u>

(1) Figures may not equal totals when added due to the rounding of averages or the inclusion of employees in the total that were not disclosed in individual classifications.

(2) Data was not released due to confidentiality.

(3) Figures are averaged through the first quarter of 2021.

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

A selection of some of the largest employers in the Town is set forth below. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the Town.

**Town of Frisco, Colorado
Principal Employers
Fiscal Year 2021**

Employer	Employee # Range 2021	(1) Percentage of Total County Employment
Town of Frisco	100 - 249	0.005 - 0.013%
St. Anthony Summit Medical Center *	100 - 249	0.005 - 0.013%
Summit High School *	100 - 249	0.005 - 0.013%
Whole Foods	100 - 249	0.005 - 0.013%
KCNC	100 - 249	0.005 - 0.013%
Wal-Mart	100 - 249	0.005 - 0.013%
Herbal Bliss	100 - 249	0.005 - 0.013%
Summit Middle School *	50 - 99	0.005 - 0.013%
Outer Range Brewery	50 - 99	0.003 - 0.005%
Baymont By Wyndham Frisco Lake	50 - 99	0.003 - 0.005%
Safeway	50 - 99	0.003 - 0.005%
Summit County Ambulance *	50 - 99	0.003 - 0.005%
Summit Stage *	50 - 99	0.003 - 0.005%
(1) Total Employees within Summit County:	19,914	

* Business not within municipal limits of the Town of Frisco

Source: the Town.

Recreation and Tourism

Year-round tourism and skiing-related businesses account for a significant portion of the employment and earned income of area residents.

General. The Town's economy is focused on catering to tourists who come to enjoy winter and summer recreational activities. The Town derives substantial revenues from retail trade, short-term rentals, restaurants, lodging and real estate. Severe and protracted declines in winter snowfall or adverse economic conditions that reduce visits to the ski areas will adversely affect the economy of the Town. Lower consumer spending will also affect collections of excise tax revenues.

The Ski Industry in the State. A study of Colorado’s travel and tourism market (conducted by Longwoods International for the Colorado Tourism Office) reflected a strong economic recovery in 2021, the most recent year available. According to the study, total day and overnight trips to Colorado totaled 84.2 million, an increase of 10.1 million over 2020 when the pandemic sharply curtailed travel and tourism. Overnight trips accounted for 43.1 percent of those trips (36.3 million) and overnight visitors spent a record-tying \$17.0 billion.

Summit County Ski Areas. The County is home to four ski areas: Arapahoe Basin, Breckenridge, Copper Mountain, and Keystone. Arapahoe Basin opened in 1946 and is the oldest ski area in the County. With a base elevation of 10,780 feet and average snowfall of 350 inches, it is usually among the first ski areas in the State to open in mid-October and frequently does not close for the summer until early to mid-June. Breckenridge and Keystone are part of Vail Resorts, Inc. family of ski areas. Breckenridge offers skiing and snowboarding on more than 2,900 acres spread across five interconnected mountains (Peaks 6,7, 8, 9 and 10). Informal estimates place Breckenridge among the top two most visited ski areas in the United States with an estimated 1.6 million annual skier visits. Keystone, the largest ski area in the County, boasts three peaks (Dercum Mountain, North Peak and the Outback), a terrain park with a dedicated chair lift, and Cat skiing in Independence, Erickson and Bergman Bowls, with informal estimates placing Keystone at number four in the United States with an estimated 1 million annual skier visits. Keystone also has the largest night skill operation in Colorado. Copper Mountain, privately owned, offers over 2,400 acres of terrain for skiing and snowboarding and 25 kilometers of cross country ski trails. Copper Mountain is also home to Woodward Copper, a year-round camp offering programs which include snowboard, freeski, skateboard, BMX, freestyle MTB, scooter and cheer.

The Frisco Nordic Center has 28 kilometers of ski trails with 8 kilometers of snowshoe trails that traverse along the shores of Lake Dillon. Across the road from the Nordic Center is the Frisco Adventure Park, which has a tubing hill and beginner ski/ride hill. The Town also has a disc golf course, bike park and skate park.

Summer Activities. The County is a popular summer destination, with opportunities for camping, hiking, biking, horseback riding, fly fishing, golfing, sailing and boating. Lake Dillon and Green Mountain Reservoir are located in the County. The Town has a marina on Lake Dillon. Green Mountain Reservoir allows recreational vehicles and activities such as water skiing, jet skiing and also windsurfing.

Current Construction

The following table sets forth the number of all permits issued in the unincorporated portions of the County during the time period indicated.

History of Building Permits Issued in Summit County

<u>Year</u>	<u>Total Permits⁽¹⁾</u>	<u>Total Valuation</u>
2017	852	\$185,554,092
2018	915	234,414,908
2019	718	330,046,809
2020	694	327,138,745

2021	1,046	264,207,517
------	-------	-------------

(1) Summit County Building Department issues permits for all construction within unincorporated Summit County and the towns of Dillon and Montezuma.

Source: Summit County Community Development, Building Inspection Department.

The following table sets forth the number of permits issued for construction in the Town during the time period indicated.

History of Building Permits Issued in the Town of Frisco

Year	New Single Family		New Multi-Family		New Commercial	
	Permits	Value	Projects	Value	Permits	Value
2016	3	1,635,000	4	1,910,710	1	1,463,735
2017	5	3,982,500	0	0	2	5,769,555
2018	32	15,182,122	0	0	2	7,680,000
2019	12	9,570,000	0	0	2	8,115,000
2020	5	3,463,000	0	0	0	0
2021	24	17,281,257	0	0	2	3,937,147
2022 ⁽¹⁾	10	12,061,327	0	0	0	0

(1) Figures are for permits issues from January 1 through December 31, 2022.

Source: Town Community Development Department.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in the County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures that were filed and subsequently redeemed or withdrawn.

History of Foreclosures - Summit County

Year	Number of Foreclosures Filed	Percent Change
2017	36	--
2018	35	(2.8)%
2019	27	(22.9)
2020	30	11.1
2021	20	(33.3)
2022 ⁽¹⁾	21	--

(1) Figures are for foreclosures filed from January 1 through _____, 2022.

Sources: Colorado Division of Housing (2017 to 2020) and Summit County Public Trustee's Office (2021 and 2022).

LEGAL MATTERS

Litigation

The Town Attorney states that to the best of his knowledge, there are no lawsuits or other proceedings pending or threatened that would materially adversely affect the Town's ability to enter into the Lease or to pay Base Rentals under the Lease as set forth therein, and no litigation challenging the validity, or the issuance of the Certificates is pending or threatened. The Town is, however, subject to certain pending and threatened litigation or administrative proceedings regarding various other matters arising in the ordinary course of the Town's business. It is the opinion of Town Attorney that the pending litigation will not result in final judgments against the Town which would, individually or in the aggregate, materially adversely affect the Town's financial position or its ability to perform its obligations to the owners of the Certificates. (Thad to confirm).

Sovereign Immunity

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

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; failure to perform an education employment required background check; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. However, the Town may not be held liable either directly or by indemnification for punitive or exemplary damages unless the Town voluntarily pays such damages in accordance with State law.

For injuries occurring on or after January 1, 2018, the maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$387,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$1,093,000; except in such instance, no person may recover in excess of \$387,000. The maximum amounts that may be recovered will increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index.

The Town may be subject to civil liability and damages including punitive or exemplary damages under various federal laws, and it may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal

constitutional or statutory rights of an individual. In addition, the Town may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

The approving opinion of Butler Snow LLP, as Special Counsel, will be delivered with the Certificates. A form of the Special Counsel opinion is attached to this Official Statement as Appendix E. Butler Snow LLP, Denver, Colorado, has also acted as Special Counsel to the Town in connection with this Official Statement. Certain matters will be passed upon for the Town by the Town Attorney, Murray Dahl Berry & Renaud LLP, Lakewood, Colorado. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado.

Certain Constitutional Limitations

General. At the general election on November 3, 1992, the voters of Colorado approved TABOR as Article X, Section 20 of the State constitution. In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the Town (“local governments”), but does not apply to “enterprises,” defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the Town, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government’s spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

In the opinion of Special Counsel, based upon decisions of the Colorado appellate courts, the Lease does not constitute a “multiple fiscal year financial obligation” which requires an election under the terms of TABOR.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual

value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated.

At an election held in 1995, Town voters authorized the Town to collect, retain, and spend, without regard to the revenue and spending limitations imposed by TABOR, the full amount derived from the Town's existing sales and real estate Real Estate Investment Fees, grants and, with the exception of revenues generated from ad valorem property taxes, revenues from all other sources.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The Town has budgeted emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property Real Estate Investment Fee rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K 12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the Town are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

TAX MATTERS

In the opinion of Special Counsel under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease and paid by the Trustee as interest on the Certificates, is excludable 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 Certificates (the "Tax Code"), interest is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, and interest on the 2022 Bonds is excludable from Colorado taxable income and Colorado alternative, and is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates.

The opinion of Special Counsel does not cover the treatment for federal or Colorado income tax purposes of any monies received in payment of or in respect to the Certificates subsequent to the occurrence of an Indenture Event of Default, a Lease 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 Certificates in order for the interest thereon to be excludable from gross income, alternative minimum taxable income, 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 Certificates. These requirements include: (a) limitations as to the use of proceeds of the Certificates; (b) limitations on the extent to which proceeds of the 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 Certificates above the yield on the Certificates to be paid to the United States Treasury. The Town covenants and represents 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 Certificates) to the extent necessary to maintain the exclusion of interest on the Certificates from gross income and alternative minimum taxable income 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 Certificates from gross income, alternative minimum taxable income, 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 Town 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 Town to comply with these requirements could cause the interest on the 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 Town 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 Certificates.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Certificates. Owners of the 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. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Certificates made to any Owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the Owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406 or fails to provide a certificate that the Owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Certificates were sold at a premium, representing a difference between the original offering price of those Certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial Owner of such Certificates (if any) may realize a taxable gain upon their disposition, even though such Certificates are sold or redeemed for an amount equal to the Owner's acquisition cost. Special Counsel's opinion relates only to the exclusion of interest on the 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 Certificates. Owners of the Certificates should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Special Counsel are based on existing law as of the delivery date of the Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or State tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Certificates, the exclusion of interest on the Certificates from gross income or alternative minimum taxable income or both from the date of issuance of the Certificates or any other date, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the market value of the Certificates. Owners of the 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 Certificates. If an audit is commenced, the market value of the Certificates may be adversely affected. Under current audit procedures, the Service will treat the Town as the taxpayer and the Owners may have no right to participate in such procedures. The Town has covenanted in the Lease not to take any action that would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the Owners thereof for federal income tax purposes. None of the Town, the Underwriter or Special Counsel is responsible for paying or reimbursing any Registered Owner or Beneficial Owner for any audit or litigation costs relating to the Certificates.

INDEPENDENT AUDITORS

The audited financial statements of the Town as of December 31, 2021, and for the year then ended, included herein as Appendix A, have been audited by McMahan And Associates, L.L.C., certified public accountants, Avon, Colorado, as stated in their report appearing herein.

The Town will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. McMahan And Associates, L.L.C., the Town's independent auditor for the December 31, 2021 audit, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McMahan And Associates, L.L.C. also has not performed any procedures relating to this Official Statement.

RATING

Moody's Investors Service ("Moody's") has assigned the Certificates the rating shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

The rating reflects only the views of the rating agency, and there is no assurance that the rating will be obtained or will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the applicable rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price or liquidity of the Certificates. Other than its obligations under the Disclosure Certificate, the Town has not undertaken any responsibility to bring to the attention of the owners of the Certificates any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, Denver, Colorado (the "Underwriter"), has agreed to purchase the Certificates at a price of \$_____ (which is equal to the principal amount of the Certificates, (plus/less net original issue premium/discount of \$_____), and less Underwriter's discount of \$_____.

The Underwriter is committed to take and pay for all of the Certificates if any are taken. The Underwriters intend to offer the Certificates to the public at the offering prices

appearing on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

OFFICIAL STATEMENT CERTIFICATION

The preparation of this Official Statement and its distribution has been authorized by the Town. This Official Statement is hereby duly approved by the Town as of the date on the cover page hereof.

TOWN OF FRISCO, COLORADO

By: _____
Mayor

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE TOWN FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

NOTE: The supplemental schedules contained in the Town's audit, including the combining, individual fund and account group financial statements, for the fiscal year ending December 31, 2021, of the Town were excluded from this Official Statement. Such supplemental statements provide supporting details and are not necessary for a fair presentation of the basic financial statements of the Town.

Prospective investors should be aware that the Certificates are payable solely from any legally available Town revenues that are annually appropriated for the purpose of paying Base Rentals under the Lease. The inclusion of the Town's audited basic financial statements in this Official Statement does not indicate that any of the sources of revenue described therein are pledged to the payment of the Certificates.

APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

Set forth below are the definitions of some of the terms used in this Official Statement, the Site Lease, the Lease and the Indenture and summaries of certain provisions of the Site Lease, the Lease and the Indenture. These summaries do not purport to be definitive summaries of all provisions of the Site Lease, the Lease or the Indenture; investors must obtain and review each of those documents in order to obtain descriptions of all provisions. Copies of the Site Lease, the Lease and the Indenture may be obtained from the sources listed in “INTRODUCTION--Additional Information.”

(to come)

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Certificates. The 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 certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each 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 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 Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town 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 Certificates at any time by giving reasonable notice to the Town or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of [CLOSING DATE] (this “Disclosure Certificate”) is executed and delivered by the Town of Frisco, Colorado, a duly organized and existing home rule municipality of the State of Colorado, (the “Town”), in connection with its authorization, execution and delivery of a Lease Purchase Agreement, dated as of [CLOSING DATE] (the “Lease”), between UMB Bank, n.a., solely in its capacity as trustee under the Indenture described herein (the “Trustee”), as lessor, and the Town, as lessee, and the execution and delivery of Certificates of Participation, Series 2023, in the aggregate principal amount of \$[] (the “Certificates”), evidencing proportionate interests in the right to receive certain revenues payable by the Town under the Lease. The Certificates are being executed and delivered pursuant to an Indenture of Trust, dated as of [CLOSING DATE], (the “Indenture”), by the Trustee. The Town covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Certificates 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 Lease 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 Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on January 1 and ending on December 31, or such other 12-month period as may be adopted by the Issuer in accordance with law.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement prepared in connection with the Certificates.

“Participating Underwriter” shall mean the original underwriter of the Certificates required to comply with the Rule in connection with an offering of the Certificates.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s fiscal year, commencing nine (9) months following the end of the Issuer’s fiscal year ending December 31, 2022, provide to the MSRB (in an electronic format as prescribed by the MSRB), 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 Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). 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 Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, 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, 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 Certificates.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed below with respect to the Certificates. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Certificates.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of bondholders, *if material*;
- (8) Bond calls, *if material*, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Certificates, *if material*;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;*
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;
- (15) Incurrence of a financial obligation** of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms

* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

**For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Town intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer'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 Certificates; (ii) the date that the Issuer 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 Certificates.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) 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) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer 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 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 Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer 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 Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer 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 Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates and shall create no rights in any other person or entity.

[Remainder of Page Intentionally Left Blank]

Executed on the date first written above.

TOWN OF FRISCO, COLORADO

By _____
Mayor

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Town of Frisco, Colorado

Name of Issue: Certificates of Participation, Series 2023, in the aggregate principal amount of \$[] (the “Certificates”), each evidencing proportionate interests in the right to receive certain revenues payable by the Town of Frisco, Colorado, under a Lease Purchase Agreement dated as of [CLOSING DATE], between UMB Bank, n.a. (the “Trustee”), as lessor, and the Town, as lessee.

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Certificates as required by the Continuing Disclosure Certificate dated [CLOSING DATE]. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

TOWN OF FRISCO, COLORADO

EXHIBIT B

OFFICIAL STATEMENT TABLES TO BE UPDATED

See page iv of the Official Statement

APPENDIX E

FORM OF OPINION OF SPECIAL COUNSEL

Town of Frisco, Colorado
1 Main Street
P. O. Box 4100
Frisco, Colorado 80443

\$[_____]

Certificates of Participation, Series 2023

**Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement dated as of [CLOSING DATE]
between UMB BANK, N.A.,
solely in its capacity as trustee under the Indenture, as lessor,
and the TOWN OF FRISCO, COLORADO, as lessee**

Ladies and Gentlemen:

We have acted as special counsel to the Town of Frisco, Colorado (the “Town”) in connection with its authorization, execution and delivery of the Site Lease Agreement, dated as of [CLOSING DATE] (the “Site Lease”), among the Town, as lessor, and UMB Bank, n.a., solely in its capacity as trustee (the “Trustee”) under the Indenture (as hereinafter defined), as lessee, and the Lease Purchase Agreement, dated as [CLOSING DATE] (the “Lease”), between the Trustee, as lessor, and the Town, as lessee. Certificates of Participation, Series 2023, in the aggregate principal amount of \$[_____] (the “Certificates”), dated [CLOSING DATE], are authorized under an Indenture of Trust, dated as of [CLOSING DATE] (the “Indenture”), executed and delivered by the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease and the Indenture. The Certificates evidence proportionate interests in the Base Rentals and certain other revenues paid under the Lease, as provided in the Certificates, the Lease and the Indenture.

In such capacity as special counsel, we have examined certified proceedings of the Town Council, the Site Lease, the Lease, the Indenture, the Certificates, 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.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the Town, certifications of the Trustee, certifications of the Underwriter, 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, and subject to the following qualifications, it is our opinion as special counsel that:

1. The Site Lease has been duly authorized by the Town and duly executed and delivered by authorized officials of the Town and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and binding obligation of the Town. The Lease has been duly authorized by the Town and duly executed and delivered by authorized officials of the Town and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid

and binding obligation of the Town. None of the Site Lease, the Lease, or the Certificates constitutes a general obligation, other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, home rule charter, or statutory debt limitation. Notwithstanding the foregoing, the Town's failure specifically to budget and appropriate funds to make payments due under the Lease for the ensuing Fiscal Year will extinguish the obligations of the Town to pay Base Rentals and Additional Rentals beyond the then current Fiscal Year.

2. Assuming the due authorization, execution, and delivery of the Site Lease, the Lease, and the Indenture by the Trustee, and the due execution and delivery of the Certificates by the Trustee, the Certificates evidence valid and binding proportionate interests in the right to receive certain payments under the Lease.

3. The portion of the Base Rentals which is designated in the Lease as interest and paid as interest on the Certificates is excludable 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"), is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, and is excludable from Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof; except that we express no opinion as to the effect which any termination of the Town's obligations under the Lease may have upon the treatment for federal or Colorado income tax purposes of any moneys received or paid under the Indenture subsequent to such termination. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the Town's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The rights of the owners of the Certificates and the enforceability of the Certificates, the Site Lease and the Lease are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In rendering the foregoing opinions, we are not opining upon matters relating to the corporate status of the Trustee, the power of the Trustee to execute or deliver the Site Lease, the Lease, the Indenture or the Certificates, or the enforceability of the Site Lease, the Lease, the Indenture or the Certificates against the Trustee.

In this opinion letter issued in our capacity as special 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 relating to the Certificates or any other statements made in connection with any offer or sale of the Certificates, or upon any federal or state tax consequences arising from the receipt or accrual of interest with respect to, or the rights and obligations under, the Site Lease, the Lease, or the Certificates, except those specifically addressed above, or upon any matters pertaining to the priority of any security instrument executed in connection with this transaction, the existence of any liens or other encumbrances on the Leased Property, the

ownership of or proper description of any property included in the Leased Property, or any other real estate matters related to the Leased Property.

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,