

**TOWN OF TIMNATH, COLORADO
ORDINANCE NO. 7, SERIES 2026**

AN ORDINANCE CONCERNING THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF A RECREATION CENTER WITH ASSOCIATED AMENITIES AND SUPPORTING PUBLIC IMPROVEMENTS, AND IN CONNECTION THEREWITH AUTHORIZING THE EXECUTION AND DELIVERY BY THE TOWN OF A SITE LEASE AGREEMENT, A LEASE PURCHASE AGREEMENT, AND OTHER DOCUMENTS RELATED THERETO; AND PROVIDING OTHER MATTERS RELATED THERETO.

WHEREAS, the Town of Timnath, Colorado (the “Town”), is a duly organized and existing home rule municipality of the State of Colorado (the “State”), created and operating pursuant to Article XX of the Constitution of the State and the home rule charter of the Town (the “Charter”); and

WHEREAS, the members of the Town Council of the Town (the “Council”) have been duly elected or appointed and qualified; and

WHEREAS, pursuant to the Charter and Article XX of the State Constitution, the Town is authorized to enter into leases or lease-purchase agreements for land, buildings, equipment and other property for governmental or proprietary purposes; and

WHEREAS, the Council hereby determines that it is in the best interest of the Town to finance the acquisition, design, construction, installation, equipping and improvement of a recreation center with associated amenities and supporting public improvements needed or desired in connection therewith (collectively, the “Project”); and

WHEREAS, the Council hereby determines that it is in the best interests of the Town and its inhabitants to finance the Project by entering into a lease financing as hereinafter provided; and

WHEREAS, the Town hereby determines that the leased property under the Site Lease (hereinafter defined) and the Lease (hereinafter defined) will consist of the real property where the recreation center will be constructed and the buildings and improvements located thereon (as more particularly described in **Exhibit A** to the Site Lease and the Lease, the “Leased Property”); and

WHEREAS, the Council has determined and hereby determines that it is in the best interests of the Town and its inhabitants to provide for the financing of the Project by entering into a Site Lease Agreement between the Town, as lessor, and U.S. Bank Trust Company, National Association (the “Trustee”), acting solely in its capacity of trustee, as lessee (the “Site Lease”), pursuant to which the Town will lease the Leased Property to the Trustee, and a Lease Purchase Agreement between the Trustee, as lessor, and the Town, as lessee (the “Lease”), pursuant to which the Trustee will lease the Leased Property back to the Town; and

WHEREAS, pursuant to the Lease, and subject to the right of the Town to terminate the Lease and other limitations as therein provided, the Town will pay certain Base Rentals and

Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the Town to use the Leased Property; and

WHEREAS, the Town's obligation under the Lease to pay Base Rentals and Additional Rentals shall be from year to year only; shall constitute currently budgeted expenditures of the Town; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the Town in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

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

WHEREAS, the Certificates will be executed and delivered pursuant to the Indenture and a Certificate Purchase Agreement between the Trustee and Stifel, Nicolaus & Company, Incorporated, as representative of itself and RBC Capital Markets LLP, as purchaser of the Certificates (the "Purchase Agreement"), which Purchase Agreement will be acknowledged by the Town; and

WHEREAS, the net proceeds of the Certificates, together with other available money of the Town, will be used to finance the Project; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S., as amended (the "Supplemental Act"), provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, there has been presented to the Council and are on file with the Town Clerk or the Deputy Town Clerk (collectively, the "Town Clerk") the following: (i) the proposed form of the Site Lease; (ii) the proposed form of the Lease; (iii) the proposed form of the Continuing Disclosure Certificate to be executed by the Town in connection with the execution and delivery of the Certificates (the "Disclosure Certificate"); (iv) the Official Statement delivered by the Town in connection with execution and delivery of its Certificates of Participation, Series 2026, which shall serve as the form of the Preliminary Official Statement relating to the Certificates (the "Preliminary Official Statement"); and (v) the form of Purchase Agreement; each of which is approved by this Ordinance with such changes as are approved by the Town Manager of the Town (the "Town Manager") or the Finance Director of the Town (the "Finance Director"), upon consultation with the Town Attorney; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

NOW THEREFORE, THE COUNCIL OF THE TOWN OF TIMNATH, COLORADO, ORDAINS:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the Council or the officers, agents or employees of the Council or the Town relating to the Site Lease, the Lease, the implementation of the Project, and the sale, execution and delivery of the Certificates is hereby ratified, approved and confirmed.

Section 2. Finding of Best Interests. The Council hereby finds and determines, pursuant to the Constitution, the laws of the State and the Charter, that undertaking and implementing the Project and financing the costs thereof pursuant to the terms set forth in the Site Lease and the Lease are necessary, convenient, and in furtherance of the Town's purposes and are in the best interests of the inhabitants of the Town and the Council hereby authorizes and approves the same.

Section 3. Supplemental Act Election; Parameters. The Council hereby elects to apply all of the provisions of the Supplemental Act to the Site Lease and the Lease and in connection therewith delegates to the Mayor, the Mayor Pro-Tem, the Town Manager or the Finance Director the independent authority to make any determination delegable pursuant to Section 11-57-205 of the Supplemental Act in relation to the Site Lease and the Lease, and to execute a sale certificate (the "Sale Certificate") setting forth such determinations, including without limitation, the term of the Site Lease, the term of the Lease and the rental amount to be payable by the Town pursuant to the Lease, subject to the following parameters and restrictions:

- (a) the Site Lease Termination Date shall be no later than December 31, 2066;
- (b) the Lease Term shall not extend beyond December 31, 2056;
- (c) the aggregate principal amount of the Base Rentals payable by the Town pursuant to the Lease shall not exceed \$92,000,000;
- (d) the maximum annual repayment amount of Base Rentals payable by the Town pursuant to the Lease shall not exceed \$6,900,000;
- (e) the maximum total repayment amount of Base Rentals payable by the Town pursuant to the Lease shall not exceed \$175,000,000;
- (f) the Lease shall be subject to prepayment at the option of the Town, without penalty, no later than December 1, 2036; and
- (g) the maximum net effective interest rate on the interest component of the Base Rentals relating to the Certificates shall not exceed 5.4%.

Pursuant to Section 11-57-205 of the Supplemental Act, the Council hereby delegates to the Mayor, the Mayor Pro-Tem, the Town Manager or the Finance Director the independent authority to sign the Certificate Purchase Agreement for the purchase of the Certificates, in substantially the form presented to the Council and on file with the Town and as approved as to form by the Town Attorney; provided that the Certificate Purchase Agreement may be completed, corrected, or revised as deemed necessary or appropriate by the parties thereto in order to carry out the purposes of this Ordinance. In addition, the Town Manager or the Finance Director is independently authorized to determine if obtaining an insurance policy for all or a portion of the Certificates is in the best interests of the Town, and if so, to select an insurer to issue an insurance policy, execute a commitment relating to the same and execute any related documents or agreements required by such commitment; provided that any such commitment, documents or agreements are first approved as to form by the Town Attorney. The Town Manager or the Finance Director is independently authorized to determine if obtaining a reserve fund insurance policy for the Certificates is in the best interests of the Town, and if so, to select a surety provider to issue a reserve fund insurance policy and execute any related documents or agreements required by such commitment; provided that any such documents or agreements are first approved as to form by the Town Attorney.

The delegation set forth in this Section 4 shall be effective for one year following the date hereof.

The Council hereby agrees and acknowledges that the net proceeds of the Certificates, together with other available money of the Town, will be used to finance the Project.

Section 4. Approval of Documents. The Site Lease, the Lease, the Disclosure Certificate, the Preliminary Official Statement, and the Purchase Agreement in substantially the forms presented to the Council and on file with the Town Clerk, are in all respects approved, authorized and confirmed. The Mayor, or, in his or her absence, the Mayor Pro-Tem, is hereby authorized and directed for and on behalf of the Town to execute and deliver the Site Lease, the Lease, and the Disclosure Certificate in substantially the forms and with substantially the same contents as on file with the Town, provided that such documents may be completed, corrected or revised as deemed necessary or appropriate by the Town Manager, in consultation with the Town Attorney, in order to carry out the purposes of this ordinance and to comply with the terms of the Sale Certificate. The execution of the Site Lease, the Lease, and the Disclosure Certificate by the Mayor or the Mayor Pro-Tem shall be conclusive evidence of the approval by the Council of such documents in accordance with the terms hereof and thereof.

Section 5. Approval of Official Statement. The Town Manager and the Finance Director are hereby independently authorized to deem the Preliminary Official Statement, in substantially the form of the Official Statement delivered by the Town in connection with the execution and delivery of its Certificates of Participation, Series 2026, with such changes as are approved by the Finance Director or the Town Manager, as final for purposes of Rule 15c2-12 of the Securities and Exchange Commission. A final Official Statement, in substantially the form of the Preliminary Official Statement, is in all respects approved and authorized. The Town Manager or the Finance Director is independently authorized and directed to execute and deliver the final Official Statement, for and on behalf of the Town, in substantially the form and with substantially the same content as the Preliminary Official Statement, provided that such document may be

completed, corrected, or revised as deemed necessary or appropriate by the Town Manager, the Finance Director, or the Town Attorney of the Town. The distribution of the Preliminary Official Statement and the final Official Statement (in substantially the form of the Preliminary Official Statement) to prospective purchasers of the Certificates is hereby ratified, approved, and authorized.

Section 6. Authorization to Execute Collateral Documents. The Town Clerk or Deputy Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town in connection with the matters authorized by this Ordinance and to place the seal of the Town on any document authorized and approved by this Ordinance. The Mayor, the Mayor Pro-Tem, the Town Clerk or Deputy Town Clerk, the Town Manager, the Finance Director and other appropriate employees and officials of the Town are hereby authorized and directed to execute and deliver for and on behalf of the Town any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance; provided that any such certificate, document, instrument or other paper is first approved as to form by the Town Attorney. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any document or instrument by the aforementioned officials or employees of the Town or members of the Council shall be conclusive evidence of the approval by the Council of such document or instrument in accordance with the terms hereof and thereof.

The Mayor, the Mayor Pro-Tem, the Town Clerk or the Deputy Town Clerk, the Town Manager, the Finance Director and all other employees and officials of the Town that are authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Ordinance (collectively, the "Authorized Documents") are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. It is hereby determined that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 7. No General Obligation Debt. No provision of this ordinance, the Site Lease, the Lease, the Indenture, the Certificates, the Disclosure Certificate, the Certificate Purchase Agreement, the Preliminary Official Statement, or the final Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter provision, nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year. The Town shall have no obligation to make any payment with respect to the Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments may be terminated by

the Town in accordance with the provisions of the Lease. Neither the Lease nor the Certificates shall constitute a mandatory charge or requirement of the Town in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation whatsoever. No provision of the Site Lease, the Lease or the Certificates shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease nor the Certificates shall directly or indirectly obligate the Town to make any payments beyond those budgeted and appropriated for the Town's then current fiscal year.

Section 8. Reasonableness of Rentals. The Council hereby determines and declares that the Base Rentals due under the Lease, in the maximum amounts authorized pursuant to Section 3 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Lease or to exercise its option to purchase the Trustee's leasehold interest in the Leased Property pursuant to the Lease. The Council hereby determines and declares that the period during which the Town has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property. The Council hereby further determines that the amount of rental payments to be received by the Town from the Trustee pursuant to the Site Lease is reasonable consideration for the leasing of the Leased Property to the Trustee for the term of the Site Lease as provided therein.

Section 9. Town Representatives. The Council hereby authorizes each of the Town Manager and the Finance Director to act as Town Representatives under the Lease, or such other person or persons who may be so designated in writing from time to time by the Mayor or the Mayor Pro-Tem, as further provided in the Lease.

Section 10. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the Town acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Certificates. Such recourse shall not be available either directly or indirectly through the Council or the Town, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling the Certificates specifically waives any such recourse.

Section 11. Repealer. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent with this ordinance or with any of the documents hereby approved are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 12. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or

unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 13. Charter Controls. Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this ordinance are hereby superseded to the extent of any inconsistencies or conflicts between the provisions of this ordinance and the Sale Certificate authorized hereby and such statutes. Any such inconsistency or conflict is intended by the Council and shall be deemed made pursuant to the authority of Article XX of the State Constitution and the Charter.

Section 14. Effective Date. This Ordinance shall take effect upon adoption at second reading, as provided by Section 3.5.5 of the Charter.

Section 15. Safety Clause. The Council finds and declares that this Ordinance is promulgated and adopted for the public peace, health or safety and this Ordinance bears a rational relation to the legislative object sought to be obtained.

Section 16. Disposition of Ordinance. This Ordinance, as adopted by the Council, shall be numbered and recorded by the Town Clerk in the official records of the Town. The adoption and publication shall be authenticated by the signatures of the Mayor or Mayor Pro Tem, and Town Clerk or Deputy Town Clerk, and by the certificate of publication.

STATE OF COLORADO)
)
 COUNTY OF LARIMER) SS.
)
 TOWN OF TIMNATH)

I, Lizzie Alipaz, the duly appointed, qualified and acting
 Deputy Town Clerk of the Town of Timnath, Colorado (the "Town") do hereby
 certify that:

1. The foregoing pages are a true, correct, and complete copy of an ordinance
 adopted by the Town Council (the "Council") of the Town (i) on first reading at a regular meeting
 of the Council held at the Town Administration Building on March 10, 2026, and (ii) on second
 and final reading at a regular meeting of the Council held at the Town Administration Building on
 March 24, 2026.

2. The ordinance has been signed by the Mayor, sealed with the corporate seal
 of the Town, attested by me as Deputy Town Clerk, and duly recorded in the books of the Town;
 and that the same remains of record in the book of records of the Town.

3. The passage of the ordinance on first reading was duly moved and seconded
 and the ordinance was passed on first reading by an affirmative vote of a majority of the members
 of the Council as follows:

Name	"Yes"	"No"	Absent	Abstain
Robert Axmacher, Mayor	X			
Luke Wagner, Mayor Pro Tem	X			
Lisa Laake	X			
Jeramie Holt	X			
Bill Jenkins			X	

4. The passage of the ordinance on second and final reading was duly moved and
 seconded and the ordinance was passed on second and final reading by an affirmative vote of a
 majority of the members of the Council as follows:

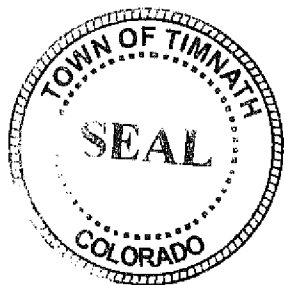
Name	"Yes"	"No"	Absent	Abstain
Robert Axmacher, Mayor	X			
Luke Wagner, Mayor Pro Tem	X			
Lisa Laake	X			
Jeramie Holt	X			
Bill Jenkins			X	

5. Notices of the regular meetings of March 10, 2026, and March 24, 2026, in the form attached hereto as **Exhibit A**, were posted prior to first and second reading pursuant to Section 2-2-60 of the Municipal Code.

6. Following adoption after first reading, the ordinance was published by title by posting at locations designated in the Town and posted on the Town's website pursuant to Section 3.5.6 of the Home Rule Charter on March [], 2026, which was not less than 5 days prior to second reading, and was published by posting within the Town and on the Town's website after second and final reading on March [], 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said
Town this [24] day of [March], 2026.

(SEAL)




Deputy Town Clerk

EXHIBIT A

(Attach Notice of Meetings)

INTRODUCED, MOVED, ADOPTED BY THE TIMNATH TOWN COUNCIL ON FIRST READING, AND ORDERED PUBLISHED BY TITLE MARCH 10, 2026, AND SET FOR PUBLIC HEARING AND SECOND READING AT 6:00 P.M. ON MARCH 24, 2026, AT THE TIMNATH ADMINISTRATION BUILDING, 4750 SIGNAL TREE DRIVE, TIMNATH COLORADO.


MOVED, SECONDED AND FINALLY ADOPTED ON SECOND READING FOLLOWING PUBLIC HEARING BY THE TIMNATH TOWN COUNCIL ON MARCH 24, 2026.

TOWN OF TIMNATH, COLORADO



Robert Axmacher, Mayor

ATTEST:


Lizzie Alipaz L., Deputy Town Clerk