



REGULAR CITY COUNCIL MEETING AGENDA
Tuesday, March 4, 2025 - 6:00 PM
City Council Chambers, Elks Civic Building - 107 S. Cascade Ave.

The Montrose City Council is pleased to have residents of the community take time to attend City Council meetings. We encourage your attendance and participation. Individuals wishing to be heard during public hearing proceedings are encouraged to be prepared and will generally be limited to three minutes to allow everyone the opportunity to be heard. Additional written comments are welcome and will be received at any time. The 11:00 p.m. rule will be enforced in accordance with City of Montrose Regulations (Sec. 7-15-2).

Public participation for this meeting will be in person in the City Council Chambers. The meeting can be [viewed online via livestream](#) and video recordings of the meetings can be viewed on our [YouTube page](#).

Hearing assistance devices are available for public use. Please let us know if you need accommodation. The City also offers interpretation for Spanish speakers. Schedule time to book this resource, by [emailing the City](#) at least 3 days before the meeting.

- 1) City Council meeting called to order by Mayor J. David Reed
- 2) The Pledge of Allegiance
- 3) Roll call by the City Clerk
- 4) Changes to the agenda including additions and deletions
- 5) American Red Cross Month Proclamation
- 6) CALL FOR PUBLIC COMMENT FOR NON-AGENDA ITEMS

The “Call for Public Comment” agenda item is a time when concerned members of the community may publicly voice their concerns and discuss items of interest. Please note that no formal action will be taken on the matters raised during this time.



Comments made during this time should be addressed to the Council and pertain to matters of at least general importance to the City and its operations. Please be aware that neither City Council nor City staff are expected to respond or engage in discussion or debate.

Please refrain from any personal attacks and disagreements, personnel and employment matters, the use of profanity or ethnic, racial, or gender-oriented slurs as they may be considered “disorderly conduct” which violates state or local law.

7) APPROVAL OF MINUTES (5 minutes)

City Council consideration of the minutes of the February 18, 2025, special City Council meeting and the February 18, 2025, regular City Council meeting. *Staff: City Clerk Lisa DelPiccolo*

Action: Consider making a motion to approve the minutes of the February 18, 2025, special City Council meeting and the February 18, 2025, regular City Council meeting as presented.

8) TAVERN LIQUOR LICENSE TRANSFER APPLICATION (15 minutes)

City Council consideration of an application for the transfer of the Tavern liquor license at 1980 N. Townsend Avenue from Montrose Lodging LLC, doing business as Hampton Inn, to S3 Montrose LLC, doing business as Hampton Inn, for consumption on the licensed premises. *Staff: City Attorney Chris Dowsey*

Action: Accept public comment. Consider making a motion to approve the transfer of the Tavern liquor license at 1980 N. Townsend Avenue from Montrose Lodging LLC, doing business as Hampton Inn, to S3 Montrose LLC, doing business as Hampton Inn, for consumption on the licensed premises.

9) ORDINANCE 2679 - FIRST READING (20 minutes)

City Council consideration of Ordinance 2679 on first reading, an Ordinance of the City of Montrose, Colorado, authorizing and approving a site lease and lease purchase agreement between the City and UMB Bank, N.A. (solely in its capacity as trustee); approving not to exceed \$55,000,000 principal amount of certificates of participation, series 2025, in connection therewith; authorizing officials of the City to take all action necessary to carry out the transactions contemplated hereby; and related matters. *Staff: Public Works Director Jim Scheid*

Action: Hold a hearing. Consider making a motion to pass Ordinance 2679 on first reading as presented.



10) ORDINANCE 2680 - SECOND READING (10 minutes)

City Council consideration of Ordinance 2680 on second reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of Spruce Point Subdivision from "R-3A," Medium High Density District with conditions to "R-3A," Medium High Density District without conditions. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2680 on second reading as presented.

11) ORDINANCE 2681 - SECOND READING (10 minutes)

City Council consideration of Ordinance 2681 on second reading, an Ordinance of the City of Montrose, Colorado, amending Title 3 Chapter 5 Sections(s) 12, 13, and 19 regarding the City water and sewer systems. *Staff: Utilities Director David Bries and Finance Director Shani Wittenberg*

Action: Accept public comment. Consider making a motion to adopt Ordinance 2681 on second reading as presented.

12) CEDAR VIEW SUBDIVISION NO. 2 PLANNED DEVELOPMENT FILING 2 FINAL PLAT

City Council consideration of the Cedar View Subdivision No. 2 Planned Development Filing 2 Final Plat to create 19 residential lots and associated easements, rights-of-way, and open space. *Staff: Senior Planner William Reis*

Action: Accept public comment. Consider making a motion to approve the Cedar View Subdivision No. 2 Planned Development Filing 2 Final Plat expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and Municipal Code provisions are met and that the applicant adequately addresses all of staff's concerns prior to the execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being satisfied.

13) EAGLE RANCH SOUTH FINAL PLAT, FILING 1

City Council consideration of the Eagle Ranch South Final Plat, Filing 1 to create 2 residential lots and associated easements. *Staff: Senior Planner William Reis*



Action: Accept public comment. Consider making a motion to approve the Eagle Ranch South Final Plat, Filing 1 expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and Municipal Code provisions are met and that the applicant adequately addresses all of staff's concerns prior to the execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being satisfied.

14) STAFF REPORTS

15) YOUTH CITY COUNCIL COMMENTS

16) CITY COUNCIL COMMENTS

17) MOTION TO ADJOURN



PROCLAMATION

American Red Cross Month March 2025

WHEREAS, this March, we celebrate American Red Cross Month by recognizing the compassionate acts of people in the City of Montrose and by renewing our commitment to lend a helping hand to our neighbors in need. Since Clara Barton founded the American Red Cross more than 140 years ago, generation after generation has stepped up to deliver relief and care across our country and around the world, bringing out the best of humanity in times of crisis. Advancing this noble mission, the volunteers and supporters who now give back through the Western Colorado Chapter remain unwavering in their commitment to prevent and alleviate human suffering in the face of today's emergencies; and

WHEREAS, their voluntary and generous contributions shine a beacon of hope in people's darkest hours — whether it's delivering shelter, food and comfort during disasters, supporting service members, veterans and their families or saving lives with first aid, CPR, AED and other skills; and

WHEREAS, this work to uplift our community is truly made possible by those who selflessly answer the call to help, whenever and wherever it's needed. We hereby recognize this month of March in honor of their remarkable service, and we ask everyone to join in their commitment to care for one another;

NOW, THEREFORE, I, Mayor J. David Reed, and the City Council of the City of Montrose, Colorado, do hereby proclaim March 2025 as

American Red Cross Month

in the City of Montrose and encourage all citizens of Montrose to support its humanitarian mission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official Seal of the City of Montrose, this 4th day of March, 2025.

J. David Reed, Mayor



Online Form Submittal: Public Comment Form

1 message

noreply@civicplus.com <noreply@civicplus.com>

Mon, Mar 3, 2025 at 5:08 PM

Reply-To: adamsfly62@gmail.com

To: cityclerk@ci.montrose.co.us

Public Comment Form

Public Comment Form

Thank you for submitting a public comment for consideration by the Montrose City Council.

Please note that comments are for non-agenda items only.

Written comments submitted by noon on the day of the regular City Council meeting will be compiled, posted via a link on the [Public Portal](#), and included in the meeting packet. These comments will not be read aloud during the meeting. City Council may or may not respond to written comments received.

Name	Paul DuPont
Email Address	adamsfly62@gmail.com
Submitter's Street Address, Neighborhood, or Subdivision Name	American Village
Topic	Speed Limits
Comment	I am writing in regards to posted speed limits along E. Niagara between 6700 and Hill Street and, Hill Street from E. Niagara north to Sunnyside. I realize both of these roads are considered thoroughfares but they also go through subdivisions which are getting larger each year. The posted speed limits along these roads is 35 mph which seems excessive. Both of these routes are used by pedestrians on a constant basis and E. Niagara in particular has a park and green belts where children regularly play and several school bus stops exist. Is it possible for the city to look into this?

Comments should pertain to matters of at least general importance to the city organization and its operations. Please be aware that neither City Council nor city

staff are expected to engage in discussion or debate. However, the city may respond when appropriate at a later time.

Personal attacks, personnel and employment matters, the use of profanity or ethnic, racial or gender-oriented slurs are prohibited, as is any “disorderly conduct” which violates state or local law. See, City of Montrose Regulations (Sec. 7-14-1, et seq.).

Email not displaying correctly? [View it in your browser.](#)



MONTROSE CITY COUNCIL

February 18, 2025

A special meeting of the Montrose City Council was held on Tuesday, February 18, 2025, at 12:00 p.m., or immediately following the work session, in the City Council Chambers of the Elks Civic Building at 107 S. Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT

J. David Reed, Dave Frank, Judy Ann Files, Doug Glaspell, Ed Ulibarri, Ann Morgenthaller, Chris Dowsey, Greg Stunder, Scott Murphy, Lisa DelPiccolo

CALL TO ORDER

Mayor J. David Reed called the special meeting to order at 10:43 a.m.

EXECUTIVE SESSION

At 10:44 a.m., a motion was made by Dave Frank, seconded by Doug Glaspell, to enter into an executive session to discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a), and the following additional details are provided for identification purposes: property acquisitions. All voted yes. Motion passed.

RECONVENEMENT AND ADJOURNMENT

The special meeting reconvened at 11:13 a.m.

At 11:13 a.m. a motion was made by Dave Frank, seconded by Ed Ulibarri, to adjourn the meeting with no further action taken. All voted yes. Motion passed.

ATTEST:

J. David Reed, Mayor

Lisa DelPiccolo, City Clerk



MONTROSE CITY COUNCIL

February 18, 2025

A regular meeting of the Montrose City Council was held on Tuesday, February 18, 2025, at 6:00 p.m. in the City Council Chambers of the Elks Civic Building at 107 S. Cascade Avenue. Said meeting was posted in accordance with the Sunshine Law.

PRESENT

J. David Reed, Dave Frank, Judy Ann Files, Doug Glaspell, Ed Ulibarri, Ann Morgenthaller, Chris Dowsey, Greg Story, David Bries, Lisa DelPiccolo, Nik Pridy, Gunnison Clamp, Kathryn Jakino, Robin Kittell, Shani Wittenberg, Leeanne Whittaker, William Reis, Blaine Hall, Tim Cox, Scott Murphy, Greg Stunder, Ben Willey

GUESTS

Carlos Hamm, Debbie Labertew, Horatio Morales, Jim Haugsness, Tom Mathis, John Brown, Debbie Reed, Leah Vandersluis, Clara Carrasco, Linda Zeman

CALL TO ORDER

Mayor J. David Reed called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CHANGES TO THE AGENDA

No changes were made to the agenda.

YOU MAKE A DIFFERENCE AWARD PRESENTATIONS

Mayor J. David Reed presented You Make a Difference Awards to Carlos Hamm, Debbie Labertew, and Horacio Morales, crossing guards for Montrose County School District.

CALL FOR PUBLIC COMMENT

John Brown spoke in favor of local compliance with the laws of the federal government and improved communication from City staff members. Mr. Brown also spoke in favor of a non-sanctuary city declaration by City Council.

Leah Vandersluis spoke in favor of improved communication between City Councilors and constituents and in favor of a venue for communication other than public comment. Ms. Vandersluis also spoke in opposition to the City incurring any further debt.

Clara Carrasco presented information on a proposed arts festival and indicated that she intends to request support from the City.

Linda Zeman spoke in favor of a non-sanctuary city declaration by City Council.

Jim Haugsness spoke on behalf of CASA of the 7th Judicial District and expressed gratitude to City Council, staff, and City Manager Bill Bell for supporting CASA housing projects.

Tom Mathis spoke regarding concerns with enforcement of local building codes.

APPROVAL OF MINUTES

City Council considered the minutes of the February 3, 2025, special City Council Meeting and the February 4, 2025, regular City Council meeting.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve the minutes of the February 3, 2025, special City Council meeting and the February 4, 2025, regular City Council meeting as presented. All voted yes. Motion passed.

CITY COUNCIL MEETING SCHEDULE CHANGE

City Council considered rescheduling the April 1, 2025, regular City Council meeting to Monday, March 31, 2025, at 6 p.m. in the City Council Chambers.

A motion was made by Dave Frank, seconded by Doug Glaspell, to reschedule the April 1, 2025, regular City Council meeting to Monday, March 31, 2025, at 6 p.m. in the City Council Chambers. All voted yes. Motion passed.

EQUIPMENT AND VEHICLE DISPOSAL

City Council considered a list of City-owned equipment and vehicles for disposal at auction.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve a list of City-owned equipment and vehicles for disposal at auction. All voted yes. Motion passed.

RESOLUTION 2025-02

City Council considered Resolution 2025-02, authorizing the Montrose Police Department to file a Victims of Crime Act (VOCA) grant through the Colorado Division of Criminal Justice for the total of \$56,003.00, to cover a portion of both the current victim advocate's salary and a new victim advocate's salary, authorizing the Chief of Police to act in connection with the application, and authorizing the City Manager, Chief of Police and Finance Director to sign the grant application and reporting documents.

Police Chief Blaine Hall reported that the Police Department applies for the federal VOCA grant on a regular basis. Chief Hall stated that the grant funds a portion of the salaries for the victim services coordinator and victim advocate and a separate state grant covers the remainder.

Public comment was accepted. No comments were received.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to adopt Resolution 2025-02 as presented. All voted yes. Motion passed.

ORDINANCE 2680 – FIRST READING

City Council considered Ordinance 2680 on first reading, an Ordinance of the City of Montrose, Colorado, amending the zoning district designation of Spruce Point Subdivision from "R-3A," Medium High Density District with conditions to "R-3A," Medium High Density District without conditions. A hearing was held.

Senior Planner William Reis reviewed the location of the 48-acre site east of 6400 Road and said the rezone is for the undeveloped portion of the Spruce Point Subdivision. Mr. Reis stated that when the subdivision was annexed and zoned in 2004 a condition was imposed on the 79 acre annexation setting a limit of 269 units. All subsequent annexations did not include a cap on the number of units. Mr. Reis said that under the current zoning ordinance, the remaining property would have a cap of 209 units.

Mr. Reis said Ordinance 2680 removes this condition, but the zoning designation would remain R-3A and allowable uses would not change.

Mr. Reis recommended approval of the rezone request stating that the proposal meets rezone criteria, is in compliance with the Comprehensive Plan, and is compatible with existing uses in the surrounding area.

Mayor J. David Reed opened the hearing.

Public comment was accepted. No comments were received.

Mayor Reed closed the hearing.

A motion was made by Judy Ann Files, seconded by Dave Frank, to pass Ordinance 2680 on first reading as presented. All voted yes. Motion passed.

ORDINANCE 2681 – FIRST READING

City Council considered Ordinance 2681 on first reading, an Ordinance of the City of Montrose, Colorado, amending Title 3 Chapter 5 Section(s) 12, 13, and 19 regarding the City water and sewer systems. A hearing was held.

Utilities Director David Bries reported that Ordinance 2681 is intended to clean up sections of the Municipal Code that are not being used or are no longer applicable. Mr. Bries reviewed propose changes related to surcharges for sewer extensions, charges for construction water, and the reimbursement program for sewer backup claims. Mr. Bries stated that the City's insurance provider now covers reimbursement to property owners for damage caused by sewer backups, and the reimbursement program is no longer needed.

Mayor J. David Reed opened the hearing.

Public comment was accepted. No comments were received.

Mayor Reed closed the hearing.

A motion was made by Doug Glaspell, seconded by Ed Ulibarri, to pass Ordinance 2681 on first reading as presented. All voted yes. Motion passed.

CRACK SEAL MATERIAL PURCHASE AND SOLE SOURCE WAIVER

City Council considered the purchase of crack seal material from DISSCO (Denver Industrial Sales) for use by the City's streets crew for the total purchase amount of \$105,000.00.

Streets Superintendent Nik Pridy reported that 40 lane miles in the northeast quadrant of the City will be crack sealed in 2025. Mr. Pridy recommended approval of the sole source waiver and purchase of the crack seal due to specific performance requirements and warranty capabilities with existing equipment. Mr. Pridy said staff ensures that pricing remains consistent from year to year and is comparable to other materials on the market. The 2025 budget includes \$105,000.00 for this purchase.

Public comment was accepted. No comments were received.

A motion was made by Dave Frank, seconded by Doug Glaspell, to approve the purchase of crack seal material from DISSCO (Denver Industrial Sales) for the total purchase amount of \$105,000.00 as presented. All voted yes. Motion passed.

STAFF REPORTS

Sales, Use, and Excise Tax Report

Sales Tax Manager Leeanne Whittaker provided a sales, use, and excise tax report for the month of December 2024. Ms. Whittaker reported that total sales and use tax collections were down 2.1 percent as compared to December 2023 with a neutral budget variance. Year-to-date collections were up 3.2 percent with a positive budget variance of 5.6 percent.

Fourth Quarter Budget Review

Finance Director Shani Wittenberg reported that a complete report is included in the meeting packet, and the numbers are generally positive. Ms. Wittenberg stated that the numbers are unaudited, some invoices are still being paid for 2024, and some accruals need to be made for revenue.

State of the City Event

Deputy City Manager Ann Morgenthaler invited the community to the annual State of the City event on Monday, February 24, beginning at 5:30 p.m. at the Montrose Pavilion.

YOUTH CITY COUNCIL COMMENTS

Kathryn Jakino reported that the Youth City Council is organizing a nonprofit expo at the Montrose Pavilion in March. Ms. Jakino said many nonprofits have committed to being present. Robin Kittell reported on promotional efforts to encourage the community to attend the expo.

CITY COUNCIL COMMENTS

Doug Glaspell acknowledged Montrose police officers for a recent focus on traffic enforcement.

Mayor Pro Tem Dave Frank commended the Youth City Council for organizing and hosting the upcoming nonprofit expo.

ADJOURNMENT

At 7:00 p.m., the meeting adjourned with no further action taken.

ATTEST:

J. David Reed, Mayor

Lisa DelPiccolo, City Clerk

Colorado Liquor Retail License Application

* Note that the Division will not accept cash ☐ Paid by Check Date Uploaded to MoveIt

☐ Paid Online

☐ New License ☐ New-Concurrent ☒ Transfer of Ownership ☐ State Property Only ☐ Master file

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Applicant should obtain a copy of the Colorado Liquor and Beer Code: SBG.Colorado.gov/Liquor

Applicant is applying as a/an ☐ Individual ☒ Limited Liability Company ☐ Association or Other
☐ Corporation ☐ Partnership (includes Limited Liability and Married Couple Partnerships)

Applicant Name If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation

MONTROSE HOLDING LLC

FEIN Number

624185643

State Sales Tax Number

96429141-001

Trade Name of Establishment (DBA)

HAMPTON INN

Business Telephone

9494136486

Address of Premises (specify exact location of premises, include suite/unit numbers)

1980 NORTH TOWNSEND AVENUE

City

MONTROSE

County

MONTROSE

State

CO

ZIP Code

81401

Mailing Address (Number and Street)

1980 NORTH TOWNSEND AVENUE

City or Town

MONTROSE

State

CO

ZIP Code

81401

Email Address

drawalecs@gmail.com

If the premises currently has a liquor or beer license, you **must** answer the following questions.

Present Trade Name of Establishment (DBA)

HAMPTON INN

Present State License Number

35-07275-0000

Present Class of License

Tavern (City)

Present Expiration Date

12/4/25

Section A Nonrefundable application fees*

- ☐ Application Fee for New License\$1,100.00
- ☐ Application Fee for New License with Concurrent Review\$1,200.00
- ☒ Application Fee for Transfer.....\$1,100.00

Section B Liquor License Fees*

- ☐ Add Optional Premises to H & R\$100.00 X Total
- ☐ Add Sidewalk Service Area.....\$75.00
- ☐ Arts License (City).....\$308.75
- ☐ Arts License (County)\$308.75
- ☐ Beer and Wine License (City).....\$351.25
- ☐ Beer and Wine License (County).....\$436.25
- ☐ Brew Pub License (City).....\$750.00
- ☐ Brew Pub License (County).....\$750.00
- ☐ Campus Liquor Complex (City)\$500.00
- ☐ Campus Liquor Complex (County)\$500.00
- ☐ Campus Liquor Complex (State)\$500.00
- ☐ Club License (City)\$308.75
- ☐ Club License (County).....\$308.75
- ☐ Distillery Pub License (City).....\$750.00
- ☐ Distillery Pub License (County)\$750.00
- ☐ Entertainment Facility License (City).....\$500.00
- ☐ Entertainment Facility License (County).....\$500.00
- ☐ Hotel and Restaurant License (City).....\$500.00
- ☐ Hotel and Restaurant License (County)\$500.00
- ☐ Hotel and Restaurant License with one optional premises (City).....\$600.00
- ☐ Hotel and Restaurant License with one optional premises (County).....\$600.00

Section B Liquor License Fees* (Continued)

☐ Liquor-Licensed Drugstore (City).....	\$227.50
☐ Liquor-Licensed Drugstore (County).....	\$312.50
☐ Lodging Facility License (City).....	\$500.00
☐ Lodging Facility License (County)	\$500.00
☐ Manager Registration - H & R	\$30.00
☐ Manager Registration - Tavern	\$30.00
☐ Manager Registration - Lodging & Entertainment	\$30.00
☐ Manager Registration - Campus Liquor Complex	\$30.00
☐ Optional Premises License (City)	\$500.00
☐ Optional Premises License (County).....	\$500.00
☐ Racetrack License (City)	\$500.00
☐ Racetrack License (County).....	\$500.00
☐ Resort Complex License (City).....	\$500.00
☐ Resort Complex License (County).....	\$500.00
☐ Related Facility - Campus Liquor Complex (City).....	\$160.00
☐ Related Facility - Campus Liquor Complex (County)	\$160.00
☐ Related Facility - Campus Liquor Complex (State)	\$160.00
☐ Retail Gaming Tavern License (City).....	\$500.00
☐ Retail Gaming Tavern License (County).....	\$500.00
☐ Retail Liquor Store License - Additional (City).....	\$227.50
☐ Retail Liquor Store License - Additional (County).....	\$312.50
☐ Retail Liquor Store (City)	\$227.50

Section B Liquor License Fees* (Continued)

☐ Retail Liquor Store (County).....	\$312.50
☒ Tavern License (City).....	\$500.00
☐ Tavern License (County).....	\$500.00
☐ Vintners Restaurant License (City).....	\$750.00
☐ Vintners Restaurant License (County).....	\$750.00

Questions? Visit: SBG.Colorado.gov/Liquor for more information

Do not write in this space - For Department of Revenue use only

Liability Information

License Account Number

Liability Date

License Issued Through (Expiration Date)

Total

\$

1. Is the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers under the age of twenty-one years?..... ☐ Yes ☒ No

2. Has the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers ever (in Colorado or any other state):

a. Been denied an alcohol beverage license?..... ☐ Yes ☒ No

b. Had an alcohol beverage license suspended or revoked?..... ☐ Yes ☒ No

c. Had interest in another entity that had an alcohol beverage license suspended or revoked?..... ☐ Yes ☒ No

If you answered yes to a, b or c above, explain in detail on a separate sheet.

3. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years?..... ☐ Yes ☒ No

If "yes", explain in detail.

4. Are the premises to be licensed within 500 feet, of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary? ☐ Yes ☒ No

or

Waiver by local ordinance? ☐ Yes ☐ No

Other

5. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of greater than (>) 10,000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS..... ☐ Yes ☒ No

6. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (<) 10,000? **NOTE:** The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS..... ☐ Yes ☒ No

For additional Retail Liquor Store only.

- a. Was your Retail Liquor Store License issued on or before January 1, 2016?.... ☐ Yes ☒ No
- b. Are you a Colorado resident?..... ☐ Yes ☒ No
7. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any **current** financial interest in said business including any loans to or from a licensee..... ☐ Yes ☒ No
8. Does the applicant, as listed on line 2 of this application, **have legal possession of the premises by ownership**, lease or other arrangement?..... ☒ Yes ☐ No

☒ Ownership ☐ Lease ☐ Other (Explain in detail)

- a. If leased, list name of landlord and tenant, and date of expiration, **exactly** as they appear on the lease:

Landlord

Tenant

Expires

- b. Is a percentage of alcohol sales included as compensation to the landlord?
If yes, complete question on page 9..... ☐ Yes ☒ No
- c. Attach a diagram that designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8½" X 11".

9. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies) will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business? Attach a separate sheet if necessary.

Last Name		First Name	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	
Last Name		First Name	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	
Last Name		First Name	
Date of Birth (MM/DD/YY)	FEIN or SSN Number	Interest/Percentage	

Attach copies of all notes and security instruments and any written agreement or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.

10. Optional Premises or Hotel and Restaurant Licenses with Optional Premises:

Has a local ordinance or resolution authorizing optional premises been adopted?.... ☐ Yes ☒ No

Number of additional Optional Premise areas requested. (See license fee chart)

For the addition of a Sidewalk Service Area per Regulation 47-302(A)(4), include a diagram of the service area and documentation received from the local governing body authorizing use of the sidewalk. Documentation may include but is not limited to a statement of use, permit, easement, or other legal permissions.

11. Liquor Licensed Drugstore (LLDS) applicants, answer the following:

- a. Is there a pharmacy, licensed by the Colorado Board of Pharmacy, located within the applicant's LLDS premise?..... ☐ Yes ☐ No

If "yes" a copy of license must be attached.

12. Club Liquor License applicants answer the following: Attach a copy of applicable documentation

a. Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?..... ☐ Yes ☐ No

b. Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?..... ☐ Yes ☐ No

c. How long has the club been incorporated?.....

d. Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?..... ☐ Yes ☐ No

13. Brew-Pub, Distillery Pub or Vintner's Restaurant applicants answer the following:

a. Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)..... ☐ Yes ☐ No

14. Campus Liquor Complex applicants answer the following:

a. Is the applicant an institution of higher education?..... ☐ Yes ☐ No

b. Is the applicant a person who contracts with the institution of higher education to provide food services?..... ☐ Yes ☐ No

If "yes" please provide a copy of the contract with the institution of higher education to provide food services.

15. For all on-premises applicants.

a. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit an Manager Permit Application - DR 8000 and fingerprints.

Last Name of Manager

Palomera

First Name of Manager

Maria

16. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number...... ☐ Yes ☒ No

Name

Type of License

Account Number

17. Related Facility - Campus Liquor Complex applicants answer the following:

- a. Is the related facility located within the boundaries of the Campus Liquor Complex?**..... ☐ Yes ☐ No

If yes, please provide a map of the geographical location within the Campus Liquor Complex.

If no, this license type is not available for issues outside the geographical location of the Campus Liquor Complex.

- b. Designated Manager for Related Facility - Campus Liquor Complex**

Last Name of Manager

First Name of Manager

18. Entertainment Facility License

If Applicant is applying for an Entertainment Facility License, you affirm that your business model and aligns with the statutory privileges and requirements: ☐ Yes ☐ No

Pursuant to 44-3-103(15.5) C.R.S., an Entertainment Facility means an establishment in which the primary business is to provide the public with sports or entertainment activities within its licensed premises; and that, incidental to its primary business, sells and serves alcohol beverages at retail for consumption on the licensed premises; and has sandwiches and light snacks available for consumption on the licensed premises.

If Applicant is applying for a Lodging Facility License, you affirm that your business model and aligns with the statutory privileges and requirements: ☒ Yes ☐ No

Pursuant to 44-3-103(29) C.R.S., a Lodging Facility means an establishment in which the primary business is to provide the public with sleeping rooms and meeting facilities; and that sells and serves alcohol beverages at retail for consumption on the licensed premises; and has sandwiches and light snacks available for consumption on the licensed premises.

19. Tax Information.

- a. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant, been found in final order of a tax agency to be delinquent in the payment of any state or local taxes, penalties, or interest related to a business?**..... ☐ Yes ☒ No

- b. Has the applicant, including its manager, partners, officer, directors, stockholders, members (LLC), managing members (LLC), or any other person with a 10% or greater financial interest in the applicant failed to pay any fees or surcharges imposed pursuant to section 44-3-503, C.R.S.?**..... ☐ Yes ☒ No

If applicant is a corporation, partnership, association or limited liability company, applicant must list all **Officers, Directors, General Partners, and Managing Members**. In addition, applicant must list any stockholders, partners, or members with **ownership of 10% or more in the applicant**. All persons listed below must also attach form DR 8404-I (Individual History Record), and make an appointment with an approved State Vendor through their website. See application checklist, Section IV, for details.

Name	Date of Birth (MM/DD/YY)
Dhananjay Rawal	

Street Address

City	State	ZIP Code	Position	% Owned
			Owner	100

Name	Date of Birth (MM/DD/YY)

Street Address

City	State	ZIP Code	Position	% Owned

Name	Date of Birth (MM/DD/YY)

Street Address

City	State	ZIP Code	Position	% Owned

Name	Date of Birth (MM/DD/YY)

Street Address

City	State	ZIP Code	Position	% Owned

Name	Date of Birth (MM/DD/YY)

Street Address

City	State	ZIP Code	Position	% Owned

** If applicant is owned 100% by a parent company, please list the designated principal officer on above.

** Corporations - the President, Vice-President, Secretary and Treasurer must be accounted for above (Include ownership percentage if applicable)

** If total ownership percentage disclosed here does not total 100%, applicant must check this box:

☒ Applicant affirms that no individual other than these disclosed herein owns 10% or more of the applicant and does not have financial interest in a prohibited liquor license pursuant to Article 3 or 5, C.R.S.

I would like to apply for a Two-Year Renewal..... ☒ Yes ☐ No

Oath Of Applicant

I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer and Wine Code which affect my license.

Printed Name

Dhananjay Rawal

Title

Owner

Authorized Signature

Date (MM/DD/YY)

01/14/25

Report and Approval of Local Licensing Authority (City/County)

Date application filed with local authority

January 31, 2025

Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application)

March 4, 2025

For Transfer Applications Only - Is the license being transferred valid?..... ☒ Yes ☐ No

The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-I (Individual History Record) or a DR 8000 (Manager Permit) has been:

☒ Fingerprinted

☒ Subject to background investigation, including NCIC/CCIC check for outstanding warrants

That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with and aware of, liquor code provisions affecting their class of license

(Check One)

☐ Date of inspection or anticipated date

☒ Will conduct inspection upon approval of state licensing authority

☐ Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1,500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of > 10,000?

☐ Yes ☐ No

☐ Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3,000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of < 10,000? ☐ Yes ☐ No

NOTE: The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.

☐ Does the Liquor-Licensed Drugstore (LLDS) have at least twenty percent (20%) of the applicant's gross annual income derived from the sale of food, during the prior twelve (12) month period? ☐ Yes ☐ No

The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 44, Article 4 or 3, C.R.S., and Liquor Rules. **Therefore, this application is approved.**

Local Licensing Authority Approves this license for a two-year renewal..... ☐ Yes ☐ No

If "No", please cite the law, regulation, local ordinance or resolution that gives the local licensing authority the ability to deny the applicant and grounds for denial. Also, please provide any and all investigative reports, and administrative or criminal action that relate or justify this denial.

Proof of Violation

--

Local Licensing Authority for

--

Telephone Number

--

☐ Town, City

☐ County

Printed Name

--

Title

--

Signature

--

Date (MM/DD/YY)

--

Printed Name

--

Title

--

Signature

--

Date (MM/DD/YY)

--

ORDINANCE RECOMMENDATION

TO: Honorable Mayor and Montrose City Council
FROM: Jim Scheid, Public Works Director

DATE: February 3rd, 2024
RE: Public Works Facility Project Funding Authorization
CC: William Bell, Ann Morgenthaler, Shani Wittenberg



Recommendation

Consider authorization of Ordinance 2679 approving the borrowing of Certificates of Participation for the construction of the Public Works Facility Project.

Background

Public Works Facility:

Since 2016, City staff have been focused on the long-term planning and design of a new public works facility. The current facility, located at 1221 6450 Road, was constructed in the 1960s and is now beyond its useful life. Its layout and infrastructure no longer support the department's current operational requirements. Among the primary issues are inadequate space for both shop and administrative staff, limited accessibility for individuals with disabilities, insufficient restroom capacity, structural concerns with the building, potential environmental hazards like asbestos and lead, a lack of heated storage for vehicles sensitive to cold temperatures (such as vacuums, sweepers, and water trucks), a subpar wash bay, poor traffic flow within the site, inadequate separation between the public and operational areas, and the absence of proper stormwater management for water quality and quantity, including for wash bay runoff.

Planning efforts for a new facility indicated that the existing site would not be large enough for the long-term growth needs of the public works department. The site shown here in orange

<https://tinyurl.com/RioGrandeOverview> has been recently purchased for this purpose. The site is ideal for the new public works facility given its central location, large size, and fit with the surrounding area (surrounded by similar operational campuses for the BLM, USFS, BOR, WAPA, and Tri-State).

The City wishes to create a public works facility that accommodates both existing and anticipated operational needs into the foreseeable future. The site layout and building spaces will be situated and constructed such that future expansions (additional storage, shop space, office space, etc.) can be readily accommodated when the need arises 30+ years into the future.

Public Works operations are critical to the overall function of the community, especially in the event of an emergency or natural disaster. To that end, the facility will be designed and constructed with an eye towards durability, resiliency, emergency preparedness, and with an elevated importance factor for building loads and floodplain protection.

In order to promote safety for both the public and for employee operations, the City would like the public works facility to maintain separation between the two without overlap (i.e., public traffic is separate from employee work areas and traffic circulation). For public that visit the site, the intent is for them to have a safe, easy-to-navigate, and welcoming experience. The project is also designed to ensure all public-facing elements are aesthetically pleasing and integrate well with the surrounding area.

Rio Grande Ave Extension:

To accommodate future traffic growth, the City's comprehensive plan envisions the eventual extension of Rio Grande Avenue as a minor arterial, connecting East Oak Grove Road to the River Landing commercial area, as outlined here: <https://tinyurl.com/RioGrandeOverview>. In pursuit of this goal, the City has been working to acquire the necessary rights of way across four parcels of land. Over the past six years, in collaboration with landowners, the City has successfully secured the required rights of way. The final parcel, located at the northern end of the alignment, is part of the site designated for the new Public Works Facility.

The initial phase of the project will include the construction of the facility, the roundabout at Oak Grove Road and Rio Grande Avenue, and the first section of the Rio Grande extension up to the facility entrance. The remaining road sections and roundabouts that will eventually link Rio Grande Avenue to the River Landing area will be handled as a separate project, with alternative funding sources to be explored. The City plans to investigate and apply for grant funding for this phase of the project.

Normally, architectural facility/site design is separate from civil road design. In the case of this project, the Public Works Facility design and the Rio Grande Ave Extension design have been combined into one design project. This is because of how interdependent the two projects are on each other, meaning that the design of one will impact the design of the other. To keep the design and construction schedules without conflict, it is most beneficial to keep both designs as one project. The construction of the Rio Grande Ave extension, Roundabout, and Utility Corridor will be packaged and bid out as a separate project that is meant to be completed during the time that the facility is under construction. This scope of work is not included in the COP borrowing and is intended to be funded separately.

Design:

The Public Works Facility Project's background reaches back several years. The initial steps occurred in 2021 with a Space and Needs Assessment, which led to property evaluations and the purchase of property that would serve this facility and a road network extension in 2023. Then, the contract for the initiation of the formal design for this facility was presented to the City Council in March 2024.

The Schematic Design (SD) was completed in October of 2024 and is a significant milestone because it allows for an early stage of cost estimating. Some of the documents from the Schematic Design can be found here:

<https://tinyurl.com/MPWSchematic>

Construction:

FCI Constructors, Inc. has been selected as the CMGC for this project and has started Pre-Con services in working with the City and the Design Team to generate the next level of design (Design Development (DD)) and the cost estimates that go with it. From the cost estimates generated from the DD, the Guaranteed Maximum Price (GMP) Construction Contract amount will be generated.

Project Budget:

Below is a breakdown of the anticipated budget for this project based on the SD Cost Estimates received from the CMGC Candidates.

	Total Costs	Previously Approved	Remaining to be Authorized
Construction Costs	\$59,434,885.33	\$150,000.00	\$59,284,885.33
Owner Expenses	\$1,172,000.00	\$0.00	\$1,172,000.00
Design/Consultants	\$3,643,878.00	\$2,413,878.00	\$1,230,000.00
Contingency	\$8,320,883.95	\$0.00	\$8,320,883.95
Site Preparation	\$4,558,427.31	\$4,558,427.31	\$0.00
Total Project Costs	\$77,130,074.59	\$7,122,305.31	\$70,007,769.28

Net Financial Result

The COP Borrowing amount is proposed at \$55,000,000. The remaining project budget will be funded from the City's operational funds and budgets over the years of 2025, 2026, and 2027.

ORDINANCE NO. 2679

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO AUTHORIZING AND APPROVING A SITE LEASE AND LEASE PURCHASE AGREEMENT BETWEEN THE CITY AND UMB BANK, N.A. (SOLELY IN ITS CAPACITY AS TRUSTEE); APPROVING NOT TO EXCEED \$55,000,000 PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION, SERIES 2025, IN CONNECTION THEREWITH; AUTHORIZING OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; AND RELATED MATTERS.

WHEREAS, the City of Montrose (the “City”), is a home-rule city and political subdivision of the State of Colorado (the “State”), duly organized and operating under the home-rule charter of the City (the “City Charter”) and the Constitution and laws of the State; and

WHEREAS, the City Council of the City (the “City Council”) has the power, pursuant to the City Charter and Section 31-15-713(1)(c), Colorado Revised Statutes, to lease any real estate owned by the City when deemed by the City Council to be in the best interests of the City; and

WHEREAS, pursuant to the City Charter and Section 31-15-101(1)(d), Colorado Revised Statutes, the City has the power to acquire, hold, lease and dispose of property, both real and personal; and

WHEREAS, in order to provide for the capital asset needs of the City, the City Council has determined and hereby determines that it is necessary and in the best interests of the City and its citizens that the City undertake lease purchase financing of sites, buildings, equipment and other property for use by the City for governmental or proprietary purposes; and

WHEREAS, the City has determined to construct, improve and equip a new public works facility (collectively, the “Project”) on land currently owned by the City (as more particularly described in the Lease, the “Leased Property”); and

WHEREAS, to provide financing for the construction of the Project, Certificates of Participation, Series 2025 (the “Series 2025 Certificates”) in one or more series in an aggregate amount not to exceed \$55,000,000 will be sold, executed and delivered pursuant to an Indenture of Trust (the “Indenture”) entered into by UMB Bank, n.a. (the “Trustee”); and

WHEREAS, in connection with the Series 2025 Certificates, it will be necessary to execute and deliver a Site Lease (the “Site Lease”) between the City, as lessor, and the Trustee, as lessee, a Lease Purchase Agreement (the “Lease”) between the Trustee, as lessor, and the City, as lessee, and a Certificate Purchase Agreement (the “Certificate Purchase Agreement”) between the City and D.A. Davidson & Co., as underwriter (the “Underwriter”); and

WHEREAS, there will be prepared, executed and distributed in connection with the sale of the Series 2025 Certificates by the Underwriter a Preliminary Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”) summarizing the documents filed for public inspection with the City Clerk in connection with this

Ordinance and containing information about the City, the Leased Property, the Project, and other matters material to potential purchasers of the Series 2025 Certificates; and

WHEREAS, the City Council has determined that the lease-purchase financing on the terms and at the present rates proposed by the Underwriter is in the best interests of the City and its residents; and

WHEREAS, the Base Rentals (as defined in the Lease) payable by the City shall constitute currently appropriated expenditures of the City and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the City or a mandatory charge or requirement against the City in any Fiscal Year (as defined in the Lease) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, no provision of the Lease or the Site Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or City Charter limitation or provision; (c) as a delegation of governmental powers by the City; (d) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution; and

WHEREAS, there have been presented to the administrative staff of the City and its advisors, and to the City Council, copies of the Site Lease, the Lease, the Certificate Purchase Agreement, and the Preliminary Official Statement; and

WHEREAS, the City Council desires to authorize and otherwise proceed with the lease-purchase financing;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO:

Section 1. Ratification of Actions. All action heretofore taken, not inconsistent with the provisions of this ordinance (the “Ordinance”), by the City Council or the officers of the City, directed toward the implementation of the Project, including the preparation of the forms of the Site Lease, the Lease, the Indenture, the Certificate Purchase Agreement, the Preliminary Official Statement and Official Statement and related documents, are hereby ratified, approved and confirmed.

Section 2. Findings; Authorizations. The City Council hereby finds and determines, pursuant to the City’s home rule powers and the laws of the State of Colorado, that the Project is necessary, convenient, and in furtherance of the governmental purposes of the City and in the best interests of the City and its citizens; and the City Council hereby authorizes the Project.

Section 3. Approval and Execution of Documents; City Representatives. The Site Lease, the Lease, the Indenture, and the Certificate Purchase Agreement, in substantially the forms and with substantially the content presented to the City Council, are in all respects approved, authorized, and confirmed, and the Mayor or the Mayor Pro Tem of the City are hereby authorized and directed to execute and deliver, and the City Clerk of the City or any Deputy or Assistant City Clerk are hereby authorized and directed to affix the seal of the City to, and attest, the Site Lease and Lease in substantially the forms and with substantially the same content as the forms thereof presented to the City Council, with such changes as are not inconsistent with the intent of this Ordinance and are approved by bond counsel or the City Attorney. The City Council hereby designates the City Manager or, in the absence of the City Manager, the Finance Director (and any persons authorized by law to act on their behalf in their absence) to act as the “City Representative” under the Site Lease, the Lease, and any related documents. Prior to the execution of the Site Lease, the Lease or any other instrument contemplated by this Ordinance, or the issuance of the Series 2025 Certificates, the final Base Rentals due under the Lease, and the principal amount, interest rates and other terms of the Series 2025 Certificates, not inconsistent herewith, shall be approved by a certificate executed by the City Representative (the “Sale Certificate”) not later than one year from the final adoption of this Ordinance.

Section 4. The Series 2025 Certificates. The City Council hereby acknowledges and consents to the sale, execution and delivery of the Series 2025 Certificates pursuant to the Indenture. The City Council hereby acknowledges and approves the forms, terms and provisions of the Series 2025 Certificates contained in the Indenture, in substantially the form and with substantially the content presented to the City Council.

The Series 2025 Certificates shall be issued in one or more series in an aggregate principal amount not to exceed \$55,000,000, shall accrue interest at a true interest cost not to exceed 5.50%, shall mature not later than December 1, 2056 and may be subject to prior redemption, all as may be approved by Sale Certificate. The proceeds of the Series 2025 Certificates shall be used to accomplish the Project in the manner required under the Site Lease, the Lease, and the Indenture.

Section 5. Additional Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance. The Mayor, the Mayor Pro Tem, and the City Representative are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The appropriate officers of the City are also authorized to execute on behalf of the City agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this Ordinance.

Section 6. No General Obligation or Other Indebtedness. The obligation of the City to make rental payments under the Lease is subject to annual appropriation by the City Council and constitutes an undertaking of the City to make current expenditures. No provision of this Ordinance, the Site Lease, the Lease, the Indenture, or the Series 2025 Certificates shall be construed as constituting or giving rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any home rule, constitutional or statutory debt limitation nor a mandatory charge or requirement against the City in any ensuing

fiscal year beyond the current fiscal year. The City shall have no obligation to make any payment with respect to the Series 2025 Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments are subject to termination and nonrenewal by the City in accordance with the provisions of the Lease.

Section 7. Reasonable Rentals. It is hereby declared to be the present intention and expectation of the City Council that the Lease will be renewed annually until all of the Leased Property is acquired by the City pursuant to the Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City.

The maximum Base Rentals payable under the Lease shall be an amount which would provide Revenues, as defined in the Lease, sufficient to pay the maximum principal and interest authorized herein for the Series 2025 Certificates. The City Council hereby determines and declares that the Base Rentals due under the Lease will represent the fair value of the use of the Leased Property and the Purchase Option Price (as defined in the Lease) will represent, as of any date upon which the City may exercise its option to purchase such Leased Property, the fair purchase price of such Leased Property. The City Council further hereby determines and declares that the Base Rentals due under the Lease will not exceed a reasonable amount so as to place the City under an economic or practical compulsion to renew the Lease or to exercise its option to purchase the Leased Property pursuant to the Lease. In making such determinations, the City Council has given consideration to the cost of acquiring and installing the Leased Property, the uses and purposes for which the Leased Property will be employed by the City, the benefit to the citizens of the City by reason of the acquisition and installation of the Leased Property and the use of the Leased Property pursuant to the terms and provisions of the Lease, the City's option to purchase the Leased Property, and the expected eventual vesting of unencumbered possession and title to the Leased Property in the City. The City Council hereby determines and declares that the acquisition and installation of the Leased Property and the leasing of the Leased Property pursuant to the Lease will result in facilities of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition and installation of the Leased Property were performed by the City other than pursuant to the Lease. The City Council hereby determines and declares that the maximum duration of the portion of the Lease allocable to any item of Leased Property separately identified in the Lease will not exceed the weighted average useful life of such item of Leased Property.

Section 8. Certificate Insurance. Upon the recommendation of the Underwriter based upon market conditions and the rating on the Series 2025 Certificates, one or more bond insurance companies rated in one of the two highest rating categories then applicable to bond insurers generally by either S&P or Moody's may be requested to submit bids to issue the bond insurance policy in connection with the Series 2025 Certificates to reduce the amount of the Base Rentals due in connection with the Lease. In the event that the City Representative determines, based upon information provided by the Underwriter, that the savings to be realized by the City as a result of the issuance of the bond insurance policy, the City Representative shall be authorized to accept the commitment issued by the bond insurer, including any agreements in the best interests of the City in connection with the issuance of a surety reserve securing the Series 2025 Certificates. If the Series 2025 Certificates issued are insured by a bond insurance policy, the officers and employees of the City are hereby authorized and directed to take all actions necessary to cause the bond insurer selected to issue the bond insurance policy in accordance with the related commitment, including

without limitation, payment of the premium due in connection therewith and entering into any authorizing agreements.

Section 9. Severability. If any section, paragraph, clause or provision of this Ordinance or the Lease (other than provisions as to the payment of Base Rentals by the City during the term of the Lease, provisions for the quiet enjoyment of the Leased Property by the City during the term of the Lease, and provisions for the transfer of the Leased Property to the City under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 10. Repealer of Measures. All acts, orders, resolutions, ordinances or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof heretofore repealed.

Section 11. Publication and Effective Date. Pursuant to the Charter, this Ordinance shall be published in full following first reading and a public hearing shall be set not earlier than seven (7) days after publication. This Ordinance shall take effect and be in force five (5) days after publication following final passage. If this Ordinance is published by title, the publication shall include a summary of the subject matter hereof and a notice to the public that copies of the full text are available at the office of the City Clerk.

[Remainder of Page Left Intentionally Blank]

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 4th day of Marcj, 2025, at the hour of 6:00 p.m. in the City Council Chambers located in the Elks Civic Building in Montrose, Colorado

INTRODUCED, READ AND PASSED on first reading, this 4th day of March, 2025.

CITY OF MONTROSE, COLORADO

Mayor

ATTEST:

City Clerk

INTRODUCED, READ AND ADOPTED on second reading this 18th day of March, 2025.

CITY OF MONTROSE, COLORADO

Mayor

ATTEST:

City Clerk

INDENTURE OF TRUST

By

**UMB BANK, N.A.,
as Trustee**

**providing for the
Certificates of Participation, Series 2025
evidencing undivided interests in
the right to receive certain revenues payable by
The City of Montrose, Colorado
under a Lease Purchase Agreement
between the City and UMB Bank, n.a.**

Dated as of May 1, 2025

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST is dated as of May 1, 2025 (together with any amendments, supplements or other modifications hereto, made in accordance herewith, collectively referred to as this “Indenture”), and is entered into by **UMB BANK, N.A.**, a national banking association, having an office and place of business in Denver, Colorado and duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, as trustee (the “Trustee”) hereunder for the benefit of the Owners of the Certificates. Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in Article I hereof.

RECITALS:

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States of America; (b) is duly qualified to do business in the State of Colorado; (c) solely in its capacity as trustee under this Indenture, is the site lessee of the Leased Property pursuant to the Site Lease; and (d) is authorized, under its articles of association and applicable law, to lease the Leased Property from the City of Montrose, Colorado (the “City”), to lease the Leased Property to the City, to hold in trust the Trust Estate and to execute, deliver and perform its obligations under this Indenture; and

WHEREAS, the City, as site lessor, and the Trustee, as site lessee, have entered into a Site Lease dated as of the date hereof (the “Site Lease”), pursuant to which the City has leased the Leased Property to the Trustee, as authorized by Section 31-15-713(1)(c), Colorado Revised Statutes, as amended; and

WHEREAS, for the purpose of financing the construction, improvement and equipping of a new public works facility (collectively, the “Project”), the City has entered into an annually renewable Lease Purchase Agreement of even date herewith (the “Lease”), between the Trustee, as lessor, and the City, as lessee, whereby the City has leased from the Trustee the Leased Property, the Project and any improvements to be constructed thereon and the Equipment, if any, to be used in connection therewith (collectively, the “Leased Property”), as more particularly described in Exhibit B attached hereto; and

WHEREAS, pursuant to the Lease, and subject to the right of the City to terminate the Lease and other limitations as therein provided, the City will pay certain Base Rentals and Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the City to use the Leased Property; and

WHEREAS, pursuant to this Indenture, the Trustee has the right to receive the Base Rentals, and rights to receive certain other payments as provided herein and in the Lease (with certain exceptions as provided herein and in the Lease); and

WHEREAS, in order to finance the Project, there will be executed and delivered pursuant to this Indenture \$[] aggregate principal amount of Certificates of Participation, Series 2025 (the “Certificates”), evidencing assignments of proportionate interests in rights to receive Base Rentals and certain other payments payable by the City pursuant to the Lease; and

WHEREAS, the net proceeds from the sale of the Certificates will be disbursed by the Trustee, at the direction of the City, to pay for the acquisition, construction and equipping of the Project and other purposes set forth herein; and

WHEREAS, the Trustee has entered into this Indenture for and on behalf of the registered owners of the Certificates (the "Certificate Owners" or "Owners"), and will hold its rights hereunder, including its rights with respect to the Leased Property, except as otherwise specifically provided herein, for the equal and proportionate benefit of the Certificate Owners, and will disburse moneys received by the Trustee in accordance with this Indenture; and

WHEREAS, the Certificates shall evidence undivided interests in the right to receive Revenues, shall be payable solely from the Trust Estate and no provision of the Certificates, this Indenture, the Site Lease or the Lease shall be construed or interpreted (a) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple Fiscal Year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the City; (d) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution; and

WHEREAS, the execution and performance of this Indenture by the Trustee has been duly authorized by the Trustee and, upon the execution of this Indenture by the Trustee, this Indenture will be enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America; and

WHEREAS, the Certificates are to be in substantially the form set forth in Exhibit A to this Indenture, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Certificates, when executed and delivered by the Trustee as in this Indenture provided, legal, valid and binding assignments of proportionate interests in rights to receive certain Revenues and certain other payments, as herein provided, and to constitute this Indenture a valid, binding and legal instrument for the security of the Certificates, in accordance with its terms, have been done and performed;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Trustee shall hold in trust, upon the terms herein set forth for the equal and proportionate benefit, security and protection of all Certificate Owners, without privilege, priority

or distinction as to the lien or otherwise of any of the Certificates over any other of the Certificates, except as otherwise provided herein, all and singular the following described property, franchises and income, including any title therein acquired after these presents (the “Trust Estate”):

- (a) the Leased Property and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Lease and the Site Lease, including, but not limited to, the terms of the Lease permitting the existence of Permitted Encumbrances (as defined in the Lease);
- (b) all right, title and interest of the Trustee in, to and under the Lease and the Site Lease (other than the Trustee’s rights to payment of its fees and expenses under the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);
- (c) all Base Rentals (defined in the Lease);
- (d) all Additional Rentals (defined in the Lease) that are payable to the Trustee for the benefit of the Certificate Owners;
- (e) the Purchase Option Price (defined in the Lease), if paid; and
- (f) all money and securities from time to time held by the Trustee under this Indenture in the Certificate Fund;

PROVIDED, HOWEVER, that if the principal of the Certificates and the premium, if any, and the interest due or to become due thereon, shall be paid at the times and in the manner provided in Section 2.02 hereof in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates delivered and secured hereunder are to be executed and delivered and all said property, rights, interests, revenues and receipts hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Trustee has agreed and covenanted, and does hereby agree and covenant, for the benefit of the Owners, as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. All words and phrases defined in Article I of the Lease shall have the same meaning in this Indenture. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

“*Additional Certificates*” means the Additional Certificates secured by the Trust Estate and executed and delivered pursuant to Section 2.11 hereof.

“*Approval of Bond Counsel*” means an opinion of Bond Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income, for federal income tax purposes, of interest on the Certificates.

“*Bond Counsel*” means Kutak Rock LLP, or any other attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds and acceptable to the City and the Trustee.

“*Business Day*” means any day other than a Saturday, Sunday or legal holiday or day on which banking institutions in the city in which the Trustee has its principal corporate trust office are authorized or required by law to close.

“*Certificate Fund*” means the special fund created by Section 3.02 hereof.

“*City*” means the City of Montrose, Colorado.

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

“*Construction Fund*” means the special fund created by Section 3.09 hereof.

“*Costs of Issuance*” means administrative costs of issuance of any Certificates, including, but not limited to, any fees and expenses of the Trustee or any underwriter or financial advisor that provides services in connection with the delivery of any Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, costs of immediately available funds, costs of publication, printing and engraving, accountants’ fees and recording and filing fees.

“*Costs*” or “*Costs of the Project*” is defined in the Lease.

“*Event of Default*” means those defaults specified in Section 7.01 of this Indenture.

“*Event of Nonappropriation*” is defined in the Lease.

“*Fiscal Year*” is defined in the Lease.

“*Initial Purchaser*” means (a) with respect to the Series 2025 Certificates, D.A. Davidson & Co., and (b) with respect to any Additional Certificates, the purchasers designated as such in any Supplemental Indenture.

“*Opinion of Counsel*” means an opinion in writing of Counsel.

“*Outstanding*” or “*Certificates Outstanding*” means all Certificates which have been executed and delivered under this Indenture, except:

(a) Certificates canceled or which shall have been surrendered to the Trustee for cancellation;

(b) Certificates in lieu of which other Certificates have been executed and delivered under Section 2.08 or 2.09 of this Indenture;

(c) Certificates which shall have been redeemed as provided in Article IV of this Indenture (including Certificates redeemed on a partial payment as provided in Section 4.02 of this Indenture); and

(d) Certificates for the payment or redemption of which provision has been made in accordance with Article VI hereof.

“Permitted Investments” means any lawful investment permitted for the investment of funds of the City by the laws of the State and in accordance with City policy.

“Person” means natural persons, firms, associations, corporations and public bodies.

“Rating Agency” means S&P.

“Rebate Fund” means the special fund created by Section 3.11 hereof.

“Regular Record Date” means the fifteenth day of the month (whether or not a Business Day) preceding the date on which an Interest Payment Date for the Certificates occurs (other than a Special Record Date).

“Revenues” is defined in the Lease.

“Series 2025 Certificates” or *“Certificates”* means the Certificates of Participation, Series 2025, which have been executed and delivered pursuant to this Indenture with the expectation that the interest component of the Base Rentals evidenced by such Certificates shall be excludable from gross income for the purposes of federal and State income taxation, as set forth in an opinion of Bond Counsel.

“S&P” means S&P Global Ratings and its successors and assigns.

“Special Record Date” means a special date fixed to determine the names and addresses of registered owners of the Certificates for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.02 hereof.

“Supplemental Indenture” means any indenture supplementing or amending this Indenture that is adopted pursuant to Article IX hereof.

“Trust Estate” means the property pledged and assigned to the Trustee pursuant to the granting clauses hereof.

“Trustee Default” is defined in Section 7.04 hereof.

Section 1.02. Construction. In this Indenture, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture.

(b) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms refer to this Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of execution and delivery of this Indenture.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Words importing the redemption of a Certificate or the calling of a Certificate for redemption do not include or connote the payment of such Certificate at its stated maturity or the purchase of such Certificate.

(e) References in this Indenture to particular sections of the Code or any other legislation shall be deemed to refer also to any successor sections thereto or other redesignations for codification purposes and shall be deemed to include any related Regulations.

(f) The terms “receipt,” “received,” “recovery,” “recovered” and any similar terms, when used in this Indenture with respect to moneys or payments due, shall be deemed to refer to the passage of physical possession and control of such moneys and payments to the Trustee.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND DELIVERY OF CERTIFICATES

Section 2.01. Authorized Amount of Certificates. No Certificates may be executed and delivered hereunder except in accordance with this Article II. The aggregate principal amount of Certificates that may be executed and delivered shall be \$[_____], except as provided in Section 2.11 of this Indenture.

Section 2.02. Terms of the Certificates.

(a) In order to provide funds for the acquisition, construction and equipping of the Project by the City, the Certificates shall be executed and delivered in substantially the form attached hereto as Exhibit A and shall constitute assignments of proportionate undivided interests in the right to receive the Base Rentals and shall be additionally payable from certain other Revenues under the Lease.

The Certificates shall be executed and delivered solely as fully registered Certificates without coupons in the denomination of \$5,000 and any integral multiple thereof. The Certificates shall be known as Series 2025 and shall be lettered “R-” and shall be numbered separately from 1 upward.

The Certificates shall be dated as of the date of their execution by the Trustee. The Certificates shall bear interest from May [___], 2025, if executed prior to December 1, 2025, or if executed on any later date, the Certificates shall bear interest from the June 1 or

December 1 next preceding their date of execution, or if executed on a June 1 or December 1, the Certificates shall bear interest from such date; provided, however, that if interest on the Certificates shall be in default, Certificates executed and delivered in exchange for Certificates surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Certificates so surrendered. Interest on the Certificates shall be payable on the first day of each June and December, commencing [December 1, 2025], until such Certificates are paid pursuant to the provisions of this Indenture. Interest on the Certificates shall be calculated on the basis of a year of 360 days, consisting of 12 thirty-day months.

The Certificates shall mature on December 1 of the years, and in the amounts, and shall bear interest at the rates per annum, as set forth below:

<u>Maturity Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025	\$	%
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		

(b) The principal of and premium, if any, on the Certificates shall be payable to the registered owners thereof, as shown on the registration books kept by the Trustee, upon presentation and surrender thereof at the corporate trust office of the Trustee or its successor. Payment of interest on any Certificate shall be made to the registered owner thereof by check or draft mailed by the Trustee, on or before each Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof at his or her address as shown on the registration books kept by the Trustee at the close of business on the Regular Record Date

for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Certificates not less than ten days prior thereto by first-class mail to each such registered owner as shown on the register on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Trustee may make payments of interest on any Certificate by such alternative means as may be mutually agreed to between the registered owner of such Certificate and the Trustee including payment through the Federal Reserve System by wire transfer in same day funds with any cost or expense to be paid by the registered owner. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Trustee.

(c) The Certificates initially shall be delivered only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, acting as securities depository and registered owner of the Certificates, and immobilized in the custody of DTC. The principal of, premium, if any, and interest on the Certificates shall be paid by wire transfer to DTC; provided, however, that, if at any time the Trustee determines, and notifies the City of its determination, that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Certificates, the Trustee may, at its discretion, either (i) designate a substitute securities depository for DTC and re-register the Certificates as directed by such substitute securities depository or (ii) terminate the book-entry registration system with DTC and re-register the Certificates in the names of the beneficial owners thereof provided to it by DTC. Neither the City nor the Trustee shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Certificates are re-registered at the direction of any substitute securities depository, any beneficial owner of the Certificates or any other Person for (A) any determination made by the Trustee under (i) or (ii) above or (B) any action taken to implement such determination and the procedures related thereto that are taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Certificates are re-registered.

Section 2.03. Limited Obligation. Each Certificate shall evidence the assignment of a proportionate undivided interest in the right to receive Base Rentals and certain other Revenues under the Lease. The Certificates are payable solely from Revenues under the Lease as, when and if the same are received by the Trustee. The Revenues are to be held in trust by the Trustee for such purposes in the manner and to the extent provided herein.

NEITHER THE LEASE NOR THE CERTIFICATES CONSTITUTE A GENERAL OBLIGATION INDEBTEDNESS OR A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. NEITHER

THE LEASE, THE INDENTURE NOR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CERTAIN INSURANCE POLICIES, PERFORMANCE BONDS AND CONDEMNATION AWARDS, FROM NET PROCEEDS FROM THE SUBLEASING OR LIQUIDATION OF THE TRUSTEE'S INTEREST IN THE LEASED PROPERTY AND THE LEASING, SALE OR ASSIGNMENT OF THE TRUSTEE'S INTEREST IN THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE CITY UNDER THE LEASE. ALL PAYMENT OBLIGATIONS OF THE CITY UNDER THE LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE CITY TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE CITY IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AT THE OPTION OF THE CITY AND WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST THEREON WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY.

Section 2.04. Execution of the Certificates. Each Certificate shall be executed by the manual or facsimile signature of an Authorized Officer of the Trustee. In case any official of the Trustee whose signature shall appear on the Certificates shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery. No Certificate shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder unless and until executed in the manner prescribed by this Section 2.04, and such execution of any Certificate shall be conclusive evidence that such Certificate has been properly executed and delivered hereunder.

Section 2.05. Reserved.

Section 2.06. Form of Certificates. The Certificates shall be substantially in the form set forth in Exhibit A to this Indenture, with such appropriate variations, omissions and insertions as permitted or required hereby.

Section 2.07. Delivery of the Certificates. Upon the execution and delivery of this Indenture, the Trustee shall authenticate and hold the Certificates, in the aggregate principal amount of \$[_____], for the account of D.A. Davidson & Co, as Initial Purchaser of the Series 2025 Certificates, as directed by the City, as hereinafter in this Section 2.07 provided.

(a) Prior to the execution and delivery of any of the Certificates, there shall be filed with the Trustee (i) originally executed counterparts of the Site Lease, the Lease and

this Indenture; (ii) an executed copy of the ordinance adopted by the City Council approving the Site Lease and the Lease; (iii) a commitment for the title insurance policy required by Section 7.04 of the Lease.

(b) Thereupon, the Trustee shall hold the Certificates for the account of the Initial Purchaser upon payment to the Trustee of the sum of \$[____], constituting the net proceeds of the Certificates, as specified in a separate agreement between the City and the Initial Purchaser.

(c) The net proceeds of the Certificates shall be applied for the following purposes:

(i) an amount equal to \$[____] shall be deposited into the Costs of Issuance Account and applied to the payment of Costs of Issuance;

(ii) an amount equal to \$[____] shall be deposited into the Interest Account of the Certificate Fund and applied to the payment of accrued and capitalized interest on the Certificates; and

(iii) the remaining amount, \$[____], shall be deposited into the Construction Fund and applied to the purposes of such Fund.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Certificates. In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed and delivered by the Trustee, of like date, series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received indemnity from the registered owner of the Certificate satisfactory to it and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered at the corporate trust operations office of the Trustee in Kansas City, Missouri, and in the case of any lost, stolen or destroyed Certificate, that there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee. In the event that any such Certificate shall have matured, instead of executing and delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the registered owner of the Certificate with its reasonable fees and expenses for this service.

Section 2.09. Registration of Certificates; Persons Treated as Registered Owners; Transfer and Exchange of Certificates. Books for the registration and for the transfer of Certificates shall be kept by the Trustee, which is hereby appointed the registrar. Upon surrender for transfer of a Certificate at the corporate trust office of the Trustee, the Trustee shall execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same series and maturity.

Certificates may be exchanged at the corporate trust office of the Trustee for an equal aggregate principal amount of Certificates of the same series and maturity and of other authorized denominations. The Trustee shall execute and deliver Certificates which the registered owner making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding.

All Certificates presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by his or her attorney duly authorized in writing.

The Trustee shall not be required to transfer the Certificates during the period beginning on a Regular Record Date and ending on the next Interest Payment Date of the Certificates nor to transfer or exchange any Certificate after the mailing of notice calling such Certificate for redemption has been given as herein provided, nor during the period of 15 days next preceding the giving of such notice of redemption.

New Certificates delivered upon any transfer or exchange shall evidence the same obligations as the Certificates surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered. As to any Certificate, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal, premium, if any, and interest on the Certificate shall be made only to or upon the written order of the registered owner thereof or his or her legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

The Trustee shall require the payment, by any Certificate Owner requesting transfer or exchange of Certificates, of any tax, Trustee's fee, fee or other governmental charge required to be paid with respect to such transfer or exchange.

Section 2.10. Cancellation of Certificates. Whenever any Outstanding Certificate shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Section 2.08 or 2.09 of this Indenture, such Certificate shall be promptly canceled in accordance with the customary procedures of the Trustee and applicable retention laws.

Section 2.11. Execution and Delivery of Additional Certificates. So long as the Lease Term shall remain in effect and no Event of Nonappropriation or Event of Default shall have occurred, one or more issues of Additional Certificates secured by the Trust Estate (the "Additional Certificates") may be issued upon the terms and conditions provided herein.

Additional Certificates may be executed and delivered to provide funds for any one or more of the following: (i) refunding all or any portion of the Outstanding Certificates and Additional Certificates; (ii) completing the construction and equipping of the Project in excess of the amount available therefor in the Construction Fund pursuant to Section 3.09 of this Indenture, (iii) at any time or from time to time, making such modifications and improvements in, on or to the Leased Property as the City may deem necessary or desirable; and (iv) paying costs incurred in connection with the execution and delivery of the Additional Certificates, any deposit to any reserve fund established in connection with the Additional Certificates that is necessary for the amount therein to equal the maximum amount allowed under the Code and other costs reasonably related to the purpose for which the Additional Certificates are being executed and delivered.

Additional Certificates may be issued only upon there being filed with the Trustee:

(a) Originally executed counterparts of a Supplemental Indenture and an amendment to the Lease adopted in accordance with the requirements of Article IX hereof, including requirements regarding approval of the Certificate Owners, if applicable, expressly providing that, for all the purposes hereof, the Leased Property shall include any property, buildings or equipment being financed by the Additional Certificates and further providing for an increase in the Base Rentals required to be paid to the Trustee under Exhibit B to the Lease in such amount as shall be necessary to pay (assuming that no Event of Nonappropriation or Event of Default shall occur), the principal of and interest on the Certificates and any Additional Certificates theretofore executed and delivered and Outstanding as well as the Additional Certificates proposed to be executed and delivered.

(b) A written opinion or opinions of Bond Counsel, mutually acceptable to the City and the Trustee, to the effect that the amendment to the Lease and the execution and delivery of the Additional Certificates have been duly authorized, that the amendment to the Lease is valid and enforceable against the City, that the excludability from federal income taxation of the interest on the Certificates and any Additional Certificates theretofore executed and delivered with the expectation that the interest thereon will not be included in federal income taxation will not be adversely affected by the execution and delivery of the Additional Certificates proposed to be executed and delivered, and that the execution and delivery of the Additional Certificates will not constitute a default under the Lease or this Indenture nor cause any violation of the covenants, agreements or representations in the Lease or this Indenture.

(c) Evidence that the amount of the title insurance policy or policies required by Section 7.04 of the Lease has been increased, if necessary, to reflect the amount of the Certificates and Additional Certificates theretofore executed and delivered plus the Additional Certificates, (or such lesser amount as shall be the maximum insurable value of the Leased Property that is to be insured by such policy or policies).

Additional Certificates shall, in all cases, bear interest at fixed interest rates and, except for Additional Certificates that are executed and delivered for the purpose of refunding all or any portion of the Outstanding Certificates and Additional Certificates and for paying the costs and capitalized interest in connection with such refunding, shall mature, including sinking fund redemption dates, if any, on December 1 of each year, shall pay interest on June 1 and December 1 of each year and shall not be subject to redemption earlier than the Certificates. Each of the Additional Certificates executed and delivered pursuant to this Section 2.11 shall evidence an assignment of a proportionate interest in rights to receive Revenues under the Lease, as amended, proportionately and ratably secured with the Certificates originally executed and delivered and all other issues of Additional Certificates, if any, executed and delivered pursuant to this Section 2.11, without preference, priority or distinction of any Certificates or Additional Certificates over any other.

ARTICLE III

REVENUES AND FUNDS

Section 3.01. Source of Payment of Certificates. The Certificates shall be payable solely from Revenues received by the Trustee and do not constitute a general obligation indebtedness or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of any constitutional or statutory debt limitation. Revenues, when, as and if received by the Trustee, shall be held hereunder for payment of the principal of, premium, if any, and interest on the Certificates as provided in this Indenture.

Section 3.02. Creation of the Certificate Fund. A special fund is hereby created and established with the Trustee, to be designated the “City of Montrose, Colorado Certificates of Participation, Series 2025, Certificate Fund” (the “Certificate Fund”), which shall be used to pay the principal of, premium, if any, and interest on the Certificates. Within the Certificate Fund there are hereby created and ordered established an Interest Account and a Principal Account, which shall be used as set forth in Section 3.05 of this Indenture.

Section 3.03. Payments Into the Interest Account of the Certificate Fund. There shall be deposited into the Interest Account of the Certificate Fund (a) all accrued interest received at the time of the execution and delivery of the Certificates, if any; (b) the amount constituting capitalized interest on the Certificates, if any, (c) that portion of each payment of Base Rentals made by the City which is designated and paid as interest in the amounts determined in accordance with Section 2.02 hereof and paid at the times specified in Exhibit B to the Lease; and (d) all other moneys received by the Trustee under this Indenture to be used for the purpose of paying interest on the Certificates.

Section 3.04. Payments into the Principal Account of the Certificate Fund. There shall be deposited into the Principal Account of the Certificate Fund (a) that portion of each payment of Base Rentals made by the City which is designated and paid as principal under Exhibit B to the Lease; and (b) all other moneys received by the Trustee under this Indenture to be used for the purpose of paying the principal of the Certificates.

Section 3.05. Use of Moneys in the Certificate Fund. Moneys in the Interest Account of the Certificate Fund shall be used solely for the payment of the interest on the Certificates. Moneys in the Principal Account of the Certificate Fund shall be used solely for the payment of the principal of the Certificates. In the event the Certificates are to be redeemed in whole, any moneys remaining in the Certificate Fund shall be applied to such redemption along with other moneys held by the Trustee for such purpose.

Amounts deposited into the Certificate Fund shall be depleted at least once a year except for an amount not to exceed the greater of one year’s earnings on the Certificate Fund or 1/12th of the annual debt service on the Certificates.

Section 3.06. Custody of the Funds. All Funds created under this Indenture shall be in the custody of the Trustee, subject to the provisions of this Indenture.

Section 3.07. Reserved.

Section 3.08. Reserved.

Section 3.09. Creation of the Construction Fund. A special fund is hereby created and established with the Trustee to be designated the “City of Montrose, Colorado Certificates of Participation, Series 2025, Construction Fund” (the “Construction Fund”), which shall be used as set forth in Section 7.02 of the Lease. Proceeds of the sale of the Certificates as provided in Section 2.07(c)(iii) of this Indenture shall be deposited into the Construction Fund and the moneys on deposit in the Construction Fund shall be disbursed at the written direction of the City to pay the Costs of the Project by providing a requisition, in the form provided as Exhibit D of the Lease, to the Trustee signed by an Authorized Officer of the City. Any moneys held as part of the Construction Fund shall be invested and reinvested by the Trustee in accordance with Article V of this Indenture, and the income therefrom shall remain in the Construction Fund to pay the Costs of the Project or, at the direction of the City, be deposited in the Certificate Fund. Any moneys remaining in the Construction Fund on completion of the Project, as certified by the City, shall be transferred to the Interest Account of the Certificate Fund and used for the purposes of such Fund.

Section 3.10. Reserved.

Section 3.11. Rebate Fund.

(a) ***Creation of the Rebate Fund.*** A special fund is hereby created and established with the Trustee to be designated the “City of Montrose, Colorado Certificates of Participation, Series 2025, Rebate Fund” (the “Rebate Fund”).

(b) ***Deposits into the Rebate Fund.*** There shall be deposited into the Rebate Fund (i) all amounts paid by the City pursuant to subsection (e) of this Section; and (ii) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Rebate Fund.

(c) ***Use of Moneys in the Rebate Fund.*** Not later than 60 days after December 1, 2029 and every five years thereafter, the Trustee shall, at the direction of the City, pay to the United States of America at least 90% of the amount required to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Certificates, the Trustee shall, at the direction of the City, pay to the United States of America 100% of the amount required to be on deposit in the Rebate Fund which shall remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Each payment shall be accompanied by a copy of the Internal Revenue Form 8038-T executed by the City and a statement prepared by the City or its agent summarizing the determination of the amount to be paid to the United States of America. The Trustee acknowledges that the City has reserved the right, in all events, to pursue such remedies and procedures as are available to it in order to assert any claim of overpayment of any rebated amounts.

(d) ***Administration of Rebate Fund.*** The City shall make or cause to be made all requisite rebate calculations so as to provide the information required to transfer moneys to the Rebate Fund pursuant to subsection (b) of this Section and to make the payments

required by subsection (c) of this Section. The Trustee shall make deposits to and disbursements from the Rebate Fund in accordance with the written directions of the City given pursuant to the Investment Instructions (the “Investment Instructions”) and the Tax Compliance Certificate (the “Tax Compliance Certificate”) executed by the City in connection with the initial delivery of the Certificates or any similar certificate or instrument delivered by the City in connection with the initial delivery of any Additional Certificates. The Trustee shall, at the written direction of the City, invest the Rebate Fund pursuant to said Investment Instructions and shall deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by, and accompanied by an opinion of, Bond Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest on the Certificates to be included in the gross income of the recipients thereof for purposes of federal income taxation. The City may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the amount withdrawn shall be deposited in the Certificate Fund. Record of the determinations required by this Section and delivered to the Trustee and the Investment Instructions must be retained by the Trustee until six years after the final retirement of the Certificates.

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

Section 3.12. Costs of Issuance Account. A special account is hereby created and established with the Trustee, to be designated “City of Montrose, Colorado Certificates of Participation, Series 2025, Costs of Issuance Account” (the “Costs of Issuance Account”). Moneys held in the Costs of Issuance Account shall be used to pay Costs of Issuance as directed in writing by the City. The Trustee may rely conclusively on any such written direction and shall not be required to make any independent investigation in connection therewith. The execution of any direction by the City shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. The Trustee shall transfer to the Principal Account of the Certificate Fund any amounts held in the Costs of Issuance Account that are not required to pay Costs of Issuance pursuant to written direction from the City 3 months after the date of issuance of the Certificates.

Section 3.13. Nonpresentment of Certificates. In the event any Certificate shall not be presented for payment when due, if funds sufficient to pay such Certificate shall have been made available to the Trustee for the benefit of the registered owner thereof, it shall be the duty of the Trustee to hold such funds for a period of three years, without liability for interest thereon, for the benefit of the registered owner of such Certificate, who shall be restricted exclusively to such funds for any claim of whatever nature on his or her part under the Lease or this Indenture or on or with respect to such Certificate.

Funds (including proceeds of Permitted Investments as provided in Article VI) so deposited with the Trustee which remain unclaimed four years after the date payment thereof becomes due, whether at maturity or upon redemption, shall, if, to the knowledge of the Trustee, there has been no Event of Nonappropriation or Event of Default, be paid to the City, and the registered owners of the Certificates for which the deposit was made shall thereafter be limited to a claim against the City.

Section 3.14. Reports to City. Not less than once each calendar year, the Trustee shall provide the City with an accounting for all receipts to and disbursements from the Funds or Accounts created hereunder.

Section 3.15. Repayment to the City From the Trustee. Upon a discharge and a defeasance of this Indenture pursuant to Article VI of this Indenture, any amounts remaining in the Certificate Fund, the Construction Fund or otherwise held by the Trustee pursuant hereto and not needed for the payment of the Certificates or the fees and expenses of the Trustee shall be paid to the City as a return of an overpayment of Base Rentals.

Section 3.16. Moneys to be Held in Trust. The Certificate Fund, the Construction Fund and, except for the Rebate Fund established pursuant to this Indenture hereof, any other fund or account created hereunder shall be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of this Indenture, the Lease and the Site Lease. The Rebate Fund shall be held by the Trustee for the purpose of making payments to the United States of America pursuant to Section 3.11 hereof.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption of Certificates in Whole Upon an Event of Nonappropriation or Event of Default under the Lease.

(a) The Certificates shall be called for redemption, in whole, at a redemption price determined pursuant to subsection (b) of this Section, on any date, in the event of the occurrence of an Event of Nonappropriation under the Lease or the occurrence and continuation of an Event of Default under the Lease.

(b) The redemption price for any redemption pursuant to this Section shall be the lesser of (i) the principal amount of the Certificates, plus accrued interest to the redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee from the exercise of remedies under the Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such redemption and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Certificates, which amounts shall be allocated among the Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision hereof, the payment of the redemption price of any Certificate pursuant to this Section shall be deemed to be the payment in full of such Certificate and no Owner of

any Certificate redeemed pursuant to this Section shall have any right to any payment from the Trustee or the City in excess of such redemption price.

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

Section 4.02. Mandatory Sinking Fund Redemption. The Certificates maturing on December 1, 20[] are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date (December 1)	Amount to be Redeemed
20[]	\$
20[]	

¹ Maturity date.

The principal amount of Certificates to be redeemed on any date pursuant to this Section shall be reduced by the principal amount of any Certificates of the same maturity that have, on or before the forty-fifth day next preceding the sinking fund redemption date, been delivered to the Trustee for cancellation or have been redeemed pursuant to Section 4.03 hereof and have not previously been applied as a credit against any sinking fund obligation.

Section 4.03. Optional Redemption of Certificates. The Certificates maturing on and after December 1, 20[] are subject to redemption prior to their respective maturity dates, in whole or in part in integral multiples of \$5,000, at a redemption price equal to the principal amount of the Certificates, plus accrued interest to the redemption date (without redemption premium), on December 1, 20[] and any date thereafter, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase the Leased Property.

Section 4.04. Partial Redemption of Certificates. Any prepayment of Base Rentals by the City in accordance with Section 6.02(c) of the Lease shall be treated as a partial redemption of the Certificates due and maturing in the years selected by the City for prepayment. Such prepayment shall be made pursuant to the terms of Section 6.02(c) of the Lease and the redemption provisions of this Article IV.

Section 4.05. Notice of Redemption. Notice of the call for any redemption, identifying the Certificates or portions thereof to be redeemed and specifying the terms of such redemption, shall be given by the Trustee, upon being satisfactorily indemnified as to expenses, by mailing a copy of the redemption notice by first-class mail, or by electronic means if to DTC or its successors, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the registered owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of Certificates as to which no such failure has occurred.

Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

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

Section 4.06. Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in the case of redemption pursuant to Section 4.02 above, may be less than the full principal amount of the Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Certificates or portions thereof thus called for redemption shall no longer accrue after the date fixed for redemption.

Redemption of the Certificates shall be permitted at any time so long as funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Certificate holders, or in the alternative, the notice expressly states that such redemption is subject to the deposit of funds by the City.

The Trustee shall pay to the registered owners of Certificates so redeemed, the amounts due on their respective Certificates, at the corporate trust operations office of the Trustee upon presentation and surrender of the Certificates. Redemption payments shall be accompanied by a written designation prepared by the Trustee stating the portion of the payment representing the unpaid principal amount of the Certificate immediately prior to the payment, the portion of the

payment representing interest, and the remaining portion, if any, which shall be designated and paid as a redemption premium.

Section 4.07. Cancellation. All Certificates which have been redeemed shall not be reissued but shall be canceled and cremated or otherwise destroyed by the Trustee in accordance with Section 2.10 hereof.

Section 4.08. Delivery of New Certificates Upon Partial Redemption of Certificates. Upon surrender and cancellation of a Certificate for redemption in part only, a new Certificate or Certificates of the same series and maturity and of authorized denomination in an aggregate principal amount equal to the unredeemed portion thereof, shall be executed on behalf of and delivered by the Trustee. The expenses of such execution, delivery and exchange shall be paid by the City as Additional Rentals under the Lease.

ARTICLE V

INVESTMENTS

Section 5.01. Investment of Moneys. All moneys held as part of the Certificate Fund, the Construction Fund or any other Fund or Account created hereunder or under the Lease shall be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any Fund or Account created hereunder which shall interfere with or prevent withdrawals for payment of the Costs of the Project or for payment of the Certificates at or before maturity or of interest thereon as required hereunder. In the absence of written direction by the City, the Trustee is hereby directed to invest in any money market fund that qualifies as a Permitted Investment. All investments and reinvestments of any amounts pursuant to this Indenture or the Lease shall be made in accordance with the provisions of this Indenture; and all investments and reinvestments of any amounts deemed to be, for purposes of the Code, proceeds of the Certificates, shall be in accordance with the requirements of the Tax Compliance Certificate executed by the City in connection with the execution and delivery of the Certificates, unless the Trustee shall receive an opinion of Bond Counsel to the effect that an alternate investment or reinvestment shall not adversely affect the exclusion from federal income taxation of interest on the Certificates, in which case such investment or reinvestment may be made in accordance with such opinion. Any and all such deposits or investments shall be held by or under the control of the Trustee.

The Trustee may make any and all such deposits or investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Income from deposits or investments of moneys held in the Funds and Accounts under this Indenture shall be deposited as follows: income derived from the investment of moneys held in the Construction Fund shall be deposited as provided in Section 3.09 hereof and deposits or investments of moneys held in the Funds and Accounts under this Indenture shall at all times be a part of the Fund or Account from which the moneys used to acquire such deposits or investments shall have come and the income therefrom shall be deposited to, and all losses thereon shall be charged against, such Fund or Account. In computing the amount in any Fund or Account held under the provisions of this Indenture, obligations purchased as a deposit or investment of moneys therein shall be valued on each Interest

Payment Date at the cost or market price thereof, whichever is lower, exclusive of accrued interest. Where market prices for obligations held hereunder are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments whenever the cash balance in any Fund or Account created hereunder is insufficient to satisfy the purposes of such Fund or Account.

Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the City shall confirm that the investment transactions identified therein accurately reflect the investment directions of the City, unless the City notifies the Trustee in writing to the contrary within thirty days of the date of such statement. It is specifically provided herein that the Trustee may purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share, and, the Trustee may implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

Section 5.02. Arbitrage Covenant. In reliance on the written direction of investments by the City as provided in Section 5.01 of this Indenture, and in reliance on the covenant of the City in Section 11.05 of the Lease, the Trustee covenants to and for the benefit of the Certificate Owners that so long as any of the Certificates remain Outstanding, moneys, constituting proceeds of the Certificates for purposes of the Code, in any Fund or Account held by the Trustee under this Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not be knowingly deposited or invested in a manner which will cause the Certificates to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code.

ARTICLE VI

DISCHARGE OF INDENTURE

If, when the Certificates secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Indenture, the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Certificates shall be paid (or, in the case of redemption of the Certificates pursuant to Section 4.01(c) of this Indenture, if full or partial payment of the Certificates and interest thereon is made as provided in Section 4.02 of this Indenture), or provision shall have been made for the payment of the same, together with all other sums payable hereunder, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the City to the Trustee and the Certificate Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall transfer and convey to the City all remaining property assigned or pledged to the Trustee pursuant to this Indenture, and the Trustee shall execute such documents as may be

reasonably required by the City and shall turn over to the City any surplus in any Fund and Account created under this Indenture.

All Outstanding Certificates shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Article VI if (a) in case said Certificates are to be redeemed on any day prior to their maturity, the City shall have given to the Trustee in form satisfactory to the Trustee irrevocable written instructions to give, on a date in accordance with the provisions of Section 4.04 hereof, notice of redemption of such Certificates on said redemption date, such notice to be given in accordance with the provisions of Section 4.04 hereof, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or non-redeemable obligations described in (a) of the definition of Permitted Investments, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be, (c) a verification report by a verifier acceptable to the City shall be delivered to the City and the Trustee in form and substance satisfactory to the City, (d) an opinion of Bond Counsel shall be rendered to the Trustee to the effect that all of the requirements of this Indenture for defeasance of the Certificates have been complied with, and (e) in the event said Certificates are not by their terms subject to redemption within the next 60 days, the City shall have given the Trustee, in form satisfactory to it, irrevocable written instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 4.04 hereof, a notice to the registered owners of such Certificates that the deposit required by (b) above has been made with the Trustee and that said Certificates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Certificates. Neither the Permitted Investments nor moneys deposited with the Trustee pursuant to this Article VI or principal or interest payments on any such Permitted Investments shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Certificates; provided any cash received from such principal or interest payments on such Permitted Investments deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Permitted Investments of the type described in clause (b) of this paragraph maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates shall be deemed paid as aforesaid, such Certificates shall no longer be secured by or entitled to the benefits of this Indenture or the Lease, except for the purpose of exchange and transfer and any payment from such moneys or Permitted Investments deposited with the Trustee.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. If any of the following events occur it is hereby defined as and shall be deemed an “Event of Default” under this Indenture:

(a) default in the payment of the principal of or premium, if any, on any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon redemption;

(b) default in the payment of any installment of interest on any Certificate when the same shall become due and payable; or

(c) the occurrence of an Event of Nonappropriation or an Event of Default by the City under the Lease.

Upon the occurrence of an Event of Default hereunder, the Trustee shall immediately give notice of such occurrence to the registered owners of the Certificates, to the Initial Purchaser and to the Rating Agencies.

Section 7.02. Remedies on Default. If any Event of Default occurs and is continuing, the Trustee may enforce, for the benefit of the registered owners of the Outstanding Certificates, each and every right granted to it as the assignee or grantee of the Lease. In exercising such rights and the rights given the Trustee under this Article VII, the Trustee shall take such action as in the judgment of the Trustee would best serve the interests of the registered owners of the Outstanding Certificates, including calling the Outstanding Certificates for redemption prior to their maturity in the manner and subject to the provisions of Section 4.01(c) hereof and exercising the Lease Remedies provided in the Lease.

If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the registered owners of a majority in aggregate principal amount of all Outstanding Certificates and receipt of indemnity to its satisfaction, the Trustee shall, in its own name:

(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the registered owners of the Outstanding Certificates, including enforcing any rights under the Lease, and enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the registered owners of the Outstanding Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the registered owners of the Outstanding Certificates.

No right or remedy is intended to be exclusive of any other rights or remedies, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute. However, notwithstanding any other provision of the Lease or this Indenture, any and all remedies against the City under the Lease or this Indenture shall be limited as provided in Section 14.03 of the Lease.

Section 7.03. Majority of Certificate Owners May Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the registered owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee,

to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section until the indemnity described in Section 8.01(m) of this Indenture is furnished to it by such Certificate Owners.

Section 7.04. Trustee Default. Any of the following shall constitute a Trustee Default:

- (a) default in the payment of the principal of, premium, if any, and interest on any Certificate when due to the extent such failure is not directly caused by an Event of Default or an Event of Nonappropriation;
- (b) failure of the Trustee to enforce and diligently pursue any remedy available under Section 7.01 or 7.02 hereof, unless the Trustee has been advised by counsel that such remedy is not legally available or would cause undue risk to the Trustee or the Holders, and after it shall have received assurances or indemnification satisfactory to it that it will be repaid for such action; and
- (c) failure by the Trustee to comply with any other provision of this Indenture within 30 days after receiving notice of noncompliance.

Section 7.05. Remedies of Owners Upon a Trustee Default. Subject to the other provisions of this Article, upon the occurrence of any Trustee Default, the Owner of any Certificate may:

- (a) commence proceedings in any court of competent jurisdiction to enforce the provisions of this Indenture against the Trustee;
- (b) subject to Section 8.03 hereof, cause the Trustee to be removed and replaced by a successor trustee; and
- (c) subject to Section 7.05 hereof, take any other action at law or in equity that may appear necessary or desirable to enforce the rights of such Owner.

Section 7.06. Rights and Remedies of Certificate Owners. No Certificate Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said Section it is deemed to have notice; (b) such default shall have become an Event of Default as defined in Section 7.01 of this Indenture; (c) the registered owners of not less than a majority in aggregate principal amount of the Certificates then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such registered owners of the Certificates shall have offered to the Trustee indemnity as provided in Section 8.01(m) hereof; and (e) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name. The foregoing conditions are hereby declared in every case at

the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Certificate Owners shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by any action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the registered owners of all Certificates then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Certificate Owner to enforce the payment of the principal of, premium, if any, and interest on any Certificate at and after the maturity thereof.

Section 7.07. Purchase of Leased Property by Certificate Owners or Trustee; Application of Certificates Toward Purchase Price. Upon the occurrence of an Event of Default under this Indenture, the lien on the Leased Property created and vested in the Trustee hereunder may be foreclosed either by sale at public auction or by proceedings in equity. Upon any such sale, any Certificate Owner or the Trustee may bid for and purchase the Leased Property or any portion thereof and, subject to the terms of the Site Lease, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in their own absolute right without further accountability; and any purchaser at any such sale may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying purchase money, turn in Certificates then Outstanding in lieu of cash, to the amount which shall, upon distribution of the Net Proceeds of such sale, be payable thereon. If the Trustee shall acquire possession of the Leased Property as a result of any such sale, or any proceeding or transaction in lieu thereof, the Trustee shall thereafter lease or sell its interest in the Leased Property; and may take any further lawful action with respect to the Leased Property which it, being advised by counsel, shall deem to be in the best interest of the Certificate Owners, including but not limited to the enforcement of all rights and remedies set forth in the Lease and this Indenture and the taking of all other courses of action permitted therein or herein.

Section 7.08. Waiver of Appraisement, Valuation, Stay, Execution and Redemption Laws. The Trustee and the City agree, to the extent permitted by law, that in case of the occurrence of an Event of Default, neither the Trustee nor the City nor anyone claiming through or under the Trustee or the City shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of this Indenture, or the sale of the Trust Estate and the final and absolute possession thereof, immediately after such sale, of the purchasers thereof; and the Trustee, for itself and all who may at any time claim through or under the Trustee, hereby waives, to the full extent permitted by law, the benefit of all such laws, and any and all right to marshalling of the estates comprised in the security intended to be hereby created upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may sell its interest in the Leased Property as an entirety.

Section 7.09. Trustee May Enforce Rights Without Certificates. All rights of action and claims under this Indenture or any of the Certificates Outstanding hereunder may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be

brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any registered owners of the Certificates, and any recovery of judgment shall be for the ratable benefit of the registered owners of the Certificates, subject to the provisions of this Indenture.

Section 7.10. Delay or Omission No Waiver. No delay or omission of the Trustee or any Certificate Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 7.11. No Waiver of One Default to Affect Another. No waiver of any default hereunder, whether by the Trustee or the Certificate Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

Section 7.12. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee or the Certificate Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Certificate Owners, then and in every such case the City, the Trustee and the Certificate Owners shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Certificate Owners shall continue as if no such proceedings had been taken.

Section 7.13. Waivers of Events of Default. The Trustee may in its discretion or upon the written request of the registered owners of a majority in aggregate principal amount of all the Certificates then Outstanding, waive any Event of Default hereunder and its consequences; provided, however, that there shall be no waiver without the consent of the registered owners of 100% of the Certificates then Outstanding if the Event of Default relates to (a) any default in the payment when due of the principal of any Outstanding Certificates at the date of maturity specified therein or (b) any default in the payment when due of the interest on any such Certificates, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal then due, as the case may be (both with interest at the rate borne by the respective Certificates on all such overdue installments), and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the City, the Trustee and the Certificate Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.14. Application of Moneys in Event of Default. Unless otherwise provided in the Lease or this Indenture, any moneys received by the Trustee pursuant to any right or action taken under this Article VII and any moneys held as part of the Trust Estate shall, after the payment of the cost and expenses of the proceedings resulting in the collection of such moneys, be applied in the following order:

(a) First, to the payment of all the fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including Counsel fees, costs and expenses;

(b) Second, to the payment of interest then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably without preference or priority of one Certificate over another or of any installment of interest over any other installment of interest;

(c) Third, to the payment of principal or redemption price (as the case may be) then owing on the Outstanding Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Outstanding Certificate over another; and

The surplus, if any, shall be paid to the City, or to the person lawfully entitled to receive the same as a court of competent jurisdiction may direct.

ARTICLE VIII

CONCERNING THE TRUSTEE

Section 8.01. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of his or her own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above and in Section 8.01(g) hereof, and shall be entitled to act upon the advice or Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such advice or Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect to the execution of the Certificates on behalf of the Trustee),

or for the recording or rerecording, filing or refiling of the Lease or this Indenture or of any supplements thereto or hereto or instruments of further assurance, or collecting any insurance moneys or for the validity of the execution by the Trustee of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Certificates executed and delivered hereunder or intended to be secured hereby, or for the value of or title to the Leased Property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City, except as provided herein; but the Trustee may require of the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the City under the Lease, and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article V hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture or the Certificates. The Trustee shall not be accountable for the use or application of any Certificates executed and delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the registered owner of the Certificates with the same rights which it would have if not the Trustee.

(e) The Trustee may conclusively rely and shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee shall not be required to make any independent investigation in connection with any such certificate or document. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the registered owner of any Certificate shall be conclusive and binding upon all future registered owners of the same Certificate and upon any Certificates issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the City by its Authorized Officers or such other person as may be designated for such purpose by a certified resolution, as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made by Article III hereof, unless the Trustee shall be specifically notified in writing of such default by the City or by the registered owners of at least 25% in aggregate principal amount of Certificates then Outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability to pay interest on any moneys received hereunder except such as may be agreed upon.

(j) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all of the property pledged herein, including all books, papers and records of the City pertaining to the Leased Property and the Certificates, and to take such memorandum from and in regard thereto as may be desired.

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

(l) The Trustee shall have no obligation to lend the Trustee's funds or credit to the City, or otherwise for the benefit or protection of the Leased Property or the Revenues.

(m) The Trustee shall not be required to advance its own funds and, before taking any action hereunder, the Trustee may require that satisfactory indemnity be furnished to it by the Certificate Owners for the reimbursement of all costs and expenses (including attorney's fees and expenses) which it may incur and to protect it against all liability, except liability which may result from its gross negligence or willful misconduct, by reason of any action so taken.

(n) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Certificates, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the City to the authentication of any Certificates, or the taking of any other action by the Trustee.

(o) The Trustee will cause all supplements to the financing statements which are prepared and filed on the date of issuance of the Certificates and all other instruments as may be required at all times to be recorded, registered and filed in such manner and in

such places as may be required by law in order to preserve and protect fully the security of the Owners and all rights of the Trustee hereunder.

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

Section 8.02. Fees and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its ordinary services rendered hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, including legal fees and expenses. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith as and when the same become due, as Additional Rentals provided in Section 6.02 of the Lease; provided that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor.

Section 8.03. Resignation or Replacement of Trustee. The present or any future Trustee may resign by giving written notice to the City not less than 60 days before such resignation is to take effect. Such resignation shall take effect only upon the appointment of a successor qualified as provided in the third paragraph of this Section 8.03 and such successor shall have accepted the duties of Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 90 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. After payment of all outstanding fees and expenses, the present or any future Trustee may be removed at any time by an instrument in writing, executed by the registered owners of a majority in aggregate principal amount of the Certificates then Outstanding and delivered to the Trustee.

In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the registered owners of a majority in aggregate principal amount of the Outstanding Certificates by an instrument or concurrent instruments signed by such Certificate Owners, or their attorneys-in-fact duly appointed; provided that the City may, by an instrument executed by order of the City, appoint a successor until a new successor shall be appointed by the Certificate Owners as herein authorized. The City upon making such appointment shall forthwith give notice thereof to each Certificate Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the City shall immediately and without further act be superseded by a successor appointed in the manner above provided by the registered owners of a majority in aggregate principal amount of the Certificates Outstanding.

Every successor shall always be a bank or trust company (a) in good standing and located in or organized under the laws of a state of the United States, (b) qualified to act hereunder and duly authorized to exercise trust powers, (c) subject to examination by a federal or state authority, and (d) having a reported capital and surplus of not less than \$25,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor, which shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the City be required by any successor for more certainly vesting in and confirming to it the said estates, properties, rights, powers and trusts of its predecessor, such instrument or instruments, in writing, shall be made, executed, acknowledged and delivered by the City on request of such successor.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed and/or recorded.

Section 8.04. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto or thereto, anything herein or therein to the contrary notwithstanding. In case any of the Certificates to be executed and delivered hereunder shall have been executed, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates shall not have been executed, any successor Trustee may execute such Certificates in its own name.

Section 8.05. Intervention by Trustee. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the registered owners of the Certificates, the Trustee may intervene on behalf of registered owners of the Certificates, and shall do so if requested in writing by the registered owners of at least 25% in aggregate principal amount of the Certificates then Outstanding.

Section 8.06. Title Insurance. The Trustee shall be provided with a standard title insurance policy insuring the Trustee's interest in the real estate included in the Leased Property, subject only to Permitted Encumbrances, in an amount not less than the lesser of either the Outstanding amount of Certificates or the insurable value of such real property. Such policy, or a binding commitment therefor, shall be in a form approved by the City and shall be provided to the Trustee concurrently with the initial delivery of any Certificates.

Section 8.07. List of Certificate Owners. At reasonable times and under reasonable regulations established by the Trustee, the registration books, kept by the Trustee pursuant to Section 2.09 of this Indenture, may be inspected and copied, by the City or by registered owners (or a designated representative thereof) of fifteen percent (15%) or more in aggregate principal amount of the Certificates then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LEASE

Section 9.01. Supplemental Indentures Not Requiring Consent of Certificate Owners. The Trustee may, with the written consent of the City, but without the consent of, or notice to, the Certificate Owners, enter into Supplemental Indentures for any one or more or all of the following purposes:

- (a) To grant additional powers or rights to the Trustee;
- (b) To cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Certificate Owners;
- (c) To subject to this Indenture additional revenues, properties or collateral;
- (d) To amend or modify the description of the real property and improvements described in Exhibit B; provided, however, that such amendment or modification shall not materially adversely affect the interests of the Certificate Owners;
- (e) To set forth the terms and conditions and other matters in connection with the execution and delivery of Additional Certificates pursuant to Section 2.11 of this Indenture; or
- (f) To preserve or protect the excludability from gross income, for federal income tax purposes, of interest on the Certificates.

Section 9.02. Supplemental Indentures Requiring Certain Consents. Exclusive of Supplemental Indentures covered by Section 9.01 hereof, the written consent of the City and the consent of the registered owners of a majority in aggregate principal amount of the Certificates then Outstanding shall be required for the execution by the Trustee of any indenture or indentures supplemental hereto; provided, however, that without the consent of the registered owners of all the Certificates at the time Outstanding nothing herein contained shall permit, or be construed as permitting:

- (a) A change in the maturity, terms of redemption or the method of calculating the interest on any Outstanding Certificate, or a reduction in the principal amount of or

premium payable upon any redemption of any Outstanding Certificate without the consent of the registered owner of such Certificate;

(b) The deprivation of the registered owner of any Certificate then Outstanding of the lien created by this Indenture (other than as originally permitted hereby);

(c) A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates; or

(d) A reduction in the aggregate principal amount of the Certificates required for consent to such Supplemental Indenture.

If at any time the City shall request the Trustee to enter into such Supplemental Indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to the registered owners of the Certificates then Outstanding at the address of each such Certificate Owner shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Owners.

If, within 60 days or such longer period as shall be prescribed by the City following the giving of such notice, the registered owners of all or of a majority in aggregate principal amount of the Certificates then Outstanding, as the case may be, at the time of the execution of any such Supplemental Indenture, shall have consented to and approved the execution thereof as herein provided, no Certificate Owner shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03. Execution of Supplemental Indenture. The Trustee may execute any such Supplemental Indenture as provided herein and make further agreements and stipulations which may be contained therein, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects its rights, duties or immunities under this Indenture, except as provided under this Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee.

Section 9.04. Amendments, Etc., of the Lease Not Requiring Consent of Certificate Owners. The Trustee may, with the written consent of the City, but without the consent of or notice to the Certificate Owners, consent to any amendment, change or modification of the Lease as may be required (a) by the provisions of the Lease or this Indenture, (b) for the purpose of curing

any ambiguity, or curing, correcting or supplementing any defect or omission or inconsistent provision contained therein, or to make any provisions with respect to matters arising under the Lease or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Certificate Owners, (c) in order to more precisely identify the Leased Property or to add additional improvements or properties acquired in accordance with the Lease and this Indenture; (d) in connection with the execution and delivery of Additional Certificates, (e) to add covenants of the City, (f) in order to preserve or protect the exclusion from gross income, for federal income tax purposes, of interest on the Certificates, or (g) to amend or modify the description of the real property and improvements constituting the Leased Property; provided, however, that such amendment or modification shall not materially adversely affect the interests of the Certificate Owners.

Section 9.05. Amendments, Etc., of the Lease Requiring Consent of Certificate Owners. Except for the amendments, changes or modifications permitted by Section 9.04 hereof, the Trustee shall not consent to any other amendment, change or modification of the Lease without the giving of notice by the Trustee and the written approval or consent of the registered owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding given and procured as provided in Section 9.02 hereof. If at any time the City shall request the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 9.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Owners.

ARTICLE X

MISCELLANEOUS

Section 10.01. Evidence of Signature of Certificate Owners and Ownership of Certificates. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Certificate Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Certificate Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

- (a) The fact and date of the execution by any Certificate Owner or his or her attorney of such instrument may be proven by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he or she purports to act that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.
- (b) The fact of ownership by any person of Certificates and the amounts and numbers of such Certificates, and the date of ownership of the same, may be proven by a certificate executed by any trust company, bank or bankers, wherever situated, stating that

at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such bankers, as the property of such party, the Certificates therein mentioned, if such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Certificates have been deposited with a bank, bankers or trust company before taking any action based on such ownership. In lieu of the foregoing the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

Any request or consent of the registered owner of any Certificate shall bind all future registered owners of such Certificate in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 10.02. Financial Obligations of Trustee Limited to Trust Estate. NOTWITHSTANDING ANY OTHER PROVISION HEREOF, ALL FINANCIAL OBLIGATIONS OF THE TRUSTEE UNDER THIS INDENTURE, EXCEPT THOSE RESULTING FROM ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, ARE LIMITED SOLELY TO THE TRUST ESTATE, AND THERE ARE NO ASSETS AVAILABLE TO PAY THE CERTIFICATES OR ANY OTHER OBLIGATION HEREUNDER OTHER THAN THE TRUST ESTATE.

Section 10.03. Inspection of the Leased Property. The Trustee and its duly authorized agents shall have the right, but not the duty, on reasonable notice to the City, at all reasonable times, to examine and inspect the Leased Property. The Trustee and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and other papers of the City with respect to the Leased Property.

Section 10.04. Parties Interested Herein. With the exception of rights herein expressly conferred on the City, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than, the City, the Trustee and the Certificate Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Trustee shall be for the sole and exclusive benefit of the City, the Trustee and the Certificate Owners.

Section 10.05. Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 10.06. Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.07. Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State of Colorado without regard to conflict of laws principles.

Section 10.08. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.09. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given when delivered or mailed in the manner as provided by Section 15.02 of the Lease. The City and the Trustee may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.10. Payments Due on Holidays; Delayed Transfer of Funds. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 10.11. Trustee, City and Trustee Representatives. Whenever under the provisions hereof the approval of the City or the Trustee is required, or the City or the Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the City and for the Trustee by their respective Authorized Officers, and the City and the Trustee shall be authorized to act on any such approval or request

Section 10.12. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent in writing or by electronic means, provided, however, that such instructions or directions shall be signed by an Authorized Officer of the City.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Trustee has caused this Indenture to be executed in its corporate name by its duly authorized officer, all as of the date first above written.

UMB BANK, N.A., as Trustee

By _____
Authorized Representative

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

This instrument was acknowledged before me this ____ day of May, 2025, by _____, as authorized signatory of UMB Bank, n.a.

Witness my hand and official seal.

[SEAL]

Notary Public

My Commission Expires:

EXHIBIT A

(FORM OF CERTIFICATE)

CERTIFICATE OF PARTICIPATION, SERIES 2025

(Public Works Facility Project)

**Evidencing Assignment of Interests in the Right to Receive Certain Revenues Payable by
THE CITY OF MONTROSE, COLORADO**

Pursuant to a Lease

Between the City and UMB Bank, n.a., as trustee

No. R-_____ \$_____

INTEREST RATE:	MATURITY DATE:	DATED:	CUSIP:
%	December 1, 20__	May [___], 2025	61507Y ____

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

THIS CERTIFIES THAT THE REGISTERED OWNER (named above) or registered assigns, has a proportionate undivided interest in the right to receive certain revenues, as described below, pursuant to an annually renewable Lease Purchase Agreement dated as of May 1, 2025 (as from time to time amended, the “Lease”), between UMB Bank, n.a., as lessor (the “Trustee”), and the CITY OF MONTROSE, COLORADO, a home-rule city and political subdivision of the State of Colorado, as lessee (the “City”). The interest of the Registered Owner of this Certificate of Participation, Series 2025 (this “Certificate”) is secured as provided in the Lease and in the Indenture of Trust dated as of May 1, 2025 (as from time to time amended, the “Indenture”) by UMB Bank, n.a., as trustee, or its successor (the “Trustee”) for the registered owners of the Certificates (the “Certificate Owners”). Pursuant to the Indenture, the City has also granted to the Trustee, for the benefit of the Certificate Owners, a security interest in the Leased Property (as hereinafter defined). Pursuant to the Lease and the Indenture, the Registered Owner hereof is entitled to receive, solely out of and to the extent available from the sources hereinafter identified, on the Maturity Date (stated above) (or earlier as hereinafter provided), the Principal Sum (stated above) and interest thereon as described in the Indenture at the Interest Rate (stated above) and payable commencing [December 1, 2025] and semiannually thereafter on June 1 and December 1 of each year. Principal of and any premium on this Certificate are payable in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office of the Trustee; and interest on this Certificate is payable to the Registered Owner hereof as of the Regular Record Date (as defined in the Indenture) by check or draft of the Trustee to be mailed to such Registered Owner, on or before each interest payment date (or, if such interest payment date is not a Business Day, as defined in the Indenture, on or before the next succeeding Business Day), at the address of such Registered Owner as it last appears in the registration books kept by the Trustee; provided, however, the Trustee may make payments of interest on this Certificate by such alternate means as may be mutually agreed upon by the Registered Owner hereof and the Trustee with any cost or expense to be paid by the Registered Owner.

This Certificate is one of a series of Certificates of Participation, Series 2025, evidencing assignments of proportionate undivided interests in the right to receive certain revenues, as described below, pursuant to the Lease, executed and delivered in an aggregate principal amount of \$[] pursuant to the Indenture, for the purpose, among others, of providing funds for the construction, improvement and equipping of a new public works facility (collectively, the “Project”), which, together with the site on which the Project is to be constructed are collectively referred to herein as the “Leased Property.” The Leased Property has been leased to the Trustee by the City pursuant to the Site Lease and the Project will be financed with proceeds of the Certificates. The Leased Property will be leased by the Trustee to the City pursuant to the Lease. Under the Lease, the City has agreed to pay directly to the Trustee semiannual rental payments (the “Base Rentals”) in consideration for its right to use the Leased Property, the proceeds of which are required by the Indenture to be distributed by the Trustee to the payment of the principal of, premium, if any, and interest on the Certificates. In addition to the Base Rentals, the City has agreed to make certain other payments (the “Additional Rentals”) sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the City under the Lease.

The Lease is subject to annual renewal at the option of the City. The obligation of the City to pay Base Rentals and Additional Rentals under the Lease will terminate in the event that the City, for any reason, fails to budget and appropriate, specifically with respect to the Lease, moneys to pay all Base Rentals and reasonably estimated Additional Rentals during the next occurring renewal term of the Lease. In the event that the Lease Term (as defined in the Lease) is terminated by the City as set forth above (herein referred to as an “Event of Nonappropriation”) or is terminated by reason of an Event of Default (as defined in the Lease), the principal amount of this Certificate and interest hereon will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the Trustee from the liquidation or leasing of the Leased Property. Under certain circumstances, this Certificate and the interest hereon may also be payable from the Net Proceeds (as defined in the Lease) of title or casualty insurance policies, performance bonds or condemnation awards. The Lease Term may also be terminated in the event that the City shall exercise its option to purchase the Leased Property from the Trustee by making payment of the Purchase Option Price (as defined in the Lease). In the event that the City shall pay the Purchase Option Price, the proceeds thereof are required to be used to pay the principal of and interest on the Certificates and on any Additional Certificates (as defined below).

It is provided in the Indenture that there may hereafter be executed and delivered Additional Certificates secured by the Trust Estate (as defined in the Indenture) (“Additional Certificates”) from time to time under certain terms and conditions, and if executed and delivered, such Additional Certificates will be equally and proportionately secured under and entitled to the protection given by the Indenture with the Certificates. Reference is hereby made to the Lease and the Indenture for a description of the rights, duties and obligations of the City, the Trustee and the registered owners of the Certificates, the terms upon which Additional Certificates may be executed and delivered, the terms upon which the Certificates and any Additional Certificates are secured, the terms and conditions upon which the Certificates will be deemed to be paid at or prior to maturity or redemption of the Certificates upon the making of provision for the full or partial payment thereof, and the rights of the registered owners of the Certificates upon the occurrence of an Event of Default or an Event of Nonappropriation.

NEITHER THE LEASE NOR THE CERTIFICATES CONSTITUTE A GENERAL OBLIGATION OR A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. NONE OF THE LEASE, THE INDENTURE OR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE CITY TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR ANY FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. EXCEPT TO THE EXTENT PAYABLE FROM THE PROCEEDS OF THE SALE OF THE CERTIFICATES AND INCOME FROM THE INVESTMENT THEREOF, FROM NET PROCEEDS OF CERTAIN INSURANCE POLICIES, PERFORMANCE BONDS AND CONDEMNATION AWARDS, FROM NET PROCEEDS FROM THE SUBLEASING OR LIQUIDATION OF THE TRUSTEE'S INTEREST IN THE LEASED PROPERTY AND THE LEASING, SALE OR ASSIGNMENT OF THE TRUSTEE'S INTEREST IN THE LEASED PROPERTY OR FROM OTHER AMOUNTS MADE AVAILABLE UNDER THE INDENTURE, THE CERTIFICATES WILL BE PAYABLE DURING THE LEASE TERM SOLELY FROM BASE RENTALS TO BE PAID BY THE CITY UNDER THE LEASE. ALL PAYMENT OBLIGATIONS OF THE CITY UNDER THE LEASE, INCLUDING, WITHOUT LIMITATION, THE OBLIGATION OF THE CITY TO PAY BASE RENTALS, ARE FROM YEAR TO YEAR ONLY AND DO NOT CONSTITUTE A MANDATORY PAYMENT OBLIGATION OF THE CITY IN ANY FISCAL YEAR BEYOND A FISCAL YEAR IN WHICH THE LEASE SHALL BE IN EFFECT. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AT THE OPTION OF THE CITY AND WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE, AND THE CERTIFICATES AND THE INTEREST THEREON WILL BE PAYABLE FROM CERTAIN MONEYS, IF ANY, HELD BY THE TRUSTEE UNDER THE INDENTURE, ANY AMOUNTS PAYABLE UNDER THE POLICY OF INSURANCE REFERRED TO IN THE INDENTURE, AND ANY MONEYS MADE AVAILABLE BY ACTION OF THE TRUSTEE REGARDING THE LEASED PROPERTY.

The Certificates are issuable solely as fully registered Certificates without coupons in denominations of \$5,000 and any integral multiple thereof.

This Certificate is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing on the registration books kept at the principal corporate trust office of the Trustee, upon surrender of this Certificate together with a duly executed written instrument of transfer satisfactory to the Trustee. Upon such transfer, a new fully registered Certificate or Certificates without coupons and of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount, will be executed and delivered to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the Indenture. The Trustee may deem and treat the person in whose name this Certificate is registered as the absolute owner hereof, whether or not this Certificate shall be overdue, for the purpose of receiving payment and for all other purposes, and neither the City nor the Trustee shall be affected by any notice to the contrary.

The Certificates are subject to redemption as follows:

(a) The Certificates maturing on and after December 1, 20[] are subject to redemption prior to their respective maturity dates, in whole or in part in integral multiples of \$5,000, at a redemption price equal to the principal amount of the Certificates, plus accrued interest to the redemption date (without redemption premium), on December 1, 20[] and any date thereafter, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the City of its option to purchase the Leased Property; and

(b) The Certificates shall also be called for redemption at any time as set forth below upon the occurrence of an Event of Nonappropriation or an Event of Default.

If the Lease is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee is required under the Indenture to immediately notify the registered owners of the Certificates of such termination and, if moneys available under the Indenture are insufficient to provide for the payment in full of the outstanding Certificates and the interest thereon when due, shall notify the registered owners of the Certificates of the related redemption. If the Net Proceeds (as defined under the Indenture), if any, and other moneys then available under the Indenture are insufficient to redeem all Outstanding Certificates at a redemption price (expressed as a percentage of principal amount) of 100% plus accrued interest to the redemption date, the Trustee may, or at the request of the registered owners of a majority in aggregate principal amount of the Certificates then outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, is required to, without any further demand or notice, exercise all or any combination of Lease Remedies as provided in the Lease, and the outstanding 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 registered owners of the outstanding Certificates. If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys, including moneys then available under the Indenture, are insufficient to redeem the outstanding 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, including moneys then available under the Indenture, are to 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 outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee is 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 OUTSTANDING CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE OUTSTANDING CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO REGISTERED OWNER OF SUCH OUTSTANDING CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

In the event any of the Certificates are called for redemption as aforesaid, the Trustee shall cause notice of the call for redemption, identifying the Certificates or portions thereof to be redeemed, to be given by mailing, at least 30 days and not more than 60 days prior to the redemption date, as provided in the Indenture. All Certificates so called for redemption shall cease to bear interest after the specified redemption date, provided that such funds as may be available for their redemption (which, in the case of a redemption resulting from an Event of Nonappropriation or Event of Default may be less than the full principal amount of the outstanding Certificates and accrued interest thereon to the redemption date) are on deposit at the place of payment at that time.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Lease and the Indenture.

The Indenture permits amendments thereto and to the Lease, upon the agreement of the City and the Trustee and compliance with the other requirements of the Indenture, including but not limited to, in certain cases the approval of the registered owners of not less than a majority or, for certain amendments, 100% in aggregate principal amount of the Certificates at the time outstanding. The Indenture also contains provisions permitting amendments to the Indenture and the Lease without the consent of the registered owners of the Certificates for certain purposes, including, without limitation, the execution and delivery of Additional Certificates for certain purposes. The Indenture requires the written consent of the Trustee to any amendment of the Indenture or the Lease which modifies the rights, duties or immunities of the Trustee.

Any consent or request by the Registered Owner of this Certificate shall be conclusive and binding upon such owner and upon all future registered owners of this Certificate and of any Certificate issued upon the transfer of this Certificate whether or not notation of such consent or request is made upon this Certificate.

This Certificate is executed and delivered with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. This Certificate is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Certificate after its delivery for value. This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease, until executed on behalf of the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual or facsimile signature of an authorized representative of the Trustee, all as of the date set forth below.

Execution Date: May [], 2025

UMB Bank, n.a., as Trustee

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Insert Social Security or the Identifying Number of Transferee) (Please Print or Type Name and Address of Transferee) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of a Medallion Signature Program.

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

TRANSFER FEE MAY BE REQUIRED

(End of Form of Certificate)

EXHIBIT B
DESCRIPTION OF LEASED PROPERTY

Legal Description:

[to be inserted]

Description of the “Improvements” and “Equipment” included in the “Project”:

Improvements. [to be inserted].

The City reserves the right to amend its design and construction plans for the Public Works Facility.

Equipment. There is no Equipment.

LEASE PURCHASE AGREEMENT

by and between

UMB BANK, N.A.
as Lessor,

and

CITY OF MONTROSE, COLORADO,
as Lessee

Dated as of May 1, 2025

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LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT dated as of May 1, 2025 (this “Lease”), between **UMB BANK, N.A.**, a national banking association duly organized and validly existing under the laws of the United States, solely in its capacity as trustee under the Indenture (defined herein) (in such capacity, the “Trustee”), as lessor, and **THE CITY OF MONTROSE, COLORADO** (the “City”), a home-rule city and political subdivision of the State of Colorado (the “State”), as lessee.

WITNESSETH:

WHEREAS, the City Council of the City (the “City Council”) has the power, pursuant to the City Charter and Section 31-15-713(1)(c), Colorado Revised Statutes (“C.R.S.”), to lease any real estate owned by the City when deemed by the City Council to be in the best interests of the City; and

WHEREAS, the Trustee (a) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States; (b) is duly qualified to do business in the State; (c) is the lessee of the Leased Property pursuant to the Site Lease, dated as of the date hereof (the “Site Lease”) between the City as site lessor and, the Trustee, acting solely in its capacity as trustee under the Indenture, as site lessee; and (d) is authorized, under its articles of association and bylaws and applicable law, to act as trustee under the Indenture, to lease the Leased Property from the City, to lease the Leased Property to the City and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the City Council has determined and hereby does determine that public interest and necessity require that the City fund the construction, improvement and equipping of a new public works facility (collectively, the “Project”) on the site of the Leased Property; and

WHEREAS, pursuant to the Site Lease, the City has leased the Leased Property to the Trustee; and

WHEREAS, for purposes of financing the Project by the City, the City Council has determined and hereby determines that it is in the best interests of the City that the City and the Trustee enter into this Lease; and

WHEREAS, the Trustee desires to lease the Leased Property to the City, and the City desires to lease the Leased Property from the Trustee, pursuant to the terms and conditions and for the purposes set forth herein; and

WHEREAS, in order to finance the Project, the Series 2025 Certificates shall be executed and delivered to the Owners thereof pursuant to the Indenture; and

WHEREAS, the Series 2025 Certificates shall evidence assignment of interests in the right to receive Lease Revenues (defined in the Indenture), shall be payable solely from the Trust Estate (defined in the Indenture) and no provision of the Series 2025 Certificates, the Indenture, the Site Lease or this Lease shall be construed or interpreted (a) to directly or indirectly obligate the City

to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple Fiscal Year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the City; (d) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution; and

WHEREAS, the execution, delivery and performance of this Lease by the Trustee has been duly authorized by the Trustee and, upon the execution and delivery of this Lease by the Trustee and the City, this Lease will be enforceable against the Trustee in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America; and

WHEREAS, the execution, delivery and performance of this Lease by the City has been duly authorized by the City by an Ordinance finally passed and adopted on second reading by the City Council and, upon the execution and delivery of this Lease by the City and the Trustee, this Lease will be enforceable against the City in accordance with its terms, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America; and

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

ARTICLE I

DEFINITIONS

Section 1.01. Terms Defined in Preamble and Recitals. The following terms shall have the meanings set forth in the preamble and recitals hereto:

City	Project
City Council	Site Lease
C.R.S.	State
Lease	Trustee

Section 1.02. Certain Funds and Accounts. All references herein to any Funds and Accounts shall mean the funds and accounts so designated which are established pursuant to the Indenture.

Section 1.03. Terms Defined in the Indenture. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture.

Section 1.04. Additional Definitions. The following additional terms shall have the meanings specified below:

“Additional Rentals” means the cost of all (a) reasonable expenses and fees of the Trustee related to the performance of the provisions of this Lease, or otherwise incurred at the request of the City, (b) taxes, if any, insurance premiums, utility charges, maintenance, upkeep, repair, improvement and replacement in respect of the Leased Property, and (c) all other charges and costs (together with all interest and penalties that may accrue thereon) in the event that the City shall fail to pay the same, as specifically set forth herein which the City assumes or agrees to pay hereunder. Additional Rentals do not include Base Rentals.

“Authorized Officer” means (a) in the case of the Trustee, any person authorized to perform any act or sign any document by or pursuant to the bylaws or any resolution of the governing body of the Trustee; and (b) in the case of the City, means any member of the City Council, the City Manager of the City, the Finance Director of the City, or any person authorized by ordinance or resolution of the City Council or certificate of the City to perform any act or execute any document.

“Base Rentals” means the payments payable by the City during the Lease Term pursuant to Section 6.02 of this Lease and as set forth in Exhibit B which constitute the payments payable by the City for and in consideration of the right to use the Leased Property during the Lease Term. In the event that Exhibit B sets forth separate schedules of Base Rentals payable with respect to one or more separate portions of the Leased Property, such payments will be combined for purposes of Section 6.02, but may be treated as separate schedules for other purposes of this Lease.

“Base Rental Payment Dates” means May 15 and November 15 of each Fiscal Year.

“Bond Counsel” is defined in the Indenture.

“Business Day” is defined in the Indenture.

“Certificate Fund” is defined in the Indenture.

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

“Completion Date” is defined in Section 7.01 hereof.

“Costs of the Project” means all costs and expenses in connection with the Project, including without limitation:

(a) obligations incurred or assumed for labor, materials, and Equipment;

(b) the cost of performance and payment bonds and of insurance of all kinds (including, without limitation, title insurance) that may be necessary or appropriate;

(c) the costs of engineering, architectural and other professional and technical services, including obligations incurred or assumed for preliminary design and development work, test borings, surveys, estimates and plans and specifications;

(d) administrative costs incurred prior to the Completion Date, including supervision of construction and improvement as well as the performance of all of the other duties required by or consequent upon the Project; including, without limitation, costs of preparing and securing all Project Documents, architectural, engineering and other professional and technical fees, legal fees and expenses, appraisal fees, independent inspection fees, auditing fees, and advertising expenses;

(e) administrative costs of execution and delivery of the Series 2025 Certificates, including the initial compensation and expenses of the Trustee, any financial advisor's fees and expenses in connection with the execution and delivery of the Series 2025 Certificates, any fees or expenses of the Trustee prior to the Completion Date, any legal fees and expenses, any underwriter's discount or placement agent's fee, costs incurred in obtaining ratings from rating agencies, if any, costs of publication, printing and engraving, accountants' fees and recording and filing fees;

(f) all costs which are required to be paid under the terms of any Project Contract;

(g) all costs which are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles; and

(h) any and all other costs necessary to effect the acquisition, construction and equipping of the Project to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Base Rentals.

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

"Equipment" means (a) those items of equipment, machinery and related property included in the Leased Property, if any, described in Exhibit A to this Lease, (b) any other equipment, machinery or related property included in the Project, and (c) any items of equipment, machinery and related property acquired in replacement or substitution for the Leased Property pursuant to Section 9.02, 9.03 or 10.02 of this Lease, less equipment, machinery and related property released from this Lease pursuant to Section 9.03 hereof, or damaged, destroyed or condemned as provided in Section 10.01 hereof.

"Event of Default" means one or more events of default as defined in Section 14.01 of this Lease.

"Event of Nonappropriation" means a termination of this Lease by the City, determined by the City's failure for any reason, to duly enact by the last day of each Fiscal Year an appropriation resolution for the ensuing Fiscal Year which includes (a) by specific line item reference, amounts authorized and directed to be used to pay all Base Rentals and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due, as provided in Section 6.06 of this Lease. The

term also means notice under Section 4.01 of this Lease of the City's intention to terminate and an event described in Section 6.06 of this Lease relating to the failure by the City to appropriate amounts due as Additional Rentals in excess of the amounts estimated to become due.

"Fiscal Year" means the fiscal or budget year of the City.

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

"Improvements" means those Improvements described in Exhibit A attached hereto.

"Indenture" means the Indenture of Trust of even date herewith providing for the initial delivery of the Series 2025 Certificates to the Owners thereof, together with any amendments, supplements or modifications thereto.

"Insurance Consultant" means an independent person or firm acceptable to the City experienced in providing the specific type of insurance in question and capable of making an evaluation of the actuarial risk of loss from the types of events customarily covered by such insurance policies.

"Interest Payment Date" is defined in the Indenture.

"Lease Purchase Agreement Balance" means the Outstanding principal amount of the Series 2025 Certificates.

"Lease Remedy" or *"Lease Remedies"* means any or all remedial steps provided in Section 14.02 of this Lease whenever an Event of Default hereunder has happened and is continuing, which may be exercised by the Trustee as provided in Article VII of the Indenture.

"Lease Term" means the time during which the City is the lessee of the Leased Property under this Lease, including the Original Term and all Renewal Terms as provided in and subject to Article IV and Sections 6.01, 6.02 and 6.06 of this Lease; certain provisions of this Lease survive the termination of the Lease Term, as provided in Section 4.02 of this Lease.

"Leased Property" means, collectively, the City's leasehold interest pursuant to this Lease in the Leased Property, the Improvements thereon and the Equipment, if any, as described in Exhibit A hereto.

"Net Proceeds" when used with respect to any performance or payment bond proceeds, or proceeds of insurance, including self-insurance, required by this Lease, or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under a Project Contract or any other contract relating to the Leased Property or proceeds from any Lease Remedy, means the amount remaining after deducting from such proceeds (a) all expenses

(including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the Trustee.

"Original Term" means the portion of the Lease Term that terminates on December 31, 2025.

"Outstanding" is defined in the Indenture.

"Owner" or *"owner"* or *"registered owner"* of a Series 2025 Certificate means the then-current registered owner of any of the Series 2025 Certificates as shown in the registration records of the Trustee.

"Permitted Encumbrances" means those encumbrances provided in Exhibit C hereto.

"Project Contract" means any contract entered into by the City regarding the construction and improvement of any part of the Project (including, without limitation, contracts with construction contractors, vendors, architects, engineers and other consultants).

"Project Documents" means the following: (a) plans, drawings and specifications for the construction and improvement of the Project, when and as they are approved by the City, including change orders, if any, as provided in this Lease; (b) any necessary permits for a Project Contract, including any building permits and certificates of occupancy; (c) all Project Contracts; (d) policies of title, public liability, property and workmen's compensation insurance, or certificates thereof, as required by this Lease with respect to any part of the Leased Property financed hereunder; (e) performance and payment bonds with respect to the Leased Property or any Project Contract; and (f) all other documents executed by or furnished to the City in connection with the Leased Property or any Project Contract.

"Purchase Option Price" means the amount payable, at the option of the City, for the purpose of terminating this Lease with respect to the Leased Property and purchasing the Leased Property pursuant to Article XII of this Lease, which amount shall be (a) an amount equal to the City's outstanding Lease Purchase Agreement Balance, plus all Base Rentals representing interest on the Series 2025 Certificates which may be due on any date to the proposed date of repayment of the Series 2025 Certificates, or (b) an amount calculated by an independent certified public accountant, which is due in addition to the Lease Purchase Agreement Balance upon prepayment equal to an amount that together with the amount of such Lease Purchase Agreement Balance shall be invested in noncallable obligations issued or guaranteed by the United States of America (which shall not have a yield in excess of the yield permitted pursuant to the Code), the principal of and interest on which will be sufficient to pay (i) the principal or redemption price of the Outstanding Series 2025 Certificates and (ii) interest on the Outstanding Series 2025 Certificates coming due on each Interest Payment Date until the last of the Outstanding Series 2025 Certificates is redeemed and cancelled, as specified by the City, and plus (c) any other amount for costs or otherwise necessary to discharge the Indenture with respect to this Lease, and plus (d) any Additional Rentals then due or accrued.

"Rating Agencies" is defined in the Indenture.

"Rebate Fund" is defined in the Indenture.

“*Renewal Term*” means any optional renewal of the Lease Term for the next Fiscal Year by the City, as provided in Article IV of this Lease.

“*Revenues*” means (a) all amounts payable by or on behalf of the City with respect to the Leased Property pursuant to this Lease including, but not limited to, all Base Rentals, Purchase Option Prices and Net Proceeds, but not including Additional Rentals other than deposits payable hereunder; (b) any portion of the proceeds of the Series 2025 Certificates deposited with the Trustee in the Certificate Fund; (c) any earnings on moneys on deposit in the Certificate Fund; (d) all other revenues derived from this Lease, excluding Additional Rentals; and (e) any other moneys to which the Trustee may be entitled for the benefit of the Owners of the Series 2025 Certificates.

“*Series 2025 Certificates*” is defined in the Indenture.

“*Site Lease*” means the Site Lease dated of even date herewith, whereby the City conveys a leasehold interest in the Leased Property, upon which the Project is to be located, and any existing improvements thereon, to the Trustee.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(a) The City is a home-rule city and political subdivision of the State, duly organized and existing under its home-rule Charter and the laws of the State. The City is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations under this Lease. The City has duly authorized and approved the execution and delivery of this Lease and the Site Lease.

(b) The acquisition, construction and equipping of the Project by the City under the terms and conditions provided for in this Lease, are necessary, convenient, in furtherance of and will at all times be used in connection with the City’s governmental and proprietary purposes and functions (except to the extent that subleasing of the Leased Property by the City is permitted by Section 13.02 of this Lease) and is in the best interests of the citizens of the City, and no portion of the Leased Property will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit of the State except with the prior Approval of Bond Counsel (as defined in the Indenture) or as stated in the tax compliance certificate executed in connection with the Series 2025 Certificates.

(c) None of the execution and delivery of this Lease or the Site Lease, or the fulfillment of or compliance with the terms and conditions of this Lease and the Site Lease, or the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the City, or constitutes a default under any of the

foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the City, except for Permitted Encumbrances.

(d) There is no litigation or proceeding pending or threatened against the City or any other person affecting the right of the City to execute this Lease or the Site Lease or the ability of the City to make the payments required hereunder or to otherwise comply with the obligations contained herein.

(e) To the best knowledge of the City, after due inquiry, (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto (collectively, "Environmental Regulations"), and also including urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Leased Property to any damages, penalties or liabilities under any applicable Environmental Regulation (collectively, "Hazardous Substances") are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Leased Property in violation of any Environmental Regulation; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Leased Property into the environment; (iii) the Leased Property has not been used as or for a mine, landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is located at the Leased Property or has previously been located therein but has been removed therefrom; (v) no violation of any Environmental Regulation now exists relating to the Leased Property, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Leased Property by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under, over or from the Leased Property; (viii) the Leased Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Leased Property is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

Section 2.02. Representations, Covenants and Warranties of the Trustee. The Trustee represents, covenants and warrants as follows:

(a) The Trustee (i) is a national banking association that is duly organized, validly existing and in good standing under the laws of the United States; (ii) is duly qualified to do business in the State; (iii) solely in its capacity as trustee under the Indenture, is the site lessee of the Leased Property pursuant to the Site Lease; and (iv) is authorized, under its articles of association and bylaws and applicable law, to act as trustee under the Indenture, to lease the Leased Property from the City, to lease the Leased Property to the City and to execute, deliver and perform its obligations under this Lease.

(b) Except as specifically provided in this Lease or the Indenture, the Trustee will not pledge or assign its right, title and interest in and to the Revenues derived under this Lease or any of its other rights under this Lease or assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in, to and under this Lease or the Leased Property, except for Permitted Encumbrances.

(c) None of the execution and delivery of this Lease or the Site Lease or the fulfillment of or compliance with the terms and conditions hereof and thereof, or the consummation of the transactions contemplated hereby and thereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(d) Except as specifically provided in this Lease, the Site Lease or the Indenture, the Trustee will not assign its duties and obligations under this Lease or the Site Lease to any other person, firm or corporation, so as to impair or violate the representations, covenants and warranties contained in this Section 2.02.

(e) There is no litigation or proceeding pending or threatened against the Trustee or any other person affecting the right of the Trustee to execute this Lease, the Site Lease, or the Indenture and to perform its obligations hereunder and thereunder.

(f) The Trustee acknowledges that the obligations of the City under this Lease are payable solely from the Revenues under this Lease and shall not constitute or give rise to a general obligation or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of any constitutional, charter or statutory provision or limitation nor a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. The Trustee further acknowledges that the City may elect not to renew this Lease by failure to budget and appropriate funds sufficient to meet its next Fiscal Year's Base Rentals and Additional Rentals, and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the City Council.

(g) The Trustee shall hold its interest in the Leased Property and its rights, title and interest in, to and under this Lease (other than the Trustee's rights to payment of its fees and expenses and the rights of third parties to Additional Rentals payable to them) in trust for the benefit of the Owners pursuant to the Indenture. Any successor trustee under the Indenture shall automatically succeed to the previous trustee's interest in the Leased Property and the previous trustee's rights, title, interest and obligations in, to and under this

Lease. The Trustee shall not, except as provided in this Lease or in the Indenture, assign, convey or otherwise transfer to any person or entity any of the Trustee's interest in the Leased Property or the Trustee's rights, title or interest in, to or under this Lease.

ARTICLE III

LEASE OF LEASED PROPERTY

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

ARTICLE IV

LEASE TERM

Section 4.01. Duration of Lease Term; City's Annual Right to Renew Lease. The Lease Term shall commence as of the date hereof and continue through the last day of the Original Term. Subject to the provisions of section 4.02 hereof, the Lease Term may be renewed at the end of the Original Term and at the end of each Renewal Term thereafter for a term of twelve months coinciding with the next succeeding Fiscal Year of the City. The City shall have the right to annually renew the Lease Term unless (a) the City gives written notice to the Trustee not less than 90 days prior to the end of the Original Term or the then current Renewal Term of the City's intention not to renew this Lease at the end of the Original Term or the then current Renewal Term, or (b) an Event of Nonappropriation shall have occurred with respect to a Renewal Term occurring after the Original Term or any then current Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except for the amount of Base Rentals and Additional Rentals to be paid during such Renewal Term. The Lease Term, including the Original Term and all Renewal Terms, does not exceed the weighted average useful life of the Leased Property. If this Lease involves both real property and other property, the cost of such real property is amortized over a period not exceeding its weighted average useful life, and the cost of such other property is separately amortized over a period not exceeding its weighted average useful life. The combined amortization of such costs is set forth in Exhibit B, attached hereto and made a part hereof.

Except as otherwise provided in Section 4.02 hereof, the exercise of the City's annual option to renew this Lease shall be conclusively determined by whether or not the City Council has, on or before the last day of each Fiscal Year, duly enacted an appropriation ordinance or resolution for the ensuing Fiscal Year which includes (a) by specific line item reference sufficient amounts authorized and directed to be used to pay all the Base Rentals and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Section 6.06 of this Lease. The officer of the City at any time charged with the responsibility of formulating budget proposals is hereby directed to include in the annual budget proposals submitted to the City Council items for all payments required under this Lease for the ensuing Fiscal Year, until such time (if any) as the City Council may determine to renew or not to renew this Lease; it being the intention of the City Council that any decision to renew or not to renew this Lease shall be made solely by the City Council and not by any other official of the City. Said

officer shall also include in said budget proposal the total amount to be expended by the City during the ensuing Fiscal Year for payment obligations under all lease-purchase agreements involving real property, including this Lease; the total maximum payment liability of the City under all lease-purchase agreements involving real property, including this Lease, over the entire terms of such agreements, including all optional renewal terms; the total amount to be expended by the City during the ensuing Fiscal Year for payment obligations under all lease-purchase agreements other than those involving real property, including this Lease (if applicable); and the total maximum payment liability of the City under all lease-purchase agreements other than those involving real property, including this Lease (if applicable), over the entire term of such agreements, including all optional renewal terms. Each budget required by law to be filed with the State Department of Local Affairs, Division of Local Government, shall include a supplemental schedule that contains the foregoing information. The City shall in any event, promptly furnish the Trustee with copies of its annual budget not later than January 31 of the year for which the budget is adopted. If such budget and appropriation are not adopted, the Trustee shall notify the City in writing as further provided in Section 6.06 hereof.

Section 4.02. Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

(a) the last day of any Fiscal Year during which there has occurred an Event of Nonappropriation pursuant to Section 4.01 and Article VI of this Lease (provided that the Lease Term will be deemed to have been renewed and, therefore, not terminated if the Event of Nonappropriation is cured as provided in Section 6.06 hereof);

(b) the conveyance of all of the Leased Property to the City upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals as provided in Section 12.02(a) and (b) of this Lease, and discharge of the Indenture as it relates to this Lease; or

(c) an Event of Default and termination of this Lease by the Trustee under Article XIV of this Lease.

An election not to renew the Lease Term shall terminate all unaccrued obligations of the City under this Lease, and shall terminate the City's rights of possession under this Lease at the end of the last day of the Fiscal Year for which this Lease shall be in effect (except to the extent of the holdover provisions of Section 14.02(d)(i) hereof, and except for any conveyance pursuant to Article XII of this Lease); but all other provisions of this Lease, including all obligations of the City accrued prior to such termination and all obligations of the Trustee with respect to the Owners and the receipt and disbursement of funds and all rights and remedies of the Trustee specifically provided herein, shall be continuing until the Indenture is discharged with respect to this Lease. Except for an event described in subparagraph (b) above, upon termination of this Lease, the City agrees to peaceful delivery of the Leased Property to the Trustee or its assigns at such reasonable location specified by the Trustee.

ARTICLE V

ENJOYMENT OF LEASED PROPERTY

The Trustee hereby covenants that the City shall during the Lease Term peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trustee, except as expressly required or permitted by this Lease or the Indenture. The Trustee shall, at the request of the City and at the cost of the City, join and cooperate fully in any legal action in which the City asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article V shall be subject to the Trustee's right to inspect the Leased Property. The City also hereby consents to the inspection by the Trustee of all books, accounts and records maintained by the City with respect to the Leased Property and this Lease.

ARTICLE VI

PAYMENTS BY THE CITY

Section 6.01. Payments to Be Paid from Currently Budgeted Expenditures of the City. The City and the Trustee acknowledge and agree that the Base Rentals and Additional Rentals hereunder during the Original Term and all of the Renewal Terms, if any, shall be paid from then currently budgeted expenditures of the City, using any legally available funds of the City. The City's obligations to pay Base Rentals, Additional Rentals or any other payments provided for under this Lease during the Original Term and all of the Renewal Terms, if any, shall be subject to the City's annual right to renew this Lease (as further provided in Article IV and Sections 6.02 and 6.06 hereof), and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of governmental powers or as creating indebtedness or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of any constitutional or statutory debt limitation, including without limitation, Article XI, Sections 1, 2 and 6, and Article X, Section 20, of the Colorado Constitution. Neither this Lease nor the execution and delivery of the Series 2025 Certificates shall directly or indirectly obligate the City to make any payments of Base Rentals or Additional Rentals beyond the funds legally available to the City for its then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any bonds or obligations of the City payable from any class or source of moneys of the City.

Section 6.02. Base Rentals and Additional Rentals.

(a) The City shall pay all Base Rentals directly to the Trustee during the Original Term and all Renewal Terms, on the Base Rental Payment Dates and in the "Total Base

Rentals” amounts set forth in Exhibit B, attached hereto and made a part hereof. The amount of Base Rentals otherwise payable hereunder shall be reduced by an amount equal to (i) the portion of the proceeds of the sale of the Series 2025 Certificates which is deposited in the Certificate Fund as accrued interest and capitalized interest; (ii) earnings derived from the investment of the Certificate Fund during the six-month period prior to the date on which such Base Rentals are required to be paid to the Trustee; and (iii) any moneys otherwise deposited into the Certificate Fund directed by the City to be applied toward Base Rentals.

(b) The City may, at any time during the Lease Term, pay the then applicable Purchase Option Price related to the Leased Property for the purpose of terminating this Lease and purchasing the Leased Property described in Exhibit A, as further provided in Article XII of this Lease. Certificates will be redeemed on the first Interest Payment Date on which the Series 2025 Certificates may be redeemed following the payment of such Purchase Option Price. The City shall give the Trustee notice of its intention to exercise its option not less than 60 days in advance of the date of exercise and shall deposit with the Trustee on or prior to an Interest Payment Date an amount equal to the Purchase Option Price.

(c) The City shall have the option to prepay a portion of Base Rentals due under this Lease on any Base Rental Payment Date during the Lease Term. In its sole discretion, the City shall determine which year or years of scheduled Base Rentals, as provided in Exhibit B hereto, the prepayment shall be applied. The City shall direct the Trustee in writing as to the exercise of its prepayment option and the application of the prepayment amount not less than 45 days from the Base Rental Payment Date on which the prepayment shall be made. Prepayment pursuant to this Section 6.02(c) shall be treated as a partial redemption of the applicable Certificates under the Indenture. Upon receipt of written direction from the City, the Trustee shall notify the Owners of the corresponding Certificates of the partial redemption, pursuant to the terms of Section 4.05 of the Indenture. Any prepayment made by the City shall be in integral multiples of \$100,000 and in multiples of \$5,000 in excess thereof. The City’s prepayment option pursuant to this Section 6.02(c) shall be in addition to its Purchase Option pursuant to Section 12.01 of this Lease. The City shall recalculate or cause to be recalculated the Base Rentals set forth in Exhibit B to this Lease in the event of any partial redemption of the Series 2025 Certificates prior to their respective principal payment dates, in order that such Base Rentals shall be paid in such amounts and at such times as will provide sufficient moneys to pay principal and interest on the Series 2025 Certificates which remain Outstanding. The Trustee may conclusively rely on the recalculation of the Base Rentals provided to it by the City.

(d) The City shall pay Additional Rentals during the Original Term and all Renewal Terms, if any, as herein provided. All Additional Rentals shall be paid by the City on a timely basis directly to the person or entity to which such Additional Rentals are owed. If the City’s estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 4.01 of this Lease, the City shall furnish an itemization of such estimated Additional Rentals to the Trustee on or before the last day of such Fiscal Year.

Section 6.03. Interest Component. A portion of each payment of Base Rentals is paid as, and represents payment of, interest on the Series 2025 Certificates, and Exhibit B hereto sets forth the interest component of each payment of Base Rentals.

Section 6.04. Manner of Payment. The Base Rentals and, if paid, the Purchase Option Price, shall be paid by the City by certified funds, electronic wire or other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its principal corporate trust office for deposit in accordance with the provisions of the Indenture. The obligation of the City to pay the Base Rentals and Additional Rentals, during the Original Term and each Renewal Term, shall be absolute and unconditional, payable from all legally available sources, and payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances, or any default under a Project Contract or by the Trustee under this Lease or under any other agreement between the City and the Trustee, or for any other reason, including without limitation, failure to complete the construction and equipping of the Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the special and limited nature of the City's obligation to make payments hereunder as set forth in section 6.01 above, and further subject to the City's rights under Section 9.04 hereof. Notwithstanding any dispute between the City, the Trustee or any party to a Project Contract, the City shall, during the Original Term and all Renewal Terms, make all payments of Base Rentals and Additional Rentals when due and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute (except to the extent permitted by Sections 8.02 and 9.04 hereof with respect to certain Additional Rentals), nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the City's obligation to pay all Base Rentals and Additional Rentals (except to the extent provided by Sections 8.02 and 9.04 hereof with respect to certain Additional Rentals), during the Lease Term.

Section 6.05. Expression of City's Need for the Leased Property. As of the date of this Lease, the City declares its current need for the Leased Property, that the leasing of the Leased Property is beneficial to the City, and that the Leased Property is necessary and essential to the City's purpose and operations. It is hereby declared to be the present intention and expectation of the City Council that this Lease will be renewed annually until full title to the Leased Property is acquired by the City pursuant to this Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City or any City Council following the end of the Original Term.

Section 6.06. Nonappropriation. In the event that the City Council shall not specifically budget and appropriate, on or before the last day of each Fiscal Year, moneys to pay all Base Rentals and the reasonably estimated Additional Rentals coming due for the next ensuing Fiscal Year as provided in Section 4.01 hereof and this Article, an Event of Nonappropriation shall be deemed to have occurred, and to each of the following provisions:

(a) The Trustee shall declare an Event of Nonappropriation on any earlier date on which the Trustee receives specific written notice from the City that this Lease will be terminated.

(b) Absent such notice from the City, the Trustee shall give written notice to the City of any Event of Nonappropriation, on or before the fifth day of the next following Fiscal Year; but any failure of the Trustee to give such written notice shall not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Trustee.

(c) The Trustee may waive any Event of Nonappropriation which is cured by the City within a reasonable time if in the Trustee's judgment such waiver is in the best interest of the Owners of the Series 2025 Certificates.

(d) The Trustee shall waive any Event of Nonappropriation which is cured by the City, within ten days of the giving of notice by the Trustee as provided in (b) above, by inclusion in a duly enacted appropriation ordinance, (i) by specific line item, amounts authorized and directed to be used to pay all Base Rentals and (ii) sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Fiscal Year.

In the event that during any Fiscal Year, any Additional Rentals shall become due which were not included in a duly enacted appropriation ordinance then, in the event that moneys are not specifically budgeted and appropriated to pay such Additional Rentals within 45 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the City to such effect (subject to waiver by the Trustee as hereinbefore provided).

Notwithstanding any provision to the contrary herein, if an Event of Nonappropriation occurs, the City's rights of possession of the Leased Property under this Lease shall terminate at the end of the last day of the Fiscal Year for which this Lease shall be in effect, and the City shall not be obligated to make payment of the Base Rentals, Additional Rentals or any other payments provided for herein which accrue after the end of the last day of the Fiscal Year for which this Lease shall be in effect; provided, however, that, subject to the limitations of Sections 6.01 and 14.03 hereof, the City shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the City shall continue to occupy, use or retain possession of the Leased Property, beginning with the first day of the Fiscal Year in respect of which the Event of Nonappropriation occurs. The City shall in all events vacate or surrender possession of the Leased Property by the 10th Business Day of the Fiscal Year in respect of which the Event of Nonappropriation has occurred.

The Trustee shall, upon the occurrence of an Event of Nonappropriation, be entitled to all moneys then on hand and being held in the accounts within all funds created under the Indenture for the benefit of the Owners. After the 10th Business Day of the Fiscal Year in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies. All property, funds and rights acquired by the Trustee upon the termination of this Lease by reason of an Event of Nonappropriation as provided herein, less any moneys due and

owing to the Trustee, shall be held by the Trustee for the benefit of the Owners as set forth in the Indenture.

Section 6.07. Disposition of Base Rentals. Upon receipt by the Trustee of each payment of Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Base Rentals in the Certificate Fund.

ARTICLE VII

CONSTRUCTION OF THE PROJECT

Section 7.01. Agreement to Construct the Project. So long as this Lease is not terminated by an Event of Nonappropriation or an Event of Default, the City hereby agrees that it will make all contracts, take all other actions and do all things necessary for the construction and equipping of the Project and, in connection therewith, and in addition thereto, will comply with all applicable provisions of State and local law.

(a) The City shall cause the Project to be constructed and equipped as herein provided; and

(b) The Trustee shall hold a leasehold interest in all Leased Property that is purchased or financed from moneys deposited in the Construction Fund, subject to this Lease, the Site Lease and the Indenture, even though the City may act as agent of the Trustee in constructing and equipping the Project.

Construction and equipping of the Project shall be in accordance with the Project Documents, subject to reasonable change orders or any other reasonable changes approved by the City. So long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the City shall have full power to carry out the acts and agreements provided in this Section 7.01, and such power is granted and conferred under this Lease to the City, and is accepted by the City and shall not be terminated or restricted by act of the Trustee, except as provided in this Section 7.01.

The City agrees to construct and equip the Project with all reasonable dispatch through the application of moneys to be disbursed by the Trustee from the Construction Fund. The City shall use its best efforts to cause the construction of the Project to be completed on or before December 31, 20[] (the "Scheduled Completion Date"). The "Completion Date" shall be deemed to have occurred when the City delivers a certificate to the Trustee stating that, to the best of the City's knowledge based upon the representations of the contractors, architects, engineers, vendors or other consultants and, except for any amounts estimated by the City to be necessary for payment of any Costs of the Project not then due and payable, the Project has been completed, and all Costs of the Project have been paid; provided, however, that the delivery of such certificate shall not, and such certificate shall state that it does not, prejudice any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

If for any reason the Project is not constructed and equipped by the Scheduled Completion Date, there shall be no resulting liability on the part of the City or Event of Default hereunder, and there shall be no diminution in or postponement of the Base Rentals and Additional Rentals

required to be paid by the City during the Lease Term. However, in the event that the Trustee shall not receive a certificate to the effect that the Project shall have been constructed and equipped, as required in Section 7.03 of this Lease, by the Scheduled Completion Date, and unless the City opts to complete the construction and equipping of the Project and submits a reasonable schedule of completion to the Trustee, the Trustee, shall, upon 30 days written notice to the City, be authorized, but not required, to construct and equip the Project from any moneys remaining in the Construction Fund.

Section 7.02. Disbursements from the Construction Fund. So long as no Event of Nonappropriation or Event of Default shall occur, and so long as the City's right to control the construction and equipping of the Project has not otherwise been terminated pursuant to Section 7.01 of this Lease, the Trustee shall, at the written direction of the City, disburse moneys from the Construction Fund in payment of Costs of the Project. Such disbursements shall be made upon receipt by the Trustee of a requisition in the form attached hereto as Exhibit D signed by an Authorized Officer of the City (a) stating with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due or, in the event the City requests reimbursement for expenses previously paid, the City address where the reimbursement is to be sent, (iii) the amount to be paid, (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal, (v) that all conditions required by this Lease to be met prior to such payment have been satisfied and (vi) that the disbursement requested will be used for a Cost of the Project; (b) specifying in reasonable detail the nature of the obligation; (c) accompanied by a bill, invoice or statement of account for such obligation; (d) in the case of a disbursement for items of Equipment included in the Leased Property, a valid bill of sale, receipt or other evidence of title in the name of the Trustee or the City as agent of the Trustee capable of assignment to the Trustee, containing warranties of title free and clear of all claims together with a financing statement in form appropriate to perfect the security interest of the Trustee in such items; and (e) that no Event of Nonappropriation or Event of Default has occurred and is continuing. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The execution of any requisition certificate by City shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. The City shall execute such financing statements and other instruments and permit the labeling of the Equipment included in the Leased Property in connection with each disbursement as may be reasonably required by the Trustee to perfect its security interest in such Equipment.

If an Event of Nonappropriation or an Event of Default shall occur prior to the Completion Date, the Construction Fund may be utilized by the Trustee to complete, repair or modify the Project, or may be disbursed for the payment of the Series 2025 Certificates, or for other charges as the Trustee may deem appropriate in the best interests of the Owners of the Series 2025 Certificates.

Under the Indenture, the Trustee is authorized to issue its checks or drafts for each disbursement to pay Costs of the Project provided for herein. The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom as reasonably directed by the City, and after the Project has been constructed and equipped and the certificate as to payment of Costs of the Project has been filed with the Trustee as provided in

Section 7.03 of this Lease, and after any remaining amounts in the Construction Fund are transferred to the Certificate Fund, the Trustee shall file an accounting thereof with the City.

Section 7.03. Completion of Construction. Upon the completion of the construction and equipping of the Project and the acceptance thereof by the City, an Authorized Officer of the City shall deliver to the Trustee a certificate stating that, to the best of the City's knowledge based upon the representations of officials of the City and parties to the Project Contracts and except for any amounts estimated by an Authorized Officer of the City to be necessary for payment of any Costs of the Project not then due and payable, the Project has been constructed and equipped to the satisfaction of the City, and all Costs of the Project have been paid. Notwithstanding the foregoing, such certificate shall not, and shall state that it does not, prejudice any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

In the event that, after the delivery of such completion certificate, there remains in the Construction Fund any unreserved balance, such balance shall be transferred to the Interest Account of the Certificate Fund for credit against the Base Rentals next becoming due.

Section 7.04. Acquisition of the Leased Property; Title Insurance. The City shall lease the Leased Property to the Trustee pursuant to the Site Lease. Concurrently with the execution of the Site Lease, the Trustee shall be provided with a commitment for an ALTA Loan Title Insurance Policy to be issued to the Trustee in an amount equal to no less than the par amount of the Series 2025 Certificates executed and delivered under the Indenture, insuring the Trustee's leasehold interest in the Leased Property, subject only to Permitted Encumbrances.

Section 7.05. Project Contracts. In the event of cost overruns in connection with the construction and equipping of the Project, either (a) the City shall make such modifications to the plans and specifications for the Project, or make such modifications to or deletions from the Equipment included in the Leased Property, as will permit such Project and Equipment to be otherwise constructed and equipped from the amounts available therefor in the Construction Fund, or (b) to the extent permitted by law, deposit additional funds in the Construction Fund sufficient to complete such construction and equipping of the Project. Upon the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee may complete the construction and equipping of the Project, utilizing any moneys remaining in the Construction Fund. All Project Contracts relating to the Project or Equipment included in the Leased Property shall provide that, upon a failure to renew the Lease Term by reason of the occurrence of an Event of Nonappropriation or an Event of Default or upon the Trustee's assuming control over completion of the construction and equipping of the Project as provided in Section 7.01 of this Lease, and upon written notice by the Trustee to the party or parties to the Project Contract that any of such events has occurred: (i) such contracts shall be fully and freely assignable to the Trustee without the consent of any other person and the Trustee may choose to assume or not assume such Project Contract; and (ii) if the Trustee does so assume such Project Contract, the other party or parties thereto shall perform the agreements contained therein for the Trustee. All Project Contracts relating to the Project or Equipment included in the Leased Property shall also provide that, upon an Event of Nonappropriation or an Event of Default and upon written notice from the Trustee, the Trustee may terminate such Project Contract, and the other party or parties thereto shall then be entitled to payment only from amounts available therefor in the Construction Fund and only for work done prior to such termination. Upon the occurrence of an Event of Nonappropriation or an Event of

Default or upon the Trustee's assuming control over the construction and equipping of the Project as provided in Section 7.01 of this Lease, and upon receipt of a written request from the Trustee, the City shall assign all of its right, title, and interest in and to any or all Project Contracts relating to the Project to the Trustee and shall deliver all such Project Documents held by it to the Trustee.

Section 7.06. Project Documents. The City shall furnish to the Trustee upon request copies of the Project Documents relating to the Project, as soon after the commencement of the Lease Term as such Project Documents shall become available to the City and from time to time thereafter. Neither the Project Documents nor any change or amendment thereto shall (a) cause the Project to be used for any purpose prohibited hereby or by the Constitution or laws of the State; (b) result in a material reduction in the value the Leased Property (except as provided in Section 7.05 hereof); or (c) adversely affect the ability of the City to meet its obligations hereunder.

Section 7.07. Defaults under Project Contracts. In the event of any material default by a construction contractor under any of the Project Contracts relating to the Project, or in the event of a material breach of warranty with respect to any materials, workmanship, or performance, the City shall promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against such contractor and/or against each surety of any bond securing the performance of such Project Contract. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments, or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorneys' fees and costs), and after reimbursement to the City of any amounts theretofore paid by the City and not previously reimbursed to the City for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Construction Fund if received before the Completion Date, or if received thereafter, shall be deposited as otherwise provided in Section 10.02 of this Lease.

Section 7.08. Contractor's Performance and Payment Bonds. The general contractor entering into a Project Contract for the Project shall be required to furnish a performance bond and a separate labor and material payment bond on forms acceptable to the City, copies of which shall be provided to the City and, upon request, the Trustee. Such bonds shall be made payable to the City and the Trustee, as their interests may appear, and shall be executed by a corporate surety licensed to transact business in the State and acceptable to the City, and shall be in an amount at least equal to the contract price for such contractor's Project Contract. If, at any time during the performance of a Project Contract, the surety on such bond shall be disqualified from or cease doing business within the State, an alternate surety acceptable to the City shall be selected. In the event of any change order valued in excess of \$100,000 resulting in the performance of additional work in connection with a Project Contract, the amount of such bond shall be increased by an amount at least equal to the cost of such additional work or materials or fixtures to be incorporated in the Leased Property.

Section 7.09. Contractor's General Public Liability and Property Insurance. The general contractor entering into a Project Contract for the Project shall be required to procure and maintain standard form comprehensive general public liability and property insurance, at its own cost and expense, during the duration of such contractor's Project Contract, in an amount acceptable to the City. Such policies shall name the City and the Trustee as mortgagee/trustee and

loss payees and additional insureds, as their respective interests may appear, and shall include a provision to the effect that the insurance company shall not cancel the policy or modify it materially or adversely to the interests of the City and the Trustee without 60 days' prior notice by certified mail to the City and the Trustee. A certificate of such insurance shall be provided to the Trustee with respect to the general contractor. Such insurance shall provide protection from all claims for bodily injury, including death, property damage and contractual liability.

Section 7.10. Contractor's Builder's Risk Completed Value Insurance. The general contractor for any Project Contract for the Project shall be required to procure and maintain, at its own cost and expense, during the term of the applicable Project Contract standard, all risk of loss builder's risk completed value insurance upon the Project. Such policy shall contain a waiver of subrogation by the issuer of such policy with respect to the City and the Trustee, and their officers, agents and employees while acting within the scope of their employment. The policy may have a deductible clause in an amount acceptable to the City. A certified copy of such insurance policy, or a certificate with respect thereto with appropriate endorsements attached, shall be provided by the City to the Trustee. Such insurance coverage shall be in an amount at least equal to the total contract price for such contractor's work. In the event of any change order valued in excess of \$100,000 resulting in the performance of additional work, the amount of such insurance shall be increased to include the cost of such additional work, as well as related materials and fixtures. Such builder's risk completed value insurance policy shall name the City and the Trustee as mortgagee/trustee and loss payees and additional insureds, as their respective interests may appear. No agent or employee of the City shall adjust or settle any loss with respect to the Project without the prior written consent of the Trustee and such consent shall not be unreasonably withheld; except that losses not exceeding \$100,000 may be adjusted or settled by the City without the Trustee's consent.

Section 7.11. Contractor's Worker's Compensation Insurance. The general contractor entering into a Project Contract for the Project shall be required to procure and maintain, at its own cost and expense, worker's compensation insurance during the term of its Project Contract, covering its employees working thereunder. Such insurance, if issued by a private carrier, shall contain a provision that such coverage shall not be canceled without ten days' prior written notice to the City and the Trustee. A certificate issued by the Colorado State Insurance Fund or a private carrier evidencing such coverage shall be provided by the City to the Trustee with respect to such contractor. Each Project Contract relating to the Project shall also provide that each subcontractor of any contractor who is a party to such Project Contract shall be required to furnish similar worker's compensation insurance.

Section 7.12. Proceeds of Certain Insurance Policies and Performance Bonds. The Net Proceeds of any performance or payment bond or insurance policy required by Sections 7.08 and 7.10 of this Lease, and any Net Proceeds received as a consequence of default under a Project Contract as provided by Section 7.07 of this Lease, shall be paid into the Construction Fund if received before the Completion Date, or, if received thereafter, shall be deposited as provided in Section 10.02 of this Lease.

ARTICLE VIII

TITLE TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 8.01. Title to the Leased Property. Except for personal property purchased by the City at its own expense pursuant to Section 9.02 of this Lease, title to the Leased Property shall remain in the City, subject to the Site Lease and this Lease, and the Trustee shall hold a leasehold interest in the Leased Property and the Equipment, if any, and any and all additions and modifications thereto and replacements thereof, subject to the Site Lease and this Lease, until the Trustee has exercised Lease Remedies or until the Leased Property and the Equipment are conveyed as provided in Article XII of this Lease, notwithstanding (a) a termination of this Lease by the City by reason of an Event of Nonappropriation as provided in Section 6.06 of this Lease; (b) the occurrence of one or more Events of Default as defined in Section 14.01 of this Lease; (c) the occurrence of any event of damage, destruction, condemnation, or, construction, manufacturing or design defect or title defect, as provided in Article X of this Lease; or (d) the violation by the Trustee of any provision of this Lease.

The City shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease or the Site Lease.

Section 8.02. No Encumbrance, Mortgage or Pledge of Leased Property. Except as may be permitted by this Lease, the City shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the City shall first notify the Trustee of the intention of the City to do so, the City may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the Opinion of Counsel, by nonpayment of any such items the Trustee's title to or interest in the Leased Property or the lien on the Leased Property pursuant to the Indenture will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate fully with the City in any such contest, upon the request and at the expense of the City. Except as may be permitted by this Lease, neither the Trustee nor the City shall directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The City and the Trustee shall promptly, at their own respective expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which each shall respectively have created, incurred, or suffered to exist. The Trustee's obligations hereunder shall be limited to assets held in the Trust Estate.

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.01. Maintenance of the Leased Property by the City. The City agrees that at all times during the Lease Term the City will maintain, preserve and keep all portions of the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and that the City will from time to time make or cause to be made all necessary and proper repairs, except as otherwise provided in Sections 9.03 and 10.03 of this Lease. Neither the Trustee nor any of the Series 2025 Certificate Owners shall have any responsibility for such maintenance or repairs or for the making of any additions, modifications or replacements to the Leased Property.

Section 9.02. Modification of the Leased Property, Installation of Furnishings and Machinery of the City. The City shall have the privilege of making substitutions, additions, modifications and improvements to any portion of the Leased Property, at its own cost and expense, subject to this Lease and the Indenture, and shall be included under the terms of this Lease, the Site Lease and the Indenture; provided, however, that such substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental or proprietary functions of the City (except to the extent of subleasing permitted under Section 13.02 hereof); and provided that the Leased Property, as improved or altered, upon completion of such substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to making such substitutions, additions, modifications, and improvements.

The City may also, from time to time in its sole discretion and at its own expense, install machinery, equipment, and other tangible personal property in or on any Leased Property. All such machinery, equipment, and other tangible personal property shall remain the sole property of the City in which neither the Trustee nor the Owners of the Series 2025 Certificates shall have any interests; provided, however, that title to any such machinery, equipment, and other tangible personal property which becomes permanently affixed to any Leased Property shall be in the name of the Trustee, subject to the Indenture, and shall be included under the terms of this Lease and the Indenture, in the event the Trustee shall reasonably determine that such Leased Property would be materially damaged or impaired by the removal of such machinery, equipment, or other tangible personal property.

To the extent that there are funds remaining in the Construction Fund after the construction and equipping of the Project, but prior to the Completion Date, the City shall be allowed to make additions to the Leased Property. Any such addition shall have a useful life at least equal to the average useful life of the original Leased Property and shall be the property of the City, subject to, and included under the terms of, this Lease and the Indenture, as certified to the Trustee; provided however, that such addition shall not be used, or cause the original Leased Property to be used, for purposes other than lawful governmental or proprietary functions of the City (except to the extent of subleasing as permitted under Section 13.02 hereof); and provided that such addition to the Leased Property, upon completion, shall have a value at least equal to the amount remaining in the Construction Fund immediately prior to the addition of such Leased Property, as certified to the Trustee.

Section 9.03. Replacement and Substitution of Equipment. In any instance where the City determines any Equipment included in the Leased Property has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the City may (on behalf of the Trustee) sell, trade-in, exchange or otherwise dispose of it (as a whole or in part) without any responsibility or accountability to the Trustee therefor, provided that the City shall either:

(a) substitute and install (by direct payment of the costs thereof or by designating equipment, machinery or other personal property not included pursuant to Section 9.02 hereof as Leased Property) other equipment, machinery or related property having equal or greater value and utility (but not necessarily having the same function); provided, however, that such substituted equipment, machinery or related property will have a useful life of not less than the remaining useful life of the Leased Property for which it is substituted and the substituted equipment, machinery or related property will be deemed to be amortized on the date or dates set forth on Exhibit B with respect to the Leased Property for which it is substituted; or

(b) not make any such substitution and installation, provided (i) that in the case of the sale or other disposition of any such Equipment to anyone other than itself or in the case of the scrapping thereof, the City shall pay to the Trustee for deposit into the Principal Account of the Certificate Fund the net proceeds from such sale or other disposition, or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be included in the Leased Property subject to this Lease, the City shall pay to the Trustee, for deposit into the Principal Account of the Certificate Fund the amount of the credit received by it in such trade-in and (iii) that in the case of the sale or other disposition of any such Equipment to the City, the City shall pay to the Trustee for deposit into the Principal Account of the Certificate Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practices.

The removal from any Leased Property of any portion of the Equipment pursuant to the provisions of this Section 9.03 shall not entitle the City to any postponement, abatement or diminution of the Base Rentals or other payments required to be made under Section 6.02 hereof.

The City will promptly report in writing to the Trustee each removal, substitution, sale or other disposition under subparagraphs (a) and (b) of this Section and will pay to the Trustee all amounts required by subparagraph (b) of this Section to be paid into the Principal Account of the Certificate Fund promptly after any subsequent sale, trade-in or other disposition requiring such payment. All substituted machinery, equipment or related property installed pursuant to this Section 9.03 shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Leased Property and subject to the lien of the Indenture. The City will not dispose of, or permit the disposition of, any of the Equipment except in accordance with this Section 9.03 or in accordance with Article X of this Lease. The Trustee will cooperate with the City in implementing the City's rights to dispose of Leased Property pursuant to this Section 9.03 and will execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

Section 9.04. Taxes, Other Governmental Charges and Utility Charges. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the City shall pay the amount of all such taxes, assessments and governmental charges when due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the City shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the Trustee or the Owners), or the rentals and revenues derived therefrom or hereunder. The City shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges incurred in the maintenance and upkeep of the Leased Property.

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

Section 9.05. Provisions Regarding Liability, Property and Worker's Compensation Insurance. Upon the delivery and acceptance of the Leased Property as provided in this Lease, the City shall, at its own expense, cause casualty and property insurance to be carried and maintained with respect to the Leased Property in an amount equal to the principal amount of the Series 2025 Certificates related to this Lease then Outstanding or the maximum insurable value of the Leased Property, whichever is greater. Such insurance policy may have a deductible clause in an amount acceptable to the City and the Trustee. The City may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other property as well, as long as such blanket insurance policies comply with the requirements hereof. Any property damage insurance policy required by this Section 9.05 shall be so written or endorsed as to show the Trustee, as mortgagee/trustee and loss payee and additional insured, and to make losses exceeding \$1,000,000, if any, payable to the City and the Trustee as their respective interests may appear.

Upon the execution and delivery of this Lease, the City shall, at its own expense, cause public liability insurance, including blanket contractual liability or specific contractual liability insurance for this Lease and public officials' errors and omissions coverage, to be carried and maintained with respect to the activities to be undertaken by the City and its officers, officials, agents and employees in connection with the use and possession of the Leased Property. All such policies (other than errors and omissions) shall show the Trustee as additional insured. Such coverage shall be in amounts not less than the limits of liability per occurrence set by the Colorado

Governmental Immunity Act as the same may from time to time be amended, to a \$1,000,000 annual aggregate, for claims to which the defense of sovereign immunity applies. The public liability insurance required by this Section 9.05 may be by blanket insurance policy or policies.

At all times during the Lease Term, the City shall, at its own expense, cause worker's compensation insurance to be procured and maintained covering the City's employees working in or on the Leased Property. The worker's compensation insurance required by this Section 9.05 may be by blanket insurance policy or policies. A certificate evidencing such coverage shall be provided by the City to the Trustee upon the execution and delivery of this Lease.

If the City shall insure against similar risks by self-insurance, the City, at its election and in accordance with the standards of the State relating thereto, may in lieu of obtaining policies for casualty and property, public liability and workers' compensation insurance coverage as required by this Section 9.05 provide one or more such coverages by a self-insurance fund so long as the City provides an annual certification to the Trustee that the reserves therein are adequate as determined by, in the case of public liability and workers' compensation insurance, the City's risk manager, insurance consultant or actuary, and in the case of casualty and property insurance, an independent insurance consultant or actuary.

Each property and liability insurance policy provided for in this Section 9.05 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Trustee without first giving written notice thereof to the City and the Trustee at least 60 days in advance of such cancellation or modification. In the event that the City has received such notice of cancellation or modification, it shall immediately furnish to the Trustee a new insurance policy or certificate evidencing such policy replacing the cancelled or modified policy and effective on or before the effective date of such cancellation or modification.

The City shall provide certified copies of all insurance policies required under this Section 9.05 or certificates of insurance with appropriate endorsements attached evidencing, that the parties have been named as mortgagee/trustee and loss payees and additional insureds and that the sixty-day notice of cancellation provision is in effect. A certificate of insurance will be acceptable evidence of insurance at closing, with the understanding that the City shall furnish the policy or endorsements within 45 days after closing. All insurance policies issued pursuant to this Section 9.05 and Sections 7.09, 7.10 and 7.11 of this Lease or certificates evidencing such policies, shall be deposited with the Trustee.

Section 9.06. Advances for Additional Rentals. In the event that the City shall fail to pay any Additional Rentals during the Lease Term as such Additional Rentals become due, the Trustee may (but shall be under no obligation to) pay such Additional Rentals and the City agrees to reimburse the Trustee to the extent permitted by law and subject to appropriation as provided under Article 6 hereof.

Section 9.07. Granting of Easements. As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Trustee shall at any time or times, but only upon the request of the City, grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any

property or rights included in this Lease and the Indenture, free from this Lease and the Indenture and any security interest or other encumbrance created hereunder or thereunder, and the Trustee shall release existing easements, licenses, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration, and shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of: (a) a copy of the instrument of grant or release; (b) a written application signed by an Authorized Officer of the City requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.01. Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the City or the Trustee in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall be lost by reason of a defect in title thereto; then the City shall be obligated to continue to pay the amounts specified in Section 6.02 of this Lease (subject to Section 6.01 hereof) regardless of whether the certificate provided for in Section 7.03 of this Lease shall have been delivered to the Trustee.

Section 10.02. Obligation of the City to Repair and Replace the Leased Property. The City and, to the extent such Net Proceeds are within its control, the Trustee, shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards, or from default under a Project Contract to be deposited in the Construction Fund, if received before the applicable Completion Date, or, if received thereafter, to be deposited in a separate trust fund held by the Trustee. Subject to the receipt of the certificate required by the preceding sentence, all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the City upon receipt of requisitions acceptable to the Trustee signed by an Authorized Officer of the City stating with respect to each payment to be made; (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due; (c) the amount to be paid; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the Construction Fund or the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The execution of any requisition certificate by the City shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

For the purpose of effecting the collection of Net Proceeds, the City and the Trustee agree to cooperate and use their best reasonable efforts to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Project or the Equipment included in the Leased Property or otherwise. In carrying out any of the provisions of this Section 10.02, the City shall have all power and authority granted under Article VII of this Lease; and the Trustee shall cooperate with the City in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section 10.02. The balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed shall be deposited into the Certificate Fund. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the City, subject to this Lease and the Indenture and shall be included as part of the Leased Property under this Lease and the Indenture.

Section 10.03. Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 10.02 of this Lease, the City may elect to:

(a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such Leased Property or portion thereof and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the City are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this Section 10.03(a), the City shall not be entitled to any reimbursement therefor from the Trustee or the Owners, nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals payable under Section 6.02 of this Lease;

(b) apply the Net Proceeds to the payment of the Purchase Option Price in accordance with Article XII of this Lease. In the event of an insufficiency of the Net Proceeds for such purpose, the City shall, subject to the limitations of Section 6.01 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributed to the Leased Property for which the Net Proceeds have been received (as certified to the Trustee by the City); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be retained by the City; or

(c) if the City does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the City's right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.

The above referenced election shall be made by the City within 90 days of the occurrence of an event specified in Section 10.01 of this Lease.

If the City elects to replace the Leased Property with similar property pursuant to subparagraph (a) above, the City shall give notice thereof to the Rating Agencies prior to such substitution.

Section 10.04. Cooperation of the Trustee. At the expense of the City, the Trustee shall cooperate fully with the City in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.01 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the prosecution of any action relating to defaults under Project Contracts and the enforcement of all warranties relating to the Leased Property. In no event shall the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults under Project Contracts with respect to the Leased Property or any portion thereof without the written consent of the City.

ARTICLE XI

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 11.01. Disclaimer of Warranties. NEITHER THE TRUSTEE NOR THE OWNERS OF THE SERIES 2025 CERTIFICATES MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE USE, CONSTRUCTION, IMPROVEMENT, EQUIPPING, MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT NEITHER THE TRUSTEE NOR ANY OF THE OWNERS OF THE SERIES 2025 CERTIFICATES HAS ANY RESPONSIBILITY THEREFOR. For the purpose of enabling the City to discharge such responsibility, the Trustee constitutes and appoints the City as its attorney in fact for the purpose of constructing, improving, equipping, maintaining and operating the Leased Property, and asserting and enforcing, at the sole cost and expense of the City, all constructor's or manufacturer's warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. In no event shall the Trustee or any of the Owners be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein.

Section 11.02. Further Assurances and Corrective Instruments. The Trustee and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

Section 11.03. Compliance with Requirements. During the Lease Term, the City and the Trustee shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof, provided that the City or the Trustee may contest or appeal such orders so long as they are in compliance

with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

Section 11.04. City Acknowledgment of the Indenture and the Series 2025 Certificates. The City acknowledges the execution and delivery of the Series 2025 Certificates pursuant to the Indenture.

Section 11.05. Covenant to Comply with Internal Revenue Code. The City acknowledges that moneys in funds and accounts created under the Indenture will be invested or deposited by the Trustee at the written direction of the City. The City certifies and covenants that it will not knowingly direct or otherwise cause the investment or use of any moneys in any fund or account in connection with the Series 2025 Certificates (including any moneys reasonably expected to be used to pay the Series 2025 Certificates or interest thereon, whether or not held by the Trustee pursuant to the Indenture and regardless of whether any such moneys were derived from the proceeds of the Series 2025 Certificates or from any other source), in a manner which will cause the Series 2025 Certificates to be classified as “arbitrage bonds” within the meaning of the Code.

The City further covenants that it will perform all acts within its power which are or may be necessary to insure that the interest portion of the Base Rentals will at all times remain excludable from gross income for purposes of federal income taxation under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended.

In particular, but without limitation, the City further covenants to comply with the following restrictions of the Code, unless the City receives an opinion of nationally recognized bond counsel substantially to the effect that noncompliance with such requirements will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Series 2025 Certificates.

(a) The Project and the Leased Property, and gross proceeds of the Series 2025 Certificates shall not be used in a manner which will cause the Series 2025 Certificates to be considered “private activity bonds” within the meaning of the Code.

(b) The Series 2025 Certificates are not and shall not become directly or indirectly “federally guaranteed.” The Series 2025 Certificates will be considered to be “federally guaranteed” if the payment of principal or interest with respect to the Series 2025 Certificates is guaranteed (in whole or in part) by the United States of America (or any agency or instrumentality thereof) or if 5% or more of the proceeds of the Series 2025 Certificates are used in making loans the payment of principal or interest with respect to which is guaranteed or invested (directly or indirectly) in federally insured deposits or accounts.

(c) The City shall timely file Internal Revenue Form 8038-G pursuant to Section 149(e) of the Code.

(d) The City shall not issue any obligations within thirty (30) days of the sale of the Series 2025 Certificates pursuant to a common plan of financing with the Series 2025

Certificates and payable from the same source of funds or having substantially the same claim to the same source of funds used to pay the Series 2025 Certificates.

Section 11.06. Immunity and Indemnification. In the exercise of the powers of the Trustee by its directors, members, officers, employees and agents under this Lease and the Indenture, including (without limiting the foregoing) the application of moneys and the investment of funds, the Trustee shall not be accountable to the City for any action taken or omitted with respect to this Lease by it or its directors, members, officers, employees and agents reasonably believed by it or them to be authorized or within the discretion or rights or powers conferred under this Lease. The Trustee and its directors, members, officers, employees and agents shall be protected in its or their actions taken in reliance upon any paper or documents believed by it or them to be genuine and consistent with their rights or powers under this Lease, and it or they may conclusively rely upon the advice of Counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims based on the Indenture or this Lease against any director, member, officer, employee or agent of the Trustee alleging personal liability on the part of such person.

Subject to the limitations of Section 6.01 hereof and to the fullest extent permitted by law, the City shall indemnify the Trustee and any of its directors, members, officers, employees or agents and save them harmless against any liability resulting from acts or omissions of the City in connection with any acts taken pursuant to this Lease as it relates to the City and the Leased Property. The City shall also indemnify the Trustee its directors, members, officers, employees or agents against all claims arising from: (a) the conduct, management, operation or use of, or from any work or thing done on, the Leased Property during the Lease Term; (b) any condition of the Leased Property; (c) any act of negligence of the City or of any of its agents, contractors or employees or any violation of law by the City or breach of any covenant or warranty by the City hereunder; and (d) the incurrence of any cost or expense in connection with the acquisition, construction, and equipping of the Project in excess of the moneys available therefor in the Construction Fund. The City shall indemnify and save the Trustee and its directors, members, officers, employees and agents harmless from any such claim arising as aforesaid or in connection with any action or proceeding brought thereon and, upon notice from the Trustee or any of its directors, members, officers, employees or agents, shall defend the Trustee and its directors, members, officers, employees and agents in any such action or proceeding.

Section 11.07. Access to Leased Property. The City agrees that the Trustee, and any authorized representative of such parties, shall have the right at all reasonable times to examine and inspect the Leased Property and all of the City's books and records with respect thereto. The City further agrees that the Trustee and any of its representatives shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the City to perform its obligations under this Lease.

Section 11.08. Reserved.

Section 11.09. Environmental Covenant. The City shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Leased Property in violation of any Environmental Regulation, shall not permit any Hazardous Substance to be stored, located,

generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulation, shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation and shall comply with all other Environmental Regulations which are applicable to the Leased Property.

Subject to the limitations of Section 6.01 hereof, in the event any Hazardous Substance is found upon, under, over or from the Leased Property in violation of any Environmental Regulation or if any lien or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, the City, at its sole cost and expense, shall, within ten days of such finding, deliver written notice thereof to the Trustee and shall promptly remove such Hazardous Substances and prevent the imposition of any liens against the Leased Property for the cleanup of any Hazardous Materials. Such removal shall be conducted and completed in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies in accordance with the orders and directives of all federal, state and local governmental authorities.

Subject to the limitations of Section 6.01 hereof and to the fullest extent permitted by law, the City further agrees to reimburse and indemnify the Trustee for any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee in any action against or involving the Trustee, resulting from any breach of the foregoing covenants or the covenant in Section 2.01(e) hereof, or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Leased Property.

The representations and warranties in Section 2.01(e) hereof and the covenants of this Section 11.09 shall be deemed to be for the benefit of the Trustee and any successors and assigns of the Trustee.

ARTICLE XII

PURCHASE AND CONVEYANCE OF THE LEASED PROPERTY

Section 12.01. Purchase Option. The City shall have the option to purchase the Leased Property and terminate this Lease, but only if it is not then in default under this Lease. The City may exercise its option on any date by complying with one of the conditions set forth in Section 12.02. Such purchase price shall be deposited by the Trustee in the Certificate Fund to be applied to the payment or redemption of Series 2025 Certificates as provided therein. The City shall give the Trustee notice of its intention to exercise its option not less than 60 days in advance of the date of exercise and, if such payment will result in the redemption of Series 2025 Certificates, shall deposit the required moneys with the Trustee on or before the redemption date. If the City exercises its option to purchase the Leased Property pursuant to this Section and complies with all requirements hereunder with respect to its exercise of such option, any amount then on hand in the Certificate Fund (excluding amounts required for payment of past due principal or interest with respect to Series 2025 Certificates not presented for payment), shall be applied

toward the payment of the applicable purchase price to be paid by the City. If the City shall have given notice to the Trustee of its intention to purchase the Leased Property, but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Base Rentals as if no such notice had been given.

Section 12.02. Conveyance of the Leased Property. The Trustee shall transfer and convey the Leased Property to the City in the manner provided for in Section 12.03 of this Lease; provided, however, that prior to such transfer and conveyance, either:

(a) the City shall have paid the then applicable Purchase Option Price;

(b) an Event of Default shall not have occurred and be continuing, and the City shall have paid all Base Rentals set forth in Exhibit B hereto and all then current Additional Rentals required to be paid hereunder, in which case the Trustee shall transfer and convey the Leased Property to the City; or

(c) the Indenture shall have been discharged with respect to this Lease as provided in Article XIV of the Indenture.

The City is hereby granted the option to terminate this Lease and to purchase the Leased Property upon payment by the City of the then applicable Purchase Option Price. It is the intent of this Section to provide for and allow the release of the Leased Property described in Exhibit A subject to this Lease if the City has fulfilled all payment obligations with respect hereto and is not then in default hereunder.

Section 12.03. Manner of Conveyance. At the closing of any purchase or other conveyance of the Leased Property pursuant to Section 12.02 of this Lease, the Trustee shall execute and deliver to the City such deeds, bills of sale and other necessary documents assigning, transferring and conveying good and marketable title to the Leased Property, as they then exist, subject to the following: (a) Permitted Encumbrances, other than this Lease and the Indenture; (b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by this Lease or the Indenture or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by this Lease or the Indenture; and (c) any lien or encumbrance created by action of the City.

ARTICLE XIII

ASSIGNMENT AND SUBLEASING

Section 13.01. Assignment by the Trustee; Replacement of the Trustee. Except as otherwise provided in this Lease and the Indenture, this Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the City which consent shall not be unreasonably withheld. The Trustee will notify the City of any assignment to a successor by operation of law.

If an Event of Default or Event of Nonappropriation has occurred and is continuing, the Trustee may act as herein provided, including exercising the remedies set forth in Section 14.02, without the prior written direction of the City.

Section 13.02. Assignment and Subleasing by the City. This Lease may not be assigned by the City for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the City, without the necessity of obtaining the consent of the Trustee or any Owner of the Series 2025 Certificates, subject, however, to each of the following conditions:

(a) the Leased Property may be subleased, in whole or in part, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of nationally recognized bond counsel acceptable to the Trustee, such sublease will not impair the excludability from gross income for purposes of federal income taxation of the interest on the Series 2025 Certificates;

(b) this Lease, and the obligations of the City hereunder, shall, at all times during the Lease Term remain obligations of the City subject to Section 6.01 of this Lease, and the City shall maintain its obligations to the Trustee, notwithstanding any sublease;

(c) the City shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and

(d) no sublease by the City shall cause the Leased Property to be used for any purpose which would adversely affect the excludability from gross income for purposes of federal income taxation of any interest on the Series 2025 Certificates, or which would violate the Constitution or laws of the State.

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.01. Events of Default Defined. Any one of the following shall be an “Event of Default” under this Lease:

(a) failure by the City to pay any Base Rentals or Additional Rentals during the Lease Term within five days after the same become due;

(b) failure by the City to vacate or surrender possession of the Leased Property by the 10th Business Day of the Fiscal Year in respect of which an Event of Nonappropriation has occurred;

(c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder or under any certificates executed and delivered by the City in connection with the execution and delivery of this Lease, other than as referred to in (a) or (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the City by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently

pursued until the default is corrected. Such consent by the Trustee shall not be unreasonably withheld; or

(d) the City (i) files a petition or application seeking reorganization, arrangement under federal bankruptcy law, or other debtor relief under the laws of the State or (ii) is the subject of such a petition or application which is not contested by the City, or otherwise dismissed or discharged, within 30 days.

The foregoing provisions of this Section 14.01 are subject to the following limitations:

- (a) the City shall be obligated to pay the Base Rentals and Additional Rentals only during the Original Term or current Renewal Term, except as otherwise expressly provided in this Lease; and
- (b) if, by reason of Force Majeure, the City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the City contained in Article VI of this Lease, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City from carrying out its agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

Section 14.02. Remedies on Default. Whenever any Event of Default referred to in Section 14.01 of this Lease shall have happened and be continuing, the Trustee shall, without any further demand or notice, take one or any combination of the following remedial steps:

(a) The Trustee may terminate the Lease Term and give notice to the City to vacate and surrender possession of the Leased Property within 10 Business Days of such notice.

(b) The Trustee may proceed to foreclose through the courts on or otherwise sell, trade-in, repossess or liquidate its interest in the Leased Property, or any part thereof in any lawful manner and may exercise all the rights and remedies of a secured party under the Colorado Uniform Commercial Code with respect to the Equipment included in the Leased Property and in accordance with the remedies in the Indenture; provided, however, that the Trustee may not recover from the City any deficiency which may exist following the liquidation of the Leased Property in excess of Base Rentals and Additional Rentals for the then current Fiscal Year and in excess of amounts payable under subparagraph (d) of this Section 14.02.

(c) In the event that the Trustee deems such action to be in the best interests of the Owners of the Series 2025 Certificates, the Trustee may lease or sublease the Leased Property or any portion thereof or sell any interest the Trustee has in the Leased Property for the benefit of such Owners.

(d) The Trustee may recover from the City:

(i) the portion of Base Rentals and Additional Rentals which would otherwise have been payable hereunder, during any period in which the City continues to occupy, use or possess the Leased Property; and

(ii) Base Rentals and Additional Rentals which would otherwise have been payable by the City hereunder during the remainder, after the City vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Default occurs.

(e) The Trustee may take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease and the Indenture.

Section 14.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the City by reason of an Event of Default only as to the City's liabilities described in paragraph (d) of Section 14.02 of this Lease. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation only to the extent that the City fails to vacate and surrender possession of the Leased Property as required by Section 6.06 of this Lease, and only as to the liabilities described in paragraph (d)(i) of Section 14.02 of this Lease. The remedy described in paragraph (d)(ii) of Section 14.02 of this Lease is not available for an Event of Default consisting of failure by the City to vacate and surrender possession of the Leased Property within 10 Business Days following notice of an Event of Nonappropriation.

Section 14.04. No Remedy Exclusive. Subject to Section 14.03 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 14.05. Waivers. The Trustee may waive any Event of Default under this Lease and its consequences, as the Trustee deems to be in the best interest of the Owners of the Series 2025 Certificates. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

A waiver of an Event of Default under the Indenture shall constitute a waiver of the corresponding Event of Default under this Lease; provided, that no such waiver shall extend to or affect any subsequent or other Event of Default under this Lease or impair any right consequent thereon.

Section 14.06. Agreement to Pay Attorneys' Fees and Expenses. To the extent permitted by law and subject to the provisions of Section 6.01 hereof, in the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals and Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay

to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction.

Section 14.07. Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. The Trustee and the City agree, to the extent permitted by law, that in the case of an Event of Nonappropriation or an Event of Default neither the Trustee nor the City nor any one claiming through or under any of them shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee and the City, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Sovereign Powers of Trustee and City. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers of the Trustee or the City. Nothing in this Lease shall be construed to require the City to occupy and operate the Leased Property other than as lessee, or to require the City to exercise its right to purchase the Leased Property as provided in Article XII hereof.

Section 15.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the City: City of Montrose, Colorado
 400 E Main Street
 Montrose, Colorado 81401
 Attention: City Manager;

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

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

Section 15.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Trustee and the City and their respective successors and assigns, subject, however, to the limitations contained in Article XIII of this Lease.

Section 15.04. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or the Indenture, this Lease may not be effectively amended, changed, modified or altered without the written consent of the Trustee as provided in the Indenture.

Section 15.05. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in any of the funds or accounts created under the Indenture, upon termination of the Lease Term, and after payment in full of the Series 2025 Certificates (or provision for payment thereof having been made in accordance with the provisions of this Lease and the Indenture) and fees and expenses of the Trustee in accordance with this Lease and the Indenture shall belong to and be paid to the City by the Trustee as an overpayment of Base Rentals.

Section 15.06. Net Lease. This Lease shall be deemed and construed to be a “triple net lease,” and the City shall, subject to Section 6.01 hereof, pay absolutely net during the Lease Term, the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 15.07. Reserved.

Section 15.08. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 15.09. Severability. In the event that any provision of this Lease, other than the requirement of the City to pay Base Rentals in accordance with Section 6.01 and the requirement of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the City under the conditions set forth in Article XII of this Lease, and the requirement that the obligation of the City to pay Base Rentals, Additional Rentals and other amounts under this Lease are subject to the limitations of Section 6.01 hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.10. No Merger. The Trustee and the City intend that the legal doctrine of merger shall have no application to this Lease and that neither the execution and delivery of the Site Lease by the City and the Trustee nor the exercise of any remedies under the Site Lease or this Lease shall operate to terminate or extinguish the Site Lease or this Lease, except as specifically provided therein and herein.

Section 15.11. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.12. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15.13. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State, without regard to conflict of laws principles.

Section 15.14. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

[Remainder of Page Left Intentionally Blank]

WITNESS the due execution hereof as of the day and the year first mentioned above.

UMB BANK, N.A., as Trustee and Lessor

By _____
Authorized Signatory

[SEAL]

CITY OF MONTROSE, COLORADO, as Lessee

Attest:

By _____
Mayor

By _____
Deputy City Clerk

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

This instrument was acknowledged before me this ____ day of May 2025, by _____, as authorized signatory of UMB Bank, n.a.

Witness my hand and official seal.

[SEAL]

Notary Public

My Commission Expires:

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this _____ day of May 2025 by J. David Reed, as Mayor of the City of Montrose, Colorado.

WITNESS my hand and official seal.

Notary Public

[SEAL]

My Commission Expires:

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this _____ day of May 2025 by Lisa DelPiccolo, as City Clerk of the City of Montrose, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My Commission Expires:

EXHIBIT A
DESCRIPTION OF LEASED PROPERTY

Legal Description:

[to be inserted]

Description of the “Improvements” and “Equipment” included in the “Project”:

Improvements. [to be inserted].

The City reserves the right to amend its design and construction plans for the Public Works Facility.

Equipment. There is no Equipment.

EXHIBIT B

BASE RENTALS SCHEDULE

Payment Date	Base Rentals Principal Component	Base Rentals Interest Component	Total Base Rental
Nov. 15, 2025	\$	\$	\$
May 15, 2026	--		
Nov. 15, 2026			
May 15, 2027	--		
Nov. 15, 2027			
May 15, 2028	--		
Nov. 15, 2028			
May 15, 2029	--		
Nov. 15, 2029			
May 15, 2030	--		
Nov. 15, 2030			
May 15, 2031	--		
Nov. 15, 2031			
May 15, 2032	--		
Nov. 15, 2032			
May 15, 2033	--		
Nov. 15, 2033			
May 15, 2034	--		
Nov. 15, 2034			
May 15, 2035	--		
Nov. 15, 2035			
May 15, 2036	--		
Nov. 15, 2036			
May 15, 2037	--		
Nov. 15, 2037			
May 15, 2038	--		
Nov. 15, 2038			
May 15, 2039	--		
Nov. 15, 2039			
May 15, 2040	--		
Nov. 15, 2040			
May 15, 2041	--		
Nov. 15, 2041			
May 15, 2042	--		
Nov. 15, 2042			
May 15, 2043	--		
Nov. 15, 2043			
May 15, 2044	--		
Nov. 15, 2044			
May 15, 2045	--		
Nov. 15, 2045			
May 15, 2046	--		
Nov. 15, 2046			
May 15, 2047	--		

Nov. 15, 2047
May 15, 2048
Nov. 15, 2048
Total:

\$

\$

\$

EXHIBIT C
PERMITTED ENCUMBRANCES

[to be inserted]

EXHIBIT D
FORM OF REQUISITION
CITY OF MONTROSE, COLORADO
REQUISITION NO. ____

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

The undersigned City of Montrose, Colorado (the “City”), pursuant to a Lease Purchase Agreement dated as of May 1, 2025 by and between UMB Bank, n.a., as lessor, and the City, as lessee (the “Lease”), hereby requisitions the following sum from the Construction Fund established under the Indenture of Trust dated as of May 1, 2025 (the “Indenture”) by UMB Bank, n.a., as Trustee, and in connection with such request, certifies and warrants as follows:

Amount: \$ _____

Name and Address of Payee: _____

Describe Nature of Obligation: _____

The City further certifies and warrants that (a) the obligation described above has been properly incurred, is a proper charge against the Construction Fund and has not been the basis of any previous withdrawal or requisition; (b) all conditions required by the Lease to be met prior to the disbursement of the above amount have been satisfied; (c) the disbursement requested is due and payable and will be used for “Costs of the Project” permitted under the Lease; (d) all the representations contained in the Lease remain true and correct and the City is not in breach of any of the covenants contained therein; and (e) no Event of Default or Event of Nonappropriation under the Lease has occurred and is continuing.

CITY OF MONTROSE, COLORADO

Date: _____	By _____ Name _____ Title _____
-------------	---------------------------------------

Attach:
—Invoice supporting payment

\$[_____]]
CERTIFICATES OF PARTICIPATION, SERIES 2025
(Public Works Facilities Project)
evidencing assignment of interests in
the right to receive certain revenues payable by
THE CITY OF MONTROSE, COLORADO
pursuant to a Lease Purchase Agreement
between the City and UMB Bank, n.a., as Trustee

CLOSING INDEX

May [__], 2025

A. Basic Documents

1. Site Lease
2. Lease Purchase Agreement
3. Indenture of Trust
4. Final Terms Certificate
5. Preliminary Official Statement
6. Certificate Purchase Agreement
7. Official Statement
8. Continuing Disclosure Undertaking

B. Real Estate Documents

9. Certificate of City Regarding Title Insurance Commitment
10. Title Insurance Policy
11. UCC Financing Statement

C. Delivered by City

12. Omnibus Certificate, including, as an exhibit, the Authorizing Ordinance
13. Rule 15c2-12 Certificate
14. Tax Compliance Certificate, including, as exhibits, Investment Instructions, Definitions, and Issue Price Certificate

15. IRS Form 8038-G, with evidence of filing with Internal Revenue Service

D. Delivered by Trustee

16. Certificate of Trustee including, as exhibits, signature resolution of board of directors of Trustee and specimen Certificates

E. Delivered by Underwriter

17. Closing Memorandum

F. Delivered by Kutak Rock LLP

18. Bond Counsel Opinion

19. Letter regarding Official Statement

G. Miscellaneous

20. Rating Letters

21. Delivery Certificate and Cross Receipt

22. DTC Blanket Letter of Representations

SITE LEASE

by and between

CITY OF MONTROSE, COLORADO
as Lessor,

and

UMB BANK, N.A.,
as Lessee

Dated as of May 1, 2025

THIS SITE LEASE dated as of May 1, 2025 (this “Site Lease”), by and between **THE CITY OF MONTROSE, COLORADO**, as lessor (the “City”), a home-rule city and political subdivision of the State of Colorado (the “State”), and **UMB BANK, N.A.**, solely in its capacity as trustee under an Indenture of Trust dated as of the date hereof, and its successors and assigns, as lessee (in its capacity as trustee, the “Trustee”).

W I T N E S S E T H:

WHEREAS, the City Council of the City (the “City Council”) has the power, pursuant to the City Charter and Section 31-15-713(1)(c), Colorado Revised Statutes (“C.R.S.”), to lease any real estate owned by the City when deemed by the City Council to be in the best interests of the City; and

WHEREAS, the Trustee (a) is a national banking association duly organized and existing under the laws of the United States of America, (b) is duly qualified to do business in the State, (c) is executing and delivering and will perform its obligations under this Site Lease as trustee under the Indenture of Trust dated as of the date hereof by the Trustee (the “Indenture”) pursuant to which there are being executed and delivered the “Certificates of Participation, Series 2025”, evidencing assignment of interests in the right to receive certain revenues payable by the City of Montrose, Colorado pursuant to a Lease Purchase Agreement between the City and UMB Bank, n.a., as trustee (the “Series 2025 Certificates”) and (d) in its capacity as Trustee, (i) will lease the Leased Property hereunder and (ii) is authorized, under its articles of association, action of its board of directors and applicable law, to lease the Leased Property and to execute, deliver and perform its obligations under this Site Lease; and

WHEREAS, the City Council has determined that the City, as lessee, shall enter into that certain Lease Purchase Agreement dated as of May 1, 2025 (the “Lease”), with the Trustee, as lessor, to provide funding for the construction, improvement and equipping of a new public works facility (collectively, the “Project”) on the Leased Property (as defined below); and

WHEREAS, the City owns the real property described in Exhibit A hereto (as further described below, the “Leased Property”), which it intends to lease to the Trustee hereunder for the purpose of financing the Project; and

WHEREAS, the City shall lease the Leased Property back from the Trustee pursuant to the terms of the Lease; and

WHEREAS, the City proposes to enter into this Site Lease with the Trustee as a material consideration for the Trustee’s agreement to lease the Leased Property to the City pursuant to the Lease and provide the proceeds of the Series 2025 Certificates for constructing and equipping the Project;

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

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease.

Section 2. Site Lease and Terms. The City hereby leases to the Trustee and the Trustee hereby leases from the City, on the terms and conditions hereinafter set forth, the real property consisting of a site or parcels described in Exhibit A attached hereto (as such facilities currently exist and as improved hereafter) and made part hereof (the “Leased Property”), subject to Permitted Encumbrances (as defined in the Lease and described in Exhibit B attached hereto), and such lease to the Trustee is hereby deemed to be in the best interests of the City and its inhabitants.

The term of this Site Lease shall commence on the date hereof and shall end on December 31, 20[] (the “Site Lease Termination Date”), unless such term is sooner terminated as hereinafter provided. If prior to the Site Lease Termination Date, (a) all of the Leased Property has been conveyed to the City pursuant to the Lease as a result of the City’s payment of (i) the related Purchase Option Price thereunder or (ii) all Base Rentals and Additional Rentals as provided in Section 12.02 of the Lease and (b) the Indenture of Trust dated as of May 1, 2025 (the “Indenture”), by UMB Bank, n.a., as trustee (the “Trustee”), has been discharged, then the term of this Site Lease shall end immediately thereafter.

Section 3. Rental. During the Lease Term of the Lease, the City acknowledges receipt from the Trustee as and for rental hereunder, paid in advance, the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration.

In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated, and (c) the Trustee leases all or any portion of the Leased Property or sells an assignment of its interest in this Site Lease, then the rental due hereunder from the Trustee to the City shall be (i) an amount equal to a percentage, not to exceed two percent (2%), of the net proceeds (gross proceeds less any amounts which may be payable under Section 12 hereof) of any such leasing or sale received by the Trustee (such percentage to be calculated as the ratio of the estimated unimproved fair market value of such Leased Property to the estimated improved fair market value of such Leased Property and the Project and such values to be determined by an independent person engaged in the business of appraising property and acceptable to the Trustee) and (ii) payable to the City by the Trustee within thirty (30) days after the receipt of such proceeds by the Trustee.

Section 4. Purpose. The Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property to the City pursuant to the Lease and for such purposes as may be incidental thereto; provided that upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease, the City shall vacate the Leased Property as provided in the Lease and the Trustee may exercise the remedies provided in this Site Lease, the Lease and the Indenture.

Section 5. Owner in Fee. The City covenants that (a) it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances as described in Exhibit B hereto, and (b) the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Section 6. Assignments and Subleases. Unless an Event of Nonappropriation or an Event of Default under the Lease shall have occurred and except as may otherwise be provided in the Lease, the Trustee may not assign its rights under this Site Lease or sublet the Leased Property without the written consent of the City.

In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell an assignment of their interest in this Site Lease, pursuant to the terms of the Lease and the Indenture. Except as provided in this Site Lease, the City and the Trustee (or any assignee or lessee of the Trustee) agree that, except as may otherwise be provided in the Lease and the Indenture, neither the City, the Trustee, nor any lessee or assignee of the Trustee will sell, mortgage or encumber the Site Lease Property or any portion thereof during the term of this Site Lease.

The Trustee and any other person who has the right to use the Leased Property under this Site Lease, at its own expense, may install equipment and other personal property in or on any portion of the Leased Property unless it is permanently affixed to the Leased Property, in which case it will become part of the Leased Property.

Section 7. Right of Entry. To the extent that the Lease is terminated and this Site Lease is still in effect, the City reserves the right, so long as no Event of Nonappropriation or Event of Default shall have occurred under the Lease, for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 8. Termination. The Trustee agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property to the City, and agrees that any fixtures, permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the City. The Trustee and any sublessee or assignee shall execute and deliver, upon request by the City, any instrument of transfer, conveyance or release necessary or appropriate to confirm the vesting of such right, title and interest in the City.

Section 9. Default. In the event the Trustee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following written notice and demand for correction thereof to the Trustee, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any of the Series 2025 Certificates are outstanding and unpaid in accordance with the terms thereof, the Base Rentals due to the Trustee under the Indenture shall continue to be paid to the Trustee except as provided in the Lease. The liability of the Trustee under this Site Lease shall be limited as provided in Section 11 herein. In addition, so long as any of the Series 2025 Certificates are outstanding, this Site Lease shall not be terminated except as described in Section 2 hereof.

Section 10. Quiet Enjoyment and Acknowledgment of Interest. The Trustee at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property, subject to the provisions of the Lease and the Indenture, and the City hereby acknowledges that the Trustee shall have a leasehold interest in the Leased Property, subject to the Lease.

Section 11. Trustee Disclaimer. It is expressly understood and agreed that (a) this Site Lease is executed by UMB Bank, n.a., solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a., other than in its

capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

Section 12. Taxes; Maintenance; Insurance. During the Lease Term of the Lease and in accordance with the provisions of the Lease, the City covenants and agrees to pay any and all assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated, and (c) the Trustee subleases all or any portion of the Leased Property or sells an assignment of its interest in this Site Lease, the Trustee or any sublessee or assignee of the Leased Property shall pay or cause to be paid when due, solely from the proceeds of such subleasing or sale, all taxes and assessments imposed thereon and maintain the Leased Property and all fixtures, improvements and structures built thereon in good condition and in good working order. Any such payments that are to be made by the Trustee shall be made solely from (a) the proceeds of such sale, subleasing or assignment, (b) from the Trust Estate, or (c) from other moneys furnished to the Trustee under the Indenture.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated, and (c) the Trustee subleases all or any portion of the Leased Property or sells an assignment of its interest in this Site Lease, the Trustee or any sublessee or assignee of the Leased Property shall obtain and keep in force, solely from the proceeds of such leasing or sale, (i) comprehensive general public liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property or any improvements and structures built on the Leased Property in an amount not less than \$1,000,000 and (ii) property insurance in an amount not less than the full replacement value of any improvements and structures built on the Leased Property. All such insurance shall name the Trustee, any sublessee or assignee and the City as insureds. The City and the Trustee shall waive any rights of subrogation with respect to the Trustee, the City and their members, directors, officers, agents and employees while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Section 13. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property or any improvements and structures built thereon during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, and either (i) the Leased Property, any improvements and structures built thereon or any portion thereof are damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property, any improvements and structures built thereon or any part thereof shall be taken under the exercise of the power of eminent domain, the City and the Trustee or any sublessee or assignee of the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the Leased Property, any improvements and structures built thereon or any portion thereof. Any Net Proceeds remaining after such work has been completed will be paid to the Trustee or any sublessee or assignee of the Trustee. If the Net Proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the Trustee or any sublessee or assignee shall complete the work and pay any cost in

excess of the Net Proceeds (provided, however, that the Trustee is obligated to pay any such cost in excess of Net Proceeds only to the extent of any moneys available therefor in any of the Funds or Accounts created under the Indenture).

The City agrees that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to the Leased Property or any part thereof, the appraised value of the condemned property shall not be less than (a) if the Series 2025 Certificates are then subject to redemption under the Indenture, the redemption price of the Series 2025 Certificates, or (b) if the Series 2025 Certificates are not then subject to redemption, the amount necessary to pay the principal of and interest on the Series 2025 Certificates to the first date on which the Series 2025 Certificates are subject to redemption under the Indenture.

Section 14. Hazardous Substances. Except for customary materials necessary for operation, cleaning and maintenance of the Leased Property, none of the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the City and the Trustee and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept on or about the Leased Property. If the presence of Hazardous Substance on the Leased Property caused or permitted by the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the City, the Trustee or any sublessee or assignee of the Leased Property, as the case may be, is legally liable for damage resulting therefrom, then the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall reimburse the other party for its reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that have not caused or permitted such contamination and are not so legally liable with respect to this Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the cost of such defense, (a) in the case of the Trustee, shall be payable solely from the Trust Estate, or (b) in the case of the City, shall be payable only if the cost of such defense has been annually appropriated by the City. This duty to reimburse legal expenses is not an indemnification. It is expressly understood that none of the City, the Trustee or any sublessee, purchaser or assignee is indemnifying any other person with respect to this Site Lease. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by:

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

(b) the City results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and promptly take all actions, solely at the

expense of the City, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.

Section 15. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16. Severability. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Amendments. This Site Lease may not be amended, changed or modified without the prior written consent of the Trustee.

Section 18. No Merger. The City and the Trustee intend that the legal doctrine of merger shall have no application to this Site Lease and that neither the execution and delivery of the Lease by the City nor the exercise of any remedies under this Site Lease or the Lease shall operate to terminate or extinguish this Site Lease or the Lease, except as specifically provided herein and therein.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed shall be made by United States registered mail, return receipt requested, postage prepaid, at the addresses provided in the Lease, or to such other addresses as the respective parties may from time to time designate in writing.

Section 20. Governing Law. This Site Lease shall be governed by and construed in accordance with the law of the State of Colorado without regard to choice of law analysis.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 22. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Site Lease.

IN WITNESS WHEREOF, the City and the Trustee have caused this Site Lease to be executed by their respective officers thereunto duly authorized, and the City has affixed its corporate seal hereto all as of the day and year first above written.

[SEAL]

CITY OF MONTROSE, COLORADO, as Lessor

By _____
Mayor

Attest:

By _____
City Clerk

UMB BANK, N.A., as Lessee

By _____
Authorized Signatory

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this _____ day of May 2025 by J. David Reed, as Mayor of the City of Montrose, Colorado.

WITNESS my hand and official seal.

Notary Public

[SEAL]

My Commission Expires:

STATE OF COLORADO)
) ss.
COUNTY OF MONTROSE)

The foregoing instrument was acknowledged before me this _____ day of May 2025 by Lisa DelPiccolo, as City Clerk of the City of Montrose, Colorado.

WITNESS my hand and official seal.

Notary Public

[SEAL]

My Commission Expires:

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

The foregoing instrument was acknowledged before me this _____ day of May, 2025 by _____, as authorized signatory of UMB Bank, n.a.

WITNESS my hand and official seal.

Notary Public

[SEAL]

My Commission Expires:

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

Legal Description:

[to be inserted]

EXHIBIT B
PERMITTED ENCUMBRANCES

[to be inserted]



CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: March 4, 2025
RE: Spruce Point Rezone
ATTACHMENTS:

- Exhibit A: Maps
- Exhibit B: Rezone Narrative
- Exhibit C: Photos of Project Area
- Exhibit D: Excerpts from City of Montrose Municipal Code

City Council Consideration:

City Council is considering the approval of the rezone of the undeveloped portions of the Spruce Point Subdivision. City Council will consider all of the information in this memo in making a decision.

Applicant: Spruce Point Development Company, LLC

Application Background:

The proposal is to rezone the undeveloped portion of the Spruce Point Subdivision from “R-3A” Medium High Density District with a unit count limitation of 209 units, to “R-3A” Medium High Density District without this condition. The property is more particularly described as follows:

The following described real property, all situated in U.S. Government Lots 19 & 20, Section 5, Township 48 North, Range 9 West, N.M.P.M.:

Tract A1 and Tract A2 of Spruce Point Subdivision Filing No. 1, Amended Plat of Open Space Tracts A1 and A2, Reception No. 881943, Montrose County land records, also known as Montrose County Parcel Number 399305310025;



Tract B of Spruce Point Subdivision Filing No. 1, Reception No. 770229, Montrose County land records,
also known as Montrose County Parcel Number 399305310026;

Outlot 1, Spruce Point Subdivision Filing No. 3, as depicted on the plat thereof recorded under Reception No. 958659, Montrose County land records,
also known as Montrose County Parcel Number 399305225037;

Outlot 2 of Spruce Point Subdivision Filing No. 1, Reception No. 770229, Montrose County land records,
also known as Montrose County Parcel Number 399305310028;

City of Montrose, County of Montrose, State of Colorado.

The Planning Commission unanimously voted to recommend approval of this rezone request at the January 22, 2025 Planning Commission meeting.

Proposed Zoning: "R-3A" Medium High Density District

Staff Analysis:

1. Municipal Code, Section 11-7-12(A), Rezoning.
"Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:
 - a) The amendment is not adverse to the public health, safety and welfare; and
 - b) The amendment is in substantial conformity with the master plan; or:
 - i. The existing zoning is erroneous; or
 - ii. Conditions in the area affected or adjacent areas have changed materially since the area was last zoned."
2. The City Council should consider the merits of the proposed rezone only and make a decision based on whether it should be rezoned to "R-3A" Medium High Density District. The current zoning is "R-3A" Medium High Density District with conditions.
 - Zoning Regulations. The "R-3A" Medium High Density District is intended to provide for an area which is suitable primarily for single household detached, triplex, fourplex and other medium density multi-household dwellings, along with certain other compatible land uses.



3. This property is adjacent to properties that are zoned “R-3” Medium Density District, “R-3A” Medium High Density District, and property outside of City limits.
4. General Conformance with the Comprehensive Plan:
 - The Comprehensive Plan Future Land Use Map (Chapter 5) designates this area as Residential Mixed Density Medium. The Residential Mixed Density Medium district provides for a variety of residential types mixed within a neighborhood, including single-family homes, townhomes, duplexes and triplexes.
 - Goal LU (Land Use) 5: Infill & Redevelopment: Promote higher density infill and redevelopment of underutilized sites and support development in areas that can be easily accessed by foot, bike, and/or public transit.
 - Goal HN (Housing & Neighborhoods)-1: Housing Variety. Encourage a variety of housing types, tenure, and density to meet the needs of the community.
 - a) Objective 1.1 Promote a mix of residential housing types including single-family homes on a variety of lot sizes, multi-family housing, townhomes, apartments, senior housing, and transitional housing.
 - b) Objective 1.2 Encourage a variety of housing densities (low, medium, high) throughout the community, including mixed-density neighborhoods.
 - Goal HN-2: Affordable Housing. Increase access to affordable housing.
 - a) Objective 2.1 Encourage a mix of housing price ranges, thereby providing choices for residents of all incomes and ages.
 - b) Objective 2.2 Offer incentives and information to encourage affordable housing in new developments.
 - c) Objective 2.3 Support and work with housing agencies, organizations, private developers, and businesses to increase the amount of workforce housing.
 - Staff finds that the proposed zoning meets numerous goals and objectives of the Comprehensive Plan.
5. The “R-3A” zoning designation does not appear to be adverse to the public health, safety and welfare, and is consistent with Municipal Code requirements, zoning in the surrounding area, and the Comprehensive Plan.

Staff Recommendation:

Staff finds that the rezone criteria has been met; it is in compliance with the Comprehensive Plan; it is compatible with existing uses in the surrounding area; and therefore, recommends approval of the "R-3A" Medium High Density District.

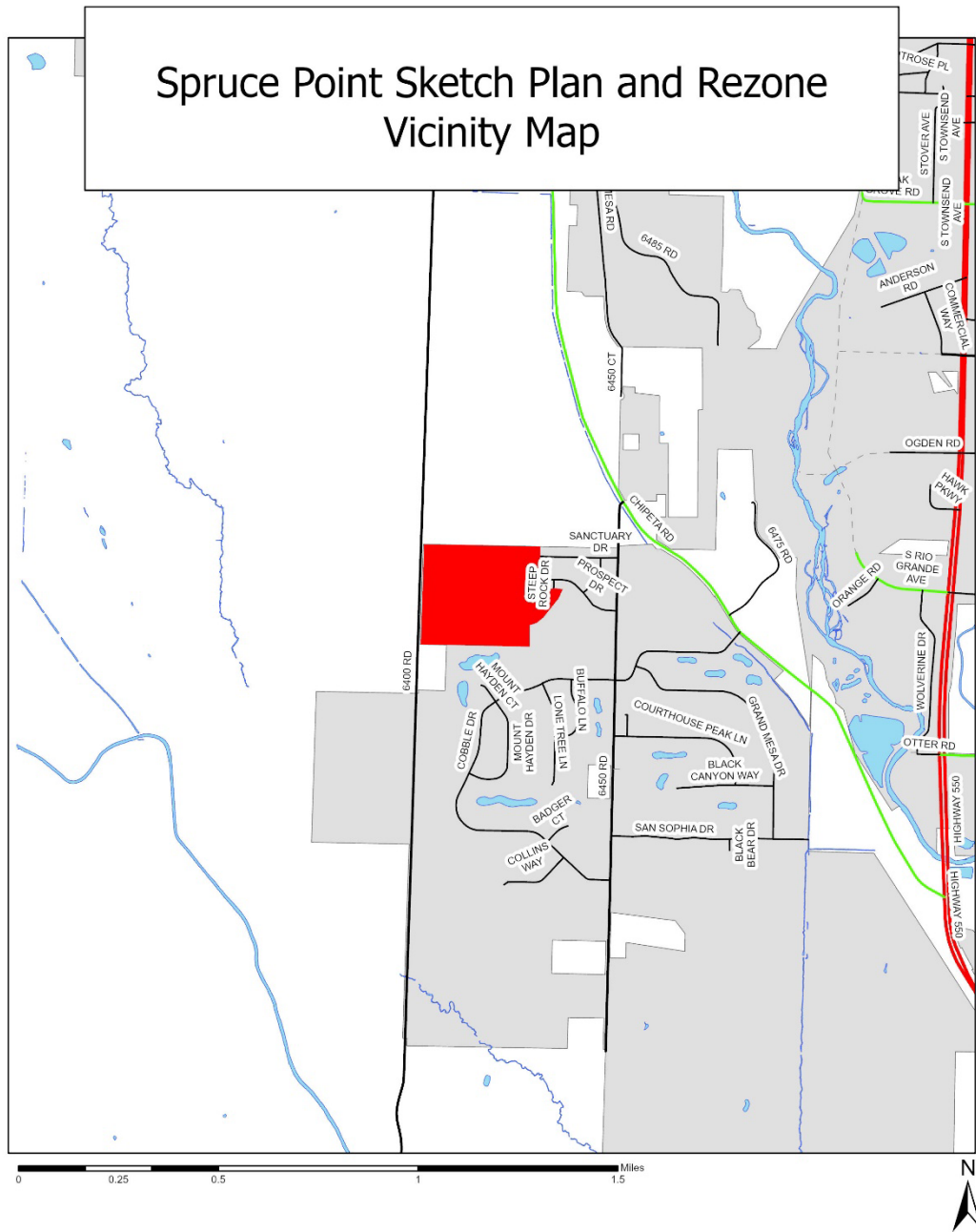


City Council Options:

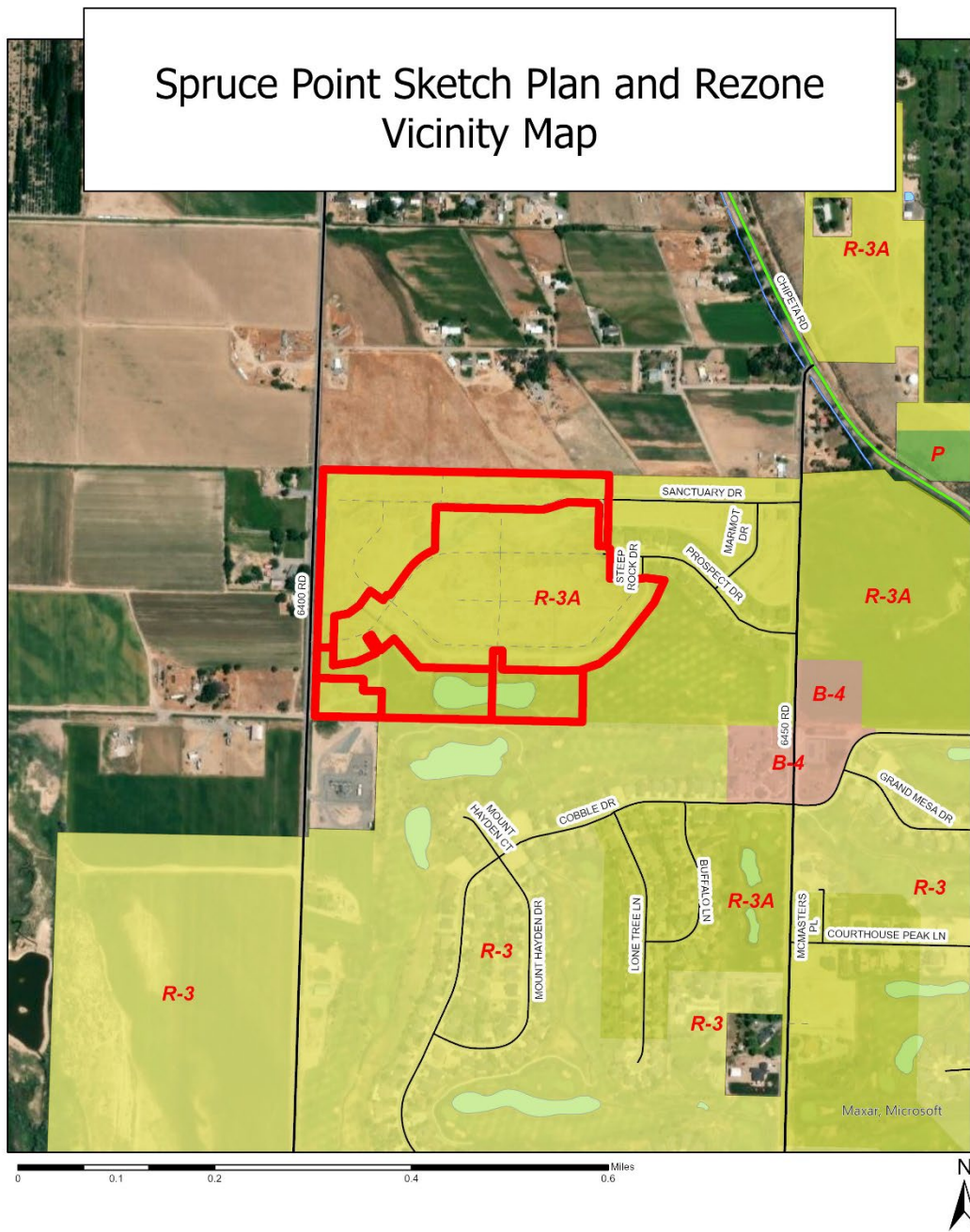
1. Accept the Planning Commission recommendation and approve the rezone.
2. Deny the request for a rezone and schedule a de novo hearing. The hearing date should be established in consultation with the City Attorney.



EXHIBIT A: Maps
Vicinity Map



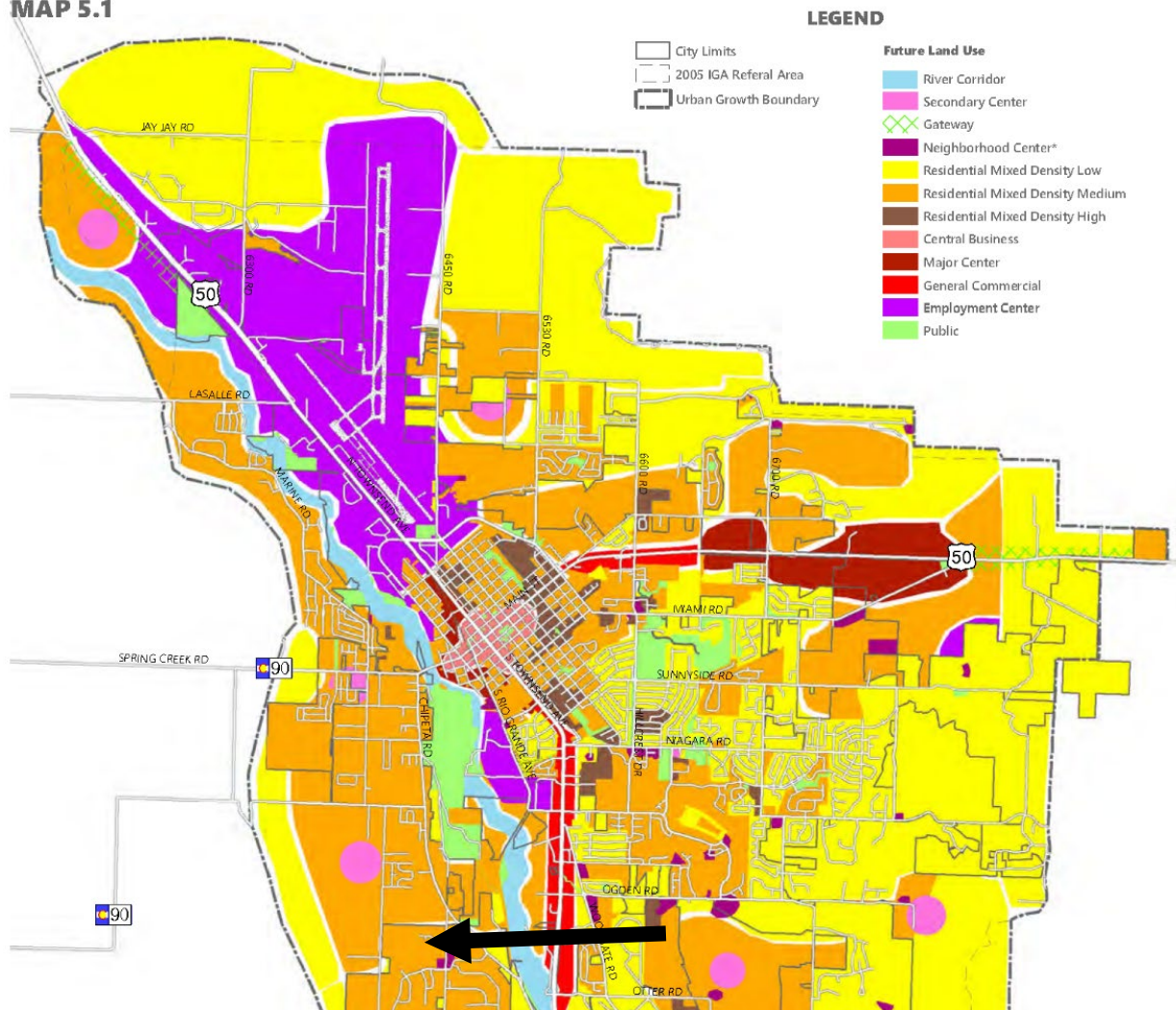
Zoning Map



Comprehensive Plan Future Land Use Map

FUTURE LAND USE

MAP 5.1



Requested Re-Zoning Overview

48 Acres

Spruce Point (“the Property”)

By this application, Spruce Point Development Company, LLC (“Applicant”) requests the re-zoning under the City’s current zoning regulations of the 48-acre +/- tract described on Exhibits A and B attached hereto (the “Property”) in its entirety to R-3A Medium High Density District. The requested zoning is the same as the Property’s existing base zoning but would exclude certain restrictions imposed when the Property was initially zoned in 2004.

The Property consists of undeveloped (unplatted) portions of the Spruce Point Addition referenced in Ordinance No. 2021, adopted on August 19, 2004, and subsequently superseded. The Property is currently zoned as an R-3A Medium High Density District. Applicant owns the Property and intends to continue its development as Filing 3 of Spruce Point (which was platted by Applicant in 2023) approaches buildout. This zoning update will eliminate an inconsistency between the City’s modern zoning practices and the zoning requirements originally applicable to the Property.

The original zoning Ordinance No. 2021 covered the entire 79.08 acre +/- Spruce Point Addition parcel. Portions of that original parcel have subsequently been platted as Spruce Point Filing No. 1 (7.91 acres and 24 lots), Spruce Point Filing No. 2 (12.51 acres that comprise the Cobble Creek Driving Range) and Spruce Point Filing No. 3 (9.70 acres and 36 lots). No previously platted acreage is included in this re-zoning request.

Ordinance No. 2021 contained a provision that would have limited the development of the entire original parcel to 269 units, which would limit the remaining density of the Property to 209 units. This places the Property at a significant economic disadvantage as compared to more recently zoned R-3A tracts within the City and prohibits development of the Property consistent with the City’s current Envision 2040 comprehensive master plan and requirements for an R-3A zoning district.

The imposition of a density limitation of the type applied to the Property in 2004 is not consistent with the City’s modern zoning practices. This rezone will comply with Section 11-7-6 “R-3A” Medium High Density District criteria and with Section 11-7-7 Dimensional Requirements of the current code. Given the portion of the original parcel already platted at a relatively low single-family density, as well as the undeveloped areas afforded by the Cobble Creek driving range and existing Spruce Point open space features, the total overall density of the original parcel at full build-out will be well below the density typically available on R-3A zoned property.

This request is in compliance with applicable criteria as the base zoning is not being changed and the applicable requirements related to the updated zoning will be equal to other tracts in the city that are zoned R-3A. Moreover, the Property is designated as “Residential Mixed Density Medium” on the Future Land Use Map found in the Comprehensive Plan. The R-3A zoning proposed for the Property is consistent with this land use designation. Further, the Property is located within “Growth Area 1”, an area defined by the Comprehensive Plan as the “most cost-effective area for the City to grow”. The Property is therefore located where the City’s Comprehensive Plan specifically encourages residential development.

This request meets multiple criteria of Code Section 11-7-12(A) regarding annexations in that: (1) the request is not adverse to public health, safety and welfare because it simply continues in effect the existing zoning, applied consistent with the City’s modern practices; (2) the request precisely conforms to the recommended zoning and land use for the Property reflected in the Comprehensive Plan; and, (3) conditions in the area have changed substantially in the 20 years since the original zoning.

The requested rezone is consistent with the City’s current zoning practice, under which pre-annexation agreements controlling details of development are considered “unnecessary and ill-advised” (Annexation Policy § 4-1-4(F)), and also advances the Comprehensive Plan principle that zoning should “reinforce the Comprehensive Plan and Future Land Use Plan” (Comprehensive Plan, p. 32). Lastly, the requested rezone supports Comprehensive Plan concepts of efficiency by allowing the best and most efficient utilization of existing infrastructure, including recent City investments (e.g., water tower and sewer lift station improvements, among others) made to support and facilitate development in the area (Comprehensive Plan Goal LU 3) and by encouraging “compact and contiguous development in growth-efficient areas” (Comprehensive Plan Objective 3.6).



SW Corner of Property at 6400 Road Looking East



Spruce Point Pond Looking West



Spruce Point Pond Looking North



NW Corner of Property at 6400 Road Looking South



NW Corner of Property at 64000 Road Looking East



End of Steep Rock Spur Looking West



End of Steep Rock Spur Looking South



End of Sanctuary Looking West



End of Sanctuary Looking South



End of Sanctuary Looking North



End of Prospect Looking West



End of Prospect Looking South



6400 Road Looking South



6400 Road Looking North



6400 Road Looking East



SW Corner of Property at 6400 Road Looking North

CHAPTER 11-7. ZONING REGULATIONS

Sec. 11-7-1. General provisions.

- (A) This Chapter, as amended from time to time, and the Official Zoning Map of the City, as amended from time to time, may be cited as the City's Zoning Regulations or Zoning Ordinance.
- (B) The purpose of these Zoning Regulations is to promote the public health, safety and welfare of the present and future inhabitants of Montrose, as described at Section 11-1-4 of this Title.
- (C) The City hereby declares that the regulation and development of land, including regulation by these Zoning Regulations, is exclusively a matter of local and municipal concern, and any provisions of any Statute or regulation of the state in conflict with the provisions of these Zoning Regulations, or any limitation imposed by any Statute or regulation of the state otherwise applicable are hereby superseded; provided, however, the City shall retain all powers authorized by state law with respect to land development regulations and zoning even though not specified within this Chapter, and such powers may be exercised in any lawful manner free from any limitations imposed by State Statute or regulation.
- (D) No business or use involving the sale or distribution of products or services, or the pursuit of activities, whether for profit or not for profit, which is in contravention of any federal, state or local law or regulation, shall be considered a use by right, a conditional use, or a lawful nonconforming use under this Chapter, in any zoning district within the City limits.

Sec. 11-7-2. Official Zoning Map.

- (A) The March, 2016 Revised Zoning Map of the City, as such may be amended from time to time, may be known or cited as the Official Zoning Map of the City.
- (B) Amendments to the Official Zoning Map may be made by an ordinance enacting a revised map or by an ordinance amending portions of the Official Zoning Map by specifying the legal description of the property to be rezoned. The City Manager may cause technical corrections to the Official Zoning Map to be made without any requirement that they first be approved by ordinance, provided such corrections simply implement the terms of previously-approved rezoning ordinances and are consistent with the zone district boundary rules of interpretation in Section 11-7-3.

Sec. 11-7-3. Zone district boundaries.

The regulations for the various residential, mixed use, commercial and industrial districts provided for in this Chapter shall apply within the boundaries of each such district as indicated on the Official Zoning Map. In establishing the boundaries of the zoning districts shown on the Official Zoning Map, the following rules shall apply:

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- (1) General rules of interpretation. For unsubdivided property or where a zoning boundary divides a property, or if the zoning boundaries cannot otherwise be determined, the boundaries on the Official Zoning Map shall be based upon the individual zoning or rezoning map approved for the property.
 - (2) Lot or block lines. Where no rights-of-way exist and the zoning boundaries are indicated as approximately following lot, tract, block or subdivision boundary lines, such limits shall be considered as the zoning district boundaries.
 - (3) Rights-of-way. Unless otherwise indicated, the zoning district boundaries are the centerlines of streets, alleys, waterways, and railroad rights-of-way. The area within any of the rights-of-way is not granted any of the use rights associated with the overlying or adjacent zoning district(s).
 - (4) Vacated rights-of-way. Whenever a public street, alley or other right-of-way has been vacated, the zoning district adjoining each side of the right-of-way shall be extended to include the portion of the vacated street, alley, or other right-of-way adjacent to such adjoining property.
 - (5) City boundaries. Boundaries indicated as approximately following the City limits shall be considered as following the City limits.
 - (6) Other boundaries. Boundaries indicated as approximately parallel to or extensions of centerlines, lot, or tract lines, City limits, or similar geographic lines shall be considered as the boundaries when no or other reliable documentation is available.
 - (7) Map discrepancies. Should an actual street layout or stream course vary from that shown on the map or any other uncertainty remain as to the location of a zoning district boundary, the City Manager shall interpret the map based on the best information available and according to the intent of this title and any other applicable provisions of the Municipal Code.

Sec. 11-7-4. Zoning annexed land.

All annexed land shall be zoned within 90 days of annexation following the procedure for rezoning at Section 11-7-12. Zoning of property proposed for annexation may be processed simultaneously with the petition for annexation, provided no ordinance zoning such property may be finally adopted prior to final adoption of an ordinance or ordinances annexing such property.

Sec. 11-7-5. Districts established.

- (A) The residential districts described below are established to promote stability in residential neighborhoods; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land. Certain other uses are permitted which are compatible with residential dwellings.
 - (1) The "RL" Rural Living District is intended to provide for farms, ranches, and clustered development with open space, and is designed to dovetail with allowed County residential densities.
 - (2) The "R-1" Very Low Density District is intended to provide for large lot rural residential development with a maximum density of one dwelling unit per acre.

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- (3) The "R-1A" Large Estate District and "R-1B" Small Estate District are intended to provide for large single-household detached dwelling residential lots within a semi-rural environment.
 - (4) The "R-2" Low Density District is intended to provide primarily for development of single-household detached and duplex dwellings, along with certain other compatible land uses.
 - (5) The "R-3" Medium Density District is intended to provide for an area which is suitable primarily for single-household detached, attached and duplex dwellings, along with certain other compatible land uses.
 - (6) The "R-3A" Medium High Density District is intended to provide for an area which is suitable primarily for single household attached, triplex, fourplex and other medium density multi-household dwellings, along with certain other compatible land uses.
 - (7) The "R-4" High Density District is intended to provide primarily for high density multi-household dwellings and to allow variety in higher density single household and duplex dwellings and other forms of innovative housing development types.
 - (8) The "R-5" Low Density/Manufactured Housing District is intended to provide primarily for low density development of single-household detached and duplex manufactured home dwellings, along with certain other compatible land uses.
 - (9) The "R-6" Medium Density/Manufactured Housing District is intended to provide primarily for medium-density development for single-household attached, , triplex and fourplex manufactured home dwellings, along with certain other compatible land uses.
 - (10) The "MHR" Manufactured Housing Residential District is intended to provide a suitable environment for manufactured housing developments or tiny home communities, along with certain other compatible land uses.
- (B) The mixed-use district described below is established to promote stability in areas in transition; to protect such property from incompatible land uses; to protect property values; and to encourage the appropriate use of such land.
- (1) The "OR" Office-Residential District is intended to provide for a mix of offices and residential dwellings in areas adjacent to commercial zones or in areas in transition from residential to commercial uses.
- (C) The commercial districts described below are established to provide a location for convenient exchange of goods and services in a reasonable and orderly manner.
- (1) The "P" Public District is intended to provide for uses and services of a public, nonprofit, or charitable nature.
 - (2) The "B-1" Central Business District is intended to reflect the character of the original Downtown while allowing additional uses that will strengthen and expand the core of the City.
 - (3) The "B-2" Highway Commercial District is intended to provide for businesses oriented toward serving the motoring public, encouraging the convenient exchange of goods and services along the major thoroughfares of the City.
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- (4) "B-2A" Regional Commercial District is intended to provide for a full spectrum of goods and service uses along the major thoroughfares of the City.
 - (5) The "B-3" General Commercial District is intended to provide for a large variety of goods and services including outdoor storage areas and a limited group of commercial/industrial uses.
 - (6) The "B-4" Neighborhood Shopping District is intended to provide for small scale retail shopping and services convenient to residential neighborhoods.
 - (D) The industrial districts described below are established to provide for normal manufacturing activities and related uses.
 - (1) The "I-1" Light Industrial District is intended to provide for a limited group of research and manufacturing uses promoting the creation and maintenance of an employment center which will serve the mutual interests of the community as a whole.
 - (2) The "I-2" General Industrial District is intended to provide for most industrial and manufacturing uses, subject to performance standards.
 - (E) Dimensional requirements are set out in Section 11-7-7.

Sec. 11-7-6. District uses.

- (A) *Permitted uses.* Those uses designated as permitted uses on the schedule of uses in Subsections 11-7-6 (G) and 11-7-6 (H) are allowed as a matter of right subject to approval of a site development plan per Section 11-8-1 of this Title.
- (B) *Conditional uses.* Uses listed as conditional uses on the schedule of uses in Subsections 11-7-6 (G) and 11-7-6 (H) shall be allowed only if the Planning Commission determines, following review pursuant to Chapter 11-4 of this Title, that the following criteria are substantially met with respect to the type of use and its dimensions:
 - (1) The use will not be contrary to the public health, safety, or welfare.
 - (2) The use is not materially averse to the Comprehensive Plan.
 - (3) Streets, pedestrian facilities, and bikeways in the area are adequate to handle traffic generated by the use with safety and convenience.
 - (4) The use is compatible with existing uses in the area and other allowed uses in the district.
 - (5) The use will not have an adverse effect upon other property values.
 - (6) Adequate off-street parking will be provided for the use.
 - (7) The location of curb cuts and access to the premises will not create traffic hazards.
 - (8) The use will not generate light, noise, odor, vibration, or other effects which would unreasonably interfere with the reasonable enjoyment of adjacent property.
 - (9) Landscaping of the grounds and the architecture of any buildings will be reasonably compatible with that existing in the neighborhood.

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- (C) *Principal uses.* The primary use of a lot is referred to as a principal use which may be a land use or a structure. Only one principal use per lot is allowed except where a mix of residential and nonresidential uses may be permitted in a specified zone district.
- (D) *Accessory uses.* Except where specifically modified by this Chapter, accessory uses shall comply with all requirements for the principal use, and the following additional limitations:
- (1) An accessory use shall be clearly incidental, customary to and commonly associated with the operation of the permitted use.
 - (2) An accessory use shall be operated and maintained under the same ownership as the permitted use.
 - (3) An accessory use shall be located on the same lot as a principal use.
- (E) *Temporary Use Permits.*
- (1) *Permit required.* The City Manager may issue a temporary use permit authorizing a temporary use of premises in a district for a use which is otherwise not allowed in such a district for a limited period of time in accordance with this Subsection. The temporary use permit may be issued by the City Manager only after it determines that the temporary use will not unreasonably interfere with the use of other property, or result in any permanent adverse effects to other property, or create a safety or health hazard.
 - (2) *Permit conditions.* The City Manager may approve a temporary use permit subject to conditions appropriate to ensure compliance with this Subsection. Such conditions may include, but are not limited to, setting requirements for, or imposing restrictions upon, size, massing, location, open space, landscaping, buffering, screening, lighting, noise, signage, traffic and pedestrian circulation and control, parking design and operations, duration, hours of operation, setbacks, building materials and architectural design, sanitation, trash removal, dust control, drainage, erosion control, and provision of utilities and services.
 - (3) *Permit renewal.* A temporary use permit will generally not be renewed unless the use is a seasonal use; a temporary improvement associated with an established business; or associated with a construction activity; or as stated otherwise herein. These applications may be renewed for up to one year at any one time using the same procedures as for an initial application.
 - (4) *Exempt Activities.* The following temporary activities are exempt from these regulations:
 - (a) Storage or moving containers for a business or residence actively moving or a related activity and not exceeding 14 days in any one year.
 - (b) Dumpsters for a business or residence actively undergoing construction or a related activity and not exceeding 14 days in any one year.
 - (c) Temporary uses, structures, and/or vehicles/trailers needed as the result of a natural disaster or other health and/or safety emergency are allowed for the duration of the emergency or as needed to address conditions caused by the emergency.
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- (5) *Prohibited Uses or Activities.* The following uses and activities are prohibited due to negative visual or other impacts:
- (a) Storage in trailers or roll-off containers for longer than 14 days unless associated with an active construction site or a non-residential use, business or residence in the process of moving.
 - (b) Outdoor storage other than accessory storage for an active construction site. Any other outdoor storage shall conform to the requirements for the zone district in which the property is located.
 - (c) Outdoor sales of durable goods as a principal use not associated with a farmer's market, special event, business promotional event, or with an approved site plan, unless the operation meets the requirements for a mobile vendor in accordance with the Montrose Regulations Manual.
- (6) *Allowed Uses and Activities.* Temporary uses of land are permitted subject to the specific zone districts and time periods listed in Table 7.1. The City Manager may approve other temporary uses and activities if it is determined that such uses meet the intent and criteria of this section.

Table 7.1
Allowed Temporary Uses

Use	Zone Districts	Period
Construction trailer, temporary building, or yard for construction management office and/or storage of materials during active construction within an approved development.	All	Time to be specified by City Manager; must be concurrent with Building Permit; must be terminated within 30 days of issuance of project Certificate of Occupancy for all types of construction.
Temporary office for the sale and/or rental of dwelling units under construction within an approved development.	All	Time to be specified by City Manager; must be terminated within 60 days of completion of the sales period.
Seasonal or off-site retail sales, which include, but are not limited to: sale of seasonal fruits and vegetables; sale of fireworks; and sale of Christmas trees.	Commercial and Industrial zone districts only	Not to exceed 180 days, and provided that any permits required by law are obtained

(F) *Uses Not Listed.*

- (1) Uses not listed in a zone district are prohibited except that such uses may be approved by the City Manager provided such uses are found to be similar to a permitted use.
- (2) Any person aggrieved by a decision of the City Manager pursuant to this Subsection may appeal that decision to the City Council under the following procedure:
 - (a) The appeal must be made in writing and filed within thirty (30) days of the decision being appealed.
 - (b) The City Council shall consider the appeal at a public hearing held within thirty (30) days of receipt of the written appeal, notice of which shall be given to the appellant by US mail at least fifteen (15) days prior to the hearing.
 - (c) The City Council shall approve or deny the appeal.
 - (d) The decision of the City Council shall be the final decision of the City on the matter, appealable only to the district court.

(G) Schedule of Residential Zone District Uses.

Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
COMMERCIAL USES										
Bed and breakfast (See Sec. 11-11-1)					C		C		C	
Farms and ranches	P									
Short-term rentals	P	P	P	P	P	P	P	P	P	P
INSTITUTIONAL USES										
Assisted living facility					C	C	C		C	C
Childcare facility	C	C	C	C	C	C	C	C	C	C
Family childcare home	P	P	P	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P	P
Religious assembly	P	P	P	P	P	P	P	P	P	P
Schools; Elementary, Middle and High	C	C	C	C	C	C	C	C	C	C
RECREATIONAL USES										
Golf courses	P									
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P	P
RESIDENTIAL USES										
Accessory Dwelling Unit (See Sec. 11-11-5)	C	C	C	P	P	P	P	P	P	
Dwelling, Duplex				P	P	P	P	P	P	
Dwelling, Fourplex					C	P	P		C	
Dwelling, Multi-household					C	P	P		C	
Dwelling, Single-Household Attached					P	P	P		P	
Dwelling, Single-Household Detached	P	P	P	P	P	P	C	P	P	P
Dwelling, Tiny Home									P	P
Tiny Home Community										P
Dwelling, Triplex					P	P	P		P	
Group homes - handicapped/disabled 8 persons or less (See Sec. 11-11-2)	P	P	P	P	P	P	P	P	P	P
Group homes - handicapped/disabled > 9 persons (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C

Land Use	RL	R-1	R-1A/B	R-2	R-3	R-3A	R-4	R-5	R-6	MHR
Group homes, other (See Sec. 11-11-2)	C	C	C	C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A	A	A	A	A	A	A	A	A	A
Manufactured home				¹				P	P	P
Manufactured home park (See Sec. 11-13)										P
UTILITIES AND TELECOMMUNICATION FACILITIES										
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P	P
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C	C
OTHER USES										
Accessory uses (See Sec. 11-7-6 (D))	A	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6 (E))	T	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6 (2))	T	T	T	T	T	T	T	T	T	T
Legend: Zoning Districts RL: Rural Living R-1: Very Low Density R-1A: Large Estate R-1B: Small Estate R-2: Low Density R-3: Medium Density R-3A: Medium High Density R-4: High Density R-5: Low Density/Manufacture Housing R-6: Medium Density/Manufacture Housing MHR: Manufactured Housing Residential				Legend: Use Type P: Permitted Use C: Conditional Use A: Accessory Use T: Temporary Use Note: Any uses not listed in a zone district are prohibited – see Sec. 11-7-6 (F)(1).						

(H) Schedule of Mixed Use, Commercial and Industrial Zone District Uses.

¹ Manufactured housing is prohibited except for the following subdivision which was under development on July 1, 1998: Rainbow Meadows Subdivision.

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
COMMERCIAL USES									
Vehicle sales, rental, repair or service establishments			C	C	P	P		P	P
Bed and breakfast (See Sec. 11-11-1)	P								
Building materials business			C	P	P	P		P	P
Commercial greenhouse				C	C	P	C	P	P
Electric vehicle charging station, retail		P	P	P	P	P	C		
Farm implement sales or service establishment					P	P		P	P
Food truck court		P	P	P	P	P	P	C	C
Fueling station or other retail use having fuel pumps (See Sec. 11-11-4)			P	P	P	P	C	C	C
Funeral home			C	C	C	C			
Hotels and motels			P	P	P	P			
Laundry facility, self-service				P	P	P	P		
Manufactured home, tiny home and travel home sales or service establishments					P	P		P	P
Medical clinic	P		P	P	P	P	P	P	C
Micro-brewery, micro-distillery, or micro-winery			P	P	P	P	P	P	C
Office, business	P		P	P	P	P	P	P	P
Outpatient drug treatment clinic	P								
Travel home park (See Sec. 11-13)				C	C	C			
Campground				C	C	C			
Rental business					P	P		C	C
Restaurant			P	P	P	P	P	C	C
Drive-in or drive-through			C	P	P	P	C	C	C
Retail sales and personal service establishments	C		P	P	P	P	P	P	C
Retail sales and personal service establishments with limited manufacturing				C	C	C		P	C
Sexually oriented business (See Sec. 11-12-1)									P
Shooting range, indoor						C		C	C
Short-term rentals	P		P	P	P	P	P	P	P
Bar or tavern			P	P	P	P	C	C	C

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
Theater			C	P	P	P			
Veterinary clinic or hospital, small animal				P	P	P		C	C
Veterinary clinic or hospital, large animal					P	P		C	C
INDUSTRIAL USES									
Storage facilities, fuels and chemicals						P		P	P
Aircraft support services								P	P
Construction equipment storage facility						P		P	P
Feed storage and sales establishments						P		P	P
Fulfillment Center				C	C	C		P	P
Manufacturing and non-manufacturing uses (See Sec. 11-11-4)					C	C		P	P
Industrial use, other								C	P
Storage facilities, indoor			C	P	P	P	C	P	P
Storage facilities, outdoor					C	P		P	P
Warehouse and wholesale distribution operation			C	C	C	C		P	P
INSTITUTIONAL USES									
Airport								P	P
Assisted living facility	C			P	P	P			
Childcare facility	P	P	P	P	P	P	P	P	P
College or other place of adult education			P	P	P	P			
Daytime social service activities			P	P	P	P			
Family child care home	P	C	P	P	P	P	P	P	P
Government buildings and facilities	P	P	P	P	P	P	P	P	P
Hospital	P								
Library		P	P	P	P	P			
Museum or visitor center		P	P	P	P	P			
Parking facility	P	P	P	P	P	P			
Private and fraternal clubs			P	P	P	P	C		
Public transportation facilities			P	P	P	P		C	C
Religious assembly	P	P	P	P	P	P	P	C	C
Schools; Elementary, Middle and High	C	P	C	C	C	C	C		

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
MIXED USES									
Live/work unit	P	P	P	P	P	P	P	P	P
Mixed use building	P	P	P	P	P	P	P	P	P
RECREATIONAL USES									
Golf course		C							
Parks, open space and recreation facilities	P	P	P	P	P	P	P	P	P
Private recreation facility, indoor		C	C	P	P	P	C	P	P
Private recreation facility, outdoor		C		P	P	P		P	P
RESIDENTIAL USES									
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P
Dwelling, Duplex	P	P	P	P	P	P	P	P	P
Dwelling, Fourplex	P	P	P	P	P	P	P	P	P
Dwelling, Multi-household	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Attached	P	P	P	P	P	P	P	P	P
Dwelling, Single Household Detached	P	P	P	P	P	P	P	P	P
Dwelling, Tiny Home		P							
Dwelling, Triplex	P	P	P	P	P	P	P	P	P
Group home - handicapped/disabled 8 persons or less (see Sec. 11-11-2)	P		P	P	P	P	P	P	P
Group home - handicapped/disabled > 8 persons (see Sec. 11-11-2)	C		C	C	C	C	C	C	C
Group home (See Sec. 11-11-2)	C		C	C	C	C	C	C	C
Home occupation (See Sec. 11-11-3)	A		A	A	A	A	A	A	A
Supportive housing	C					C		C	
UTILITIES AND TELECOMMUNICATION FACILITIES									
Antennas (See Sec. 11-14-6)	C	C	C	C	C	C	C	C	C
Public utility service facilities	P	P	P	P	P	P	P	P	P
Solar farms								P	P

Land Use	OR	P	B-1	B-2	B-2A	B-3	B-4	I-1	I-2
Towers (See Sec. 11-14-5)	C	C	C	C	C	C	C	C	C
OTHER USES									
Accessory uses (See Sec. 11-7-6 (D))	A	A	A	A	A	A	A	A	A
Temporary use (See Sec. 11-7-6 (E))	T	T	T	T	T	T	T	T	T
Travel home (See Sec. 11-13-6 (2))	T		T	T	T	T	T	T	T
Legend: Zoning District OR: Office-Residential P: Public B-1: Central Business B-2: Highway Commercial B-2A: Regional Commercial B-3: General Commercial B-4: Neighborhood Shopping I-1: Light Industrial I-2: General Industrial			Legend: Use Type P: Permitted Use C: Conditional Use A: Accessory Use T: Temporary Use Note: Any uses not listed in a zone district are prohibited – see Sec. 11-7-6 (F)(1).						

Sec. 11-7-7. District standards.

(A) Tabulated requirements for principal uses by right are as follows (all dimensions in feet or square feet unless otherwise noted):

Minimum Setbacks								
District	Use ² ₃	Maximum Density	Minimum Lot Size ⁴	Front	Rear	Side	Corner Lot	Maximum Building Height
RL	Dwelling, Single Household Detached	TBD – see footnote #4	⁵	25	20	10	20	35
R-1	Dwelling, Single Household Detached	1 dwelling unit/acre	1 acre	25	20	10	20	35
R-1A	Dwelling, Single Household Detached	2 dwelling units/acre	½ acre	25	20	10	20	35
R-1B	Dwelling, Single Household Detached	3 dwelling units/acre	⅓ acre	25	20	10	20	35
R-2	Dwelling, Single Household Detached	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Duplex	7.75 dwelling units/acre	11,250	25	20	5	20	35
R-3	Single-household detached	7 dwelling units/acre	6,250	15	20	5	15	35

² Residential uses in the OR, P, B-2, B-2A, B-3, B-4, I-1 and I-2 zone districts shall comply with the applicable dimensional requirements as set out for the R-3A zone. Residential uses in the B-1 District shall comply with the density standards in the R-3A zone, but are not required to comply with the dimensional standards.

³ Commercial and institutional uses in the RL, R-1, R-1A, R-1B, R-2, R-3, R-3A, R-4, R-5, R-6 and MHR zone districts shall comply with the applicable dimensional requirements as set out for the "OR" zone.

⁴ Applies per lot; not per primary dwelling unit. Where specified as square footage per dwelling unit for multiple unit dwelling types does not imply a minimum dwelling unit size; there is no minimum dwelling unit size.

⁵ A minimum lot size shall be determined as a condition of initial zoning of property as "RL." Such lot size shall be designed to limit overall residential units per acre to no more than allowed by Montrose County in comparable areas in the County where sewer is available, and to implement the City Comprehensive Plan as feasible while remaining economically competitive with allowed County densities.

	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/dwelling unit	15	20; 10 w/ alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-3A	Single-household detached	8.7 dwelling units/acre	5,000	15	20	5	15	35
	Duplex	9.3 dwelling units/acre	9375	15	20	5	15	35
	Single-household attached	15 dwelling units/acre	2,900/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35
	Triplex or Fourplex	15 dwelling units/acre	2,900/dwelling unit	15	20; 10 w/ alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/dwelling unit	15	20	10	15	40
R-4	Single-household detached	17.4 dwelling units/acre	2,500	15	20; 5 w/ rear-loaded garage	5	10	35
	Duplex	17.4 dwelling units/acre	5,000	15	20	5	15	35
	Single-household attached	18.9 dwelling units/acre	2,300/dwelling unit	15	20; 5 w/ rear-loaded garage	10 to bldg. lot line	15	35

	Triplex or Fourplex	18.9 dwelling units/acre	2,300/ dwelling unit	15	20; 10 w/ alley	15 to bldg. lot line	20	35
	Multi-household	24 dwelling units/acre	1,815/ dwelling unit	15	20	10	15	40
R-5	Single-household detached	3.6 dwelling units/acre	12,000	25	20	5	20	35
	Duplex	7.2 dwelling units/acre	12,000	25	20	5	20	35
	Manufactured Home	3.6 dwelling units/acre	12,000	25	20	10	20	35
R-6	Single-household detached	5.8 dwelling units/acre	7,500	25	20	5	15	35
	Duplex	9.3 dwelling units/acre	9,375	15	20	5	15	35
	Single-household attached	9.3 dwelling units/acre	4,700/ dwelling unit	25	20; 5 w/ rear-loaded garage	10 to bldg. lot line	20	35
	Triplex or Fourplex	9.3 dwelling units/acre	4,700/ dwelling unit	15	20; 10 w/ alley	15 to bldg. lot line	20	35
	Multi-household	15 dwelling units/acre	2,900/ dwelling unit	15	20	10	15	40
	Manufactured Home	5.8 dwelling units/acre	7,500	25	20	5	20	35
	Tiny Home	5.8 dwelling units/acre	7,500	15	20	5	15	35
MHR	Manufactured Homes except MH Parks ⁶	14.5 dwelling units/acre	3,000	5	10	10	10	35
	Dwelling, Single Household Detached	14 dwelling units/acre	3,125	5	10	10	10	35

⁶ Dimensional requirements for manufactured home parks are controlled by Chapter 11-13-5 of this Title.

	Tiny Home except Tiny Home Communities ⁷	14.5 dwelling units/acre	3,000	5	10	10	10	35
OR	All Non-Residential		6,250	15	15	5	15	35
P ⁸	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-1	No Req.		No Req., except for fueling stations	No Req.	No Req.	No Req.	No Req.	No Req.
B-2	All Non-Residential		N/A	15	N/A	N/A	15	N/A
B-2A	All Non-Residential		N/A	25	N/A	N/A	25	35
B-3	All Non-Residential		N/A	25	N/A	N/A	25	35
B-4	All Non-Residential		N/A	25	N/A	N/A	25	35
I-1	All Non-Residential		½ acre	25	N/A	N/A	25	N/A
I-2	All Non-Residential		½ acre	25	N/A	N/A	25	N/A

(C) Additional Dimensional Requirements.

- (1) Accessory use structures or buildings in residential districts may be located on those rear and side property lines which do not abut a street, if the structure is at least ten feet to the rear of the building line of the principal structure and does not occupy more than 30 percent of the rear yard area. In all other situations, accessory structure setbacks are the same as principal structure setbacks.
- (2) In a block where a setback line has been established by existing structures 50 percent or more of the block, the average setback of the existing buildings may be used as the minimum setback.
- (3) Garage doors which face an alley require a five-foot minimum setback.
- (4) In zone districts where residential front setbacks are 15 feet or less, the garage setback shall be a minimum of 25 feet.

⁷ Dimensional requirements for tiny home communities are controlled by Chapter 11-13-12 of this Title.

⁸ City facilities are exempt from these standards.

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- (5) Accessory structures shall not be located in the front yard of a principal structure, except for minor and commonplace accessory structures such as public utility installations, mail boxes, lamp posts and structures of a like nature.
 - (6) Lot depth and width is determined through the subdivision process in Section 11-5-13 (b) (3) of these regulations.
 - (7) Other permitted exceptions and encroachments into required setbacks and height limits are specified in Section 11-8-10 of this title.

Sec. 11-7-8. Planned Development (PD).

(A) *Intent.* The intent of this Section is to encourage the development of tracts of land in accordance with an overall development plan by providing flexibility with respect to dimensional requirements of residential units.

(B) *General Provisions.*

- (1) A planned development must be in substantial conformity with the Comprehensive Plan.
- (2) A minimum of 20 percent of the gross area of the planned development must be preserved as useable open space, as defined in Section 11-15-2. The 20% useable open space requirement shall not apply to a proposed PD containing six or fewer units and processed under Subsection C(5).
- (3) Planned developments in the "RL" zoning district must consider and reasonably minimize adverse impacts on existing agricultural uses or other property in the area.
- (4) Residential dwellings may be clustered, including the use of single-household dwelling, duplex and multi-household dwellings.
- (5) Affordable housing, as defined in Sec. 11-15-2, may be included in a planned development.
- (6) Approval of a planned development by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the developer does not accept all conditions, that development must adhere to standard subdivision and zoning requirements.

(C) *Permitted Uses in a PD.*

- (1) Any use permitted in the underlying zone district, limited as to its status as a use by right, a conditional use, or a temporary use, unless otherwise limited or permitted on the PD plan.

(D) *Administrative PD Procedure.* This procedure is applicable for planned developments containing six or fewer units:

- (1) All lots or tracts are adjacent to a dedicated and accepted public street;
- (2) The lots are part of a subdivision or PD plat that has been previously approved and/or accepted by the City and recorded in the Montrose County Records;

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- (3) All improvements required by applicable City ordinances and regulations, including those related to PD Plans, are already in existence and available to serve each lot, or secured;
 - (4) No part of the Administrative PD has been approved as part of an Administrative PD within three years prior to the date of submission of the Administrative PD plat;
 - (5) No material changes to prior restrictions or easements are proposed; and
 - (6) Provisions of Section 11-5-3 (B) through and including (E) of this Title shall apply.
 - (7) Approval of an Administrative PD by the City is purely discretionary. If the City and the applicant do not agree on all required conditions and the plan, the City may deny approval, or the City may unilaterally impose conditions. If the applicant does not accept all conditions, that development must adhere to standard subdivision or PD requirements, and proceed through the applicable approval process.
 - (8) Prior to any review of the Administrative PD, the applicant shall provide written consent of all property owners within the proposed Administrative PD plan area. To the extent only a portion of a prior-approved Administrative PD plan area is proposed to be amended by the Administrative PD Plan application, then only the consent of the property owners within such portion shall be required.
 - (9) Amendments to Administrative PD's may be submitted for review and approval in the same manner as the initial Administrative PD.

(E) *Dimensional Requirements, Densities.*

- (1) Dimensional requirements, except those relating to overall residential density, which would otherwise be required by the City Zoning Regulations, or other City regulations for the district affected, may be deviated from in accordance with the plan as approved, if the Review Board determines that such deviations are in compliance with the Comprehensive Plan and will promote the public health, safety and welfare.
- (2) The Review Board may impose conditions as necessary or appropriate. The total number of residential units shall not exceed the area of the site divided by the minimum lot sizes specified for the zoning districts included.

(F) *Review of Sketch, Preliminary and Final PD Plan.*

- (1) The sketch plan, preliminary plan and final PD plans shall be reviewed pursuant to the procedures and requirements for subdivisions as set out in Chapter 11-5 of this Title. The Planning Commission shall take no formal action at the conclusion of its public hearing on the sketch plan; however, comments by the public and the Commission shall be reflected in the minutes of the hearing as a part of the record on the application as it moves through the entire review process. For the approval of any preliminary PD Plan or a substantial amendment to a PD plan, a hearing shall be held before City Council.
- (2) Prior to any review of the Sketch, Preliminary and Final PD Plan, the applicant shall provide written consent of all property owners within the proposed PD plan area. For the purposes of this Section, "PD plan area" is the entirety of the territory proposed to be included in a PD plan; provided, however, that for applications for PD plan

amendments, only the portion of the PD plan area being amended or affected shall constitute the PD plan area for such application for purposes of consent; nevertheless, all owners of property within the PD must be given notice of the public hearing at which the amendment is to be considered.

- (3) Conditions may be imposed as appropriate to assure that the PD plan is consistent with the Comprehensive Plan and promotes the public health, safety and welfare.
- (4) The plan shall show the location, size, number of dwelling units, and other uses, and shall further set out the location of all parks, open space, parking areas, streets, sidewalks, trails, bike paths and other improvements and structures. All information necessary to show compliance with the requirements of this Section shall be submitted. Where appropriate, in lieu of exact locations, numbers and sizes, parameters or limits may be set out.
- (5) The PD Plan as approved shall be recorded.
- (6) The final PD plan may be treated as a vested right pursuant to the procedure in 11-4-9.

(G) *Required Improvements.*

- (1) All PDs shall provide the same improvements as required for subdivisions in Chapter 11-5 of this Title, and security therefore shall be provided as set out in Section 11-5-12 of this Title.
- (2) All improvements shall be constructed in accordance with standard City design and construction specifications and standards, in substantial conformity with the PD plan, and in accordance with subdivision design standards as set out in Chapter 11-5 of this Title, except as modified by the PD plan.
- (3) An entity shall be established or provided for ownership and maintenance of all facilities and open spaces, which are approved for common ownership or not dedicated to the City.
- (4) Flexibility in the scope and design of required improvements and design standards may be allowed to provide for innovative urban design which promotes the public health, safety and welfare. A public street shall be dedicated to the City and developed at the developer's cost to provide direct access to each building with residential units or to the parking lot serving the building.

(H) *Enforcement and Amendments.*

- (1) The PD plan may be enforced in accordance with or in the same manner as the provisions of the Planned Unit Development Act of 1972, as amended, C.R.S. 1973, § 24-67-101 et seq., as amended or in any lawful manner. In addition, no occupancy permit shall be issued for any building unless all site improvements to serve that unit and any commonly-owned facilities have been completed and approved unless security for completion is provided substantially similar to the security required for subdivision improvements by 11-5-12 of this Title, except that cash must be placed in the escrow account prior to issuance of the occupancy permit.
- (2) Amended PD plans may be submitted for review and approval in the same manner as the initial PD Plan. An applicant for an Amended PD plan shall submit written consent

of the property owners of the portion of the PD plan area to which the application applies, prior to and as a condition of the initiation of review of the application. Written consent from all property owners within the prior-approved PD plan area is not required as part of the Amended PD plan application. Advance notice of any review of an Amended PD plan application by the Planning Commission shall occur pursuant to Chapter 11-4 of this Title, with the added requirement that advance written notice shall be provided to all property owners of record within the prior-approved PD plan area, in addition to all property owners of record adjoining or within 300 feet of the proposed Amended PD plan area.

Sec. 11-7-9. "REDO" Redevelopment Overlay Zoning District.

(A) Intent.

- (1) The "REDO" Overlay Zoning District is intended to alleviate certain hardships associated with redevelopment. The district is designed to encourage residential development and redevelopment of existing properties in the core downtown area, with allowances for increased densities compatible with the character of the area.
- (2) This overlay district allows reduced dimensional standards and a larger variety of housing types than the underlying zoning. Any development making use of the reduced dimensional requirements must meet all applicable criteria in this Section.

(B) Applicability.

- (1) The boundaries of the "REDO" Overlay Zoning District shall be as set forth by ordinance of the City Council, may be shown on the City's Official Zoning Map, and shall be fixed in the manner prescribed by Section 11-7-3.
- (2) The "REDO" Overlay Zoning District's provisions shall not be applicable to any property within the boundaries of said district, unless the owner of property therein shall deliver written notice to the City, in the manner set forth at subsection 11-7-9(C) of this Section, of said owner's intent to utilize the "REDO" Overlay Zoning District.
- (3) When selected by a property owner in the manner set forth herein, the "REDO" Overlay Zoning District shall supersede the provisions of the underlying zone for all matters addressed by said "REDO" Overlay Zoning District's provisions; the provisions of the underlying zone shall control all matters not addressed by the "REDO" Overlay Zoning District's provisions.
- (4) Any requests for use of these "REDO" Overlay Zoning District provisions that involve private use of City property, including rights-of-way, shall be entirely subject to the City's discretion, and shall also be subject to the City's ordinances and regulations pertaining to encroachments and permits for the same
- (5) The provisions of the "REDO" Overlay Zoning District shall have no effect whatsoever unless selected in the manner set forth herein.

(C) Procedure.

- (1) Use of the REDO District is initiated by filing an application in the form maintained by the Community Development Department and payment of the application fee.

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- (2) The application shall be reviewed as a minor site development plan under the procedure in Section 11-8-1[I]. In the event the application also proposes to subdivide real property, a minor subdivision under Section 11-5-3 shall be applied for and processed at the same time.

(D) Standards.

- (1) All applications shall be subject to the development standards below. To the extent these standards are inapplicable, the standards of the underlying zone apply.
- (2) Minimum Lot Size: Lots shall be no less than 2,075 square feet in size.
- (3) Minimum setbacks are as follows: 5 feet side, rear, and front yard setbacks. See also Section 11-7-7 (C) 5.
- (4) Height: The height of a building shall be as set forth in the underlying zone.
- (5) Accessory Dwelling Units in the REDO District:
 - (a) ADU's within the REDO District shall comply with the requirements and standards set forth in Section 11-11-5 with the exception of the ADU size limitations in 11-11-5 (2), and provided that ADU's may be conveyed separately from the primary dwelling unit.
 - (b) Lots with ADU's shall be no less than 3,125 square feet.
 - (c) An ADU shall not be subject to the 30 percent rear yard area coverage maximum.

(E) Design Criteria.

- (1) All lots within the "REDO" Overlay Zoning District shall be required to have not less than ten feet of street frontage. It is contemplated that lots having a "panhandle" shape may be allowed.
- (2) If an alley is present, any garage shall be set back a minimum of five feet, when practicable, from the nearest right-of-way line of said alley.
- (3) Please refer to Section 3-5-12(A)(1) of the Official Code of the City for the water Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new water service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.
- (4) Please refer to Section 3-5-12(G)(4) of the Official Code of the City for the sewer Tap Fees, system investment (capacity) fees, and unit charges for accessory dwelling units in need of new sewer service, located on the same lot as the primary dwelling in the "REDO" Overlay Zoning District.

- (F) Variances. Variance applications may be considered as to any requirements set forth in Subsections (D) and (E) of this Section. Use of the "REDO" Overlay Zoning District is expressly declared to be elective on the part of the property owner, and is entirely at the property owner's discretion.

Sec. 11-7-10. Uncompahgre River Buffer Overlay Zone.

The Uncompahgre River Buffer Zone (URBZ) applies to all land lying within 100 feet of the HWM of the Uncompahgre River, as defined above. The standards of the URBZ and its two

sub-areas are not applicable to parcels to which stricter standards may apply via separate agreements (e.g., a pre-annexation agreement).

- (1) The purpose of the URBZ is to establish minimal acceptable requirements for the design of buffers to protect the Uncompahgre River, its wetlands, and floodplains within the City limits; to protect the water quality of the Uncompahgre River within said jurisdiction; to protect riparian and aquatic ecosystems within said jurisdiction; and to provide for the environmentally sound use of land resources within said jurisdiction. Nothing in this Section shall be used as consideration in a pre-annexation agreement or in a negotiation for annexation of land into the City.
- (2) Measurement of the 100 feet URBZ, the two sub-areas within it, and all other related measurements shall be taken as follows: distance is measured horizontally from the HWM, as defined herein, to the location in question. The HWM location used for any given measurement shall be taken from the side of the river closest to the building or other development in issue.
 - (a) The following graphic illustrates how to measure the URBZ:
 - (b) The URBZ provisions shall apply to:
 - (i) Any new development requiring a building permit, except for additions less than 20 percent of the existing building size that do not include any changes to an existing parking lot;
 - (ii) Any new development requiring site development approval;
 - (iii) Subdivision or the division of a tract or parcel of land into two or more parcels;
 - (iv) The improvement of property for any purpose involving construction;
 - (v) Combination of any two or more lots, tracts, or parcels of property for any purpose;
 - (vi) Placement of temporary structures that do not require a building permit or site development plan from the City;
 - (vii) The preparation of land for any of the above purposes.
 - (c) Specific submittal requirements are listed in Appendix One. Upon submittal of the complete application, with all supporting documentation as may be required, City staff shall provide a review of the same. Following City staff review, administrative approval may be granted if the development proposal is an allowed use in the URBZ or applicable URBZ sub-zone, or is a use by right in the URBZ or applicable URBZ sub-zone, and meets all applicable standards. Development proposals which are not allowed uses or uses by right in the URBZ or applicable URBZ sub-zone, or do not meet all the applicable standards, shall be forwarded to the City Planning Commission for review and approval, under procedures set forth below, accompanied by any comments and recommendations from City staff.
 - (d) All proposals shall identify on a site plan the designated Disturbance Envelope for that portion of the project that is proposed to encroach into the URBZ.

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- (e) The applicant shall mark and identify the Disturbance Envelope on the ground in the field and shall maintain construction barrier fencing around the entire perimeter of the Disturbance Envelope throughout the period of construction, until final landscaping is completed. The applicant shall ensure that all surface disturbances are contained within the designated and marked Disturbance Envelope.
- (f) The URBZ consists of two sub-areas, as follows:
- (i) Streamside Zone. This area is intended to preserve the natural riparian environment. In order to accomplish this goal, there is hereby established a 40-foot buffer area, measured as described above from the HWM. Development in the Streamside Zone is subject to all other applicable permits. Setbacks created herein for the Streamside Zone are in addition to any setbacks which may be applied through the underlying zoning of a parcel.
- (1) The following are subject to a 40-foot setback from the HWM (i.e., the following shall not be placed or performed within the 40-foot Streamside Zone):
- (a) Planting of non-native grass turf;
 - (b) Removal of native vegetation;
 - (c) Erection of fences;
 - (d) Construction of hard-surfaced trails that parallel the river;
 - (e) Construction of buildings, other than irrigation pump houses;
 - (f) Construction of parking lots (paved or gravel);
 - (g) Construction or installation of lighting fixtures;
 - (h) Construction or installation of engineered/structural water runoff treatment facilities (such as concrete vaults);
 - (i) Concrete rip-rap;
 - (j) Construction or installation of any other facility not listed in the allowed uses below, and not reasonably compatible with the riparian environment.
- (2) The following actions, or construction of the following facilities or structures, are permitted within the 40-foot Streamside Zone:
- (a) Government buildings and facilities;
 - (b) Hard-surfaced trails roughly perpendicular to the river;
 - (c) Soft-surfaced trails (crushed gravel, etc.) whether parallel or perpendicular to the river;
 - (d) Irrigation facilities (including pump houses);
 - (e) Boat put-ins (boat ramps should be soft-surfaced);
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- (f) Planting of native vegetation;
 - (g) Bank stabilization, and river or wildlife habitat restoration;
 - (h) Other uses may be permitted that are directly related to the river, and that do not conflict with the intent of this Section.
 - (3) Exceptions to the above regulations for the Streamside Zone shall be granted or denied through the variance procedures set forth in Section 11-7-13.
- (ii) Outer Zone. This area is intended to serve as a buffer between the Streamside Zone, and areas outside the URBZ. Most uses allowed within the underlying zoning district are permitted within the Outer Zone, though certain uses have specific performance standards.
- (1) Uses by right in the Outer Zone:
 - (a) Water runoff treatment structures using swales, native vegetation, and similar measures;
 - (b) Government buildings and facilities;
 - (c) Fences which allow the passage of wildlife; said fences shall be designed as follows:
 - (i) No more than 40 inches in height;
 - (ii) A smooth bottom wire at least 16 inches above ground;
 - (iii) At least 12 inches between the top two wires;
 - (iv) No sharp edges, barbs, or similar devices are permitted;
 - (v) Sheep or woven-wire and wrought-iron style fences with spiked tips are not permitted.
 - (d) Landscaping employing native vegetation types and compatible with the riparian environment;
 - (e) Single household detached dwellings;
 - (f) Recreation trails (all types);
 - (g) Buildings and facilities complying with the underlying zoning district and complying with all of the following performance standards:
 - (i) Structures with windows occupying a minimum of 50 percent of the linear river frontage of the building; and
 - (ii) At least one public entrance directly facing the river; and
 - (iii) Outdoor common areas, seating and/or dining areas; and
 - (iv) High quality building finishes such as brick or stone, or earth tone colors having matte finishes; and
 - (v) Well concealed trash dumpsters; and

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- (vi) Total building facade length shall be less than 50 feet in length parallel to the river; and
 - (vii) Buildings and facilities complying with these performance standards are exempt from the river buffer screening requirements set forth below;
 - (viii) Single household detached dwellings are exempt from these performance standards, except for Subsection (2) (f) (ii) (1)(c) of this Section, as well as the Outer Zone performance standards set forth below.
- (2) The following uses shall not be considered a use by right in the Outer Zone, and are subject to review as Conditional Uses under Section 11-7-6 (B) and Chapter 11-4 of this Title:
- (a) Loading docks;
 - (b) Landscaping with non-native vegetation;
 - (c) Engineered or structural water runoff treatment facilities (such as concrete vaults);
 - (d) Other industrial uses;
 - (e) Water treatment facilities employing structural vaults or similar technology are not permitted within the Outer Zone;
 - (f) Parking lots, whether paved or gravel;
 - (g) All other uses not listed in this Subsection.
- (3) Outer Zone Performance Standards. If the use or structure does not meet the performance standards in Subsection (2) (f)(ii) (1)(g) of this Section, the following shall be required:
- (a) A minimum 30-foot-wide vegetated buffer with extensive vertical plantings of native vegetation. Said vegetated buffer shall not overlap the 40-foot Streamside Zone.
 - (b) Tree height at maturity shall be as high or higher than the buildings being screened, and vegetation at maturity shall obscure any buildings or other facilities to the maximum extent possible.
 - (c) Said vegetated buffer shall be contiguous to the Streamside Zone, and located between the Streamside Zone, and any parking lot or building.
- (4) General Standards Applicable within the Outer Zone.
- (a) Removal of native vegetation is discouraged. Where removal of native vegetation is unavoidable, the removed area shall be mitigated by planting replacement native vegetation, at a minimum 1:1 ratio (measured in square feet, with a result that

an equal amount of vegetation is planted, as was removed) within the URBZ.

- (b) All setbacks oriented toward the river, applicable to or within the Outer Zone, shall be measured from the boundary line between the Streamside Zone, and the Outer Zone.
- (c) For those zoning districts underlying the URBZ with no side or rear setbacks, the minimum side or rear setbacks shall be ten feet.
- (d) New buildings, expansions to existing buildings, or parking lots, or driveways shall have a minimum setback of 20 feet from an existing or proposed trail or path.
- (5) Exceptions to the standards and requirements regarding the Outer Zone shall be approved or denied through the procedures applicable to Conditional Uses, as set forth in Section 11-7-6 (B) and Chapter 11-4 of this Title.
- (6) The following uses and structures are prohibited within the URBZ and its two sub-areas:
 - (a) Confined animal feedlots;
 - (b) Storage of hazardous materials or chemical fuels;
 - (c) Aboveground or underground petroleum storage facilities;
 - (d) Septic systems;
 - (e) Solid waste landfills;
 - (f) Junkyards, and salvage yards;
 - (g) Land application of biosolids;
 - (h) Subsurface discharges from wastewater treatment plants.
- (7) All development within the URBZ shall obtain all applicable local, state and federal permits prior to undertaking any construction or land-disturbing activity.
- (8) The provisions of the URBZ shall supersede the provisions of the underlying zone, and any other applicable overlay zone, when the provisions of the URBZ are more restrictive.

Sec. 11-7-11. Nonconforming uses, lots and structures

- (A) Any use, building or structure which at the effective date of the ordinance from which this Title is derived or at the time of annexation, if annexed subsequent to the effective date of the ordinance from which this Title is derived, was lawfully existing and maintained in accordance with the previously applicable County or City regulations and ordinances but which does not conform or comply with all of the regulations provided in this Chapter, may continue to be maintained and used as a lawful nonconforming use only in compliance with the provisions and limitations imposed by this Section. Uses, structures, or buildings which

were unlawful or illegal and not in compliance with previously applicable regulations shall remain unlawful, illegal, and subject to abatement or other enforcement action.

- (B) If a use, building or structure is lawfully nonconforming in that it is not a use by right, or a conditional use which has been approved pursuant to the review provisions of Sections 11-7-6 (B) and 11-4-2 of this Title, the following shall apply:
- (1) If the building or structure involved in the use is destroyed or damaged so that repair or reconstruction will cost more than 50 percent of the fair market value of the building or structure after repair, it shall no longer be lawful to use the building or premises except in compliance with the use regulations for the district within which it is located.
 - (2) If the nonconforming use is abandoned or discontinued for a period of six months, then the premises may only be used in compliance with the use regulations for the district within which it is located.
 - (3) The use may be continued only substantially as it effective date of the ordinance from which this Chapter is derived or of annexation, and no material change in the type of use shall be allowed, unless the Planning Commission determines, following the review procedure provided in Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6 (B) will be met, and that the new use is a more restrictive use than the existing nonconforming use. Any change in use allowed pursuant to this provision shall not affect the future status of the use as a nonconforming use for all purposes of this Section.
 - (4) The extent or area of the premises utilized for or by the nonconforming use, building or structure, may not be materially extended or enlarged, or substantially structurally altered, unless the Planning Commission determines, following the review procedure of Section 11-4-2 of this Title, that the criteria set out in Section 11-7-6 (B) will be met.
- (C) If the use, building or structure is in compliance with the use regulations for the district within which it is located and is nonconforming only with respect to dimensional requirements, off-street parking requirements, or the regulations governing fences, hedges, walls, or canopies, the following provisions shall apply:
- (1) If the nonconformity of the building, use, or structure is abandoned, removed, or corrected for any length of time, such nonconformity may not be re-established.
 - (2) If the building or structure is damaged so that the cost of replacing or restoring it is greater than 50 percent of its fair market value after replacement, the building or structure may be repaired or replaced only in compliance with these Zoning Regulations.
 - (3) If the building or structure is damaged in such a way as to remove the nonconformity, the nonconforming feature may not be re-established by any repair or reconstruction, unless it is unfeasible to repair the building without re-establishing the nonconforming feature.
 - (4) No alteration may be made to the use, building, or structure which would increase the amount or degrees of the nonconforming feature. Changes in the use, building, or

structure may be made which will decrease the degrees or amount of deviation from the requirements of this Chapter.

(D) Nonconforming lots of record.

- (1) In any district in which single-household detached dwellings are permitted, a single-household detached dwelling and customary accessory buildings may be erected on any single lot of record, provided that the lot is in separate ownership and not of continuous frontage with other lots under the same ownership. This provision shall apply even though the lot fails to meet the dimensional requirements of the district in which it is located for area, width or both; provided, however, that the requirements of the district for minimum yard dimensions and lot coverage shall be met.
- (2) If two (2) or more lots or combinations of lots and portion of lots with continuous frontage in single ownership are of record, and part or all of the lots do not meet the requirements of the district in which they are located as to minimum area or frontage or both, the property together shall be considered to be an undivided parcel and no portion of the parcel shall be sold or used in a manner which diminishes compliance with minimum lot width and area requirements.

(E) This Section shall not apply to signs. Nonconforming signs shall be governed by the provisions of Section 11-10-3 of this Title.

Sec. 11-7-12. Rezoning.

(A) *Rezoning.*

- (1) Amendments to the Official Zoning Map involving any change in the boundaries of an existing zoning district, or changing the designation of a district, shall be allowed only upon findings as follows:
 - (a) The amendment is not averse to the public health, safety and welfare; and
 - (b) The amendment is in substantial conformity with the Comprehensive Plan; or:
 - (i) The existing zoning is erroneous; or
 - (ii) Conditions in the area affected or adjacent areas have changed materially since the area was last zoned.
- (2) Rezoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. The rezoning shall be reviewed for compliance with the criteria of this Subsection in accordance with the review procedures of Chapter 11-4 of this Title. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The City Council may initiate rezoning on its own motion, in which case the Council shall hold a hearing either in conjunction with second reading of a rezoning ordinance, or separately, in substantial compliance with the review procedures of Chapter 11-4 of this Title.
- (3) The City shall not impose conditions on a rezone unless otherwise required by this Title.

(B) *Zoning of Additions.*

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- (1) The zoning of additions for all property annexed to the City not previously subject to City zoning may be requested or initiated by the City Manager or the owner of any legal interest in the property or such owner's representative. Proceedings concerning the zoning of property to be annexed may commence at any time prior to the effective date of the annexation ordinance, or thereafter as allowed by law. The Planning Commission shall either recommend approval or denial of the requested zoning to the City Council, which can either ratify the Planning Commission's decision, or reverse it. The zoning of additions shall be subject to the review procedures of Chapter 11-4 and standards of Section 11-7-4 of this Title, and shall be allowed only upon findings as follows:
 - (a) The amendment is not averse to the public health, safety and welfare; and
 - (b) The amendment is in substantial conformity with the Comprehensive Plan, or such zoning is compatible with conditions in the area, which have changed materially since the Comprehensive Plan was last updated.
 - (2) The City shall not impose conditions on the zoning of an addition unless otherwise required by this Title.
 - (C) *Legislative Zoning.* Comprehensive review and re-enactment of all or a significant portion of the Official Zoning Map shall be a legislative action, and shall not be subject to the review procedures of Chapter 11-4 of this Title or any criteria set out in this Section.
 - (D) *Enactment by Ordinance.* No amendment, addition to or re-enactment of the Official Zoning Map shall become effective until enacted by an ordinance.

Sec. 11-7-13. Variances.

- (A) The Planning Commission may grant a variance from the requirements set out in this Chapter, if it determines, following the review procedures of Chapter 11-4 of this Title, that the criteria of this Section will be met. Provided, however, no variance shall be granted from provisions restricting uses by right, accessory and conditional uses within any zoning district.
 - (B) Variances shall be granted only if all the following criteria are met:
 - (1) The variance will not adversely affect the public health, safety and welfare.
 - (2) Unusual physical circumstances shall exist, such as unusual lot size or shape, topography, or other physical conditions peculiar to the affected property, and violations of code shown by clear and convincing evidence that they were made in good faith, which make it unfeasible to develop or use the property in conformity with the provisions of this Chapter in question.
 - (3) The unusual circumstances have not been created as a result of the action or inaction of the applicants, other parties in interest with the applicant, or their or his predecessors in interest.
 - (4) The variance requested is the minimum variance that will afford relief and allow for reasonable use of the property.
-

-
- (5) The variance will not result in development incompatible with other property or buildings in the area, and will not affect or impair the value or use or development of other property.
- (C) The burden shall be on the applicant to show that these criteria have been met.
 - (D) Variances shall be granted for sign regulations only if all of the following criteria are met, in lieu of the criteria of Subsection (B) of this Section.
 - (1) The variance will not adversely affect the public health, safety and welfare.
 - (2) The variance requested is the minimum variance that will afford relief.
 - (3) The variance will not result in signage incompatible with other properties in the area and will not affect or impair the value, use of development of such properties.
 - (4) Strict compliance with the regulation presents practical difficulties or unnecessary hardships, and the variance sought falls within the spirit of the sign regulations (Chapter 10 of this Title) as a whole.

ORDINANCE NO. 2680

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AMENDING THE ZONING DISTRICT DESIGNATION OF SPRUCE POINT SUBDIVISION FROM "R-3A," MEDIUM HIGH DENSITY DISTRICT WITH CONDITIONS TO "R-3A," MEDIUM HIGH DENSITY DISTRICT WITHOUT CONDITIONS.

WHEREAS, the Planning Commission met on January 22, 2025, to consider a rezoning of the Spruce Point Subdivision in the City of Montrose; and

WHEREAS, the motion carried and Planning Commission has recommended the zoning changes provided herein; and

WHEREAS, the City Council has determined that such zoning will be consistent with the public health, safety and welfare, the City's Master Plan and changed conditions in the area.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO, that

SECTION 1:

The Official Zoning Map is amended to designate the Spruce Point Subdivision, more particularly described as:

The following described real property, all situated in U.S. Government Lots 19 & 20, Section 5, Township 48 North, Range 9 West, N.M.P.M.:

Tract A1 and Tract A2 of Spruce Point Subdivision Filing No. 1, Amended Plat of Open Space Tracts A1 and A2, Reception No. 881943, Montrose County land records, also known as Montrose County Parcel Number 399305310025;

Tract B of Spruce Point Subdivision Filing No. 1, Reception No. 770229, Montrose County land records, also known as Montrose County Parcel Number 399305310026;

Outlot 1, Spruce Point Subdivision Filing No. 3, as depicted on the plat thereof recorded under Reception No. 958659, Montrose County land records, also known as Montrose County Parcel Number 399305225037;

Outlot 2 of Spruce Point Subdivision Filing No. 1, Reception No. 770229, Montrose County land records, also known as Montrose County Parcel Number 399305310028;

City of Montrose, County of Montrose, State of Colorado.

as an "R-3A," Medium High Density District without conditions, according to the Official Zoning Map.

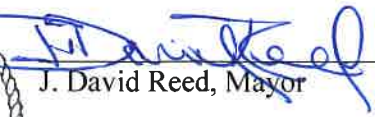
You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its passage on first reading on Tuesday, the 18th day of February, 2025, at the hour of 6:00 p.m. at Montrose City Council Chambers, Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 18th day of February, 2025.

ATTEST:


Lisa DelPiccolo, City Clerk




J. David Reed, Mayor

INTRODUCED, READ and ADOPTED on second reading this 4th day of March, 2025.

ATTEST:

J. David Reed, Mayor

Lisa DelPiccolo, City Clerk



Council Transmittal Memo
February 17, 2025

To: Mayor and City Council

From: David Bries, Utilities Director
Shani Wittenberg, Finance Director
Chris Dowsey, City Attorney

Subject: Municipal Code Chapter 3-5 proposed updates

Recommendation

First Reading of Ordinance 2681 repealing sections of Chapter 3-5 of the City of Montrose Municipal Code.

Background

City staff has been reviewing Chapter 3-5 of the Municipal Code that deals with water and sewer service to our customers. We are proposing the changes be made in two steps; the first being fairly simple and time sensitive changes, and the second being a more comprehensive overhaul of the chapter to make it easier to follow and administer.

The first step changes are time sensitive. The proposed changes are as follows:

- Repeal Section 3-5-12(J) and (K) which relates to surcharges for sewer extensions that have been completed and have expired and are no longer in effect. The current Code sections proposed to be repealed are as follows:

(J)

- (1) *Those sanitary sewer connections which utilize the North East Sewer Extension directly or indirectly shall be subject to a construction surcharge computed in accordance with the following formula: $\text{Surcharge} = (\text{Actual Diameter of Tap}/4")^2 \times \$1,000$*
- (2) *The surcharge as provided herein shall not apply to properties located within the Colorado West Addition No. 2, or properties issued tap credits in consideration of easement dedication to the City for the North East Sewer Extension or construction thereof.*
- (3) *The surcharge as provided herein shall expire on March 8, 2020.*

(K)

- (1) *Those sanitary sewer connections which utilize the East Sunnyside Sewer Extension directly or indirectly shall be subject to a construction surcharge computed in accordance with the following formula:
 $\text{Surcharge} = (\text{Actual Diameter of Tap}/4")^2 \times \$1,000$*

- (2) The surcharge as provided herein shall not apply to properties located within the East Sunnyside Addition No. 3, or properties issued tap credits in consideration of easement dedication to the City for the East Sunnyside Sewer Extension or construction thereof.*
- (3) The surcharge as provided herein shall expire on January 21, 2019.*

- Repeal Section 3-5-13(E) which deals with providing construction water and charging for this estimated amount of water as part of the building permit fee. With the growth of the city and the different types of non-residential buildings that are being built, it is becoming administratively difficult to accurately estimate the water usage at the time the building permit is generated.

The water meter is currently installed prior to the contractor needing construction water to measure and account for the usage, so there would not be a change to operating procedures and will measure and charge for the water usage. This also avoids the potential delays in requesting the occupancy permit, which under the current system would trigger the account to be set up and allow the contractor to utilize additional water that may not be anticipated as construction water. The current Code section proposed to be repealed is as follows:

(E) At the time a building permit is issued for new construction, the applicant for the permit shall be charged a flat fee for the use of distributed water during construction prior to commencement of regular monthly bills in accordance with the following schedule:

- (1) A fee, as established by the City's current fee schedule, shall be charged for each separate building. Buildings with more than three residential units shall be charged an additional fee, as established by the City's current fee schedule, for each unit after the first three.*
 - (2) Commercial developments large enough to generate water usage in excess of a three-unit residential development, shall be assessed a flat additional charge proportional with the projected water needs of the project.*
- Repeal 3-5-19 which created a reimbursement program for sewer backup claims. These claims are currently being processed through CIRSA. The current Code section proposed to be repealed is as follows:

Sec. 3-5-19. - Sewer backup claims.

- (A) The No-Fault Sanitary Sewer Backup Damage Reimbursement policy provides for limited assistance to individuals who have experienced property damage as a direct result of backup of the City's sanitary sewer system even if the City's risk manager has determined the City is not at fault. It is intended to cover isolated incidents and does not cover multiple claims from widespread damage as a result of forces of nature or other situations out of the City's control.*
- (B) This is an Administrative Policy and is published in full in the City's Policy Manual.*
- (C) A minimal fee shall be assessed to each sanitary sewer account on a monthly basis, per the City's current fee schedule.*

Our next steps will evaluate the remainder of Chapter 3-5 to update, improve and clarify the Code to reduce misinterpretation of the code and ensure current practices are accurately defined in the code.

Financial Impact

Builders will no longer pay for estimated construction water at the time the building permit is issued, but will receive monthly water bills for the construction water as it is used.

ORDINANCE NO. 2681

AN ORDINANCE OF THE CITY OF MONTROSE, COLORADO, AMENDING TITLE 3 CHAPTER 5 SECTION(S) 12, 13, AND 19 REGARDING THE CITY WATER AND SEWER SYSTEMS

WHEREAS, the City's Municipal Code is updated from time to time; and

WHEREAS, the operation of the City's water and sewer systems is updated from time to time to ensure efficiency in both administration and operation while ensuring the public health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE, COLORADO that:

The following Section(s) of Title 3 Chapter 5 of the Official Code of the City of Montrose, Colorado are hereby amended to read in full as follows:

SECTION 1:

Section 3-5-12(J); and (K) of the is repealed. Section 3-5-12(J); and (K) of the code are amended to read as follows:

(J) Reserved

(K) Reserved

SECTION 2:

Section 3-5-13(E) is repealed in its entirety.

SECTION 3:

Section 3-5-19 of the code is repealed. Section 3-5-19 is to read in full as follows:

3-5-19. - Reserved.

SECTION 4:

Except as specifically amended hereby, the Official Municipal Code of the City of Montrose, and the various secondary codes adopted by reference therein, shall continue in full force and effect.

SECTION 5:

The City Council hereby finds, determines and declares that this Ordinance is necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the order, comfort and convenience of the City of Montrose and the inhabitants thereof.

SECTION 6:

The City Council hereby finds, determines and declares that it has the power to adopt this Ordinance pursuant to the authority granted to home rule municipalities by Article XX of the Colorado Constitution and the powers contained in the City of Montrose Charter.

SECTION 7:

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 8:

All ordinances and parts of ordinances in conflict with this Ordinance are hereby repealed.

SECTION 9:

This Ordinance shall become effective as set forth in the City of Montrose Charter.

You will please take notice that the Montrose City Council will hold a hearing upon the above Ordinance and on the question of its adoption on second reading on Tuesday, the 18th day of February, 2025, at the hour of 6:00 p.m. at the Elks' Civic Building in Montrose, Colorado.

INTRODUCED, READ and PASSED on first reading this 18th day of February, 2025.

ATTEST:


Lisa DelPiccolo, City Clerk


J. David Reed, Mayor



INTRODUCED, READ and ADOPTED on second reading this 4th day of March, 2025.

ATTEST:

J. David Reed, Mayor

Lisa DelPiccolo, City Clerk



CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: March 4, 2025
RE: Cedar View Subdivision No. 2 Planned Development Filing 2 Final Plat
ATTACHMENTS

- Exhibit A: Maps
- Exhibit B: Code Excerpts for Subdivisions

City Council Consideration:

City Council is considering approval of this final plat application. Council will consider all of the information in this memo in making a decision.

Application Background:

The Cedar View Subdivision is located at the end of Elbert Street and Evans Street. The property is approximately 17.315 acres in size, and is zoned “R-6” Medium Density/Manufactured Housing District. City Council approved the Cedar View Subdivision Amended Preliminary Plat No. 3 on January 3, 2023. This final plat application would formally create 19 single-family residential lots.

Applicant: Cedarview Development, LLC

Staff Analysis:

1. Lots/blocks:
 - a. All lots meet the minimum lot size required according to the Cedar View PD Plan recorded at Reception #761923 on August 7, 2008.
2. Streets
 - a. Surrounding streets must be in place, inspected and approved by the City Engineer prior to final approval. Improvements will receive a Preliminary Letter of Infrastructure Completion.



3. Utilities

- a. Easements are shown.
- b. City sewer and other utilities must be installed and available to serve all lots prior to final approval.

Staff Recommendation: Conditional Approval

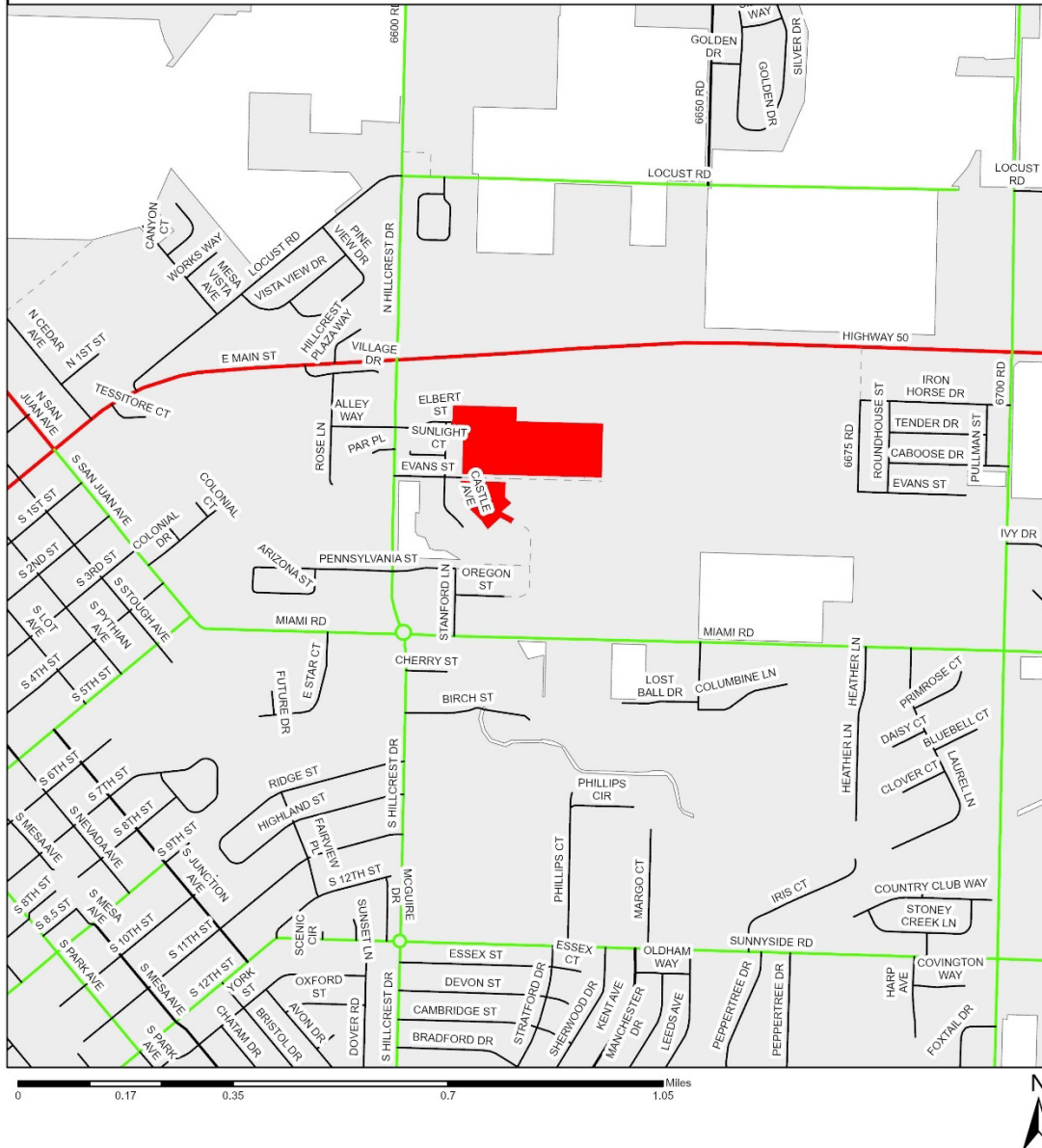
Conditions:

1. [Standard Condition]: The approval of this Final Plat is expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and municipal code provisions are met and that the Applicant adequately addresses all of staff's concerns prior to the execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being satisfied.

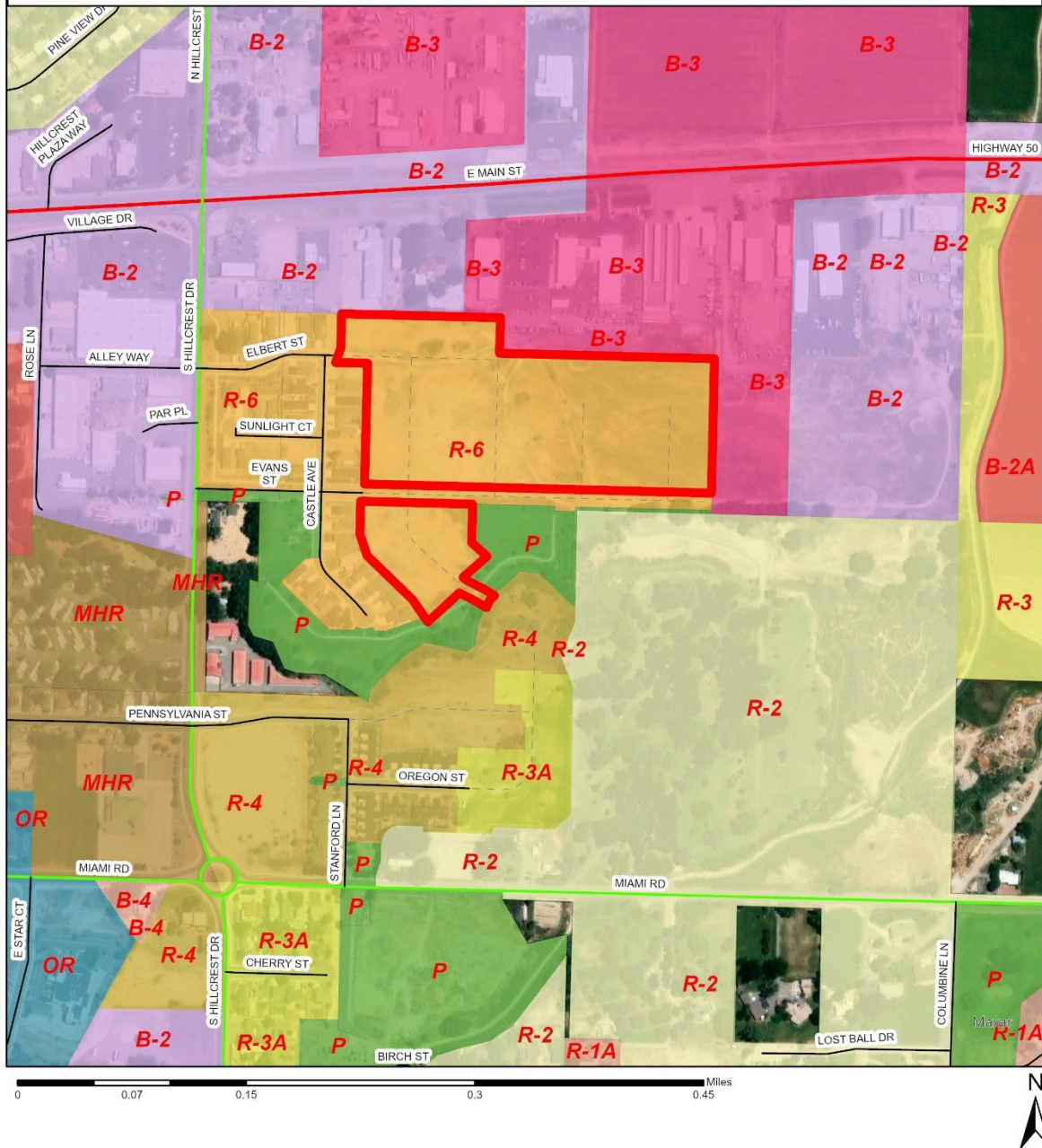


EXHIBIT A: Area Maps

Cedar View Subdivision Final Plat Zoning Map



Cedar View Subdivision Final Plat Zoning Map



FUTURE LAND USE

LEGEND

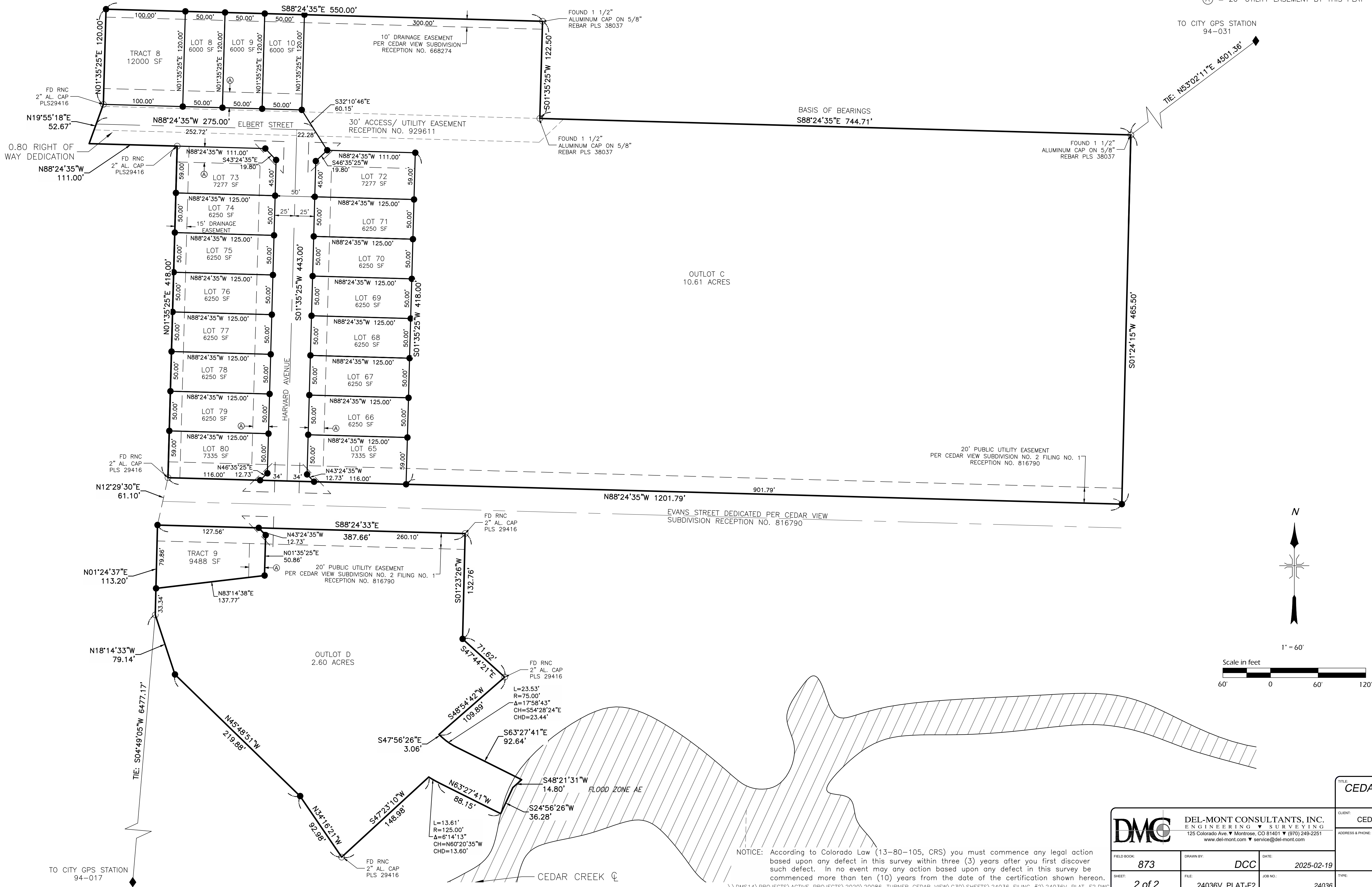


CEDAR VIEW SUBDIVISION NO. 2 PLANNED DEVELOPMENT FILING 2

FINAL PLAT
SITUATED IN THE NW1/4 OF SECTION 26,
TOWNSHIP 49 NORTH, RANGE 9 WEST, N.M.P.M.,
CITY OF MONTROSE, COUNTY OF MONTROSE, STATE OF COLORADO

LEGEND

- = FD. REBAR & CAP (L.S. AS NOTED)
- = SET 5/8"x18" REBAR W/ 1 1/2" ALUMINUM CAP (P.L.S. 38037)
- ◆ = FD. CITY GPS STATION
- △ = SIGHT TRIANGLE PER CITY OF MONTROSE SUBDIVISION REGULATIONS
- Ⓐ = 20' UTILITY EASEMENT BY THIS PLAT



NOTICE: According to Colorado Law (13-80-105, CRS) you must commence any legal action based upon any defect in this survey within three (3) years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten (10) years from the date of the certification shown hereon.

FIELD BOOK: 873		DRAWN BY: DCC		DATE: 2025-02-19	
SHEET: 2 of 2		FILE: 24036V_PLAT-F2		JOB NO.: 24036	
				TYPE: FINAL PLAT	

TITLE: CEDAR VIEW SUBDIVISION FILING NO. 2

CLIENT: CEDAR VIEW DEVELOPMENT LLC

ADDRESS & PHONE:

CHAPTER 11-5. SUBDIVISION REGULATIONS

Sec. 11-5-1. General provisions.

- (A) This Chapter, as amended from time to time may be cited and referred to as the City's subdivision regulations.
- (B) The purposes of these subdivision regulations are to:
 - (1) Promote and protect public health, safety and welfare;
 - (2) Encourage the harmonious, orderly and progressive development of land;
 - (3) Ensure the development of economically sound and compatible neighborhoods;
 - (4) Require the construction of necessary improvements and utilities;
 - (5) Ensure safe and convenient circulation of vehicular and pedestrian traffic;
 - (6) Ensure that parks, open spaces, school sites and land needed for other public purposes are either reserved or dedicated;
 - (7) Ensure development is in accordance with the requirements of the City's Comprehensive Plan as such may be amended from time to time; and
 - (8) Ensure that new development bears its fair share of the costs of providing improvements and services necessitated by, or resulting from, the development of subdivisions.
- (C) References in this Chapter to the term “lot” include, as the context requires, “tracts” or “parcels” of real property, to the extent the same are or can be legally described and capable of individual transfer.

Sec. 11-5-2. Major subdivisions.

- (A) *New Subdivisions.* A subdivision shall be classified as a major subdivision and governed by this Section when an applicant proposes to create four or more new lots; or less than four new lots if not eligible as a minor subdivision in accordance with Section 11-5-3.
- (B) *Resubdivisions or Major Plat Amendments.* Resubdivisions and major plat amendments are reviewed in the same manner as a major subdivision with the same purposes. A major plat amendment is any plat amendment that does not qualify as a minor plat amendment under Section 11-5-3 (C). To the extent submittal information was submitted as part of the original subdivision proposal and is adequate by current standards, the applicant for approval of a resubdivision or major plat amendment does not need to submit the information again and may reference such submittal information in the new application. The City Manager will determine the technical adequacy of previously submitted information.
- (C) *Procedure.* The major subdivision procedure shall consist of three separate phases, sketch plan, preliminary plat and final plat, in accordance with Sections 11-5-4, 11-5-5, and 11-5-6, respectively.

Sec. 11-5-3. Minor subdivisions.

- (A) *New Subdivisions.* A parcel of land is eligible for subdivision through the minor subdivision process if it meets the following criteria:
- (1) The subdivision results in no more than three lots except as permitted within a common interest community subdivision. See Subsection (B) below.
 - (2) All lots are adjacent to a dedicated and accepted public street.
 - (3) The public improvements required by these regulations are:
 - (a) Already in existence and available to serve each lot, or
 - (b) Individual lot service line stub improvements are completed and services are available at each lot, or
 - (c) Only for lots in commercial zoning districts with no existing building on the lot, and such improvements may be deferred until construction of a building on said lot. A Certificate of Occupancy shall not be issued until the improvements required by these regulations for said lot are installed, inspected, and approved by the City. The plans for such improvements shall be reviewed and approved by the City prior to commencement of construction. The plat shall specify what improvements are so required, and may include additional easements, plat notes or restrictions as appropriate to implement these provisions, or
 - (d) For minor subdivisions creating only two lots in which one lot is already devoted to use as a single household dwelling and to which services for that lot are already in place. The remaining lot may not be issued any building or construction permits until the public improvements necessary to serve the same have been installed, inspected and approved by the City, or the lot is approved for further subdivision.
 - (4) Each proposed lot will meet requirements of Chapter 7, Zoning, without the necessity for any variance.
 - (5) No part of the subdivision has been approved as part of a minor subdivision within three years prior to the date of submission of the minor subdivision plat.
 - (6) No material changes to prior plat notes, restrictions or easements are proposed.
- (B) *Common Interest Community Subdivisions.* A common interest community subdivision may be processed as a minor subdivision if all of the following criteria are met:
- (1) Is proposed for development of properties contained within a previously approved and recorded subdivision plat.
 - (2) Meets all applicable conditions of the plat governing the original subdivision.
 - (3) Complies with the required City platting conditions in Subsection (A) above.
 - (4) Complies with the requirements of C.R.S. § 38-33.3-101 et. seq. (sublots and common interest community units are not lots for purposes of compliance with this Section).

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- (5) Is consistent with the representations made by the property owner and/or applicant for subdivision approval which created the lot proposed to be further subdivided as a common interest community subdivision.
 - (6) Results in a change of ownership or marketing regime consistent with the basis upon which creation of the lot being proposed for common interest community subdivision was based.
- (C) *Minor Plat Amendments.* Previously-approved subdivision plats may be amended through the minor subdivision process if they meet the following criteria:
- (1) The plat, as amended, reduces the number of lots within the subdivision, i.e., a lot consolidation; or the nature of the amendment is de minimis, e.g., a boundary line adjustment, lot line correction, duplex conversion, easement adjustment, or similar minor plat modification.
 - (2) All lots are adjacent to a dedicated public street.
 - (3) The lots are part of a subdivision plat which has been approved and/or accepted by the City and recorded in the Montrose County Records.
 - (4) The improvements required by these regulations are already in existence and available to serve each lot, or if not yet constructed, are secured as a part of the original subdivision approval.
 - (5) Each lot will meet requirements of the applicable City zoning regulations without the necessity for any variance. No material changes to prior plat notes, restrictions or easements are proposed.
- (D) *Procedure.* Submittals of sketch plans and preliminary plats are not required for minor subdivisions. The minor subdivision application shall conform to all applicable final plat requirements. All fees related to this Section shall be as set forth in Chapter 3-1 of the City of Montrose Regulations Manual. The final plat for a minor subdivision shall contain certification on forms approved by the City to document approval of the plat.
- (1) The City Manager may either approve, disapprove or conditionally approve the final plat subject to compliance with any minimum design standards; dedication of additional right-of-way, easements, open space or park land; or installation of additional improvements. Final plats shall not be recorded until required public and private improvements are installed and approved by the City.
 - (2) Upon approval by the City land use staff, the plat of the minor subdivision shall be submitted in final form on one reproducible mylar, with all requisite signatures, and also in a digital format acceptable to the City, and compatible with City computer systems.
- (E) *Limitation of Eligibility.* Any subdivision not qualifying as a minor subdivision is a major subdivision. For the purpose of interpreting the requirements of this Section, any proposed minor subdivision which is clearly intended to evade the major subdivision regulations or would result in a de facto major subdivision through the combination of previous contiguous and/or consecutive minor subdivisions is not eligible for minor subdivision. A minor subdivision shall only be used one time on a previously unsubdivided parcel of land.

Sec. 11-5-4. Sketch plan.

- (A) *Purpose.* Sketch plan review provides an opportunity to determine whether an application will comply with the City's subdivision review and approval criteria, and to address any issues of concern early in the review process. The sketch plan is a conceptual version of the preliminary plat showing the general subdivision layout, access, street and lot pattern, location of parks, open space tracts, trail corridors, and other tracts for utilities or services.
- (B) *Review Procedure.* The sketch plan application shall be reviewed by the City in accordance with Section 11-4-2 of this Title. The Planning Commission shall take no formal action at the conclusion of its public hearing on the sketch plan; however, comments by the public and the Commission shall be reflected in the minutes of the hearing as a part of the record on the application as it moves through the entire review process.
- (C) *Review Criteria.* A sketch plan shall comply with the following review criteria:
 - (1) The proposal shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations and will be reviewed, considering the following at a minimum:
 - (a) Relationship of development to topography, soils, drainage, flooding, potential natural hazard areas and other physical characteristics;
 - (b) Availability of water, means of sewage collection and treatment, stormwater drainage, access and other utilities and services;
 - (c) Compatibility with the natural environment, wildlife, vegetation and unique natural features;
 - (d) Adjacent streets and traffic flow, including pedestrian access; and
 - (e) Availability of fire, police and other emergency services protection.
 - (2) An applicant intending to immediately develop only a portion of a full tract shall nevertheless submit an informal sketch plan for the entire tract showing their present plans for its eventual development.

Sec. 11-5-5. Preliminary plat.

- (A) *Purpose.* The purpose of the preliminary plat is to provide the City with an overall master plan for the proposed subdivision. The preliminary plat is more detailed than the sketch plan and should incorporate the comments and guidance provided during the sketch plan process. It includes the layout of the subdivision, engineering design studies, and final engineering design, with all bearings, distances and survey monumentation.
- (B) *Review Procedure.* The preliminary plat application shall be reviewed by the City in accordance with Section 11-4-2 of this Title.
- (C) *Review and Approval Criteria.* A preliminary plat shall comply with the following review and approval criteria:
 - (1) The plat shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations;

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- (2) The plat proposes a harmonious development and lot pattern that is compatible with the neighborhood and community;
 - (3) The lot and development pattern ensures there will be adequate light, air, parks, open space, and other places for public use;
 - (4) The plat design provides for adequate access and efficient emergency response to all lots proposed in the subdivision;
 - (5) Adequate, safe, and efficient public improvements, utilities, and community facilities and services will be provided with sufficient capacity to serve the subdivision;
 - (6) A sufficient supply of water is available and sufficient water rights have been dedicated to the City, in conformance with the City's water standards;
 - (7) The plat design provides for adequate protection from fire, flood, geologic hazards, significant soil constraints, and other dangers, and provides for proper design of stormwater drainage, erosion control, utilities and streets;
 - (8) The plat design provides for compatibility with unique or distinctive natural areas, scenic areas and views, natural landmarks, significant wildlife habitats and migration areas, drainage areas, riparian areas, wetlands, historic features and archaeologically sensitive sites, recognizing the irreplaceable character of such resources and their importance to the quality of life in Montrose; and
 - (9) The preliminary plat and proposed improvements shall comply with all requirements of this Chapter, other applicable City design and construction specifications and standards and all applicable County, State, and Federal Regulations.
- (D) *Notice to Proceed.* No construction of the required subdivision improvements shall commence until approval of the preliminary plat by the City Council and submittal of both a reproducible mylar of the preliminary plat, as finally approved with signed certificates as required by the City, and a copy of the preliminary plat in a digital format acceptable to the City and compatible with City computer systems. Upon approval and submittal of the reproducible mylar of the preliminary plat, and supporting documentation as required, the City shall provide signed copies of the preliminary plat which shall serve as notice to proceed with construction of the required subdivision improvements, both public and private.

Sec. 11-5-6. Final plat.

- (A) *Purpose.* The purpose of the final plat is to complete the subdivision of land in conformance with all the applicable requirements and standards of the City. The final plat shall correspond in every significant respect with the preliminary plat as previously approved. A complete review is conducted of the final subdivision design, with all bearings and distances, survey monumentation, and certificates of approval included on a document suitable for recordation.
- (B) *Review Procedure.* The final plat application shall be reviewed by the City in accordance with Section 11-4-2 of this Title.
- (C) *Review and Approval Criteria.* A final plat shall comply with the following review and approval criteria:

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- (1) The plat shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations;
 - (2) The plat proposes a harmonious development and lot pattern that is compatible with the neighborhood and community;
 - (3) The lot and development pattern ensures there will be adequate light, air, parks, open space, and other places for public use;
 - (4) The plat design provides for adequate access and efficient emergency response to all lots proposed in the subdivision;
 - (5) Adequate, safe, and efficient public improvements, utilities, and community facilities and services will be provided with sufficient capacity to serve the subdivision;
 - (6) A sufficient supply of water is available and sufficient water rights have been dedicated to the City, in conformance with the City's water standards;
 - (7) The plat design provides for adequate protection from fire, flood, geologic hazards, significant soil constraints, and other dangers, and provides for proper design of stormwater drainage, erosion control, utilities and streets;
 - (8) The plat design provides for the preservation and conservation of unique or distinctive natural areas, scenic areas and views, natural landmarks, including rock outcroppings and unique landforms, significant wildlife habitats and migration areas, drainage areas, riparian areas, wetlands, historic features and archaeologically sensitive sites, recognizing the irreplaceable character of such resources and their importance to the quality of life in Montrose; and
 - (9) The final plat is generally consistent with the preliminary plat, as applicable and proposed improvements comply with all requirements of this Chapter, other applicable City design and construction specifications and standards and all applicable County, State, and Federal Regulations.

(D) *Additional Provisions.*

- (1) No land shall be subdivided, or any parcel thereof sold or conveyed, until a final plat has been approved and either a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion has been issued in accordance with this Section.
- (2) Any conditions or improvements imposed on the applicant by the City Council under the preliminary plat approval must be shown on the final plat and either completed, or accompanied by the appropriate security under Section 11-5-12, prior to approval by the City Council.
- (3) The final plat may be submitted for a portion of the preliminary plat, or phased, subject to the following conditions:
 - (a) The applicant has submitted a phasing plan that has been approved as a part of the preliminary plat, or if subsequent to that time, as an amendment of the approved preliminary plat.
 - (b) All required improvements, utilities and road infrastructure must be accessible to the remaining aggregate of unsubdivided land, or outlot.

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- (c) In instances where completion of required improvements, utilities or road infrastructure within the outlot is determined by the City to be necessary as a condition of approval of that final plat, the developer shall be required to complete said improvements, utilities or road infrastructure upon approval of that final plat. This may include, but not be limited to, completion of necessary road infrastructure, stormwater drainage system, trails and park development.
 - (4) No final plat shall be approved by the City Council until:
 - (a) All of the public improvements required by these subdivision regulations have been installed, inspected and approved by the City Engineer, or properly secured in accordance with the provisions of Section 11-5-12 on forms approved by the City.
 - (b) As-built plans, supporting documentation, certificates and data for completed utility improvements have been provided, reviewed and accepted by the City Engineer and provided in a digital format acceptable to the City and compatible with City computer systems. All as-built plans, supporting documentation, certificates and data for completed utility and infrastructure improvements shall be signed and stamped by a registered Colorado professional engineer.
 - (c) The final plat has been submitted in final form on reproducible mylars, with all requisite signatures, and also in a digital format acceptable to the City, and compatible with City computer systems.
 - (d) Payment to the City of any atypical costs incurred by the City within the subdivision review process, which costs are specifically subject to reimbursement.
 - (e) The security for the two-calendar year construction warranty has been provided by the subdivider in a form acceptable to the City.
 - (5) Following City Council approval of the final plat and verification that the documentation has met all applicable codes and regulations, the final plat shall be executed by the appropriate City staff and recorded with due diligence.

Sec. 11-5-7. Reserved.

Sec. 11-5-8. Issuance of building permits.

- (A) Until any required public improvements are accepted by the City, the City shall not be obliged to issue any building permits within a subdivision, except as provided herein. Provided that all other applicable City codes and regulations have been satisfied, building permits may be issued only to the subdivider for any property with an approved Preliminary Plat. The subdivision must have sufficient access and water to allow for adequate fire protection as determined by the fire protection district. No certificates of occupancy, temporary or otherwise, shall be issued unless and until:
 - (1) All required public and private on- and off-site improvements have been completed;
 - (2) A Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion has been issued by the City; and
 - (3) A final plat has been approved and recorded.

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- (B) A Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion shall evidence City inspection and approval.

Sec. 11-5-9. Land dedication and Fees in Lieu.

(A) *Purpose & Intent.*

- (1) The purpose of the land dedication requirement is to provide public park, open space, trail, and school facilities and/or services made necessary as a consequence of a subdivision, in an amount roughly proportional to the impact of the subdivision upon such facilities and/or services or the increased need for them brought about by a subdivision. New residential subdivisions require these services provided through municipal facilities which are constructed, in part, through dedication of land necessary to construct the facilities. Absent land dedication by new subdivisions, sufficient land may not be made available at the time of subdivision to provide necessary services to new residents. In order to provide public services, the City requires certain dedications of land or in the appropriate circumstances, payment of fees-in-lieu of such dedication.
- (2) It is the intent of this Section to preserve natural and scenic areas and provide for the public health, recreational, and educational needs by ensuring that school, recreational, and open space land and trails are available to the residents and/or employees of developments in conformance with the City's Comprehensive Plan as updated from time to time.

(B) *Dedication procedure.*

- (1) The amount, location, and nature of land interests to be dedicated shall be established prior to final subdivision plat approval. Land dedications and/or conveyances shall be made as a condition of final plat approval and shall be implemented in one or more of the following ways, as appropriate and as provided in the final plat approval:
 - (a) A fee simple dedication to the City granted via plat note on the final plat;
 - (b) A fee simple conveyance to the City granted via general warranty deed;
 - (c) A fee simple dedication to the school district of a school site via plat note on the final plat;
 - (d) A fee simple conveyance to the school district via general warranty deed; and/or
 - (e) Payment of fees-in-lieu of land dedications where permitted and approved by the City.
- (2) Whenever a subdivision application involves land that is to be dedicated and/or conveyed to the City, the applicant shall submit, with the final plat application, a title insurance commitment indicating the land is owned by the applicant free and clear from all liens, encumbrances and restrictions.
 - (a) Title insurance shall be provided by the applicant in an amount equal to the approximate value of the property to be dedicated and/or conveyed, as approved by the City.

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- (b) The executed deed, if applicable, and the payment of the premium for the title insurance policy shall be delivered to the City prior to the recording of the final plat.

(C) *Land dedication standards.*

- (1) *General Requirements.* Every approved subdivision shall convey land for the purpose of providing parks, open space, trails, school sites, and other public uses. The standards herein are minimum standards and the City may require dedications and improvements greater than the minimum to adequately meet the needs created by the development.
 - (a) The City Council shall determine the suitability of the land and improvements proposed for dedication in consideration of the intended purpose of the dedication.
 - (b) The City may consider recommendations from other agencies which would be directly involved in the development and service of those areas.
 - (c) Parks, open space, and trails shall be dedicated to the City in conformance with the requirements herein and the adopted standards of the City Comprehensive Plan as may be updated from time to time.
 - (d) Parks, open space and trails shall be situated within floodplains instead of developed lots when reasonable to do so.
- (2) *Improvement Required.* Any land to be dedicated to the City shall be improved by the developer per the timetable specified at time of final plat subdivision approval for use as park, open space, and/or trails.

(D) *Park Land Standards.* Dedication of land for park purposes shall be based upon the following standards. In the event the subdivider disagrees with the calculation provided by the City, the subdivider may request continuation of final plat review and fund an independent study under Section 11-5-9 (I):

- (1) Subdividers shall dedicate to the City developed park land based upon a formula of seven acres of developed and usable park land per density of 1,000 residents, calculated at build-out of the proposed subdivision. For the purpose of this calculation, it shall be assumed that each residential unit shall house an average of two and one-half residents.
- (2) Those developments that dedicate adequate quantities and qualities of park land acceptable to the City, in the City's sole discretion, shall not be required to pay the money in lieu of park land dedication. Only park land dedicated to the City of Montrose, and approved by the City, in the City's sole discretion, that meets the City's Comprehensive Plan, the minimum design standards as set forth herein, and that is improved to meet the City's park standards and specifications, shall qualify to relieve the subdivider of payment of money in lieu of park land dedication.
- (3) Developed park land proposed for dedication or conveyance to the City shall require prior submittal and approval of a park plan by the City, which plan shall address the City's park standards and specifications.
- (4) When authorized by the City, the required dedication of developed park land may be partially or wholly substituted by alternative dedication and/or preservation of open space

areas such as riparian habitat, wetlands habitat, wildlife habitat and view corridors as approved by the City.

- (5) Parks that are sized, developed, and located to meet the needs of the City and constructed in accordance with City standards and specifications may be dedicated to the City, and if so dedicated, shall be available for use by the public.

(E) *Trail and Sidewalk Standards.*

- (1) Trails shall be dedicated as needed to serve the recreational and transportation needs of the subdivision in conformance with the Comprehensive Plan, and shall provide links to schools, the local and regional trail system, parks and open space areas, commercial and employment areas, public transit, community facilities such as libraries, and other destinations. Trails should be provided adjacent to or within natural and scenic areas and open space areas, when possible, in a manner that provides a recreational corridor without degrading the natural or scenic resource.
- (2) Sidewalks and recreation trails shall be integrated with existing and planned sidewalks and recreation trails in accordance with the City's Comprehensive Plan. The owner of each project shall dedicate the appropriate easements and/or rights-of-way consistent with said plans.
- (3) All sidewalk and recreational trails shall be available for use by the public.

(F) *Open Space and Watercourse Standards.*

- (1) If required by the City, open space shall be dedicated as necessary to preserve significant natural areas such as buttes, bluffs, and other geologic formations, water bodies/resources, wildlife habitat areas, fragile ecosystems (wetlands) riparian areas, floodplains, native trees and shrubs and/or other significant native vegetation. Open space shall also be dedicated as necessary to preserve lands which preserve significant views, provide transitions between different densities and uses (buffers) and otherwise serve to give shape and form to the proposed development and surrounding community.
- (2) Public access is not required for open space dedications.
- (3) Natural watercourses may be developed and preserved consistent with City floodplain management regulations, Storm Drainage Requirements and Federal Clean Water Act Section 404 Permit requirements, to minimize safety, environmental, and other hazards, and shall be integrated with the City's Comprehensive Plan for such watercourses whenever feasible.

(G) *Fees in Lieu of Dedication.*

- (1) In the event the dedication of required park land is not deemed suitable or not in the public interest within the development, the City Manager is hereby authorized to require the applicant, in-lieu thereof, to pay the City a fee-in-lieu-of land based on the amount of required land dedication as calculated in Section 11-5-9 (D) above, and pro-rated using the average value of land in the City plus the cost per acre of constructing the improvements for that type of facility. Such fee may be updated from time to time to reflect current market land values and costs of the improvements and shall be adopted by Resolution and included in the City's fee schedule.

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- (2) Alternatively, and if approved by the City Manager, the subdivider may develop or contribute to the improvement of an off-site facility if said facility conforms to the adopted standards in the Comprehensive Plan. Nothing contained herein shall be construed to prevent the City Manager from requiring that part of the park land dedication requirement be made in the form of dedicated land, and that part of such requirement be made in the form of cash in-lieu of the remaining requirements for such land.
 - (3) When in-lieu payments are permitted, the following standards apply:
 - (a) Lot or Unit x 0.0175 (acres park land per lot or unit) x \$90,000.00 (value per developed park land acre, based upon \$25,000.00 per acre undeveloped land value plus \$65,000.00 park land development cost) = \$1,575.00 per lot or unit.
 - (b) Monies collected in lieu of park land dedication shall be collected at time of issuance of building permit, and placed into a City park development fund to be earmarked for future acquisition or development of parks, opens space, or trails. No security as set forth in Section 11-5-12 shall be required.
 - (4) Monies paid in lieu of park land dedication pursuant to this Section are to enable the City to provide parks in the proper locations, and of the proper sizes to serve the citizens of the City.

(H) *Relationship to useable open space.*

- (1) Useable open space, as defined in Section 11-15-2 of this Title, shall not be a substitute for the dedication of park land, or money in lieu of park land dedication.
- (2) All non-public common areas, parks and open spaces shall be held in private ownership and maintained in perpetuity, with appropriate platted restrictions on use and covenants for ownership and maintenance in accordance with the provisions of Section 11-5-11 (B).
- (3) For useable open space within Planned Developments, see Sec. 11-7-8 (B) (2).

(I) *Site specific dedication study.*

- (1) In the event that the applicant disagrees with the City's determination concerning dedication of land and/or payment in lieu of dedication, the applicant may request a continuation of any subdivision processing and review by the City, in order for the applicant to prepare a private study evaluating the demand for public facilities made necessary or generated by the proposed development. Upon receipt by the City of the applicant-funded study, the subdivision review process shall recommence.
- (2) Such study shall be undertaken at the applicant's cost by a licensed professional engineer or other professional approved in advance by the City.
- (3) To the greatest extent possible, the study shall include an evaluation of the City's present supply or capacity and present demand for all public facilities and/or services required by the proposed development.
- (4) The study shall identify and quantify the additional demand placed upon such public facilities and/or services by the proposed development.

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- (5) The study shall identify the necessary public land and improvements required to be dedicated or constructed by the applicant in order to serve the demand generated by the proposed development.

- (6) Such study shall be considered by the City in determining the required dedication of land.

(J) *School land dedication requirements.*

- (1) Based upon conversations with both the City staff and School District staff during the pre-application phase of any project at the time of filing a sketch plan or preliminary plat for approval, the applicant shall, as part of such filing, either:
 - (a) Designate the general area or areas the applicant proposes to set aside for school site(s) and shall indicate the number of acres proposed for such uses and the number of proposed dwelling units in the development; or
 - (b) Agree to make payment of cash-in-lieu of land in an amount as set forth in Chapter 3-1 of the City of Montrose Regulations Manual; or
 - (c) Request waiver of the requirement to provide for school land dedication or payment in lieu, per Section 11-5-9 (K) below.
- (2) The preliminary plat and final plat of a proposed subdivision shall designate specific areas proposed for use as school sites, the number of acres so designated, and the proposed number of lots by dwelling unit type in the subdivision; or, the waiver of this requirement and agreement to provide cash in-lieu-of land; or a plat note indicating that no children will be generated by the development.
- (3) School sites dedicated through this procedure shall conform to the school site size requirements and site criteria policy adopted by the School District and incorporated herein by this reference.
- (4) *Determination of School Land Dedication.* If the City Council determines that the dedication of land for school purposes is appropriate, then the applicant shall convey the property and all improvements located thereon in the manner permitted by Section 11-5-9 (B) to the School District at the time of recording of the final plat.
- (5) *Fees in-Lieu of Land or Guarantee of Future Land Dedication.* When, after recommendation of the School District, dedication of all or portions of required school lands is not deemed feasible or in the public interest, in that event the City Council shall require the payment of fees in-lieu thereof.
- (6) Monies collected in lieu of school land dedication shall be collected at time of issuance of building permit (or Certificate of Occupancy for those buildings commenced prior to final plat approval) and disbursed to the School District on a quarterly basis. No security as set forth in Section 11-5-12 shall be required.
- (7) The following shall be exempted from school land dedication requirements or payment-in-lieu-of fees:
 - (a) Skilled nursing facilities as defined in the Section 11-15-2 of this Title;
 - (b) City-approved subdivisions that are subject to recorded covenants restricting the age of the residents of said dwelling units such that the dwelling may be classified

as housing for older persons pursuant to the Federal Fair Housing Amendments Act of 1988.

(K) *Waiver of Requirements.*

- (1) The City Council may waive the required dedication of land or the payment in lieu of dedication of open space, parks, trails and/or school lands in the following cases:
 - (a) When the project has already been fully developed and the subdivision of land is necessary to bring the land into conformance with the as-built or as-constructed development;
 - (b) When the development does not result in any increase in demand for parks, trails, or open space; or
 - (c) With respect to school land dedication, the School District approves a waiver request under Section 11-5-9 (J).

Sec. 11-5-10. Required Public Improvements.

- (A) All subdivisions shall be provided, at the expense of the subdivider, and subject to applicable zoning criteria, with the following public improvements as required to serve the subdivision and to mitigate its impacts.

- (1) Street improvements:
 - (a) Paved streets;
 - (b) Paved alleys, if required by the City;
 - (c) Street signs;
 - (d) Street lights; and
 - (e) On- and off-site traffic mitigation improvements as identified in the subdivision's Traffic Impact Study as necessary to safely support the development.
- (2) Curbs, gutters, sidewalks and accessibility ramps.
- (3) Parks, open space and recreation trails.
- (4) Public utilities:
 - (a) A water system including fire hydrants and fire mains;
 - (b) A sanitary sewer system;
 - (c) A stormwater system; and
 - (d) Other public utilities, including gas, electricity, and a minimum of three conduits for telecommunications.
- (5) Drainage facilities and waterways.
- (6) Survey monuments.
- (7) As applicable, off-street parking, mailbox location areas and bus stops with accessibility ramps.

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- (B) Other improvements required as a condition of approval and found to be roughly proportional to the impacts being mitigated. All public improvements shall be subject to applicable City minimum design standards, regulations and specifications.
 - (C) Public improvements shall be secured by warranty and security instruments as required by Section 11-5-12.

Sec. 11-5-11. Private improvements.

- (A) The subdivider may provide, or may be required to provide as a condition of certain private improvements, as specifically referenced below, to serve the subdivision and to mitigate its impacts, and in accordance with duly adopted City standards, if applicable, to include:
 - (1) Recreational facilities, parks, open space and trails;
 - (2) Drainage facilities and waterways;
 - (3) Mailbox location areas;
 - (4) Berms, screening and buffers; and
 - (5) Other private improvements required as a condition of approval.
- (B) Such improvements shall be privately-owned and/or -maintained, and the plat shall contain appropriate restrictions and/or covenants, in form approved by the City Attorney, governing use, ownership and maintenance in perpetuity enforceable by the City, providing for recovery of the City's costs by liens or assessment against the property in the subdivision. Such improvements shall be completed prior to issuance of building permits pursuant to Section 11-5-8.

Sec. 11-5-12. Security, warranty and acceptance of improvements.

- (A) If the subdivider wishes to have the final plat approved prior to the installation, inspection and approval of all required improvements, the subdivider must provide security incorporated into a subdivision improvement agreement to guarantee the completion of all required improvements within one year, and all landscaping improvements within two calendar years after approval of the final plat in accordance with this Section.
 - (1) Said security shall be in the form of:
 - (a) A subdivision improvements agreement, in a form approved by the City Attorney, in an amount to be verified by the City Engineer equal to 150 percent of the pro rata cost to complete the improvements necessary to serve said lots; or
 - (b) A cash escrow deposited with the City or a clear irrevocable letter of credit in an amount to be verified by the City Engineer equal to 150 percent of the pro rata cost to complete the improvements necessary to serve said lots.
 - (2) Funds in any escrow account shall be returned to the subdivider upon the issuance of either a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion, depending on the circumstances.
 - (3) Security shall not be required for money in lieu of payments relative to park land and school land dedications provided in Section 11-5-9 (D) and (J), as such money

payments shall be collected upon issuance of building permits relative to subdivided lots or units.

- (4) Even though a final plat will have been recorded, when a subdivider chooses to secure required improvements with a subdivision improvement agreement, as a part of that agreement, the subdivider shall agree not to sell, transfer, offer for sale or otherwise convey any portion of the property, including lot, unit or outlot, prior to the issuance of a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion, depending on the circumstances. A sale or other transfer of the entire subdivision is permitted once the purchaser has provided the necessary security.
- (B) The subdivider shall complete all required improvements within one year, and all landscaping improvements within two calendar years of the approval of the final plat by the City Council. In the event that all necessary on- and off-site improvements are not completed, inspected and approved within two calendar years of the date of the approval of the final plat by the City Council, no further building permits, occupancy permits, water taps or sewer taps shall be allowed by the City in such subdivision until such improvements are completed. It shall then be unlawful to sell any further lots in the subdivision until all necessary on- and off-site improvements are completed.
- (C) The City Council may authorize extensions of time to complete all improvements beyond the one and two-year limitations as set forth herein.
- (D) Following the completion of required improvements and submission of the as-built plans, the City Engineer shall conduct an inspection and if the improvements are in accordance with the requirements of these and other applicable regulations and good engineering and construction standards, shall issue a Preliminary Letter of Infrastructure Completion as provided herein.
 - (1) A Letter of Substantial Completion may be issued when only landscaping and irrigation facilities are incomplete and secured as provided in Subsection 11-5-12 (A) of this Section.
 - (a) In the case of subdivisions that have been issued a Letter of Substantial Completion, upon completion of the outstanding improvements and submission of the as-built plans therefor; the City Engineer shall conduct an inspection and shall issue a Preliminary Letter of Infrastructure Completion, if all required improvements are in accordance with the requirements of these and other applicable codes and regulations and good engineering and construction standards.
 - (2) The subdivider shall warrant the public improvements against defects or failures in workmanship or materials for a period of two calendar years from the date of the Preliminary Letter of Infrastructure Completion. During this two-calendar-year construction warranty period, the City will, as applicable, assume the responsibility for snow removal within public rights of way in regard thereto, but the subdivider shall remain responsible for all other maintenance and to correct all defects or failures that appear in any such public improvements during the construction warranty period.
 - (a) The City shall determine what constitutes a defect or failure in its sole discretion, provided that such are not the result of public abuse, misuse or normal wear from

use. The City Engineer shall notify the subdivider in writing of such defect or failure, setting forth a list of specific deficiencies. If within 30 days after the City has notified the subdivider of a defect or failure, the subdivider has not started or completed the required repairs, provided construction drawings and a proposed repair schedule for City review and approval, or submitted a written objection to the to the City's request for repair work, the City is hereby authorized to make the repairs or replacements or to order the work be done by a third party. The City may authorize a temporary repair if necessary due to weather conditions or materials availability. The subdivider shall pay the cost of any repair work. Any appeal of the City Engineer's repair or replacement requirements shall follow the appeal process pursuant to Chapter 4-1-6 of the City Code.

- (b) At the end of the warranty period, the subdivider shall request, in writing, that the City Engineer perform a final inspection of the improvements to facilitate the completion of the construction warranty.
 - (i) The City Engineer shall conduct an inspection of all public improvements, and upon final approval, as evidenced by the City's issuance of a Letter of Infrastructure Completion and Acceptance, the City shall accept the improvements, and the security held by the City shall be returned to the subdivider.
 - (ii) All public improvements, including all physical facilities constructed by the subdivider necessary for the extension, maintenance and repair of municipal utility services and other public facilities constructed by the subdivider in public rights-of-way, easements, streets or alleys shall become the property of the City immediately upon the issuance of the Letter of Infrastructure Completion and Acceptance by the City Engineer.
 - (iii) Following such conveyance, the City shall be solely responsible for the maintenance of such public improvements, unless otherwise provided for by agreement, except for any correction work required during the warranty period.
- (c) Any repairs or replacements noted in the final inspection shall be completed prior to the issuance of the Letter of Infrastructure Completion and Acceptance.
 - (i) Upon notification, the subdivider shall promptly make all repairs or replacements in accordance with a repair plan prepared by the subdivider and approved by the City, which repair or replacement, in the opinion of the City, arose out of defects or failures and became necessary during the construction warranty period.
 - (ii) The subdivider shall warrant each repaired and/or replaced improvement or any portion or phase thereof for one calendar year following acceptance of such repair and/or replacement.
 - (iii) Inspection of any improvements does not constitute a waiver by the City of any rights or remedies that it may have on account of any defect in or failure of the improvements that are detected. The construction warranty shall

continue until the Letter of Infrastructure Completion and Acceptance is provided in writing to the subdivider.

- (3) The subdivider may, at the subdivider's option, provide the City financial security for the two-calendar year construction warranty in one or a combination of the following forms only:
- (a) A cash escrow in the amount of 15 percent of the total construction cost of all public improvements required by the final plat.
 - (b) A letter or letters of credit on forms acceptable to the City, in the amount of 15 percent of the total construction cost of all public improvements required by the final plat.
 - (c) It is the responsibility of the subdivider to maintain the necessary amount of security at all times until all public improvements are completed and accepted by the City.
 - (d) The City shall not be obligated to administer burdensome security arrangements.
 - (e) The City shall require a construction warranty backed by financial security prior to issuance of a Preliminary Letter of Infrastructure Completion.
 - (f) The security shall be available for the City to use to correct any defects or failures in accordance with City specifications during or after the construction warranty period in the event the subdivider is unable or unwilling to perform any repair or replacement of the improvements in a timely fashion. The use of the proceeds from the security is a remedy that is cumulative in nature and is in addition to any other remedies that the City has at law or in equity.

Sec. 11-5-13. Minimum design standards.

(A) *Minimum Standards, Conformity to Preliminary Plat, and Approval Required.* All public improvements shall be constructed in accordance with the minimum standards set forth below or other applicable City design and construction specifications and standards, and other applicable City ordinances or regulations. All public and private improvements shall be in substantial conformity with the preliminary plat as approved, the City Comprehensive Plan and amendments thereto, and in accordance with good engineering and construction practices. All plans must be approved in advance by the City Engineer.

(B) *Minimum Standards.*

(1) *Streets.*

- (a) Subdivider shall be required to make and install improvements to existing streets within and abutting the subdivision and/or other areas outside the subdivision or any filing thereof being considered, including, but not limited to, curbs, gutters, sidewalks and street paving improvements, when the subdivision and developments thereof will directly create a need for said improvements outside the subdivision itself, if necessary to properly serve the subdivision.
- (b) In those cases where the City determines that the immediate improvement of the abutting street, or other on-site or off-site improvements, is not currently practical,

or should be delayed, or the costs of such improvements should be shared with additional property likely to use and be benefited by the improvements, the developer may be allowed to execute recordable covenants on the plat or separately in a form provided by the City, binding the lots in the subdivision to future assessments or participation in an improvement district for the construction of such improvements.

- (c) Wherever topography will permit, the arrangement of the streets shall provide for the dedication and construction of street stubs to align with existing or future streets to adjoining developing or developable areas.
- (d) Cul-de-sacs shall terminate in a circular turn-around having a minimum right-of-way of at least 100 feet in diameter, and a paved turn-around with a minimum outside diameter of 80 feet. Cul-de-sacs shall be not less than 100 feet long, and not more than 500 feet long, as measured from the center of the cul-de-sac bulb to the center of the intersecting street; use of cul-de-sacs is limited to places where street connections would be impractical.
 - (i) Cul-de-sacs longer than 300 feet shall require a recreation trail connection at the end that provides connectivity to the nearest City street.
- (e) Temporary dead-end streets which extend for a distance greater than the depth of one abutting lot shall be provided with a temporary turn-around having a diameter of at least 80 feet.
- (f) Whenever a new street is proposed along the edge of the subdivision, the entire street shall be dedicated and improved within the subdivision.
- (g) No more than two streets shall intersect at any point. Intersections shall be as near as practicable to 90 degrees. A street shall have a minimum straight distance of 100 feet from the intersection before it may be curved.
- (h) A straight section of 100 feet shall be provided between reverse curves on all streets.
- (i) All lots in the subdivision shall have direct access to a dedicated street, subject to the following exceptions:
 - (i) One or more private shared access drives may be used to provide access for up to no more than four dwelling units each, subject to City Manager approval, in residential zoning districts. Shared access drives shall not be used as an extension of a cul-de-sac.
 - (ii) Reciprocal access easements may be approved to accommodate subdivisions with multiple commercial units sharing a contiguous parking area in commercial zoning districts.
- (j) Any two local streets which intersect a common third local or collector street shall have centerlines no closer than 175 feet from one another. Any two local streets which intersect a common third minor arterial or major arterial street, shall have centerlines no closer than 350 feet from one another.

- (i) The City may limit access to major arterial or minor arterial streets to facilitate traffic flows, or to promote public safety.
- (k) The maximum block length, as measured from the centerline of the nearest intersecting streets, shall be a maximum of 700 feet.
- (l) Street names must be approved by the City and respective 911 authority.
- (m) Streets shall be developed in accordance with the City's Comprehensive Plan roadway cross sections, the City's engineering specifications, as applicable, and the table below. The minimum dedicated rights-of-way and street widths shall be as shown in Table 5.1.

Table 5.1
Minimum Dedicated Rights-Of-Way and Street Widths

Street Classification	Minimum Right-of-Way	Minimum Street Width Urban = Width (Distance Between Curb Flowlines)
Major Arterial	124 feet *	92 feet
Minor Arterial	80 feet *	Varies with traffic volume and whether parking is allowed, see engineering specifications for road widths
Collector	70 feet	46 feet
Local	50 feet	28 feet with detached 5-foot sidewalk; 36 feet with attached 6-foot sidewalk
Planned Developments	40 feet	27 feet with attached 6-foot sidewalks. Supplemental off-street parking may be required.
* ROW width shall be increased by 12 feet within 500 feet of an arterial cross street intersection to allow a double left turn lane.		

- (n) Subdivisions which include any part of an existing platted street which does not conform to the minimum right-of-way requirements of these regulations may be required to provide additional width necessary to meet the minimum right-of-way requirements of these regulations.
- (o) No street grade shall be less than one-half of one percent or exceed the maximum grade shown in Table 5.2.

Table 5.2
Maximum Street Grade

Street Classification	Maximum Percent Grade	Minimum Radius of Curve	Minimum Sight Distance*
Major Arterial	5 percent	400 feet	500 feet
Minor Arterial	5 percent	400 feet	500 feet
Collector	8 percent	300 feet	300 feet
Local	8 percent	100 feet	200 feet
* As measured between points four feet above the centerline of the street.			

- (p) Alleys shall be provided at the rear of lots within the commercial zoning districts, or as otherwise approved by the City. Alleys shall be 20 feet in width and shall be paved in accordance with City specifications.
- (2) *Curb, Gutter, Sidewalks and Trails.*
- (a) Curb, gutter, and sidewalks or recreation trails shall be provided along all roadways consistent with the City's Comprehensive Plan.
- (i) Six-foot detached concrete sidewalks are required on collector streets.
 - (ii) Five-foot detached or six-foot attached concrete sidewalks are required for local streets.
 - (iii) A 10-foot-wide concrete recreation trail on one side and 6-foot detached concrete sidewalk are required on the other side of major and minor arterial roadways, as directed by the City.
 - (iv) Recreation trails with alternative non-hard surfaces and narrower widths may be approved in those instances where such trails are secondary to existing or proposed concrete recreation trails, and do not serve as connectors to the City's recreation trail system, as denoted within the City's Comprehensive Plan.
- (b) Sidewalks shall be located and constructed as necessary to interconnect the subdivision and lots therein with the network of City sidewalks and recreation trails.
- (c) Accessibility ramps shall be provided in accordance with the US Access Board Public Right of Way Accessibility Guidelines (PROWAG).
- (d) The City may elect to require over-sizing of any sidewalk and participate in cost sharing thereof.
- (e) The City may require any sidewalk to be wider than those standards set forth herein, upon a finding that such greater widths are necessary to serve the subdivision, due to:
- (i) High density of the subdivision;
 - (ii) Special needs of the residents of the subdivision; or

(iii) Connection to existing wider sidewalks or recreation trails.

(3) *Blocks and Lots.*

- (a) In residentially zoned districts, blocks shall be wide enough to permit two lots between lengthwise streets.
- (b) The building line for residential lots on collector streets shall be set back 25 feet from the front property line.
- (c) The building line on corner lots shall be set back 25 feet from both street front property lines.
- (d) Lots which abut a street in the front and the rear shall be avoided except where a railroad right-of-way, a major arterial or minor arterial street is located to the rear of the lot, in which case such a lot shall have a minimum depth of 125 feet.
- (e) Every lot shall front on a designated collector or local street, subject however, to the following exceptions:
 - (i) One or more private shared access drives may be used to provide access up to no more than four dwelling units each, subject to City approval, in residential zoning districts. Shared access drives shall not be used as an extension of a cul-de-sac.
 - (ii) Private access easements may be provided, subject to City approval, in subdivisions within commercial zoning districts across parking lot areas;
 - (iii) In such instances, the shared access improvements shall be subject to City specifications and the restrictions set forth in Section 11-5-11 (B).
- (f) No residential lot shall front on a major arterial or minor arterial street. No access shall be permitted directly from a residential lot to a major arterial or minor arterial street.
- (g) The lot depth shall not be more than three times the lot width at the front of the building line of the principal structure.
- (h) Access drives and intersections shall comply with City access standards and the transportation plan. In addition, accesses onto County roads shall comply with applicable County regulations.
- (i) Lots shall be at least 50 feet in width at the front of the building line of the principal structure. Lots abutting cul-de-sacs shall have at least 25 feet of linear frontage to the cul-de-sac.
- (j) Sight triangles shall be shown on the plat as per the engineering specifications.

(4) *Public Utilities.*

- (a) All utilities shall be installed underground unless the City Engineer determines that soil or topographic conditions make that impracticable.
- (b) Utilities shall be installed prior to the paving of any street under which they are to be located and the individual service lines shall be connected and stubbed out

prior to paving, in order to avoid the necessity of cutting into the pavement to connect any abutting lots.

- (c) Utilities will be sized and placed as necessary to facilitate connection with future subdivisions and developments. With the exception of terminal lines and fire hydrant laterals where sufficient hydraulic capacity can be demonstrated, all water mains shall be a minimum eight inches diameter in all zoning districts. At a minimum, eight-inch diameter sewer main lines shall be provided in all zoning districts. Individually conveyable lots shall each require a singular water and sewer lateral connection to a public main line.
- (d) The City may elect to require over-sizing of the extended utility and pay for the cost of such materials accordingly.
- (e) City water and sewer systems shall be provided except where the City has required an alternative supplier by service area agreement with such alternative provider. In cases where alternative utilities are provided on a temporary basis, connection to City services shall be required at such time they are made available to the subject property.
- (f) In the event that City sewer service will not be available within a reasonable time period following final plat approval, engineered individual sewage disposal systems may be authorized by the City for those subdivisions occurring within the residential rural living zoning districts with lot sizes of five acres or greater. Advance City approval shall be required in each case.
- (g) All extension of City utilities shall require City approval and proper execution of City utility extension agreements. The extension of utilities shall be at the sole expense of the subdivider.
- (h) Prior to any installation or construction of utility extensions, the subdivider shall first submit proposed alignment location maps and engineered drawings for City approval. The subdivider shall acquire all necessary easements for the proposed utility location from all affected properties. The easements shall be conveyed to the City and executed on applicable City forms.
- (i) All utility extensions shall be subject to City inspection and approval.
- (j) All utility main line extensions, once approved by the City, shall be dedicated to the City with applicable utility easements. As-built plans and data shall be provided on hard copy in accordance with these provisions and in a digital format compatible with City computer systems.
- (k) Following the completion of any utility extension and submission of the as-built plans, the City Engineer shall conduct an inspection, and if the improvements are in accordance with the requirements of these and other applicable regulations and good engineering and construction standards, shall issue a Preliminary Letter of Infrastructure Completion.
 - (i) For a period of two calendar years thereafter, the subdivider shall be responsible for correcting all defects or failures that appear in such improvements.

-
- (ii) At the completion of this two-calendar-year construction warranty period, upon written request from the subdivider, all public and necessary on- and off-site improvements shall again be inspected by the City Engineer, and upon final approval, may be accepted by the City, as evidenced by issuance of a Letter of Infrastructure Completion and Acceptance. The provisions set forth in Section 11-5-12 (D) shall apply to improvements and construction covered by this Section.
- (5) *Piped Drainage Facilities and Waterways.*
- (a) Stormwater discharge improvements shall be engineered and approved in accordance with City specifications. stormwater retention on site shall be discouraged. When feasible to do so and when requested by the City Engineer, all ditches shall be piped and subject to platted easements to be dedicated either to the City or to the applicable owner of the ditch facilities. The City may elect to allow the location of piped ditch facilities within its rights-of-way at its discretion. Perpetual maintenance shall be provided pursuant to plat notes and/or City-approved covenants.
- (b) Permission shall be acquired, in writing, from all applicable owners of ditch facilities prior to improvements thereto.
- (c) No discharges of urban stormwater into any irrigation supply facilities shall be allowed. No discharges of urban stormwater into agricultural drainage ditch facilities shall be allowed, unless approved in writing by the owning interest in said drainage facilities.
- (6) *Monuments.* Monument quantity, type, and location shall be established and set in accordance with to Section 38-51-105, Colorado Revised Statutes, as amended from time to time.
- (7) *Street Lights.*
- (a) In all subdivisions, except for residential zoned rural living and estate subdivisions, streetlights shall be provided at all intersections.
- (b) In residential rural living zoning districts and estate subdivisions, street lights shall only be required at street intersections with major or minor arterials.
- (c) All streetlights shall conform to City standards and specifications, and with Chapter 11-9 of this Title.
- (8) *Outdoor Lighting.* All outdoor and exterior lighting shall conform with Chapter 11-9 of this Title.
- (9) *Flood Hazard Prevention.* All subdivision proposals shall conform to the flood hazard reduction standards in Section 11-6-5 (G) of this Title.
- (10) *Nonfunctional turf, artificial turf, or invasive plant species.* On and after January 1, 2026, no subdivision approved under this Chapter shall permit the installation, planting, or placing of any nonfunctional turf, artificial turf, or invasive plant species as a public or private improvement within the subdivision, except for residential property or as otherwise permitted by CRS 37-99-101, et. seq.

Sec. 11-5-14. Deviations from standards.

The Planning Commission may recommend to the City Council a deviation from the standards of Section 11-5-13 during preliminary or final plat review, if one or more of the below criteria are met. The City Council may accept or deny the recommendation accordingly.

- (1) Unusual topography or a non-financial hardship exists;
- (2) Alternative standards will more effectively protect the quality of the subdivision and the public welfare and more effectively achieve the purposes of these regulations;
- (3) Alternative standards will more effectively implement provisions of the City's Comprehensive Plan; or
- (4) Alternative standards will more effectively conform to existing improvements within the subdivision, which existing improvements have been previously approved by either the City or the County of Montrose in accordance with applicable laws and regulations.



CITY OF MONTROSE
Planning Services

MEMO

TO: City Council
FROM: William Reis, Senior Planner
DATE: March 4, 2025
RE: Eagle Ranch South Final Plat, Filing 1
ATTACHMENTS

- Exhibit A: Maps
- Exhibit B: Code Excerpts for Subdivisions

City Council Consideration:

City Council is considering approval of this final plat application. Council will consider all of the information in this memo in making a decision.

Application Background:

The Eagle Ranch South Subdivision is located at the end of Cook Drive and north of Oak Grove Road. The property is approximately 4.002 acres in size, and is zoned “R-2” Low Density District and “R-3A” Medium High Density District. City Council approved the Eagle Ranch South Preliminary Plat on June 4, 2024. This final plat application would formally create 2 residential lots.

Applicant: Sharon Hrubes

Staff Analysis:

1. Lots/blocks:
 - a. All lots meet the minimum lot size required according to the “R-2” Low Density District. The proposed lots do not fall within the portion of the property zoned “R-3A” Medium High Density District.



2. Streets
 - a. Surrounding streets must be in place, inspected and approved by the City Engineer prior to final approval. Improvements will receive a Preliminary Letter of Infrastructure Completion.
3. Utilities
 - a. Easements are shown.
 - b. City sewer and other utilities must be installed and available to serve all lots prior to final approval.

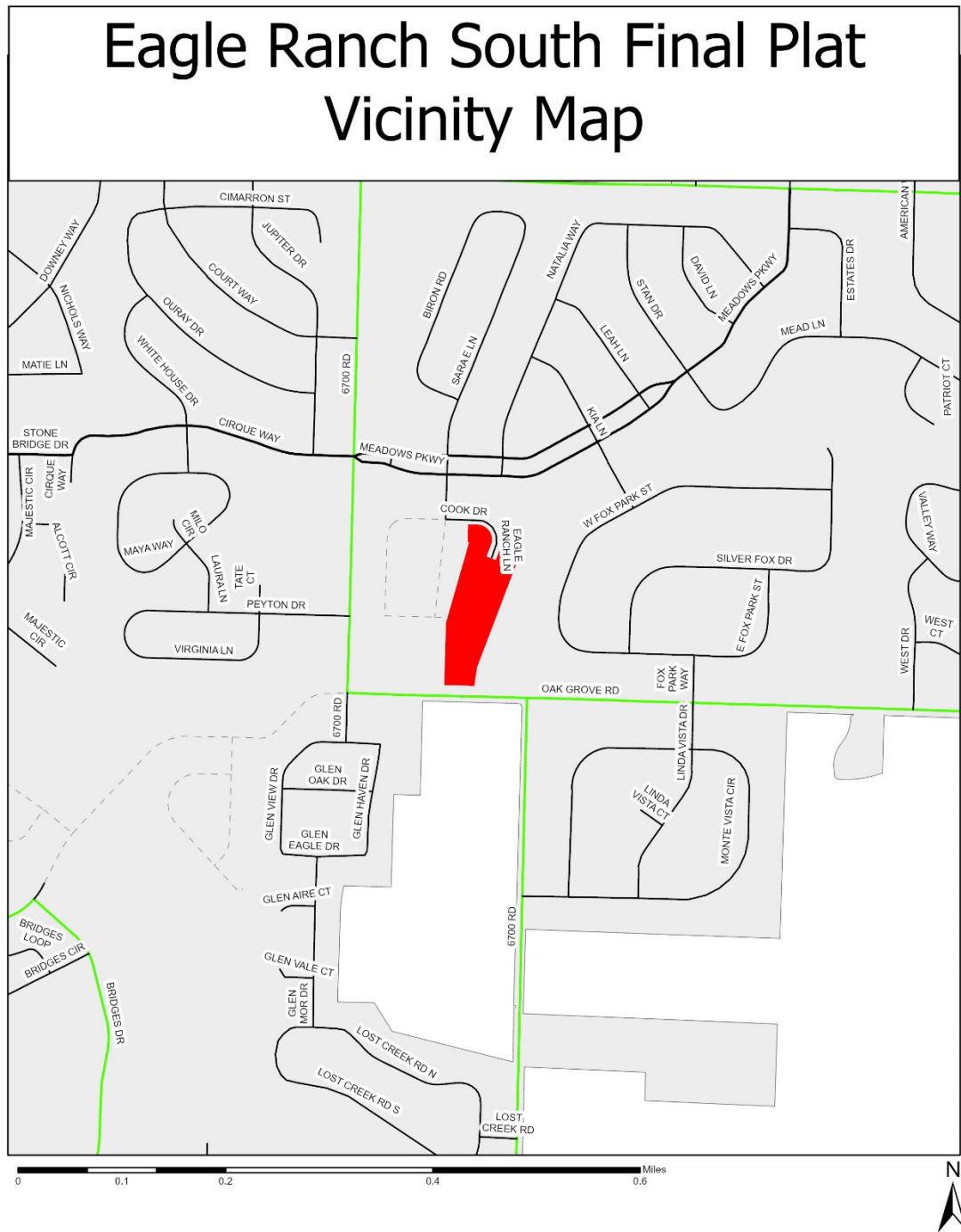
Staff Recommendation: Conditional Approval

Conditions:

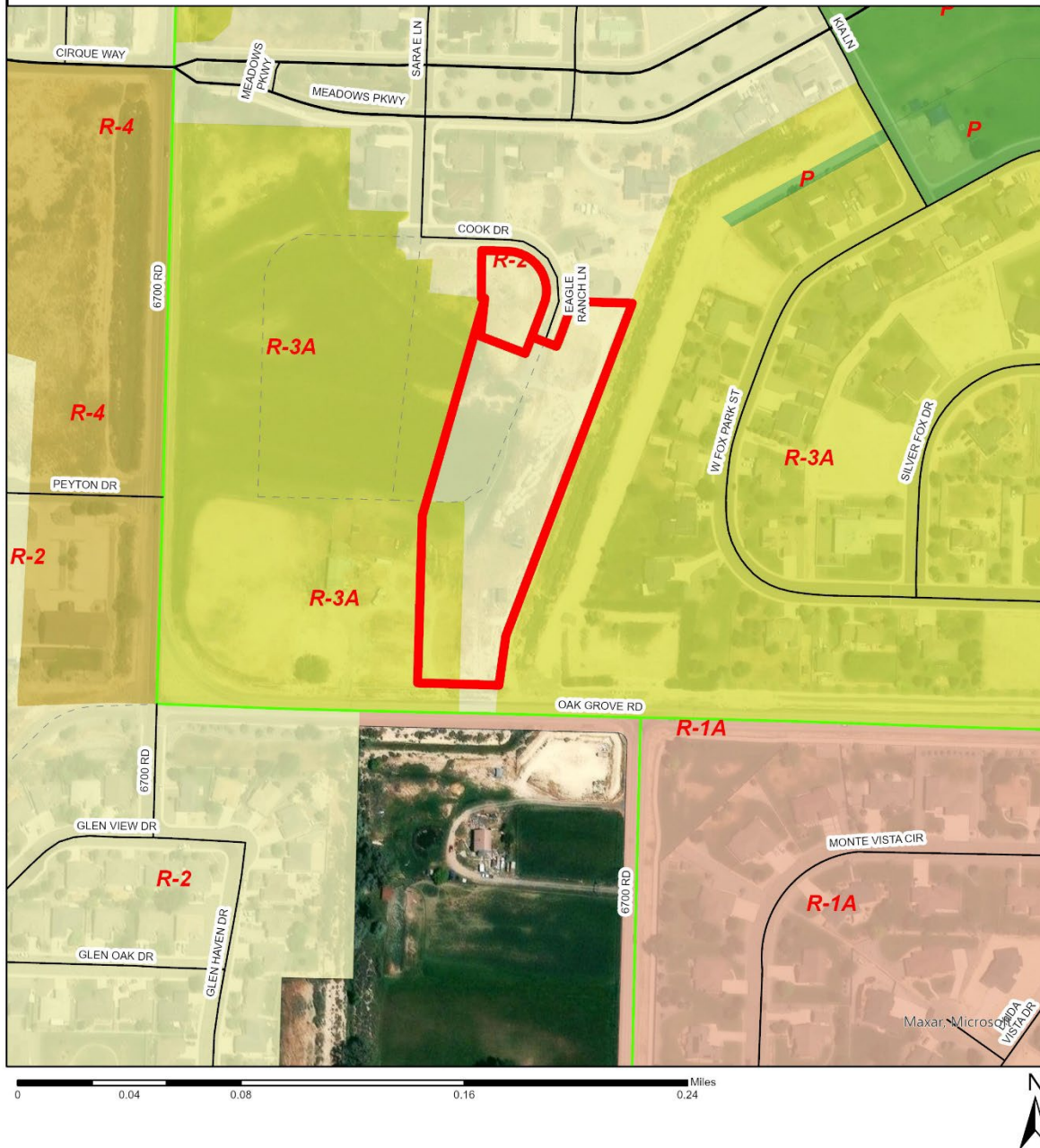
1. [Standard Condition]: The approval of this Final Plat is expressly conditioned upon City staff ensuring that all policies, regulations, ordinances and municipal code provisions are met and that the Applicant adequately addresses all of staff's concerns prior to the execution of the Final Plat. The City staff is not authorized by this approval to execute the Final Plat prior to all conditions being satisfied.



EXHIBIT A: Area Maps



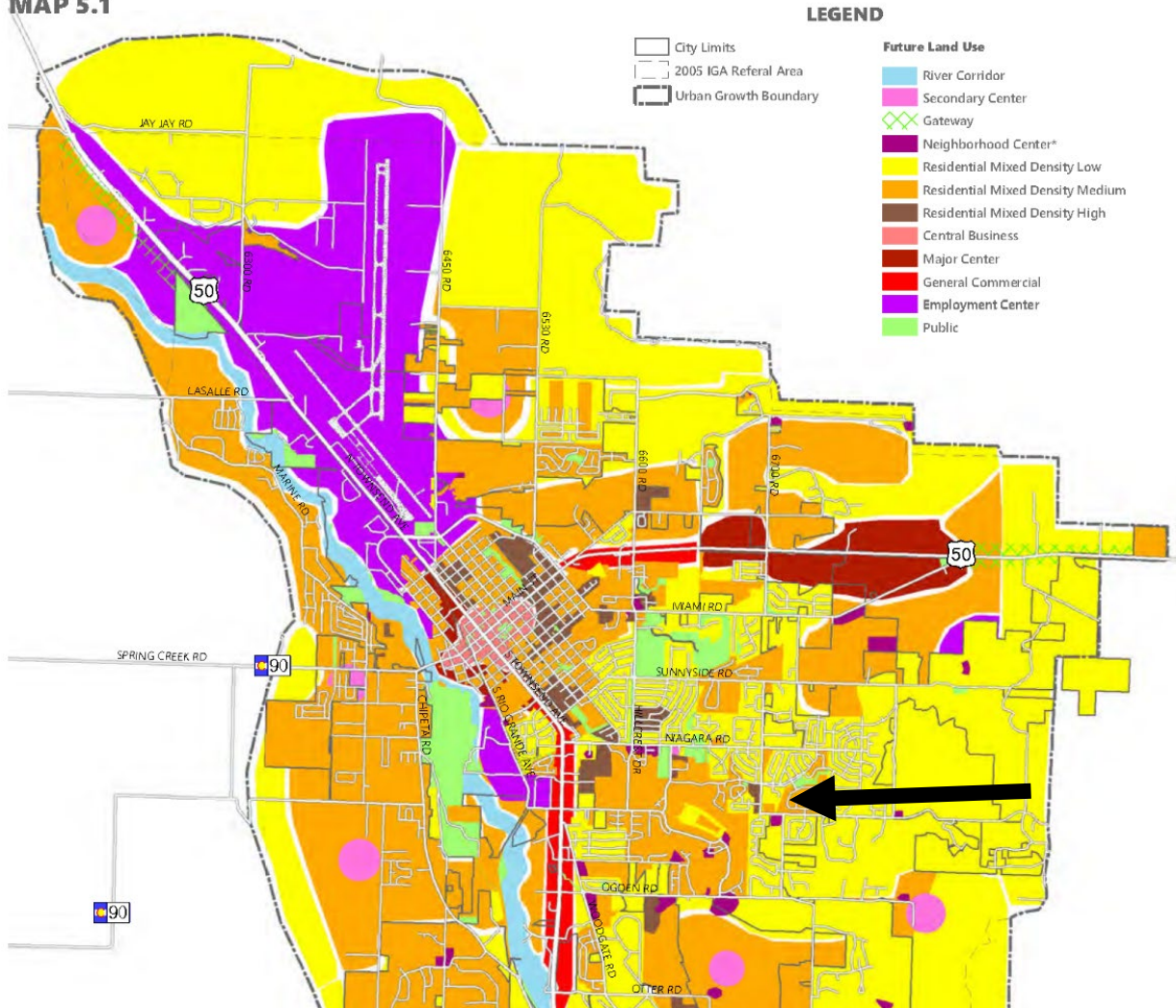
Eagle Ranch South Final Plat Zoning Map



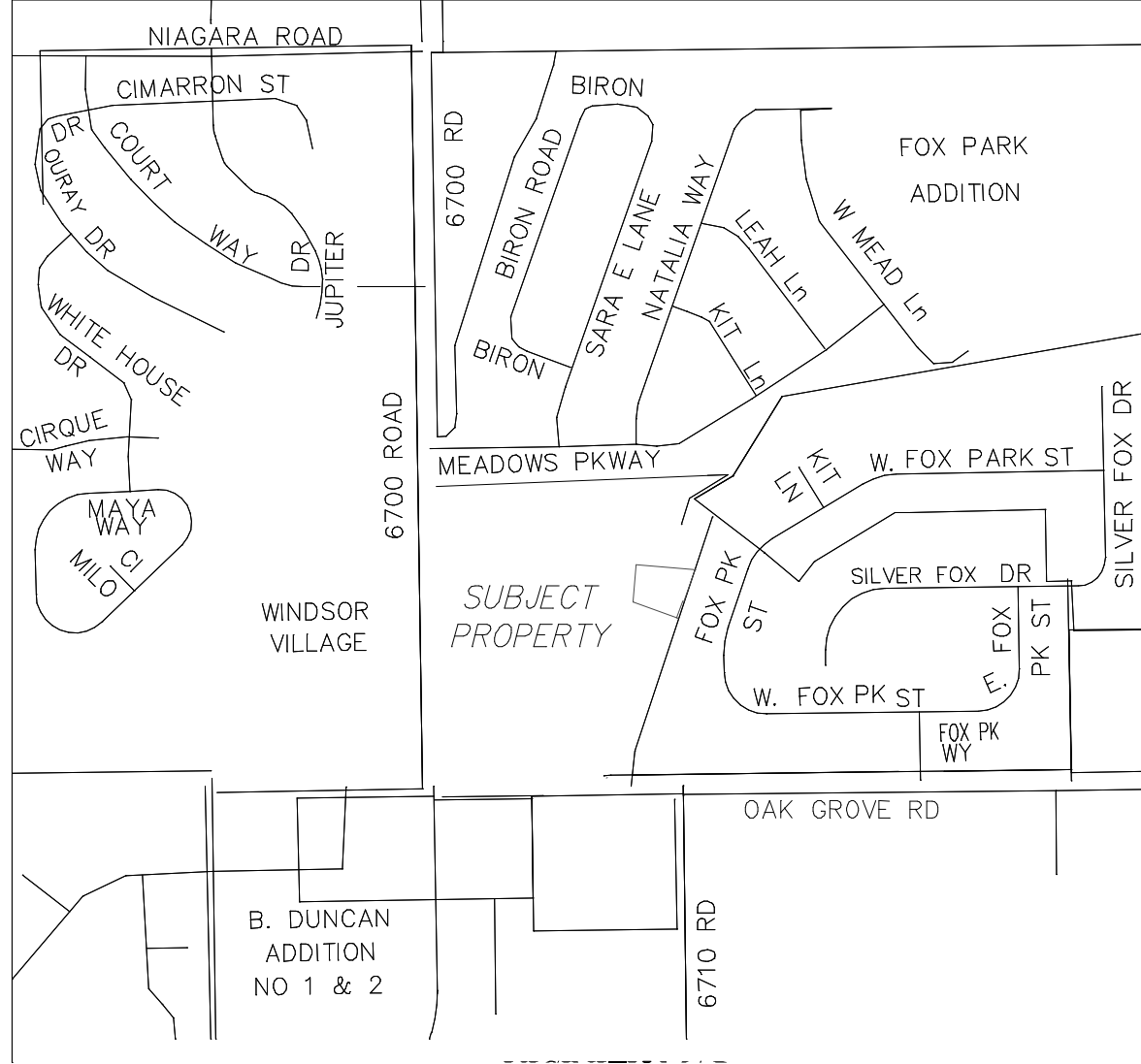
Comprehensive Plan Future Land Use Map

FUTURE LAND USE

MAP 5.1



VICINITY MAP
N.T.S.



SURVEYOR'S CERTIFICATE

I, Steven A. Yelton, a Registered Land Surveyor in the State of Colorado, do hereby certify that there are no roads, pipelines, irrigation ditches or other easements or rights of-way in evidence or known to me to exist on or across said property except as shown on this plat. I certify that I have made the survey represented by this plat and that this plat accurately represents said survey, and conforms to all applicable requirements of the City Subdivision Regulations and applicable law. I further certify that all monuments shown hereon actually exist and their positions are as shown.

C.R.S. Section 38-51-106 Statement: this plat does not represent a title search by the Surveyor, nor by any professional corporation or business entity with which said Surveyor may be associated. Information regarding the title work performed for and used in producing this plat may be found in the title policy issued by Fidelity National Title Insurance Company, dated December 3, 2024, bearing policy number Number 210-F07907-24, Amendment No. #1.

Colorado Registered Land Surveyor
Registration No. 33645
Date: _____

LEGEND

- FOUND 2" ALM. MONUMENT PLS 33465
- SET 2" ALM. MONUMENT PLS 33465

BASIS OF BEARING:

The Easterly line of the Subdivision is assumed to bear S19°18'26"W and is monumented as shown hereon.
All other bearings are relative thereto.

GENERAL NOTES:

Easements (reception numbers 810502 and 681240) are vacated by this plat.

This survey was performed with the benefit of a title commitment by Fidelity National Title Insurance Company and does not constitute a title search by Steven A. Yelton or Rocky Mountain Surveying, LLC.

NOTICE 13-80-105 C.R.S. as amended:
ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVERED SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

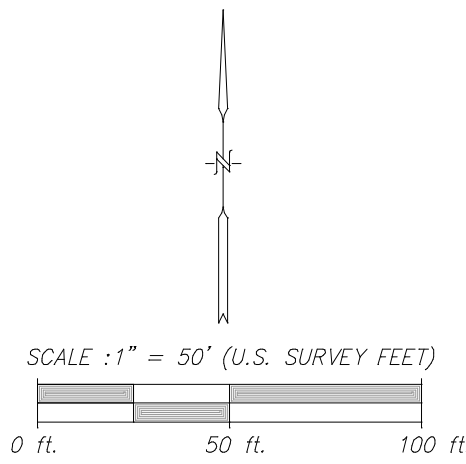
RECORDER'S CERTIFICATE:

This plat was filed for record in the office of the Clerk and Recorder of Montrose County at _____m. on the _____ day of _____, 20____, Reception No. _____.

_____, by _____
County Clerk & Recorder Deputy

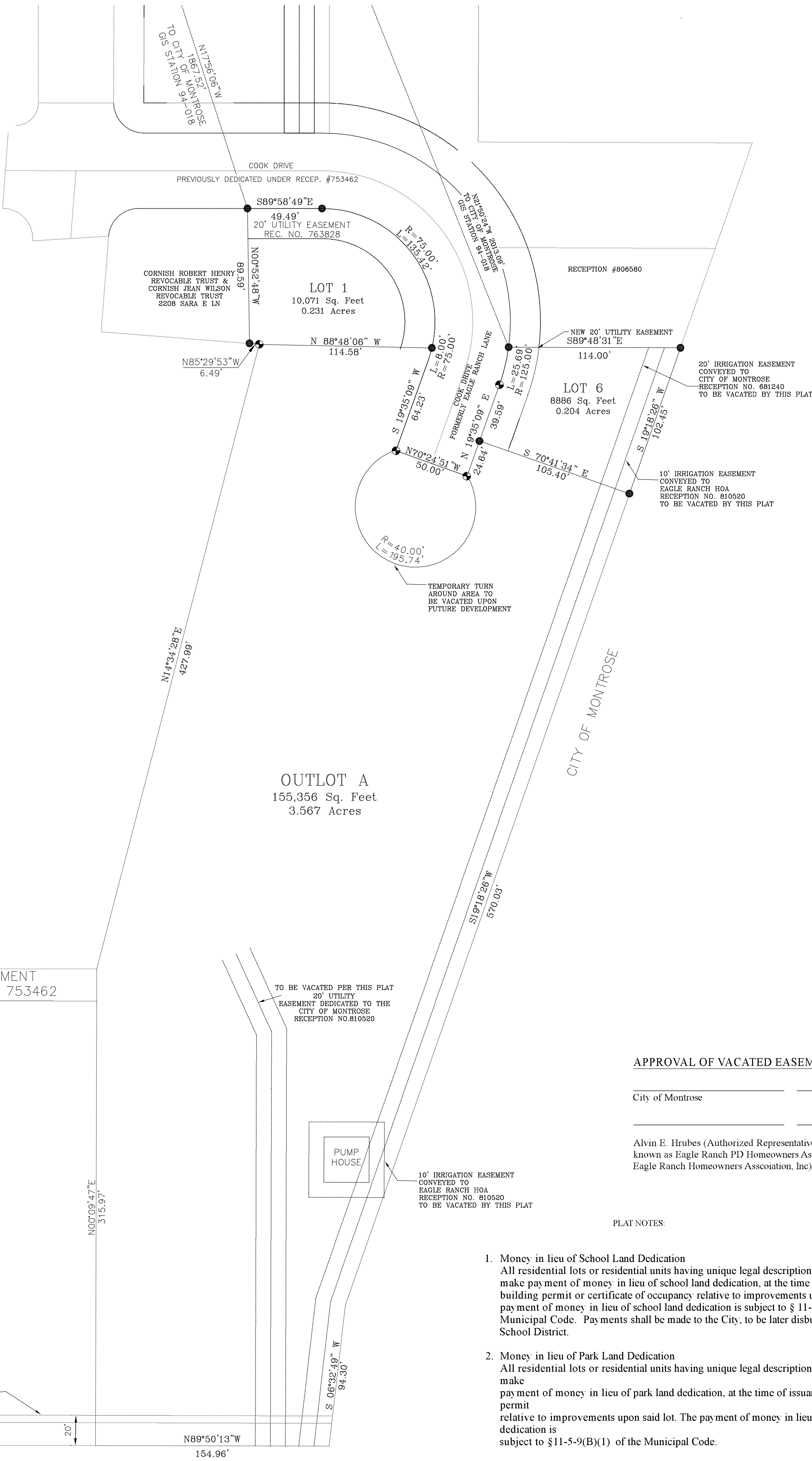
20' UTILITY EASEMENT
RECEPTION NUMBER 753462

JRK LAND COMPANY, LLC
67021 OAK GROVE ROAD



EXISTING NON-EXCLUSIVE EASEMENT AND
RIGHT OF WAY FOR UTILITY PURPOSES
BOOK 955 PAGE 479

OAK GROVE RD.



APPROVAL OF VACATED EASEMENTS PER THIS PLAT

City of Montrose _____ Date _____

Date _____
Alvin E. Hrubes (Authorized Representative, Eagle Ranch HOA, also known as Eagle Ranch PD Homeowners Association, also known as Eagle Ranch Homeowners Association, Inc.)

PLAT NOTES:

- Money in lieu of School Land Dedication
All residential lots or residential units having unique legal descriptions shall be required to make payment of money in lieu of school land dedication, at the time of issuance of building permit or certificate of occupancy relative to improvements upon said lot. The payment of money in lieu of school land dedication is subject to § 11-5-9(C)(3) of the Municipal Code. Payments shall be made to the City, to be later disbursed to the RE-1J School District.
- Money in lieu of Park Land Dedication
All residential lots or residential units having unique legal descriptions shall be required to make payment of money in lieu of park land dedication, at the time of issuance of building permit relative to improvements upon said lot. The payment of money in lieu of park land dedication is subject to § 11-5-9(B)(1) of the Municipal Code.
- Local Improvement District
All lots platted hereon shall be subject to an assessment for the costs to construct improvements to that portion of Oak Grove Road that abuts the Subdivision, said improvements including curb, gutter, sidewalk, drainage, base and pavement, and other related improvements. The Montrose City Clerk is hereby appointed as the Attorney-in-fact of each of the owners of the Eagle Ranch South Subdivision for the purposes of executing improvement district petitions on their behalf, voting on their behalf in any election to approve any financial obligations for such improvement districts and for all other purposes related to the formation of such districts and construction of such improvements. These obligations shall run with the land and be binding upon all successors in interest to the said lots.
- Proposed road dedication(s) on the Eagle Ranch South Plat deviate from previous proposed road connections. The applicant's requested amendments necessitate changes to the names of previously dedicated streets. Upon approval of this plat, the City of Montrose will administratively change the existing Eagle Ranch Lane to Cook Drive, necessitating address changes for some previously addressed lots.

EAGLE RANCH SOUTH FINAL PLAT, FILING 1
SW¹/₄SW¹/₄ SECTION 36, T49N, R9W, NEW MEXICO PRINCIPAL MERIDIAN,
CITY AND COUNTY OF MONTROSE, STATE OF COLORADO

CERTIFICATE OF DEDICATION AND OWNERSHIP

KNOW ALL YE BY THESE PRESENTS that the undersigned being the owners of certain lands in the City of Montrose, County of Montrose and State of Colorado to wit: Eagle Ranch South, Lot 30, Eagle Ranch Planned Development Filing 1 Amendment 3 and Outlot 2, Cook-Hrubes Exemption for Boundary Line Adjustment and have by these presents laid out, platted and subdivided the same into lots, as shown on this plat, under the name and style of Eagle Ranch South Final Plat, Filing 1, County of Montrose, State of Colorado.

The utility easements shown on this plat are dedicated, granted and conveyed to the City of Montrose, Colorado for public utilities, and including but not limited to water, sewer, electrical, telephone, gas and CATV lines. The dedication of easements as herein provided shall not include those easements exclusively utilized for irrigation improvements, or otherwise subject to a previously recorded conveyance.

Executed this ____ day of _____, 20 ____.

By: _____
Sharon D. Hrubes (Owner)

STATE OF _____)
COUNTY OF _____) ss.

The above Certificate of Dedication and Ownership was acknowledged before me on this _____ day of _____, 20____, by _____ the _____ of _____.

Witness my hand and official seal.
My commission expires _____.

Notary

(SEAL)

ATTORNEY'S CERTIFICATE

I, Rodney E. Fitzhugh, an attorney at law, duly licensed to practice in Colorado, do hereby certify that I have examined the Commitment for Title Insurance, Commitment Number 210-F07907-24, Amendment No. #1, dated December 3, 2024 and issued by Fidelity National Title Insurance Company (the Commitment), and that, according to the Commitment, title to the land herein platted and described in the above Certificate of Ownership, is vested in the person named on the within Certificate of Dedication and Ownership, and said land is free and clear of all liens and encumbrances except those specifically listed in the Commitment, including but not limited to: _____.

Attorney Registration No. _____
Date: _____, 20____

ENGINEER'S CERTIFICATE

I, Mark Blakely, a Registered Engineer in the State of Colorado, do hereby certify that the sanitary sewer system, water distribution system and the storm drainage system shown on the accompanying plans of this Subdivision are properly designed, meet City of Montrose specifications, and are adequate to properly serve the Subdivision shown hereon. I further certify that the sanitary sewer system, water distribution system, storm drainage system, streets, parks, and other improvements are designed and constructed in accordance with applicable City specifications and regulations.

Engineer Registration No. _____
Date: _____, 20____

CERTIFICATE OF COMPLETED IMPROVEMENTS

I, Scott Murphy, City Engineer, certify that all improvements and utilities required by the current Subdivision Regulations of the City of Montrose, have been constructed, inspected and approved in this Subdivision in accordance with applicable City ordinances, regulations and specifications, and a Letter of Substantial Completion has been issued, as required by the City's Municipal Code.

Scott Murphy, City Engineer
Registration No. _____
Date: _____

APPROVAL OF DEPUTY CITY MANAGER

Approved this _____ day of _____, 20____, by Ann Morgenthaler, Deputy City Manager of the City of Montrose; all conveyances of interests in real property made on this plat are hereby accepted by the City.

Deputy City Manager

APPROVAL OF CITY COUNCIL

Approved this _____ day of _____, 20____, by J. David Reed Mayor of the City of Montrose; all conveyances of interests in real property made on this plat are hereby accepted by the City.

Mayor

APPROVAL OF CITY ATTORNEY

Approved for recording this _____ day of _____, 20____, by _____, City Attorney of the City of Montrose.

City Attorney
Atty. Reg. No. _____



REV
12-10-24
01-28-25
01-28-25
02-24-25

EAGLE RANCH SOUTH
FINAL PLAT, FILING 1
SW¹/₄SW¹/₄ SECTION 36, T49N, R9W,
NEW MEXICO PRINCIPAL MERIDIAN,
CITY AND COUNTY OF MONTROSE,
STATE OF COLORADO

CHAPTER 11-5. SUBDIVISION REGULATIONS

Sec. 11-5-1. General provisions.

- (A) This Chapter, as amended from time to time may be cited and referred to as the City's subdivision regulations.
- (B) The purposes of these subdivision regulations are to:
 - (1) Promote and protect public health, safety and welfare;
 - (2) Encourage the harmonious, orderly and progressive development of land;
 - (3) Ensure the development of economically sound and compatible neighborhoods;
 - (4) Require the construction of necessary improvements and utilities;
 - (5) Ensure safe and convenient circulation of vehicular and pedestrian traffic;
 - (6) Ensure that parks, open spaces, school sites and land needed for other public purposes are either reserved or dedicated;
 - (7) Ensure development is in accordance with the requirements of the City's Comprehensive Plan as such may be amended from time to time; and
 - (8) Ensure that new development bears its fair share of the costs of providing improvements and services necessitated by, or resulting from, the development of subdivisions.
- (C) References in this Chapter to the term “lot” include, as the context requires, “tracts” or “parcels” of real property, to the extent the same are or can be legally described and capable of individual transfer.

Sec. 11-5-2. Major subdivisions.

- (A) *New Subdivisions.* A subdivision shall be classified as a major subdivision and governed by this Section when an applicant proposes to create four or more new lots; or less than four new lots if not eligible as a minor subdivision in accordance with Section 11-5-3.
- (B) *Resubdivisions or Major Plat Amendments.* Resubdivisions and major plat amendments are reviewed in the same manner as a major subdivision with the same purposes. A major plat amendment is any plat amendment that does not qualify as a minor plat amendment under Section 11-5-3 (C). To the extent submittal information was submitted as part of the original subdivision proposal and is adequate by current standards, the applicant for approval of a resubdivision or major plat amendment does not need to submit the information again and may reference such submittal information in the new application. The City Manager will determine the technical adequacy of previously submitted information.
- (C) *Procedure.* The major subdivision procedure shall consist of three separate phases, sketch plan, preliminary plat and final plat, in accordance with Sections 11-5-4, 11-5-5, and 11-5-6, respectively.

Sec. 11-5-3. Minor subdivisions.

- (A) *New Subdivisions.* A parcel of land is eligible for subdivision through the minor subdivision process if it meets the following criteria:
- (1) The subdivision results in no more than three lots except as permitted within a common interest community subdivision. See Subsection (B) below.
 - (2) All lots are adjacent to a dedicated and accepted public street.
 - (3) The public improvements required by these regulations are:
 - (a) Already in existence and available to serve each lot, or
 - (b) Individual lot service line stub improvements are completed and services are available at each lot, or
 - (c) Only for lots in commercial zoning districts with no existing building on the lot, and such improvements may be deferred until construction of a building on said lot. A Certificate of Occupancy shall not be issued until the improvements required by these regulations for said lot are installed, inspected, and approved by the City. The plans for such improvements shall be reviewed and approved by the City prior to commencement of construction. The plat shall specify what improvements are so required, and may include additional easements, plat notes or restrictions as appropriate to implement these provisions, or
 - (d) For minor subdivisions creating only two lots in which one lot is already devoted to use as a single household dwelling and to which services for that lot are already in place. The remaining lot may not be issued any building or construction permits until the public improvements necessary to serve the same have been installed, inspected and approved by the City, or the lot is approved for further subdivision.
 - (4) Each proposed lot will meet requirements of Chapter 7, Zoning, without the necessity for any variance.
 - (5) No part of the subdivision has been approved as part of a minor subdivision within three years prior to the date of submission of the minor subdivision plat.
 - (6) No material changes to prior plat notes, restrictions or easements are proposed.
- (B) *Common Interest Community Subdivisions.* A common interest community subdivision may be processed as a minor subdivision if all of the following criteria are met:
- (1) Is proposed for development of properties contained within a previously approved and recorded subdivision plat.
 - (2) Meets all applicable conditions of the plat governing the original subdivision.
 - (3) Complies with the required City platting conditions in Subsection (A) above.
 - (4) Complies with the requirements of C.R.S. § 38-33.3-101 et. seq. (sublots and common interest community units are not lots for purposes of compliance with this Section).

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- (5) Is consistent with the representations made by the property owner and/or applicant for subdivision approval which created the lot proposed to be further subdivided as a common interest community subdivision.
 - (6) Results in a change of ownership or marketing regime consistent with the basis upon which creation of the lot being proposed for common interest community subdivision was based.
- (C) *Minor Plat Amendments.* Previously-approved subdivision plats may be amended through the minor subdivision process if they meet the following criteria:
- (1) The plat, as amended, reduces the number of lots within the subdivision, i.e., a lot consolidation; or the nature of the amendment is de minimis, e.g., a boundary line adjustment, lot line correction, duplex conversion, easement adjustment, or similar minor plat modification.
 - (2) All lots are adjacent to a dedicated public street.
 - (3) The lots are part of a subdivision plat which has been approved and/or accepted by the City and recorded in the Montrose County Records.
 - (4) The improvements required by these regulations are already in existence and available to serve each lot, or if not yet constructed, are secured as a part of the original subdivision approval.
 - (5) Each lot will meet requirements of the applicable City zoning regulations without the necessity for any variance. No material changes to prior plat notes, restrictions or easements are proposed.
- (D) *Procedure.* Submittals of sketch plans and preliminary plats are not required for minor subdivisions. The minor subdivision application shall conform to all applicable final plat requirements. All fees related to this Section shall be as set forth in Chapter 3-1 of the City of Montrose Regulations Manual. The final plat for a minor subdivision shall contain certification on forms approved by the City to document approval of the plat.
- (1) The City Manager may either approve, disapprove or conditionally approve the final plat subject to compliance with any minimum design standards; dedication of additional right-of-way, easements, open space or park land; or installation of additional improvements. Final plats shall not be recorded until required public and private improvements are installed and approved by the City.
 - (2) Upon approval by the City land use staff, the plat of the minor subdivision shall be submitted in final form on one reproducible mylar, with all requisite signatures, and also in a digital format acceptable to the City, and compatible with City computer systems.
- (E) *Limitation of Eligibility.* Any subdivision not qualifying as a minor subdivision is a major subdivision. For the purpose of interpreting the requirements of this Section, any proposed minor subdivision which is clearly intended to evade the major subdivision regulations or would result in a de facto major subdivision through the combination of previous contiguous and/or consecutive minor subdivisions is not eligible for minor subdivision. A minor subdivision shall only be used one time on a previously unsubdivided parcel of land.

Sec. 11-5-4. Sketch plan.

- (A) *Purpose.* Sketch plan review provides an opportunity to determine whether an application will comply with the City's subdivision review and approval criteria, and to address any issues of concern early in the review process. The sketch plan is a conceptual version of the preliminary plat showing the general subdivision layout, access, street and lot pattern, location of parks, open space tracts, trail corridors, and other tracts for utilities or services.
- (B) *Review Procedure.* The sketch plan application shall be reviewed by the City in accordance with Section 11-4-2 of this Title. The Planning Commission shall take no formal action at the conclusion of its public hearing on the sketch plan; however, comments by the public and the Commission shall be reflected in the minutes of the hearing as a part of the record on the application as it moves through the entire review process.
- (C) *Review Criteria.* A sketch plan shall comply with the following review criteria:
 - (1) The proposal shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations and will be reviewed, considering the following at a minimum:
 - (a) Relationship of development to topography, soils, drainage, flooding, potential natural hazard areas and other physical characteristics;
 - (b) Availability of water, means of sewage collection and treatment, stormwater drainage, access and other utilities and services;
 - (c) Compatibility with the natural environment, wildlife, vegetation and unique natural features;
 - (d) Adjacent streets and traffic flow, including pedestrian access; and
 - (e) Availability of fire, police and other emergency services protection.
 - (2) An applicant intending to immediately develop only a portion of a full tract shall nevertheless submit an informal sketch plan for the entire tract showing their present plans for its eventual development.

Sec. 11-5-5. Preliminary plat.

- (A) *Purpose.* The purpose of the preliminary plat is to provide the City with an overall master plan for the proposed subdivision. The preliminary plat is more detailed than the sketch plan and should incorporate the comments and guidance provided during the sketch plan process. It includes the layout of the subdivision, engineering design studies, and final engineering design, with all bearings, distances and survey monumentation.
- (B) *Review Procedure.* The preliminary plat application shall be reviewed by the City in accordance with Section 11-4-2 of this Title.
- (C) *Review and Approval Criteria.* A preliminary plat shall comply with the following review and approval criteria:
 - (1) The plat shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations;

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- (2) The plat proposes a harmonious development and lot pattern that is compatible with the neighborhood and community;
 - (3) The lot and development pattern ensures there will be adequate light, air, parks, open space, and other places for public use;
 - (4) The plat design provides for adequate access and efficient emergency response to all lots proposed in the subdivision;
 - (5) Adequate, safe, and efficient public improvements, utilities, and community facilities and services will be provided with sufficient capacity to serve the subdivision;
 - (6) A sufficient supply of water is available and sufficient water rights have been dedicated to the City, in conformance with the City's water standards;
 - (7) The plat design provides for adequate protection from fire, flood, geologic hazards, significant soil constraints, and other dangers, and provides for proper design of stormwater drainage, erosion control, utilities and streets;
 - (8) The plat design provides for compatibility with unique or distinctive natural areas, scenic areas and views, natural landmarks, significant wildlife habitats and migration areas, drainage areas, riparian areas, wetlands, historic features and archaeologically sensitive sites, recognizing the irreplaceable character of such resources and their importance to the quality of life in Montrose; and
 - (9) The preliminary plat and proposed improvements shall comply with all requirements of this Chapter, other applicable City design and construction specifications and standards and all applicable County, State, and Federal Regulations.
- (D) *Notice to Proceed.* No construction of the required subdivision improvements shall commence until approval of the preliminary plat by the City Council and submittal of both a reproducible mylar of the preliminary plat, as finally approved with signed certificates as required by the City, and a copy of the preliminary plat in a digital format acceptable to the City and compatible with City computer systems. Upon approval and submittal of the reproducible mylar of the preliminary plat, and supporting documentation as required, the City shall provide signed copies of the preliminary plat which shall serve as notice to proceed with construction of the required subdivision improvements, both public and private.

Sec. 11-5-6. Final plat.

- (A) *Purpose.* The purpose of the final plat is to complete the subdivision of land in conformance with all the applicable requirements and standards of the City. The final plat shall correspond in every significant respect with the preliminary plat as previously approved. A complete review is conducted of the final subdivision design, with all bearings and distances, survey monumentation, and certificates of approval included on a document suitable for recordation.
- (B) *Review Procedure.* The final plat application shall be reviewed by the City in accordance with Section 11-4-2 of this Title.
- (C) *Review and Approval Criteria.* A final plat shall comply with the following review and approval criteria:

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- (1) The plat shall be consistent with the City subdivision and zoning regulations, standards and other applicable ordinances and regulations;
 - (2) The plat proposes a harmonious development and lot pattern that is compatible with the neighborhood and community;
 - (3) The lot and development pattern ensures there will be adequate light, air, parks, open space, and other places for public use;
 - (4) The plat design provides for adequate access and efficient emergency response to all lots proposed in the subdivision;
 - (5) Adequate, safe, and efficient public improvements, utilities, and community facilities and services will be provided with sufficient capacity to serve the subdivision;
 - (6) A sufficient supply of water is available and sufficient water rights have been dedicated to the City, in conformance with the City's water standards;
 - (7) The plat design provides for adequate protection from fire, flood, geologic hazards, significant soil constraints, and other dangers, and provides for proper design of stormwater drainage, erosion control, utilities and streets;
 - (8) The plat design provides for the preservation and conservation of unique or distinctive natural areas, scenic areas and views, natural landmarks, including rock outcroppings and unique landforms, significant wildlife habitats and migration areas, drainage areas, riparian areas, wetlands, historic features and archaeologically sensitive sites, recognizing the irreplaceable character of such resources and their importance to the quality of life in Montrose; and
 - (9) The final plat is generally consistent with the preliminary plat, as applicable and proposed improvements comply with all requirements of this Chapter, other applicable City design and construction specifications and standards and all applicable County, State, and Federal Regulations.

(D) *Additional Provisions.*

- (1) No land shall be subdivided, or any parcel thereof sold or conveyed, until a final plat has been approved and either a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion has been issued in accordance with this Section.
- (2) Any conditions or improvements imposed on the applicant by the City Council under the preliminary plat approval must be shown on the final plat and either completed, or accompanied by the appropriate security under Section 11-5-12, prior to approval by the City Council.
- (3) The final plat may be submitted for a portion of the preliminary plat, or phased, subject to the following conditions:
 - (a) The applicant has submitted a phasing plan that has been approved as a part of the preliminary plat, or if subsequent to that time, as an amendment of the approved preliminary plat.
 - (b) All required improvements, utilities and road infrastructure must be accessible to the remaining aggregate of unsubdivided land, or outlot.

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- (c) In instances where completion of required improvements, utilities or road infrastructure within the outlot is determined by the City to be necessary as a condition of approval of that final plat, the developer shall be required to complete said improvements, utilities or road infrastructure upon approval of that final plat. This may include, but not be limited to, completion of necessary road infrastructure, stormwater drainage system, trails and park development.
 - (4) No final plat shall be approved by the City Council until:
 - (a) All of the public improvements required by these subdivision regulations have been installed, inspected and approved by the City Engineer, or properly secured in accordance with the provisions of Section 11-5-12 on forms approved by the City.
 - (b) As-built plans, supporting documentation, certificates and data for completed utility improvements have been provided, reviewed and accepted by the City Engineer and provided in a digital format acceptable to the City and compatible with City computer systems. All as-built plans, supporting documentation, certificates and data for completed utility and infrastructure improvements shall be signed and stamped by a registered Colorado professional engineer.
 - (c) The final plat has been submitted in final form on reproducible mylars, with all requisite signatures, and also in a digital format acceptable to the City, and compatible with City computer systems.
 - (d) Payment to the City of any atypical costs incurred by the City within the subdivision review process, which costs are specifically subject to reimbursement.
 - (e) The security for the two-calendar year construction warranty has been provided by the subdivider in a form acceptable to the City.
 - (5) Following City Council approval of the final plat and verification that the documentation has met all applicable codes and regulations, the final plat shall be executed by the appropriate City staff and recorded with due diligence.

Sec. 11-5-7. Reserved.

Sec. 11-5-8. Issuance of building permits.

- (A) Until any required public improvements are accepted by the City, the City shall not be obliged to issue any building permits within a subdivision, except as provided herein. Provided that all other applicable City codes and regulations have been satisfied, building permits may be issued only to the subdivider for any property with an approved Preliminary Plat. The subdivision must have sufficient access and water to allow for adequate fire protection as determined by the fire protection district. No certificates of occupancy, temporary or otherwise, shall be issued unless and until:
 - (1) All required public and private on- and off-site improvements have been completed;
 - (2) A Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion has been issued by the City; and
 - (3) A final plat has been approved and recorded.

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- (B) A Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion shall evidence City inspection and approval.

Sec. 11-5-9. Land dedication and Fees in Lieu.

(A) *Purpose & Intent.*

- (1) The purpose of the land dedication requirement is to provide public park, open space, trail, and school facilities and/or services made necessary as a consequence of a subdivision, in an amount roughly proportional to the impact of the subdivision upon such facilities and/or services or the increased need for them brought about by a subdivision. New residential subdivisions require these services provided through municipal facilities which are constructed, in part, through dedication of land necessary to construct the facilities. Absent land dedication by new subdivisions, sufficient land may not be made available at the time of subdivision to provide necessary services to new residents. In order to provide public services, the City requires certain dedications of land or in the appropriate circumstances, payment of fees-in-lieu of such dedication.
- (2) It is the intent of this Section to preserve natural and scenic areas and provide for the public health, recreational, and educational needs by ensuring that school, recreational, and open space land and trails are available to the residents and/or employees of developments in conformance with the City's Comprehensive Plan as updated from time to time.

(B) *Dedication procedure.*

- (1) The amount, location, and nature of land interests to be dedicated shall be established prior to final subdivision plat approval. Land dedications and/or conveyances shall be made as a condition of final plat approval and shall be implemented in one or more of the following ways, as appropriate and as provided in the final plat approval:
 - (a) A fee simple dedication to the City granted via plat note on the final plat;
 - (b) A fee simple conveyance to the City granted via general warranty deed;
 - (c) A fee simple dedication to the school district of a school site via plat note on the final plat;
 - (d) A fee simple conveyance to the school district via general warranty deed; and/or
 - (e) Payment of fees-in-lieu of land dedications where permitted and approved by the City.
- (2) Whenever a subdivision application involves land that is to be dedicated and/or conveyed to the City, the applicant shall submit, with the final plat application, a title insurance commitment indicating the land is owned by the applicant free and clear from all liens, encumbrances and restrictions.
 - (a) Title insurance shall be provided by the applicant in an amount equal to the approximate value of the property to be dedicated and/or conveyed, as approved by the City.

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- (b) The executed deed, if applicable, and the payment of the premium for the title insurance policy shall be delivered to the City prior to the recording of the final plat.

(C) *Land dedication standards.*

- (1) *General Requirements.* Every approved subdivision shall convey land for the purpose of providing parks, open space, trails, school sites, and other public uses. The standards herein are minimum standards and the City may require dedications and improvements greater than the minimum to adequately meet the needs created by the development.
 - (a) The City Council shall determine the suitability of the land and improvements proposed for dedication in consideration of the intended purpose of the dedication.
 - (b) The City may consider recommendations from other agencies which would be directly involved in the development and service of those areas.
 - (c) Parks, open space, and trails shall be dedicated to the City in conformance with the requirements herein and the adopted standards of the City Comprehensive Plan as may be updated from time to time.
 - (d) Parks, open space and trails shall be situated within floodplains instead of developed lots when reasonable to do so.
- (2) *Improvement Required.* Any land to be dedicated to the City shall be improved by the developer per the timetable specified at time of final plat subdivision approval for use as park, open space, and/or trails.

(D) *Park Land Standards.* Dedication of land for park purposes shall be based upon the following standards. In the event the subdivider disagrees with the calculation provided by the City, the subdivider may request continuation of final plat review and fund an independent study under Section 11-5-9 (I):

- (1) Subdividers shall dedicate to the City developed park land based upon a formula of seven acres of developed and usable park land per density of 1,000 residents, calculated at build-out of the proposed subdivision. For the purpose of this calculation, it shall be assumed that each residential unit shall house an average of two and one-half residents.
- (2) Those developments that dedicate adequate quantities and qualities of park land acceptable to the City, in the City's sole discretion, shall not be required to pay the money in lieu of park land dedication. Only park land dedicated to the City of Montrose, and approved by the City, in the City's sole discretion, that meets the City's Comprehensive Plan, the minimum design standards as set forth herein, and that is improved to meet the City's park standards and specifications, shall qualify to relieve the subdivider of payment of money in lieu of park land dedication.
- (3) Developed park land proposed for dedication or conveyance to the City shall require prior submittal and approval of a park plan by the City, which plan shall address the City's park standards and specifications.
- (4) When authorized by the City, the required dedication of developed park land may be partially or wholly substituted by alternative dedication and/or preservation of open space

areas such as riparian habitat, wetlands habitat, wildlife habitat and view corridors as approved by the City.

- (5) Parks that are sized, developed, and located to meet the needs of the City and constructed in accordance with City standards and specifications may be dedicated to the City, and if so dedicated, shall be available for use by the public.

(E) *Trail and Sidewalk Standards.*

- (1) Trails shall be dedicated as needed to serve the recreational and transportation needs of the subdivision in conformance with the Comprehensive Plan, and shall provide links to schools, the local and regional trail system, parks and open space areas, commercial and employment areas, public transit, community facilities such as libraries, and other destinations. Trails should be provided adjacent to or within natural and scenic areas and open space areas, when possible, in a manner that provides a recreational corridor without degrading the natural or scenic resource.
- (2) Sidewalks and recreation trails shall be integrated with existing and planned sidewalks and recreation trails in accordance with the City's Comprehensive Plan. The owner of each project shall dedicate the appropriate easements and/or rights-of-way consistent with said plans.
- (3) All sidewalk and recreational trails shall be available for use by the public.

(F) *Open Space and Watercourse Standards.*

- (1) If required by the City, open space shall be dedicated as necessary to preserve significant natural areas such as buttes, bluffs, and other geologic formations, water bodies/resources, wildlife habitat areas, fragile ecosystems (wetlands) riparian areas, floodplains, native trees and shrubs and/or other significant native vegetation. Open space shall also be dedicated as necessary to preserve lands which preserve significant views, provide transitions between different densities and uses (buffers) and otherwise serve to give shape and form to the proposed development and surrounding community.
- (2) Public access is not required for open space dedications.
- (3) Natural watercourses may be developed and preserved consistent with City floodplain management regulations, Storm Drainage Requirements and Federal Clean Water Act Section 404 Permit requirements, to minimize safety, environmental, and other hazards, and shall be integrated with the City's Comprehensive Plan for such watercourses whenever feasible.

(G) *Fees in Lieu of Dedication.*

- (1) In the event the dedication of required park land is not deemed suitable or not in the public interest within the development, the City Manager is hereby authorized to require the applicant, in-lieu thereof, to pay the City a fee-in-lieu-of land based on the amount of required land dedication as calculated in Section 11-5-9 (D) above, and pro-rated using the average value of land in the City plus the cost per acre of constructing the improvements for that type of facility. Such fee may be updated from time to time to reflect current market land values and costs of the improvements and shall be adopted by Resolution and included in the City's fee schedule.

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- (2) Alternatively, and if approved by the City Manager, the subdivider may develop or contribute to the improvement of an off-site facility if said facility conforms to the adopted standards in the Comprehensive Plan. Nothing contained herein shall be construed to prevent the City Manager from requiring that part of the park land dedication requirement be made in the form of dedicated land, and that part of such requirement be made in the form of cash in-lieu of the remaining requirements for such land.
 - (3) When in-lieu payments are permitted, the following standards apply:
 - (a) Lot or Unit x 0.0175 (acres park land per lot or unit) x \$90,000.00 (value per developed park land acre, based upon \$25,000.00 per acre undeveloped land value plus \$65,000.00 park land development cost) = \$1,575.00 per lot or unit.
 - (b) Monies collected in lieu of park land dedication shall be collected at time of issuance of building permit, and placed into a City park development fund to be earmarked for future acquisition or development of parks, opens space, or trails. No security as set forth in Section 11-5-12 shall be required.
 - (4) Monies paid in lieu of park land dedication pursuant to this Section are to enable the City to provide parks in the proper locations, and of the proper sizes to serve the citizens of the City.

(H) *Relationship to useable open space.*

- (1) Useable open space, as defined in Section 11-15-2 of this Title, shall not be a substitute for the dedication of park land, or money in lieu of park land dedication.
- (2) All non-public common areas, parks and open spaces shall be held in private ownership and maintained in perpetuity, with appropriate platted restrictions on use and covenants for ownership and maintenance in accordance with the provisions of Section 11-5-11 (B).
- (3) For useable open space within Planned Developments, see Sec. 11-7-8 (B) (2).

(I) *Site specific dedication study.*

- (1) In the event that the applicant disagrees with the City's determination concerning dedication of land and/or payment in lieu of dedication, the applicant may request a continuation of any subdivision processing and review by the City, in order for the applicant to prepare a private study evaluating the demand for public facilities made necessary or generated by the proposed development. Upon receipt by the City of the applicant-funded study, the subdivision review process shall recommence.
- (2) Such study shall be undertaken at the applicant's cost by a licensed professional engineer or other professional approved in advance by the City.
- (3) To the greatest extent possible, the study shall include an evaluation of the City's present supply or capacity and present demand for all public facilities and/or services required by the proposed development.
- (4) The study shall identify and quantify the additional demand placed upon such public facilities and/or services by the proposed development.

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- (5) The study shall identify the necessary public land and improvements required to be dedicated or constructed by the applicant in order to serve the demand generated by the proposed development.

- (6) Such study shall be considered by the City in determining the required dedication of land.

(J) *School land dedication requirements.*

- (1) Based upon conversations with both the City staff and School District staff during the pre-application phase of any project at the time of filing a sketch plan or preliminary plat for approval, the applicant shall, as part of such filing, either:
 - (a) Designate the general area or areas the applicant proposes to set aside for school site(s) and shall indicate the number of acres proposed for such uses and the number of proposed dwelling units in the development; or
 - (b) Agree to make payment of cash-in-lieu of land in an amount as set forth in Chapter 3-1 of the City of Montrose Regulations Manual; or
 - (c) Request waiver of the requirement to provide for school land dedication or payment in lieu, per Section 11-5-9 (K) below.
- (2) The preliminary plat and final plat of a proposed subdivision shall designate specific areas proposed for use as school sites, the number of acres so designated, and the proposed number of lots by dwelling unit type in the subdivision; or, the waiver of this requirement and agreement to provide cash in-lieu-of land; or a plat note indicating that no children will be generated by the development.
- (3) School sites dedicated through this procedure shall conform to the school site size requirements and site criteria policy adopted by the School District and incorporated herein by this reference.
- (4) *Determination of School Land Dedication.* If the City Council determines that the dedication of land for school purposes is appropriate, then the applicant shall convey the property and all improvements located thereon in the manner permitted by Section 11-5-9 (B) to the School District at the time of recording of the final plat.
- (5) *Fees in-Lieu of Land or Guarantee of Future Land Dedication.* When, after recommendation of the School District, dedication of all or portions of required school lands is not deemed feasible or in the public interest, in that event the City Council shall require the payment of fees in-lieu thereof.
- (6) Monies collected in lieu of school land dedication shall be collected at time of issuance of building permit (or Certificate of Occupancy for those buildings commenced prior to final plat approval) and disbursed to the School District on a quarterly basis. No security as set forth in Section 11-5-12 shall be required.
- (7) The following shall be exempted from school land dedication requirements or payment-in-lieu-of fees:
 - (a) Skilled nursing facilities as defined in the Section 11-15-2 of this Title;
 - (b) City-approved subdivisions that are subject to recorded covenants restricting the age of the residents of said dwelling units such that the dwelling may be classified

as housing for older persons pursuant to the Federal Fair Housing Amendments Act of 1988.

(K) *Waiver of Requirements.*

- (1) The City Council may waive the required dedication of land or the payment in lieu of dedication of open space, parks, trails and/or school lands in the following cases:
 - (a) When the project has already been fully developed and the subdivision of land is necessary to bring the land into conformance with the as-built or as-constructed development;
 - (b) When the development does not result in any increase in demand for parks, trails, or open space; or
 - (c) With respect to school land dedication, the School District approves a waiver request under Section 11-5-9 (J).

Sec. 11-5-10. Required Public Improvements.

- (A) All subdivisions shall be provided, at the expense of the subdivider, and subject to applicable zoning criteria, with the following public improvements as required to serve the subdivision and to mitigate its impacts.

- (1) Street improvements:
 - (a) Paved streets;
 - (b) Paved alleys, if required by the City;
 - (c) Street signs;
 - (d) Street lights; and
 - (e) On- and off-site traffic mitigation improvements as identified in the subdivision's Traffic Impact Study as necessary to safely support the development.
- (2) Curbs, gutters, sidewalks and accessibility ramps.
- (3) Parks, open space and recreation trails.
- (4) Public utilities:
 - (a) A water system including fire hydrants and fire mains;
 - (b) A sanitary sewer system;
 - (c) A stormwater system; and
 - (d) Other public utilities, including gas, electricity, and a minimum of three conduits for telecommunications.
- (5) Drainage facilities and waterways.
- (6) Survey monuments.
- (7) As applicable, off-street parking, mailbox location areas and bus stops with accessibility ramps.

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- (B) Other improvements required as a condition of approval and found to be roughly proportional to the impacts being mitigated. All public improvements shall be subject to applicable City minimum design standards, regulations and specifications.
 - (C) Public improvements shall be secured by warranty and security instruments as required by Section 11-5-12.

Sec. 11-5-11. Private improvements.

- (A) The subdivider may provide, or may be required to provide as a condition of certain private improvements, as specifically referenced below, to serve the subdivision and to mitigate its impacts, and in accordance with duly adopted City standards, if applicable, to include:
 - (1) Recreational facilities, parks, open space and trails;
 - (2) Drainage facilities and waterways;
 - (3) Mailbox location areas;
 - (4) Berms, screening and buffers; and
 - (5) Other private improvements required as a condition of approval.
- (B) Such improvements shall be privately-owned and/or -maintained, and the plat shall contain appropriate restrictions and/or covenants, in form approved by the City Attorney, governing use, ownership and maintenance in perpetuity enforceable by the City, providing for recovery of the City's costs by liens or assessment against the property in the subdivision. Such improvements shall be completed prior to issuance of building permits pursuant to Section 11-5-8.

Sec. 11-5-12. Security, warranty and acceptance of improvements.

- (A) If the subdivider wishes to have the final plat approved prior to the installation, inspection and approval of all required improvements, the subdivider must provide security incorporated into a subdivision improvement agreement to guarantee the completion of all required improvements within one year, and all landscaping improvements within two calendar years after approval of the final plat in accordance with this Section.
 - (1) Said security shall be in the form of:
 - (a) A subdivision improvements agreement, in a form approved by the City Attorney, in an amount to be verified by the City Engineer equal to 150 percent of the pro rata cost to complete the improvements necessary to serve said lots; or
 - (b) A cash escrow deposited with the City or a clear irrevocable letter of credit in an amount to be verified by the City Engineer equal to 150 percent of the pro rata cost to complete the improvements necessary to serve said lots.
 - (2) Funds in any escrow account shall be returned to the subdivider upon the issuance of either a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion, depending on the circumstances.
 - (3) Security shall not be required for money in lieu of payments relative to park land and school land dedications provided in Section 11-5-9 (D) and (J), as such money

payments shall be collected upon issuance of building permits relative to subdivided lots or units.

- (4) Even though a final plat will have been recorded, when a subdivider chooses to secure required improvements with a subdivision improvement agreement, as a part of that agreement, the subdivider shall agree not to sell, transfer, offer for sale or otherwise convey any portion of the property, including lot, unit or outlot, prior to the issuance of a Letter of Substantial Completion or a Preliminary Letter of Infrastructure Completion, depending on the circumstances. A sale or other transfer of the entire subdivision is permitted once the purchaser has provided the necessary security.
- (B) The subdivider shall complete all required improvements within one year, and all landscaping improvements within two calendar years of the approval of the final plat by the City Council. In the event that all necessary on- and off-site improvements are not completed, inspected and approved within two calendar years of the date of the approval of the final plat by the City Council, no further building permits, occupancy permits, water taps or sewer taps shall be allowed by the City in such subdivision until such improvements are completed. It shall then be unlawful to sell any further lots in the subdivision until all necessary on- and off-site improvements are completed.
- (C) The City Council may authorize extensions of time to complete all improvements beyond the one and two-year limitations as set forth herein.
- (D) Following the completion of required improvements and submission of the as-built plans, the City Engineer shall conduct an inspection and if the improvements are in accordance with the requirements of these and other applicable regulations and good engineering and construction standards, shall issue a Preliminary Letter of Infrastructure Completion as provided herein.
 - (1) A Letter of Substantial Completion may be issued when only landscaping and irrigation facilities are incomplete and secured as provided in Subsection 11-5-12 (A) of this Section.
 - (a) In the case of subdivisions that have been issued a Letter of Substantial Completion, upon completion of the outstanding improvements and submission of the as-built plans therefor; the City Engineer shall conduct an inspection and shall issue a Preliminary Letter of Infrastructure Completion, if all required improvements are in accordance with the requirements of these and other applicable codes and regulations and good engineering and construction standards.
 - (2) The subdivider shall warrant the public improvements against defects or failures in workmanship or materials for a period of two calendar years from the date of the Preliminary Letter of Infrastructure Completion. During this two-calendar-year construction warranty period, the City will, as applicable, assume the responsibility for snow removal within public rights of way in regard thereto, but the subdivider shall remain responsible for all other maintenance and to correct all defects or failures that appear in any such public improvements during the construction warranty period.
 - (a) The City shall determine what constitutes a defect or failure in its sole discretion, provided that such are not the result of public abuse, misuse or normal wear from

use. The City Engineer shall notify the subdivider in writing of such defect or failure, setting forth a list of specific deficiencies. If within 30 days after the City has notified the subdivider of a defect or failure, the subdivider has not started or completed the required repairs, provided construction drawings and a proposed repair schedule for City review and approval, or submitted a written objection to the to the City's request for repair work, the City is hereby authorized to make the repairs or replacements or to order the work be done by a third party. The City may authorize a temporary repair if necessary due to weather conditions or materials availability. The subdivider shall pay the cost of any repair work. Any appeal of the City Engineer's repair or replacement requirements shall follow the appeal process pursuant to Chapter 4-1-6 of the City Code.

- (b) At the end of the warranty period, the subdivider shall request, in writing, that the City Engineer perform a final inspection of the improvements to facilitate the completion of the construction warranty.
 - (i) The City Engineer shall conduct an inspection of all public improvements, and upon final approval, as evidenced by the City's issuance of a Letter of Infrastructure Completion and Acceptance, the City shall accept the improvements, and the security held by the City shall be returned to the subdivider.
 - (ii) All public improvements, including all physical facilities constructed by the subdivider necessary for the extension, maintenance and repair of municipal utility services and other public facilities constructed by the subdivider in public rights-of-way, easements, streets or alleys shall become the property of the City immediately upon the issuance of the Letter of Infrastructure Completion and Acceptance by the City Engineer.
 - (iii) Following such conveyance, the City shall be solely responsible for the maintenance of such public improvements, unless otherwise provided for by agreement, except for any correction work required during the warranty period.
- (c) Any repairs or replacements noted in the final inspection shall be completed prior to the issuance of the Letter of Infrastructure Completion and Acceptance.
 - (i) Upon notification, the subdivider shall promptly make all repairs or replacements in accordance with a repair plan prepared by the subdivider and approved by the City, which repair or replacement, in the opinion of the City, arose out of defects or failures and became necessary during the construction warranty period.
 - (ii) The subdivider shall warrant each repaired and/or replaced improvement or any portion or phase thereof for one calendar year following acceptance of such repair and/or replacement.
 - (iii) Inspection of any improvements does not constitute a waiver by the City of any rights or remedies that it may have on account of any defect in or failure of the improvements that are detected. The construction warranty shall

continue until the Letter of Infrastructure Completion and Acceptance is provided in writing to the subdivider.

- (3) The subdivider may, at the subdivider's option, provide the City financial security for the two-calendar year construction warranty in one or a combination of the following forms only:
- (a) A cash escrow in the amount of 15 percent of the total construction cost of all public improvements required by the final plat.
 - (b) A letter or letters of credit on forms acceptable to the City, in the amount of 15 percent of the total construction cost of all public improvements required by the final plat.
 - (c) It is the responsibility of the subdivider to maintain the necessary amount of security at all times until all public improvements are completed and accepted by the City.
 - (d) The City shall not be obligated to administer burdensome security arrangements.
 - (e) The City shall require a construction warranty backed by financial security prior to issuance of a Preliminary Letter of Infrastructure Completion.
 - (f) The security shall be available for the City to use to correct any defects or failures in accordance with City specifications during or after the construction warranty period in the event the subdivider is unable or unwilling to perform any repair or replacement of the improvements in a timely fashion. The use of the proceeds from the security is a remedy that is cumulative in nature and is in addition to any other remedies that the City has at law or in equity.

Sec. 11-5-13. Minimum design standards.

(A) *Minimum Standards, Conformity to Preliminary Plat, and Approval Required.* All public improvements shall be constructed in accordance with the minimum standards set forth below or other applicable City design and construction specifications and standards, and other applicable City ordinances or regulations. All public and private improvements shall be in substantial conformity with the preliminary plat as approved, the City Comprehensive Plan and amendments thereto, and in accordance with good engineering and construction practices. All plans must be approved in advance by the City Engineer.

(B) *Minimum Standards.*

(1) *Streets.*

- (a) Subdivider shall be required to make and install improvements to existing streets within and abutting the subdivision and/or other areas outside the subdivision or any filing thereof being considered, including, but not limited to, curbs, gutters, sidewalks and street paving improvements, when the subdivision and developments thereof will directly create a need for said improvements outside the subdivision itself, if necessary to properly serve the subdivision.
- (b) In those cases where the City determines that the immediate improvement of the abutting street, or other on-site or off-site improvements, is not currently practical,

or should be delayed, or the costs of such improvements should be shared with additional property likely to use and be benefited by the improvements, the developer may be allowed to execute recordable covenants on the plat or separately in a form provided by the City, binding the lots in the subdivision to future assessments or participation in an improvement district for the construction of such improvements.

- (c) Wherever topography will permit, the arrangement of the streets shall provide for the dedication and construction of street stubs to align with existing or future streets to adjoining developing or developable areas.
- (d) Cul-de-sacs shall terminate in a circular turn-around having a minimum right-of-way of at least 100 feet in diameter, and a paved turn-around with a minimum outside diameter of 80 feet. Cul-de-sacs shall be not less than 100 feet long, and not more than 500 feet long, as measured from the center of the cul-de-sac bulb to the center of the intersecting street; use of cul-de-sacs is limited to places where street connections would be impractical.
 - (i) Cul-de-sacs longer than 300 feet shall require a recreation trail connection at the end that provides connectivity to the nearest City street.
- (e) Temporary dead-end streets which extend for a distance greater than the depth of one abutting lot shall be provided with a temporary turn-around having a diameter of at least 80 feet.
- (f) Whenever a new street is proposed along the edge of the subdivision, the entire street shall be dedicated and improved within the subdivision.
- (g) No more than two streets shall intersect at any point. Intersections shall be as near as practicable to 90 degrees. A street shall have a minimum straight distance of 100 feet from the intersection before it may be curved.
- (h) A straight section of 100 feet shall be provided between reverse curves on all streets.
- (i) All lots in the subdivision shall have direct access to a dedicated street, subject to the following exceptions:
 - (i) One or more private shared access drives may be used to provide access for up to no more than four dwelling units each, subject to City Manager approval, in residential zoning districts. Shared access drives shall not be used as an extension of a cul-de-sac.
 - (ii) Reciprocal access easements may be approved to accommodate subdivisions with multiple commercial units sharing a contiguous parking area in commercial zoning districts.
- (j) Any two local streets which intersect a common third local or collector street shall have centerlines no closer than 175 feet from one another. Any two local streets which intersect a common third minor arterial or major arterial street, shall have centerlines no closer than 350 feet from one another.

- (i) The City may limit access to major arterial or minor arterial streets to facilitate traffic flows, or to promote public safety.
- (k) The maximum block length, as measured from the centerline of the nearest intersecting streets, shall be a maximum of 700 feet.
- (l) Street names must be approved by the City and respective 911 authority.
- (m) Streets shall be developed in accordance with the City's Comprehensive Plan roadway cross sections, the City's engineering specifications, as applicable, and the table below. The minimum dedicated rights-of-way and street widths shall be as shown in Table 5.1.

Table 5.1
Minimum Dedicated Rights-Of-Way and Street Widths

Street Classification	Minimum Right-of-Way	Minimum Street Width Urban = Width (Distance Between Curb Flowlines)
Major Arterial	124 feet *	92 feet
Minor Arterial	80 feet *	Varies with traffic volume and whether parking is allowed, see engineering specifications for road widths
Collector	70 feet	46 feet
Local	50 feet	28 feet with detached 5-foot sidewalk; 36 feet with attached 6-foot sidewalk
Planned Developments	40 feet	27 feet with attached 6-foot sidewalks. Supplemental off-street parking may be required.
* ROW width shall be increased by 12 feet within 500 feet of an arterial cross street intersection to allow a double left turn lane.		

- (n) Subdivisions which include any part of an existing platted street which does not conform to the minimum right-of-way requirements of these regulations may be required to provide additional width necessary to meet the minimum right-of-way requirements of these regulations.
- (o) No street grade shall be less than one-half of one percent or exceed the maximum grade shown in Table 5.2.

Table 5.2
Maximum Street Grade

Street Classification	Maximum Percent Grade	Minimum Radius of Curve	Minimum Sight Distance*
Major Arterial	5 percent	400 feet	500 feet
Minor Arterial	5 percent	400 feet	500 feet
Collector	8 percent	300 feet	300 feet
Local	8 percent	100 feet	200 feet
* As measured between points four feet above the centerline of the street.			

- (p) Alleys shall be provided at the rear of lots within the commercial zoning districts, or as otherwise approved by the City. Alleys shall be 20 feet in width and shall be paved in accordance with City specifications.
- (2) *Curb, Gutter, Sidewalks and Trails.*
- (a) Curb, gutter, and sidewalks or recreation trails shall be provided along all roadways consistent with the City's Comprehensive Plan.
 - (i) Six-foot detached concrete sidewalks are required on collector streets.
 - (ii) Five-foot detached or six-foot attached concrete sidewalks are required for local streets.
 - (iii) A 10-foot-wide concrete recreation trail on one side and 6-foot detached concrete sidewalk are required on the other side of major and minor arterial roadways, as directed by the City.
 - (iv) Recreation trails with alternative non-hard surfaces and narrower widths may be approved in those instances where such trails are secondary to existing or proposed concrete recreation trails, and do not serve as connectors to the City's recreation trail system, as denoted within the City's Comprehensive Plan.
 - (b) Sidewalks shall be located and constructed as necessary to interconnect the subdivision and lots therein with the network of City sidewalks and recreation trails.
 - (c) Accessibility ramps shall be provided in accordance with the US Access Board Public Right of Way Accessibility Guidelines (PROWAG).
 - (d) The City may elect to require over-sizing of any sidewalk and participate in cost sharing thereof.
 - (e) The City may require any sidewalk to be wider than those standards set forth herein, upon a finding that such greater widths are necessary to serve the subdivision, due to:
 - (i) High density of the subdivision;
 - (ii) Special needs of the residents of the subdivision; or

(iii) Connection to existing wider sidewalks or recreation trails.

(3) *Blocks and Lots.*

- (a) In residentially zoned districts, blocks shall be wide enough to permit two lots between lengthwise streets.
- (b) The building line for residential lots on collector streets shall be set back 25 feet from the front property line.
- (c) The building line on corner lots shall be set back 25 feet from both street front property lines.
- (d) Lots which abut a street in the front and the rear shall be avoided except where a railroad right-of-way, a major arterial or minor arterial street is located to the rear of the lot, in which case such a lot shall have a minimum depth of 125 feet.
- (e) Every lot shall front on a designated collector or local street, subject however, to the following exceptions:
 - (i) One or more private shared access drives may be used to provide access up to no more than four dwelling units each, subject to City approval, in residential zoning districts. Shared access drives shall not be used as an extension of a cul-de-sac.
 - (ii) Private access easements may be provided, subject to City approval, in subdivisions within commercial zoning districts across parking lot areas;
 - (iii) In such instances, the shared access improvements shall be subject to City specifications and the restrictions set forth in Section 11-5-11 (B).
- (f) No residential lot shall front on a major arterial or minor arterial street. No access shall be permitted directly from a residential lot to a major arterial or minor arterial street.
- (g) The lot depth shall not be more than three times the lot width at the front of the building line of the principal structure.
- (h) Access drives and intersections shall comply with City access standards and the transportation plan. In addition, accesses onto County roads shall comply with applicable County regulations.
- (i) Lots shall be at least 50 feet in width at the front of the building line of the principal structure. Lots abutting cul-de-sacs shall have at least 25 feet of linear frontage to the cul-de-sac.
- (j) Sight triangles shall be shown on the plat as per the engineering specifications.

(4) *Public Utilities.*

- (a) All utilities shall be installed underground unless the City Engineer determines that soil or topographic conditions make that impracticable.
- (b) Utilities shall be installed prior to the paving of any street under which they are to be located and the individual service lines shall be connected and stubbed out

prior to paving, in order to avoid the necessity of cutting into the pavement to connect any abutting lots.

- (c) Utilities will be sized and placed as necessary to facilitate connection with future subdivisions and developments. With the exception of terminal lines and fire hydrant laterals where sufficient hydraulic capacity can be demonstrated, all water mains shall be a minimum eight inches diameter in all zoning districts. At a minimum, eight-inch diameter sewer main lines shall be provided in all zoning districts. Individually conveyable lots shall each require a singular water and sewer lateral connection to a public main line.
- (d) The City may elect to require over-sizing of the extended utility and pay for the cost of such materials accordingly.
- (e) City water and sewer systems shall be provided except where the City has required an alternative supplier by service area agreement with such alternative provider. In cases where alternative utilities are provided on a temporary basis, connection to City services shall be required at such time they are made available to the subject property.
- (f) In the event that City sewer service will not be available within a reasonable time period following final plat approval, engineered individual sewage disposal systems may be authorized by the City for those subdivisions occurring within the residential rural living zoning districts with lot sizes of five acres or greater. Advance City approval shall be required in each case.
- (g) All extension of City utilities shall require City approval and proper execution of City utility extension agreements. The extension of utilities shall be at the sole expense of the subdivider.
- (h) Prior to any installation or construction of utility extensions, the subdivider shall first submit proposed alignment location maps and engineered drawings for City approval. The subdivider shall acquire all necessary easements for the proposed utility location from all affected properties. The easements shall be conveyed to the City and executed on applicable City forms.
- (i) All utility extensions shall be subject to City inspection and approval.
- (j) All utility main line extensions, once approved by the City, shall be dedicated to the City with applicable utility easements. As-built plans and data shall be provided on hard copy in accordance with these provisions and in a digital format compatible with City computer systems.
- (k) Following the completion of any utility extension and submission of the as-built plans, the City Engineer shall conduct an inspection, and if the improvements are in accordance with the requirements of these and other applicable regulations and good engineering and construction standards, shall issue a Preliminary Letter of Infrastructure Completion.
 - (i) For a period of two calendar years thereafter, the subdivider shall be responsible for correcting all defects or failures that appear in such improvements.

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- (ii) At the completion of this two-calendar-year construction warranty period, upon written request from the subdivider, all public and necessary on- and off-site improvements shall again be inspected by the City Engineer, and upon final approval, may be accepted by the City, as evidenced by issuance of a Letter of Infrastructure Completion and Acceptance. The provisions set forth in Section 11-5-12 (D) shall apply to improvements and construction covered by this Section.
- (5) *Piped Drainage Facilities and Waterways.*
- (a) Stormwater discharge improvements shall be engineered and approved in accordance with City specifications. stormwater retention on site shall be discouraged. When feasible to do so and when requested by the City Engineer, all ditches shall be piped and subject to platted easements to be dedicated either to the City or to the applicable owner of the ditch facilities. The City may elect to allow the location of piped ditch facilities within its rights-of-way at its discretion. Perpetual maintenance shall be provided pursuant to plat notes and/or City-approved covenants.
- (b) Permission shall be acquired, in writing, from all applicable owners of ditch facilities prior to improvements thereto.
- (c) No discharges of urban stormwater into any irrigation supply facilities shall be allowed. No discharges of urban stormwater into agricultural drainage ditch facilities shall be allowed, unless approved in writing by the owning interest in said drainage facilities.
- (6) *Monuments.* Monument quantity, type, and location shall be established and set in accordance with to Section 38-51-105, Colorado Revised Statutes, as amended from time to time.
- (7) *Street Lights.*
- (a) In all subdivisions, except for residential zoned rural living and estate subdivisions, streetlights shall be provided at all intersections.
- (b) In residential rural living zoning districts and estate subdivisions, street lights shall only be required at street intersections with major or minor arterials.
- (c) All streetlights shall conform to City standards and specifications, and with Chapter 11-9 of this Title.
- (8) *Outdoor Lighting.* All outdoor and exterior lighting shall conform with Chapter 11-9 of this Title.
- (9) *Flood Hazard Prevention.* All subdivision proposals shall conform to the flood hazard reduction standards in Section 11-6-5 (G) of this Title.
- (10) *Nonfunctional turf, artificial turf, or invasive plant species.* On and after January 1, 2026, no subdivision approved under this Chapter shall permit the installation, planting, or placing of any nonfunctional turf, artificial turf, or invasive plant species as a public or private improvement within the subdivision, except for residential property or as otherwise permitted by CRS 37-99-101, et. seq.

Sec. 11-5-14. Deviations from standards.

The Planning Commission may recommend to the City Council a deviation from the standards of Section 11-5-13 during preliminary or final plat review, if one or more of the below criteria are met. The City Council may accept or deny the recommendation accordingly.

- (1) Unusual topography or a non-financial hardship exists;
- (2) Alternative standards will more effectively protect the quality of the subdivision and the public welfare and more effectively achieve the purposes of these regulations;
- (3) Alternative standards will more effectively implement provisions of the City's Comprehensive Plan; or
- (4) Alternative standards will more effectively conform to existing improvements within the subdivision, which existing improvements have been previously approved by either the City or the County of Montrose in accordance with applicable laws and regulations.