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REGULAR MEETING AGENDA OF THE TOWN COUNCIL OF THE TOWN OF FRISCO FRISCO TOWN HALL 1 MAIN STREET FRISCO, COLORADO 80443 NOVEMBER 11, 2025 4:00 PM

WORK SESSION

Agenda Item #1: *Estimated Start Time 4:00PM* - Water Rate Study

Agenda Item #2: *Estimated Start Time 5:30PM* - Ordinance 25-24: Statutory Requirements for Graywater Systems Opt-Out Discussion

Agenda Item #3: *Estimated Start Time 5:45PM* - Community Development Department 2026 Action Plan: Housing, Planning, and Sustainability

Break for Dinner 6:30PM - 7:00PM

REGULAR MEETING

Roll Call:
Rick Ihnken, Andy Held, Martin Allen, Robyn Goldstein, Dan Kibbie, Zach Ryan, Elizabeth Skrzypczak-Adrian

Call to Order:
Rick Ihnken, Mayor

Public Comments:
People making Public Comment must state their name and physical address for the record, be topic-specific, and limit comments to three minutes or less. No Council action is taken on Public Comments at Council meetings. Council takes public comments under advisement, and if a Council and/or Staff response is deemed necessary or appropriate, the individual making the comment will receive a formal response from the Town at a later date. It is recommended to sign-in at the Welcome Table at each meeting, and include contact information.

Mayor and Council Comments:

Staff Updates:

Police and Court Activity - October 2025

Consent Agenda:

Minutes from October 28, 2025 Meeting

Appointment of Special Legal Counsel to Serve the Board of Appeals in the Condos Off Main Appeal

New Business:

Agenda Item #1: *Estimated Start Time 7:10PM* - Extra-Territorial Water Service Agreement Consideration (0254 Alpine Drive Future Lot #2)

Agenda Item #2: *Estimated Start Time 7:20PM* - First Reading Ordinance 25-20: AN ORDINANCE AMENDING CHAPTER 65 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, BY AMENDING SECTION 65-13 CONSTRUCTION PERMIT FEE SCHEDULE AND AMENDING CHAPTER 87 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO BY AMENDING SECTION 87-5 EXCAVATIONS, FEES AND BONDS

Agenda Item #3: *Estimated Start Time 7:30PM* - First Reading Ordinance 25-24: AN ORDINANCE PROHIBITING THE USE OF GRAYWATER AND THE INSTALLATION OF GRAYWATER TREATMENT SYSTEMS WITHIN THE TOWN OF FRISCO

Old Business:

Agenda Item #1: *Estimated Start Time 7:40PM* - Second Reading Ordinance 25-21: AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF FRISCO, THE FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY, THE NHP FOUNDATION, AND NHPF WEST MAIN, LLC, CONCERNING THE AFFORDABLE HOUSING DEVELOPMENT TO BE CONSTRUCTED AT 101 WEST MAIN STREET

Agenda Item #2: *Estimated Start Time 7:45PM* - Second Reading Ordinance 25-23: AN ORDINANCE CONCERNING THE FINANCING OF A UTILITY COST-SAVINGS MEASURE AND, IN CONNECTION THEREWITH, AUTHORIZING THE PROJECT AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER DOCUMENTS

Adjourn:

Estimated Start Times for items are estimates only - it is recommended to arrive early if there is a particular item of interest on the Agenda, should the Council be running ahead of schedule. Town Council Agendas can legally be amended up until 24 hours prior to the beginning of the scheduled *meeting.*

Questions: Stacey Campbell, Town Clerk | townclerk@townoffrisco.com | (970) 668-5276

TO:	**Mayor and Town Council**
FROM:	**Josh Southworth, Public Works Director** **Ryan Thompson, Water Superintendent** **Leslie Edwards, Finance Director**
RE:	**Water Rate Study DATE: November 11, 2025**

Summary & Background:

In May 2025, the Town of Frisco engaged Raftelis Financial Consultants, Inc. to complete a comprehensive Water Rate and Connection Fee Study. The last full water study for the Town of Frisco was adopted in 2019 and established new rates and a tiered structure effective through October 2024. Per this study, water rates were increased 5% annually. To bridge the gap from October 2024 until this new comprehensive study was complete, water rates continued to increase 5% per year.

Raftelis presented the study's goals and methods to Town Council at a work session on August 12, 2025. Those study goals included:

- Ensure revenues cover annual operating costs, debt service, and capital investments.
- Plan proactively for maintenance and replacement to prevent costly emergency repairs.
- Maintain healthy reserves and meet debt service coverage targets.
- Promote fairness among customer classes (residential, commercial, irrigation).
- Encourage conservation through a tiered rate structure that rewards efficient water use.
- Evaluate connection (tap) fees so that new growth pays its fair share of system costs.

The November 11, 2025, Town Council work session will focus on key components of the ongoing Water Rate and Connection Fee Study, including:

- Peer Utility Survey. The Peer Utility Study will compare Frisco's current residential water rates and average quarterly bills to those of similarly situated mountain communities in Colorado— such as Silverthorne, Breckenridge, Dillon, and the Snake River Water District—to evaluate competitiveness and equity in pricing.
- Review of the 10-Year Financial Plan for the Water Fund, including an overview of proposed capital improvement projects and debt financing options. This discussion will include potential funding approaches, such as a balanced use of rate revenue, reserves and debt financing, to sustain system performance while minimizing customer rate impacts.

During this work session, Council will be asked to comment on the 10-Year Financial Plan, including proposed projects and debt financing options.

Analysis:
To aid in this discussion, a few Frisco statistics are provided below:

- 34 miles of water mains – roughly the distance between Frisco and Avon
- 4,700 water customers: 2,155 active water accounts holding 4,668 EQR's
- 350 fire hydrants
- Three (3) storage tanks
- $30 million estimated replacement value of water infrastructure (excluding water rights)
- One (1) million gallons per day (MGD) delivered from three (3) wells and a surface water treatment plant – enough to fill 2.5 football fields, one foot deep, daily
- Water utility owns and maintains all water mains, hydrants and main line valves
- Water customers own and maintain all service lines and curbstop valves from the tap at the water main to the interior of the building

Frisco's current water rate structure is broken down as follows:

Under Town Code §171-11, customers pay a **quarterly base rate of $57.43**per Equivalent Residential Unit (EQR) plus tiered usage charges designed to promote conservation:

Tier	**Water Use (per EQR)**	**Rate per 1,000 Gallons**
Tier 1	1–8,000 gallons	$1.44
Tier 2	8,001–16,000 gallons	$2.86
Tier 3	16,001–50,000 gallons	$5.10
Tier 4	Over 50,000 gallons	$6.38

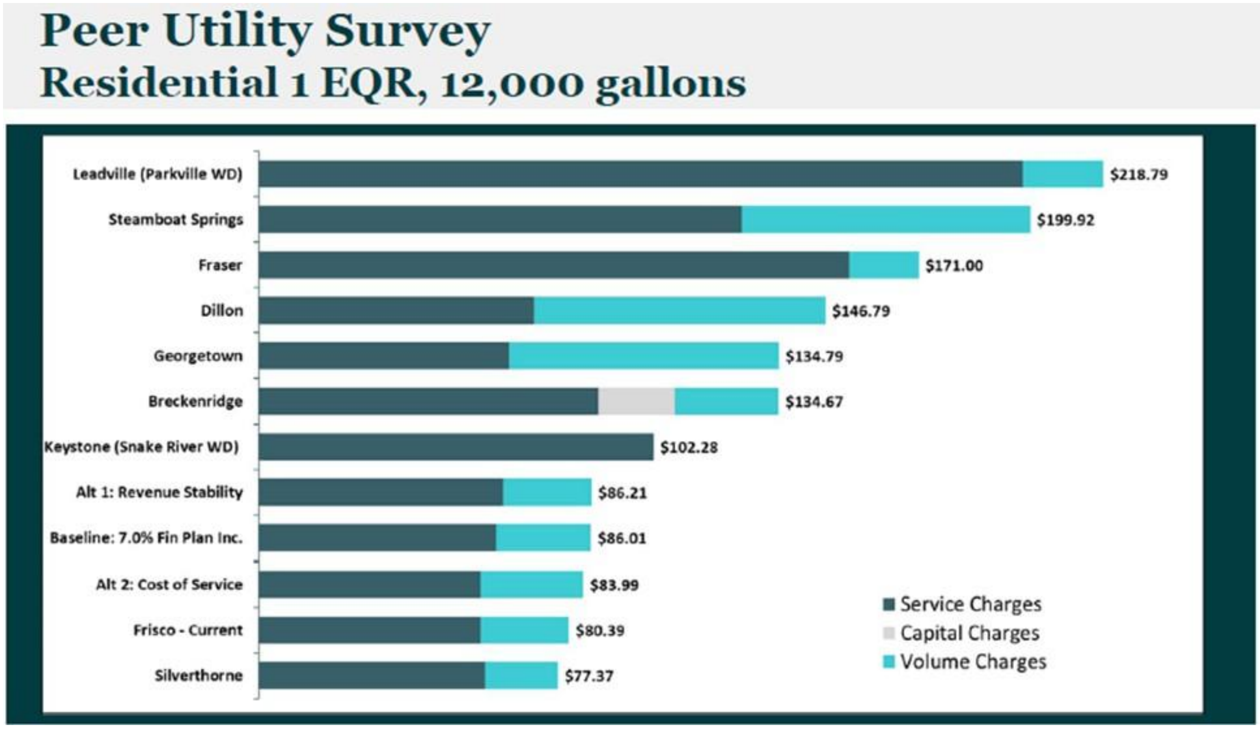
Using these rates, a residential unit (1 EQR) using 12,000 gallons per quarter would pay $80.39:

- Base rate of $57,43, plus
- 8,000 gallons x $1.44 = $11.52, plus
- 4,000 gallons x $2.86 = $11.44
- Total = $80.39/quarter

This structure ensures that higher water use is billed at a higher rate, encouraging efficiency while covering system costs.

Peer Utility Survey

Staff and the team from Raftelis will review the Peer Utility Survey below. Based on review of typical residential quarterly water bills, Frisco remains competitively priced compared to similarly situated communities. Frisco's typical quarterly residential bill ($80.39) is slightly higher than Silverthorne ($77.37), but well below Snake River Water District ($102.28), Breckenridge ($134.67), and Dillon ($146.79).



Ten-Year Plan

The attached Ten-Year Plan identifies upcoming capital projects based on the Town's recent water system age and condition assessment, as well as best practices. A proactive approach—investing steadily in maintenance and upgrades—helps avoid large emergency expenses, stabilize future rates, and ensure the Town can continue providing reliable, high-quality service. Staff and the team from Raftelis will review the Ten-Year Plan in detail during the work session.

Financial Impact:

The Water Fund is an enterprise fund and was established to finance and account for the acquisition, operation and maintenance of facilities, services and water rights associated with providing water to the Town. The primary revenue sources include user charges and water tap fees.

This new study evaluates how the Town funds and maintains its water system, how water rates compare to similar communities, and how future investments can be financed in a way that is fair, predictable, and sustainable.

The plan considers two potential funding approaches for discussion:

- Pay-as-you-go, which avoids debt but can result in larger short-term rate increases.
- Debt financing (specifically Well 8 in 2033), which smooths out costs and helps stabilize rates over time.

The exact impact on customer rates will depend on the rate structure Council selects. Feedback from this work session will help Raftelis and Staff develop rate adjustment scenarios for Council review in January 2026.

Environmental Sustainability:
The Water Rate Study supports the Town's sustainability goals by promoting responsible water use, protecting natural resources, and ensuring long-term system resilience. Investments in leak detection, water efficiency, and infrastructure upgrades will help reduce water loss and enhance the sustainability of Frisco's supply system.

Alignment with Strategic Plan:
The study advances multiple pillars of Frisco's Strategic Plan:

<u>Quality Core Services</u>

- Environment: Encourages conservation and sustainable use of water resources.
- Infrastructure: Maintains reliable and resilient utilities through proactive reinvestment.
- Good Governance: Builds public trust through transparent, data-driven decision-making.

<u>Thriving Economy</u>

- Economic Stability: Ensures growth pays its fair share and supports long-term financial health.
- Quality of Life: Provides residents and businesses with reliable, affordable, and high-quality water service.

Together, these actions keep Frisco's water utility financially stable, environmentally responsible, and aligned with community values.

Staff Recommendation:
Staff recommends that Town Council provide direction on the following items to guide future analysis and policy recommendations:

1. **Capital Investment:** Does Council support the proposed projects in the Ten-Year Water Fund Plan?
2. **Financial Plan:** Would Council prefer to stabilize rates using financing, or pursue a pay-as-you- go approach?
3. **Future Information Requests:** What additional data or modeling does Council need for the next rate-setting discussion?

<u>Next Steps:</u>

- **December 9, 2025** – Work Session to shift focus to the Plant Investment Fees (Tap Fees) and Rate Structure components of the study. Topics will include the updated cost-of-service analysis, customer class allocations, and tiered rate structures designed to encourage conservation and ensure that each user group pays a fair share of system costs. This session will provide Council with detailed policy options related to both connection fees and ongoing user rates, establishing a foundation for rate-setting decisions to be considered in January.

- **January 27, 2026** – Work session to discuss rate scenarios and public outreach plan

- **February 10, 2026** – First Reading of rate ordinance
- **February 24, 2026** – Second Reading of rate ordinance
- **April 2026** – First billing with new rates

Reviews and Approvals:

- Leslie Edwards, Finance Director
- Josh Southworth, Public Works Director
- Diane McBride, Assistant Town Manager
- Tom Fisher, Town Manager

Attachments:

- Attachment 1 - Water Fund 10 Year Plan

Water Fund 10-Year Plan

Funding Source	2025	2026	2027	2028	2029	5-Year Total	2030	2031	2032	2033	2034	10-Year Total
Rate Increase	*5.0%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*		*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	
Rate Revenue	$1,586,267	$1,704,694	$1,814,582	$1,931,559	$2,056,085	$9,093,187	$2,178,273	$2,307,731	$2,444,891	$2,590,211	$2,744,179	$21,358,473
Paper Billing Fees	16,000	14,000	19,703	13,792	12,413	75,907	11,171	10,054	9,049	8,144	7,330	121,656
Miscellaneous Revenue	570	500	510	520	531	2,631	541	552	563	574	586	5,447
Interfund Transfer Int/Prin	95,000	95,000	95,000	95,000	95,000	475,000	-	-	-	-	-	475,000
Extra-Territorial Water Application Fees	2,000	2,000	2,040	2,081	2,122	10,243	2,165	2,208	2,252	2,297	2,343	21,509
Plant Investment Fees - Water Tap Fees	632,000	600,000	600,000	600,000	600,000	3,032,000	600,000	600,000	600,000	600,000	600,000	6,032,000
Bond/Loan Proceeds	-	-	-	-	-	-	-	-	-	2,500,000	-	2,500,000
Grant Revenue	50,000	4,920,000	3,755,000	-	-	8,725,000	-	-	-	-	-	8,725,000
Water Meter Sales - New/Replacment Meters	40,000	62,000	62,000	62,000	62,000	288,000	62,000	62,000	62,000	62,000	62,000	598,000
Sale of Assets	31,000	12,000	-	-	-	43,000	-	-	-	-	-	43,000
Interest Income	260,234	200,239	76,802	66,516	21,311	625,102	15,813	15,806	31,916	14,129	35,870	738,638
Total Sources	**$2,713,071**	**$7,610,433**	**$6,425,637**	**$2,771,468**	**$2,849,462**	**$22,370,071**	**$2,869,964**	**$2,998,352**	**$3,150,671**	**$5,777,357**	**$3,452,308**	**$40,618,723**

Uses of Funds	2025	2026	2027	2028	2029	5-Year Total	2030	2031	2032	2033	2034	10-Year Total
Capital Improvements												
Water Tank Rehab	$1,188,900					$1,188,900						$1,188,900
Well #8 Study and Scoping	150,000					150,000						150,000
Well #8 Siting & Permitting						-	608,326					608,326
Well #8 Construction						-				3,421,423		3,421,423
SWT HVAC	10,000					10,000						10,000
SWT Girder Assessment	11,000					11,000						11,000
PW Bulk Water Station		156,000				156,000						156,000
CL-17 Chlorine Analyzer		31,200				31,200						31,200
PFAS Construction	50,000	6,140,160	4,257,178			10,447,338						10,447,338
Well #5 Rehab (PLC, Surge Protector, Storm Sewer Tie In)		832,000				832,000						832,000
WTP Rehab (Groundwater Mitigation, SCADA, PLC, Clear Well, Roof, Chemical Delivery Door)			648,960			648,960						648,960
Creekside/Emily Lane Replacement				3,937,024		3,937,024						3,937,024
Well #6 Rehab (PLC, Transition to NaOCl, Acid Wash)					467,943	467,943						467,943
GAC Filter Media Replacement					128,684	128,684						128,684
SWP HVAC Improvement (Filter Room)						-	188,581					188,581
Telemetry/Controls (Wells #5 and #6)						-	267,664					267,664
WTP Filter Modules Membrane Replacement						-	182,498					182,498
Lagoon Replacement	600,000					600,000						600,000
3rd/Galena Hydrant		26,000				26,000						26,000
N. 5th Ave Replacement			648,960			648,960						648,960
Annual Facility Asset Renewal/Replacement Program						-		63,266	65,797	68,428	71,166	268,657
Capital Equipment												
Replace 2016 Ford F250		62,400				62,400						62,400
Atlas Copco Generator	110,000					110,000						110,000
Vacuum + Valve Turner Replacement			43,264			43,264						43,264
Replace 2018 Chevy Silverado 1500				78,740		78,740						78,740
Annual Capital Equipment Program				44,995	23,397	68,392						68,392
Asset Management												
Pumping Equipment for Plants & Wells (4280)	19,600	20,384	21,199	22,047	22,929	106,160	23,846	24,800	25,792	26,824	27,897	235,320
Annual Leak Detection/Condition Assessment Program (4275) or (4250)?		26,000		28,122		54,122	30,416		32,898		35,583	153,019
Annual Water Main & Valve Replacement/Renewal Program (4275)	75,000	117,000	243,360	253,094	263,218	951,673	410,620	427,045	592,169	615,856	640,490	3,637,854
Annual Meter Replacement		312,000				312,000						312,000
Fire Hydrant Replacement	25,000	26,000	27,040	28,122	29,246	135,408	30,416	31,633	32,898	34,214	35,583	300,153
Water Asset Management Program Development			32,448			32,448			39,478			71,926
Asset Management Software Assessment & Optimization Planning			32,448			32,448			39,478			71,926
Technical Purchases												
Sensus SAAS Agreement (4704)	40,000	37,440	38,938	40,495	42,115	198,988	43,800	45,551	47,374	49,268	51,239	436,220
WaterSmart Annual Support (4704)	9,500	9,880	10,275	10,686	11,114	51,455	11,558	12,021	12,501	13,001	13,521	114,058
Total: Capital Projects	**$2,289,000**	**$7,796,464**	**$6,004,070**	**$4,443,325**	**$988,647**	**$21,521,507**	**$1,797,726**	**$604,316**	**$888,386**	**$4,229,015**	**$875,479**	**$29,916,429**

Uses of Funds	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Fund Balance - Projected	$7,597,650	$6,846,237	$5,318,685	$4,217,716	$973,369	$1,209,634	$603,025	$1,261,550	$1,729,144	$1,420,941
Grant Revenue	50,000	4,920,000	3,755,000	0	0	0	0	0	0	0
Other Sources - Financing	0	0	0	0	0	0	0	0	2,500,000	0
Other Revenues	2,663,071	2,690,433	2,670,637	2,771,468	2,849,462	2,869,964	2,998,352	3,150,671	3,277,357	3,452,308
Operating Expenses	1,175,484	1,341,521	1,522,536	1,572,489	1,624,550	1,678,846	1,735,511	1,794,691	1,856,545	1,921,241
Debt - Well 8	0	0	0	0	0	0	0	0	0	194,112
Capital Improvements	2,009,900	7,185,360	5,555,098	3,937,024	596,628	1,247,069	63,266	65,797	3,489,851	71,166
Capital Equipment	110,000	62,400	43,264	123,735	23,397	0	0	0	0	0
Asset Management	119,600	501,384	356,495	331,385	315,394	495,299	483,478	762,714	676,894	739,553
Technical Purchases	49,500	47,320	49,213	51,181	53,229	55,358	57,572	59,875	62,270	64,761
Ending Fund Balance - Projected	**$6,846,237**	**$5,318,685**	**$4,217,716**	**$973,369**	**$1,209,634**	**$603,025**	**$1,261,550**	**$1,729,144**	**$1,420,941**	**$1,882,417**
Council Recommended Target Balance (4 months operating expenses)	*391,828*	*447,174*	*507,512*	*524,163*	*541,517*	*559,615*	*578,504*	*598,230*	*618,848*	*640,414*

TO:	**Mayor and Town Council**
FROM:	**Josh Southworth, Public Works Director, Ryan Thompson, Water Superintendent**
RE:	***Estimated Start Time 5:30PM -* Ordinance 25-24: Statutory Requirements for Graywater Systems Opt-Out Discussion**
DATE:	**November 11, 2025**

Summary & Background:

On May 29, 2024, Governor Jared Polis signed into law House Bill 24-1362, titled Measures to Incentivize Graywater Use. The legislation, effective January 1, 2026, and codified as Section 25-8-205.4, C.R.S., authorizes the installation and use of graywater treatment systems in new construction projects, unless a county or municipality determines that the use of such systems is not authorized within its jurisdiction.

"Graywater" is defined as wastewater from showers, bathtubs, bathroom sinks, and laundry (excluding toilets, dishwashers, and utility sinks) that can be reused for purposes such as irrigation or toilet flushing.

Underthe legislation, local governments retain control through the option to opt out of the program by adopting an ordinance or resolution.

Prior to this law, jurisdictions had to establish individual graywater programs under State Regulation 86, resulting in inconsistent and limited participation. HB 24-1362 streamlines that process by authorizing graywater use statewide—unless a local government formally opts out.

Analysis:

HB 24-1362 represents a proactive effort to promote water conservation and domestic water efficiency. It also allows developers to pursue environmentally conscious projects that emphasize water reuse and reduced demand.

However, participation would place unfunded regulatory and administrative responsibilities on the Town. Implementation would require staff oversight during project review and inspection, ongoing monitoring of system compliance, and enforcement of backflow and cross-connection control requirements. These activities introduce new complexity to Frisco's existing water and building programs.

While this legislation may benefit larger or rapidly growing communities seeking to extend limited water supplies, the benefits for smaller municipalities with stable water portfolios are minimal. For Frisco, the additional oversight and liability exposure likely outweigh the conservation gains achievable under current development trends.

Financial Impact:
Adopting HB 24-1362 would require the Town to develop a formal graywater program, amend building and development codes, document system installations, track annual inspections, and ensure compliance with State and local plumbing standards. These responsibilities would increase staff workload and create ongoing administrative costs.
Although modest utility savings could occur from reduced pumping and chemical use, meaningful system-wide benefits would require large-scale adoption. Given anticipated low participation and the significant staff time needed for program administration, the cost-benefit ratio for Frisco appears unfavorable.

Environmental Sustainability:
HB 24-1362 aligns with the Town's environmental sustainability objectives by supporting reduced water consumption and more efficient use of available resources. From a long-term resource management standpoint, the program is promising. However, its success depends heavily on both local government support and strong participation from developers and consumers—conditions that may be limited in smaller communities.

Alignment with Strategic Plan:
The intent of HB 24-1362 is consistent with the Town's Strategic Plan goal to deliver Progress-Driven Quality Core Services through efficiency and conservation. However, implementation poses potential conflicts with Frisco's existing water rights decrees and system design. Any introduction of non-potable reuse systems connected to the public distribution network increases cross-connection risks and could complicate compliance with water-rights obligations.

Staff Recommendation:
While HB 24-1362 advances the State's water conservation goals, staff recommends that the Town of Frisco opt out of participation at this time.
Implementing and enforcing graywater system standards would place new administrative, technical, and inspection demands on limited staff resources. The program also presents potential public health and cross-connection risks requiring specialized oversight. Given Frisco's size, staffing, and existing water utility structure, the anticipated local benefits do not justify the associated costs.
Opting out provides the most practical and responsible approach until the State offers additional resources, technical guidance, or incentive mechanisms to support small municipalities in adopting graywater programs.

Reviews and Approvals:

Josh Southworth, Public Works Director	Created/Initiated - 11/6/2025
Diane McBride, Assistant Town Manager	Approved - 11/6/2025
Tom Fisher, Town Manager	Final Approval - 11/6/2025

Attachments:
1. Attachment 1 - Proposed Ordinance 25-24

TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 25 – 24

AN ORDINANCE PROHIBITING THE USE OF GRAYWATER AND THE INSTALLATION OF GRAYWATER TREATMENT SYSTEMS WITHIN THE TOWN OF FRISCO

WHEREAS, "graywater" is the portion of wastewater collected from bathroom and laundry room sinks, bathtubs, showers, and laundry machines (but excluding wastewater from toilets, urinals, kitchen sinks, dishwashers, or nonlaundry utility sinks) in residential, commercial or industrial buildings or institutional facilities before treatment or combination with other wastewater to be put to beneficial uses, as defined by Regulation 86 of the Colorado Water Quality Control Commission, Colorado Department of Public Health and Environment (5 CCR 1002-86, June 30, 2015); and

WHEREAS, in 2013, Colorado House Bill 13-1044 authorized the use of graywater systems in municipalities only when authorized locally by ordinance, but pursuant to Colorado House Bill 24-1362, effective January 1, 2026, the collection, treatment, and use of graywater is authorized except where prohibited locally; and

WHEREAS, as a result of the significant regulation and administrative oversight that would be required to implement the safe use of graywater and graywater treatment systems, and in light of the limited use of such graywater and graywater systems that would likely result if allowed, the Town Council has determined that it is in the best interest of the Town and its inhabitants to prohibit the use of graywater and graywater systems within the Town of Frisco.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1. Findings. This ordinance is found to be supported and authorized by law and in the best interests of and necessary for the protection of the health, safety, and welfare of the public. This ordinance is enacted pursuant to C.R.S. § 25-8-205.4(2)(a) and the Home Rule Charter of the Town of Frisco. The Town Clerk will send notice of this ordinance to the Division of Administration, Department of Public Health and Environment pursuant to C.R.S. § 28-8-205.4(2)(b).

Section 2. Prohibition**.** Except for any systems permitted before the effective date of this ordinance, the installation of graywater treatment systems and the use of graywater are prohibited within the Town of Frisco, Colorado.

Section 3**.** Repeal. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repeal shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 4. Effective Date. In accordance with Section 3-8 of the Town Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION IN FULL AND POSTING BY TITLE ORDERED ON THE 11th DAY OF NOVEMBER, 2025.

ADOPTED ON SECOND READING AND PUBLICATION BY TITLE ORDERED ON THE 9th DAY OF DECEMBER, 2025.

TOWN OF FRISCO, COLORADO

____
Mayor Frederick J. Ihnken

ATTEST:

____
Stacey Campbell, Town Clerk

TOWN OF FRISCO
COLORADO

MEMORANDUM

P.O. BOX 4100 ✝ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL

FROM: JAMES GORHAM, ECONOMIC DEVELOPMENT MANAGER
KRIS VALDEZ, AICP, PRINCIPAL PLANNER
NICO CRUZ, SUSTAINABILITY COORDINATOR

RE: WORK SESSION TO DISCUSS COMMUNITY DEVELOPMENT 2026 ACTION PLAN: HOUSING, PLANNING, AND SUSTAINABILITY

DATE: NOVEMBER 11, 2025

Summary:
The purpose of the November 11th work session is to provide the Council an overview of the top priorities of 2026 for the Community Development Department's Housing, Planning, and Sustainability Divisions. As a result of the work session, Staff is seeking guidance from Town Council regarding:

1. Does the Council have specific questions and/or concerns regarding the action items the Community Development Department anticipates initiating in 2026?
2. Are there other action items the Council anticipated the Community Development initiating in 2026 that are a priority for the Town and not included in this memo?

The 2026 action items have been developed through three recently adopted Town plans:

- Strategic Housing Plan, October 2024
- Comprehensive Plan, May 2025
- Climate Action and Resiliency Plan, October 2025

Background

The action items identified have been developed off the recently approved Strategic Housing Plan, Comprehensive Plan, and Climate Action and Resiliency Plan ("CARP"). Each of the plans were developed through utilizing a collaborative process involving extensive data collection, community engagement and expert analysis. Staff analyzed the list of priorities as outlined in the plans and recommend action items below based on such priorities and budget limitations. The items outlined for 2026 were supported by the community, Planning Commission, and Town Council input leading to the adoption of plans and are financially feasible in 2026 based on the approved Town budget.

Strategic Housing Plan
The Strategic Housing Plan was formally adopted by the Town Council on October 22, 2024. The Plan builds upon the 2023 Summit County Housing Needs Assessment and provides a local response to the growing housing crisis. Through the process four key findings were identified:

1. **Housing Shortage & Affordability Crisis -** Frisco faces a well-documented shortage of affordable housing options, for both purchase and rental. Nearly half of all renters and homeowners are cost-burdened, spending more than 30% of their income on housing. This severely restricts local workers' ability to live in the community, exacerbating labor shortages and increasing commute times.
2. **Workforce Housing Need -** By 2034, Frisco will need approximately 680 new housing units to meet both immediate and future demand. Approximately 70% of these should be rental properties to support the local workforce, with the rest allocated for homeownership to help retain long-term residents and families.
3. **Economic & Environmental Impacts -** The affordable housing shortage is directly tied to the town's economic stability, as local businesses struggle to recruit and retain workers. Models used in the plan demonstrate that new workforce housing developments will have significant positive impacts on local employment, economic output, and tax revenue, while also addressing environmental sustainability concerns.
4. **Development Constraints** - A range of constraints, including high construction costs, limited available land, and strict land-use controls, pose challenges to affordable housing development. The plan provides specific strategies to address these issues which can assist in facilitating new housing projects.

Comprehensive Plan
The 2025 Frisco Comprehensive Plan (Plan) was formally adopted by the Town Council on May 13, 2025, following an 18-month-long process of community engagement, stakeholder collaboration, and public review. The Plan fulfills state requirements to provide a strategic framework for guiding land use, housing, transportation, the environment, economic vitality, and community services. Extensive public input helped shape the final version, ensuring that the Plan reflects community values and priorities for sustainable growth and resilience.

The Comprehensive Plan was recently awarded the Colorado American Planning Association (APA) Honor Award for the Comprehensive Plan at the 2025 Western Slope Planning Conference recognizing it based on factors such as innovation, the ability to serve as a transferable lesson for other communities, excellent quality, and effectiveness of implementation. Further information, including the project award video shown at the award ceremony, can be found here:

- Town of Frisco: Comprehensive Plan - Comprehensive Plan Award
    - Project Video
    - Award Article

Climate Action and Resiliency Plan
The Climate Action and Resiliency Plan (CARP) was adopted by Town Council on October 14, 2025, establishing a science-based pathway to reduce community greenhouse gas (GHG) emissions by 54.6% by 2030 (from 2017 levels) and to achieve net-zero by 2050. The plan sets sector-specific goals, including reductions in building energy use and transportation emissions,

a 100% renewable electricity goal for buildings by 2035, and waste reduction and forest resilience targets. Early efforts focus on building electrification, renewable energy expansion, and transportation decarbonization—the Town's largest emission sources per the 2023 GHG inventory. These actions strengthen Frisco's long-term sustainability, community resilience, and quality of life.

Analysis: 2026 Community Development Action Items: Housing, Planning, and Sustainability.

The list of action items below outlines a prioritized list of larger projects for Community Development to begin implementing. These are in addition to standard daily operations including responding to public inquiries, processing applications, conducting inspections, grants management, etc.

The items on the list have been developed off the recently approved Strategic Housing Plan, Comprehensive Plan, and Climate Action and Resiliency Plan. Each of these plans has an extensive action/implementation schedule outlining priorities for the town over the next five (5) years. For detailed information on each action item, please outreach to a staff member or review the relevant plans as linked at the top of the memo.

Staff have analyzed the list of priorities as outlined in the plans and are confident that the list below is within the approved 2026 budget and manageable from a workload perspective.

2026, Quarter 1

- Initiate Request for Proposal ("RFP") for a firm to conduct a nexus study to provide for the potential implementation of inclusionary zoning. Staff lead: James Gorham
    - *Response to feedback from community members, Planning Commission and Town Council requesting the town consider requiring affordable housing units, or fees in-lieu, when a property is redeveloped within the Town. If the nexus study supports the Town moving forward with inclusionary zoning, Staff will work on developing code language for discussion in Quarter 3 or 4 of 2026.*

- Discuss University Technical Assistance Program ("UTAP") program with Town Council and seek direction to apply for assistance with 8th and Pitkin site. Staff lead: James Gorham
    - *Response to the 2025 housing retreat where Council members directed staff to hold a charette to review design possibilities for the two adjacent properties that the Town purchased in 2022 for $2,950,000. This will allow the Town to provide direction on what type of housing units are supported for this site and direct Staff to start budgeting and planning for construction over the upcoming years.*
    - *"UTAP is a helpful arrangement that benefits both local governments and graduate students. The program is a collaboration between the Colorado Center for Community Development at the University of Colorado Denver and the Department of Local Affairs. Small local governments and other political subdivisions of the State can access these valuable services to create initial plans for projects."*

- Coordinate with contracted building division to ensure 2024 International Energy Code updates are analyzed and implemented by June 30, 2026. Staff lead: Nico Cruz

  - *Response to new regulations and support from Town Council to Comprehensive Building Code Services ("CBCS") at the August 12, 2025, Town Council work session. This will bring the Town into compliance with new building codes.*

- Create a preferred business list in alignment with Town purchasing and the procurement policy to promote sustainable consuming. Staff lead: Nico Cruz
  - *Response to CARP direction as a priority for the Town to encourage the Town to purchase from sustainable businesses. If the Town implemented this item, it would show that the Town is committed to leading and making smart purchasing choices based on sustainability.*

- Complete the Pioneer Park design process which began in fall 2025 and assist Public Works with ensuring the project is ready for construction based on final design plans and direction from Town Council. Staff lead: Emma Heth
  - *Response to grant funding and community input. The design process is in-process and construction is anticipated to occur in Summer 2026. This will result in community input driven improvements to the park to meet needs of existing neighboring properties along with the future residents of 602 Galena Street.*

- Make formal application for Dark Sky Certification. Staff lead: Emma Heth
  - *This is in response to community support, Planning Commission and Town Council discussions supporting dark skies in Frisco due to its benefits to wildlife, human health, tourism, etc. If the application is approved, then the Town will be able to officially identify themselves as a designated Dark Sky Community by DarkSky International.*

- Continue facilitating discussions with Xcel Energy on the Frisco Thermal Energy Network ("TEN") pilot program. Staff lead: Nico Cruz
  - *This is continuing from 2025 as part of a $2.55 million dollar shared sponsored project by Xcel Energy. The program will help reduce long-term energy costs for residents and businesses while advancing Frisco's community climate goals.*

- Assist Department of Local Affairs ("DOLA") Neighborhood Centers Pilot Program. Staff lead: James Gorham
  - *In response to a direct request from DOLA, the Town has submitted an application to be part of a pilot designation opportunity program. This program supports mixed-use pedestrian oriented neighborhoods and will allow the Town to receive prioritization for certain state funding programs. If accepted into the pilot program, Staff will have the opportunity to work with DOLA to ensure guidelines developed for the program are conducive to mountain communities.*

- Town Code Analysis, Chapter 180, Unified Development Code (UDC). The list below is in response to items recognized in the plans to be considered by the Town, along with feedback that Staff has heard from a combination of community members, Planning Commission, and/or Town Council. Staff anticipate initiating discussion on each topic with Planning Commission and Town Council during work sessions and receiving direction on if modifications are wanted to these code topics. If modifications are directed, Staff will then draft language for public hearings and formal adoption.

- Implementing streamlined application processes where applicable. Staff leads: Kris Valdez and James Gorham
  - *Response to feedback received from the community and recommendations outlined in the Comprehensive Plan. Additionally, state statute requires the Town to implement an affordable housing fast track process. If the Town supports modifying the code to streamline planning application processes, it will improve customer relations and meet state statutes.*

- Suggest modifications to the Accessory Dwelling regulations. Staff lead: James Gorham
  - *Response to feedback received from the community, Planning Commission, and Town Council members to encourage the community to provide housing through this development method. If the Town supports modifying the code, it could lead to reduced costs and/or incentives to property owners willing to construct accessory dwelling units on their property.*

- Update the current outdoor lighting regulations in the UDC. Staff lead: Emma Heth
  - *In response to community, Planning Commission, and Town Council support for becoming a dark sky community. In order to apply for the certification, the Town is required to make modifications to the lighting regulations as outlined in a previous work session.*

- Update landscaping regulations. Staff leads: Kris Valdez and Nico Cruz
  - *In response to a need to conform for the soon to be adopted Summit Fire & EMS requirements for Wildfire Urban Interface requirements, and suggestions in the CARP and Comprehensive Plan to create a more robust water conservation program. If modifications are supported, it will lead to regulations consistent with Summit Fire & EMS regulations along with showing support for conserving water within the Town.*

- Suggest modifications to the Table of Uses with regards to drive-through establishments. Staff lead: Kris Valdez
  - *In response to community comments along with comments from Planning Commission and Town Council members, Staff has heard that the Town wants to prohibit drive-through establishments in the Central Core District along with discuss the possibility of restricting and/or prohibiting them other areas such as Ten Mile Drive.*

- Suggest modifications to the Table of Uses with regards to affordable housing units being permitted on the second level or above of commercial and/or light industrial buildings. Staff lead: Kris Valdez
  - *In response to frustration by business owners who are willing to provide employee housing above their businesses but are prohibited in the Light Industrial District. If supported by the Town, this would allow employee housing to be permitted and encourage business owners to construct units for their employees above their existing one-level structures.*

2026, Quarter 2

- If supported by Town Council in Q1, apply to UTAP to receive assistance on leading, designing and holding a charette for the 8th and Pitkin site. Staff lead: James Gorham
    - *Response to the 2025 housing retreat where Council members directed staff to hold a charette to review design possibilities for the two adjacent properties that the Town purchased in 2022 for $2,950,000. This will allow the Town to provide direction on what type of housing units are supported for this site and direct Staff to start budgeting and planning for construction over the upcoming years.*

- Coordinate HC3 workshops to provide community information regarding compost programs; including yard waste. Staff lead: Nico Cruz
    - *Response to CARP direction as a priority for the Town to encourage sustainability within the Town. If this is supported, it would increase community participation in waste reduction efforts and help divert more organic material from the landfill.*

- Design a Town Heat Pump Incentive Program. Staff Lead: Nico Cruz
    - *Response to CARP direction as a priority for the Town to encourage beneficial electrification and sustainable heating. This project will develop a Town heat pump incentive program coordinated with existing state, federal, and Xcel Energy rebates.*

- Coordinate with Public Works for implementation of:
    - Day Lodge Heat Pump & Building Automation System (BAS) upgrade
    - Building Envelope retrofits (weatherization, windows, storm windows, crawlspace sealing, etc.)
    - Roofing Replacement at Day Lodge → though maintenance in nature, it enables electrification and solar readiness (linked to BE strategies).
    - Town Hall EV chargers (2 dual-port now, infrastructure for 1 future DCFC and 2 more dual-port L2)
    - Heat Trace Smart Controls at Day Lodge, Visitor Center, and Community Center
        - *Response to CARP direction as a priority for the Town to encourage sustainability in Town buildings. Implementation of these items will demonstrate that the Town is leading by example while also having existing facilities become more energy efficient.*

- Town Code Analysis, Chapter 180, Unified Development Code (UDC). The list below is in response to items recognized in the plans to be considered by the Town, along with feedback that Staff has heard from a combination of community members, Planning Commission, and/or Town Council. Staff anticipate initiating discussion on each topic with Planning Commission and Town Council during work sessions and receiving direction on if modifications are wanted to these code topics. If modifications are wanted, Staff will then draft language for public hearings and formal adoption.

- Establish a small stakeholder group consisting of community members to discuss incentives to incorporate into the UDC to encourage the protection of historic structures. Staff lead: Kris Valdez
    - *Response to community feedback and discussions held by the stakeholder group in association with the Comprehensive Plan. If further clarity of a town definition of a historic structure is established, and incentives are identified, it could assist in the protection of historic structures that are not on a historic registry but are valued by the community for their historic nature or use. Suggestions from the Comprehensive Plan stakeholder group included having a subcommittee to assist staff with this.*

2026, Quarter 3

The action items on the 2026, Quarter 3 list have intentionally been left minimal due to the high volume of application processing and customer service needs at this time. This will also allow Staff to catch up on Quarter 1 and Quarter 2 action items if more time is needed.

- Begin discussions on parking requirements. Staff lead: Kris Valdez and Nico Cruz
    - *Response to conversations raised at Planning Commission, Town Council, and with developers over past few years raising questions about if the Town's parking regulations are written to best serve the Town's needs. This will include discussing the on-street parking pilot program potential growth within the central core, along with analyzing parking space minimum/maximum number of space requirements and analyzing size requirements based on current standards and trends*.

- Host charette for design strategies for the 8th and Pitkin lot. Staff lead: James Gorham
    - *Response to the 2025 housing retreat where Council members directed staff to hold a charette to review design possibilities for the two adjacent properties that the Town purchased in 2022 for $2,950,000. This will allow the Town to provide direction on what type of housing units are supported for this site and direct Staff to start budgeting and planning for construction over the upcoming years.*

- Initiate discussions regarding utilizing future 5A funds to be used towards water and sanitation tap fees for applicants applying for affordable housing. Staff lead: James Gorham
    - *Response to Strategic Housing Plan suggesting as an incentive to encourage affordable housing. If this was implemented, it would reduce the cost of a property owner to add an affordable housing unit such as an ADU to their property if they could be reimbursed by the Town for their water and sanitation tap fees.*

- Update Three-Mile Plan. Staff lead: Kris Valdez
    - *Response to State Statute that requires an updated plan each year. When updated in 2025, Staff noted that they would like to spend more time in 2026 on the update*

to ensure the plan is consistent with outside agencies including Summit Fire & EMS and Frisco Sanitation.

- Analyze the 2023 Frisco Trails and Pathways Plan and take the lead to determine what the Town should be prioritizing as outlined in this plan. Staff lead: Emma Heth
  - *Ensure that recommendations for this plan are being reviewed and financial opportunities are pursued for implementation beyond the Peninsula Recreation Area and the Backyard.*

- Initiate planning and design for the Year-Round Cycling Infrastructure and Engagement Initiative. Staff lead: Nico Cruz
  - *Response to CARP direction as a priority for the Town to encourage sustainable transportation. This project will initiate development of a plan for year-round cycling infrastructure and engagement, including winter plowing routes, quick-build markings and parking, safety communications, and evaluation of an e-bike share program to support Frisco's climate and mobility goals.*

- Suggest modifications to phase out all wood, charcoal, and gas burning stoves. Staff lead: Nico Cruz
  - *Response to CARP direction as a priority for the Town to encourage sustainability. This would include a work session with Town Council to seek feedback and support and then developing an incentive and education plan prior to implementing an Ordinance with code changes.*

2026, Quarter 4

- Draft outline for a program to encourage sustained building efficiency through retro-commissioning commercial buildings. Staff lead: Nico Cruz
  - *Response to CARP direction to have a program available as commercial buildings decide to remodel in the future. This would encourage sustainability through the adaptive reuse of buildings.*

- Begin seeking financing opportunities to plan for developing designs for a canopy/parking area photovoltaic system to be installed at a Town site. Staff lead: Nico Cruz
  - *Response to CARP direction to have the Town take the lead on promoting PV. The design and construction are anticipated to be an expense not currently budgeted for, and so if supported by the Town, Staff would begin seeking funding opportunities to assist in the design and construction.*

- Begin discussions with Town Council to determine if there is support for Community Improvement Districts. Staff lead: James Gorham
  - *Staff would like to discuss different incentives and state authorized improvement districts with Council to assist property owners in redeveloping their properties in a manner that meets the vision and needs stated within the Comprehensive Plan and the Strategic Housing Plan. Having Improvement Districts and Authorities*

could provide incentives to encourage redevelopment in a defined area of town if supported by the Town.

- Town Code Analysis, Chapter 180, Unified Development Code (UDC). The list below is in response to items recognized in the plans to be considered by the Town, along with feedback that Staff has heard from a combination of community members, Planning Commission, and/or Town Council. Staff anticipate initiating discussion on each topic with Planning Commission and Town Council during work sessions and receiving direction on if modifications are wanted to these UDC topics. If modifications are wanted, Staff will then draft language for public hearings and formal adoption.

    - Update the UDC to align with recommended uses and character designated in the Future Land Use classifications and association map (FLUM). Staff lead: Kris Valdez
        - *If modifications are supported, as recommended and adopted in the Comprehensive Plan, the Table of Uses which outlines permitted, conditional, and prohibited uses could be amended; this is primarily for the Gateway and Main Street districts.*

    - Initiate discussions to modify the Non-Residential and Residential Design Standards in the UDC. Staff lead: Kris Valdez
        - *The Comprehensive Plan recommends the Town consider modifying their design standards based on feedback heard from the community and Planning Commission. This would ensure that new development and redevelopment within the Town meets the Town's vision for various districts in the Town such as Ten Mile Drive, Summit Boulevard, and Main Street. This would also remove outdated design standards that are difficult for applicants to decipher such as chroma color limitations.*

Financial Impact: The financial impact varies from strategy to strategy. From UDC changes and study recommendations, to incentivizing development. Staff has prioritized the action items for 2026 recognizing that the relevant divisions have limited budgets and ensuring that the items listed are feasible; primarily through dedication of staff time within the Community Development department. The Town has prioritized a few specific dollar amounts in the 2026 budget approval including:

- $1.5 million dollars for Pioneer Park construction improvements
- $5,000 for Unified Development Code amendments – non-capital
- $1,500 for Sustainability public outreach
- $70,000 for Housing Professional services
    - $55,000 to conduct nexus study to determine feasibility of inclusionary zoning
    - $15,000 to assist with designs and charette for 8th and Pitkin site

Alignment with Strategic Plan: The Action Items outlined for Community Development to initiate discussion include each of the four Strategic Objectives in the 2024-2028 Strategic Plan:

- Providing Progress-driven Quality Core Services
    - *Environmental Stewardship and Climate Change: This pillar emphasizes commitment to protecting the environment and taking proactive steps to mitigate the effects of climate change*

- o *Infrastructure and Public Safety. Maintaining and enhancing infrastructure, along with providing essential public safety services, are crucial for the well-being and security of the community*
- Providing Vibrant Culture, Arts, and Recreation Opportunities
  - o *Preservation of Historical Assets: This pillar emphasizes the importance of maintaining and protecting varied historical assets for future generations, ensuring that the Town's broad history is preserved and accessible*
- Enhance Community Inclusivity
  - o *Diverse Housing: Offering a variety of housing types to support the workforce and residents*
  - o *Lasting Social Sustainability: Considering equity, inclusivity, and accessibility in decisions and policies*
- Support a Thriving Economy
  - o *Infrastructure Development: This includes preserving and improving infrastructure that helps the business community, as well as making plans for and investing in Main Street and Summit Boulevard infrastructure*
  - o *Workforce and Community Support: This pillar focuses on increasing workforce housing to appropriate levels, supporting increased access to childcare, and continuing to support regional transit and mobility improvements*
  - o *Economic Growth and Regulation: This involves supporting business development and diversification, having a regulatory system that protects health, safety, and welfare while promoting customer service, funding programs, and regulations that support the visions for Main Street and Summit Boulevard*

Staff Recommendation: Staff are seeking guidance from Town Council regarding:

1. Does the Council have specific questions and/or concerns regarding the action items the Community Development Department anticipates initiating in 2026?
2. Are there other action items the Council anticipated the Community Development initiating in 2026 that are a priority for the Town and not included in this memo?

Reviews and Approvals: This report has been reviewed and approved by:

Katie Kent, Community Development Director
Diane McBride, Deputy Town Manager
Tom Fisher, Town Manager

ACTIVITY REPORT - OCTOBER, 2025

POLICE

	2025	2024
Property Stolen	$34,733	$27,659
Property Recovered	$147	$645
Animal Control		
Citations	2	0
Warnings	0	1
Bar Checks	2	5
Business Checks	39	89
Assists	12	22
Parking Citations	0	0
Parking Warnings	7	7
Traffic Citations	98	95
Traffic Warnings	137	149
Traffic Accidents		10
Public Streets		8
Private Property		2
Injuries		0
Open Buildings	1	2
Alarms	3	5
Calls for service	560	607
Felony Arrests	**7**	0
2nd degree burglary	1	
Theft $5k - $20k	1	
DUI	1	
Stolen vehicle	1	
2nd degree criminal tampering	1	
Theft $1k - $2k	2	
Misdemeanor Arrests	**19**	17
Violation of a restraining order	3	
DUI	9	
Obstructing a Peace Officer	1	
Warrant	6	

MUNICIPAL COURT

	2025	2024*
Total number of citations issued for this court date	16	
Total number of violators due in court	16	
Total number of violators in court	7	
Deferred to trial:	2	
Received Deferred Sentences:	1	
Dismissed:	0	
Guilty Pleas:	1	
Guilty to Amended Charges:	2	
Guilty from Trial:	0	
Continued to following month:	4	
Dismissed Prior to Court	3	
Handled by Mail		
W/in 20 days for Point Reduction:	5	
Outside of 20 days:	4	
No Shows		
Warrants Issued:	1	
Hold placed on Drivers License:	0	

* No municipal court held in October, 2024

RECORD OF PROCEEDINGS – MINUTES

WORK SESSION OF
THE TOWN COUNCIL OF THE TOWN OF FRISCO
FRISCO TOWN HALL, 1 MAIN STREET, FRISCO, COLORADO 80443
OCTOBER 28, 2025 AT 5:00PM

Call to Order:
Work Session called to order at 5:00PM by Mayor Ihnken.

- **Agenda Item #1:** Capital Program Approval Discussion (RE: Resolution 25-27)
- **Agenda Item #2:** Public Works Winter Operations Preview
- **Agenda Item #3:** Recreation & Events Winter Preview

REGULAR MEETING OF
THE TOWN COUNCIL OF THE TOWN OF FRISCO
FRISCO TOWN HALL, 1 MAIN STREET, FRISCO, COLORADO 80443
OCTOBER 28, 2025 AT 7:00PM

Call to Order:
Meeting called to order at 7:00PM by Mayor Ihnken.

Roll Call:
Roll called by Town Clerk Stacey Campbell at 7:00PM.
Rick Ihnken – PRESENT (IN-PERSON)
Andy Held – PRESENT (IN-PERSON) – Mayor Pro Tem
Martin Allen – PRESENT (IN-PERSON)
Robyn Goldstein – PRESENT (IN-PERSON)
Dan Kibbie – PRESENT (IN-PERSON)
Zachary Ryan – PRESENT (IN-PERSON)
Elizabeth Skrzypczak-Adrian – PRESENT (IN-PERSON)

Public Comment:
Public Comment opened by Mayor Ihnken at 7:01PM.

Public Comment is reserved for items that do not have Public Hearings on this meeting's agenda. If you plan to comment on an item already appearing on the agenda, please wait until that item is announced and public comment is requested at that time. State your name and address for the record, be topic-specific, and limit comments to three minutes or less. No Council action is taken on Public Comments at Council meetings. Council takes public comments under advisement, and if a Council and/or Staff response is deemed necessary or appropriate, the individual making the

comment will receive a formal response from the Town at a later date. It is recommended to sign-in at the Welcome Table at each meeting if providing in-person Public Comment, and include contact information for follow-up communication.

Full Name of Commenter	In Person or Online	Address	Topic(s)
Michael Bernstein	Online	965 N Ten Mile Drive Unit A4	McDonald's application to Planning Commission, and previous Code Amendments

Seeing no additional public comments in person or online, Mayor Ihnken closed Public Comment at 7:03PM and moved into Council Comments.

Council Comments:
None.

With no further Council Comments, Mayor Ihnken moved into Staff Updates at 7:04PM.

Staff Updates:
Town Manager Tom Fisher updated Council on the current and upcoming fiber construction.

Approval of Agenda:

Consent Agenda:

- Minutes from September 9, 2025 Meeting
- Warrant List
- Purchasing Cards
- 602 Galena Workforce Housing Construction Agreement Modification Approval

MOTION: COUNCILMEMBER ALLEN MOVED TO APPROVE THE CONSENT AGENDA, SECONDED BY SKRZYPCZAK-ADRIAN.

VOTE:

ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA

MOTION: PASSED AT 7:26PM

New Business:
Agenda Item #1: Liquor License Transfer of Ownership Application Public Hearing; Town of Frisco to Frisco Haus LLC DBA Frisco Haus; Shervin Aghili; located at 621 Recreation Way, Frisco, CO 80443; Hotel & Restaurant (City)

Mayor Ihnken read the item into the record at 7:27PM and opened the public hearing.

Town Clerk Stacey Campbell presented the Staff Report regarding the transfer of ownership of liquor license application, and administered the testimony oath to Mr. Shervin Aghili, Owner/Operator of Frisco Haus LLC.

Mayor Ihnken opened the floor for Public Comment at 7:35PM, seeing none, closed Public Comment.

Councilmembers Kibbie and Held asked Mr. Aghili about his business plan for the Winter, and asked how he is doing. Mr. Aghili responded his aim is to fit in with the Frisco Adventure Park operation, especially being family-friendly. He stated his first season was last season and it went well.

MOTION: MAYOR PRO TEM HELD MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER RYAN.

IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA

MOTION: PASSED AT 7:36PM

Agenda Item #2: Liquor License New Application Public Hearing; Town of Frisco; Thomas C. Fisher; located at 605 Recreation Way AKA Slopeside Hall, Frisco, CO 80443, Beer & Wine (City)

Mayor Ihnken read the item into the record at 7:36PM and opened the public hearing.

Town Clerk Stacey Campbell presented the Staff Report regarding the transfer of ownership of liquor license application, and administered the testimony oath for Erin Socks, Frisco Adventure Park General Manager.

Councilmember Ryan asked about why the Recreation staff did not want to pursue a liquor license without spirituous liquor. Ms. Socks responded that they didn't feel it was necessary, and that mainly private events in the Winter would utilize the space and the liquor license was simply to allow for the Town to aid in the purchasing and provision of malt and vinous alcohol for private space reservations.

No further Council discussion ensued.

Mayor Ihnken opened the floor for Public Comment at 7:44PM, seeing none, closed Public Comment.

MOTION: COUNCILMEMBER SKRZYPCZAK-ADRIAN MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER RYAN.

RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA

GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA

MOTION: PASSED AT 7:45PM

Agenda Item #3: Liquor License New Application Public Hearing; Town of Frisco; Thomas C. Fisher; located at 616 Recreation Way AKA Frisco Nordic Center, Frisco, CO 80443, Optional Premise (City)

Mayor Ihnken read the item into the record at 7:45PM and opened the public hearing.

Town Clerk Stacey Campbell presented the Staff Report regarding the transfer of ownership of liquor license application, and administered the testimony oath for Linsey Joyce, Recreation Director for the Town of Frisco.

Mayor Ihnken opened the floor for Public Comment at 7:54PM, seeing none, closed Public Comment.

No further Council discussion ensued.

MOTION: COUNCILMEMBER SKRZYPCZAK-ADRIAN MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY MAYOR PRO TEM HELD.

SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA

MOTION: PASSED AT 7:54PM

Agenda Item #4: First Reading Ordinance 25-21: AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF FRISCO, THE FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY, THE NHP FOUNDATION, AND NHPF WEST MAIN, LLC, CONCERNING THE AFFORDABLE HOUSING DEVELOPMENT TO BE CONSTRUCTED AT 101 WEST MAIN STREET

Mayor Ihnken read the item into the record at 7:55PM and opened the public hearing.

Town Manager Tom Fisher presented the item, covering the previous amendment to the Development Agreement, and the need for this amendment due to grants driving deadlines.

Mayor Ihnken opened the floor for Public Comment at 7:56PM, seeing none, closed Public Comment.

MOTION: MAYOR PRO TEM HELD MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER SKRZYPCZAK-ADRIAN.

HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA

MOTION: PASSED AT 7:57PM

Agenda Item #5: Resolution 25-27: A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE TOWN OF FRISCO, COLORADO FOR THE CALENDAR YEAR BEGINNING JANUARY 1, 2026 AND ENDING DECEMBER 31, 2026, AND APPROVING THE 2026-2030 CAPITAL PROGRAM FOR THE TOWN

Mayor Ihnken read the item into the record at 7:57PM and opened the public hearing.

Finance Director Leslie Edwards presented the item.

Mayor Ihnken opened the floor for Public Comment at 8:00PM, seeing none, closed Public Comment.

No Council Discussion ensued.

MOTION: COUNCILMEMBER SKRZYPCZAK-ADRIAN MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER ALLEN.

GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA

MOTION: PASSED AT 8:01PM

Agenda Item #6: First Reading Ordinance 25-23: AN ORDINANCE CONCERNING THE FINANCING OF A UTILITY COST-SAVINGS MEASURE AND, IN CONNECTION THEREWITH, AUTHORIZING THE PROJECT AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER DOCUMENTS

Mayor Ihnken read the item into the record at 8:01PM and opened the public hearing.

Finance Director Leslie Edwards presented the item.

Mayor Ihnken opened the floor for Public Comment at 8:07PM, seeing none, closed Public Comment.

No Council Discussion ensued.

MOTION: COUNCILMEMBER SKRZYPCZAK-ADRIAN MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY MAYOR PRO TEM HELD.

ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA

MOTION: PASSED AT 8:07PM

<u>Old Business</u>:
Agenda Item #1: Second Reading Ordinance 25-14: AN ORDINANCE SETTING THE MILL LEVY WITHIN THE TOWN OF FRISCO FOR 2026

Mayor Ihnken read the item into the record at 8:08PM and opened the public hearing.

Finance Director Leslie Edwards presented the item.

Mayor Ihnken opened the floor for Public Comment at 8:10PM, seeing none, closed Public Comment.

MOTION: MAYOR PRO TEM HELD MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER ALLEN.

IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA

MOTION: PASSED AT 8:10PM

Agenda Item #2: Second Reading Ordinance 25-15: AN ORDINANCE APPROPRIATING SUMS OF MONEY TO VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSES SET FORTH IN THE ADOPTED BUDGET FOR THE TOWN OF FRISCO FOR 2026

Mayor Ihnken read the item into the record at 8:10PM and opened the public hearing.

Finance Director Leslie Edwards presented the item.

Mayor Ihnken opened the floor for Public Comment at 8:11PM, seeing none, closed Public Comment.

MOTION: MAYOR PRO TEM HELD MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED

ADDRESS, SECONDED BY COUNCILMEMBER SKRZYPCZAK-ADRIAN.

RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA
SKRZYPCZAK-ADRIAN	YEA

MOTION: PASSED AT 8:12PM

Agenda Item #3: Second Reading Ordinance 25-18: AN ORDINANCE AMENDING CHAPTER 160 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, CONCERNING TAXATION, BY AMENDING SECTIONS 160-27 AND 160-28, 160-30 THROUGH 160-35, 160-37, 160-40, 160-44, AND 160-46, EACH CONCERNING THE TOWN'S LODGING TAX; IN ORDER TO, WITHOUT SUBSTANTIVE CHANGE, USE THE TERM "LODGING SERVICES" IN LIEU OF "LODGING," AND TO REMOVE A REFERENCE TO ARTICLE I OF CHAPTER 160 TO REMOVE AN AMBIGUITY AND THEREBY CLARIFY, STANDARDIZE, ENSURE TAXPAYER COMPLIANCE AND MAKE MORE EFFICIENT THE REPORTING AND PAYMENT OF LODGING TAXES

Mayor Ihnken read the item into the record at 8:13PM and opened the public hearing.

Finance Director Leslie Edwards presented the item.

Mayor Ihnken opened the floor for Public Comment at 8:15PM, seeing none, closed Public Comment.

MOTION: COUNCILMEMBER ALLEN MOVED TO APPROVE THE APPLICATION AT THE SPECIFIED ADDRESS, SECONDED BY COUNCILMEMBER KIBBIE.

SKRZYPCZAK-ADRIAN	YEA
RYAN	YEA
IHNKEN	YEA
ALLEN	YEA
KIBBIE	YEA
GOLDSTEIN	YEA
HELD	YEA

MOTION: PASSED AT 8:15PM

Adjourn:
COUNCILMEMBER ALLEN MOVED TO ADJOURN, COUNCIL VOTED UNANIMOUSLY IN FAVOR AT 8:15PM.

Respectfully Submitted,

Stacey Campbell
Town Clerk

TO: **Mayor and Town Council**

FROM: **Stacey Campbell, Town Clerk, Tom Fisher, Town Manager**

RE: **Appointment of Special Legal Counsel to Serve the Board of Appeals in the Condos Off Main Appeal**

DATE: **November 11, 2025**

Summary & Background:

The Town of Frisco is in receipt of an appeal that is required to be heard by the Board of Appeals. The hearing will take place in December 2025. According to Frisco Town Code 4-2: "The Board of Appeals shall consist of three members appointed by the Council for three-year terms. Members of the Board must be residents or business owners in the Town of Frisco and shall be qualified by experience and training to pass upon matters pertaining to building construction." The Board of Appeals needs to have legal representation at their meetings, and cannot be from the same law firm representing Town staff in this matter. The law firm representing the Town is Murray Dahl Beery & Renaud LLP. The law firm seeking Council's approval to represent the Board of Appeals is Widner Juran LLP.

Analysis:

From Frisco Town Code 4-5: "The Board of Appeals shall hear and decide appeals from and shall review any order, requirement, decision or determination made by any administrative official charged with the administration or enforcement of the building construction standards in Chapter 65 of the Town Code, as they may be adopted and amended by the Town from time to time."

From the enclosed Engagement Letter from Widner Juran LLP: The scope of this engagement is specifically limited to representation by Wynetta Massey (with backup from Maureen Juran) of the Town of Frisco's Board of Appeals on an appeal filed pursuant to Section 4-5(A) of the Frisco Code of Ordinances. Other attorneys of the Firm may assist in this representation only with the express written consent of the Client. Brief bios for Ms. Massey and for Ms. Juran are appended to this letter. The Firm understands that it shall take direction from, provide assistance to, and report to the Town Manager's Office in its representation of the Client. We may, from time to time, seek your instructions and may ask for such instructions in writing.
Please communicate with us often in order to ensure that your needs are met.

Financial Impact:

From the enclosed Engagement Letter from Widner Juran LLP: The Client shall pay the Firm compensation for services rendered by the Firm. For legal services performed by either Ms. Massey or Ms. Juran, compensation will be based upon an hourly rate of $300.00 per hour. The Firm shall not modify compensation rates for any attorney working on behalf of the Client through December 31, 2025, after which date any increase in compensation will be subject to prior approval of the Client.

Environmental Sustainability:
There is no Environmental Sustainability impact foreseen for this matter at this time.

Alignment with Strategic Plan:
The appointment of legal counsel for the Board of Appeals is not only legally necessary, but reflects the Town's commitment to preventing any perception of, or existence of, a conflict of interest. Put simply, the same law firm that represents Town staff will not be representing the Board of Appeals as legal counsel. This absolutely serves the Public Service Commitment of the Town, which is to "Provide leadership, civility, efficiency, transparency, accountability, and fiscal responsibility to assure a thriving future for the Town of Frisco." This action, if approved by Council, will also contribute to the Strategic Objective of Providing Progress-driven Quality Core Services. The Board of Appeals presides over this due process for appellants who are exercising their right to appeal a violation of Chapter 65 of Frisco Town Code.

Staff Recommendation:
For the aforementioned legal and ethical reasons in this Staff Report, Town Staff recommend Council approve Widner Juran LLP's appointment to serve the Board of Appeals in the upcoming Condos Off Main Appeal public hearing.

Reviews and Approvals:
Stacey Campbell, Town Clerk
Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager
Thad Renaud, Town Attorney

Attachments:
1. Attachment 1 - Widner Juran Engagement Letter

November 5, 2025

Tom Fisher
Town Manager
Frisco Town Hall
1 East Main Street,
Frisco, CO 80443

Re: Engagement for Outside Counsel – Advice to Board of Appeals at Hearing on Appeal of Dangerous Building Designation

Dear Mr. Fisher:

On behalf of Widner Juran LLP (the "Firm" or "we"), I am pleased to submit this engagement letter for representation as special counsel to the Town of Frisco, Colorado (the "Client' or "you"). We appreciate this opportunity to be of assistance.

The scope of this engagement is specifically limited to representation by Wynetta Massey (with backup from Maureen Juran) of the Town of Frisco's Board of Appeals on an appeal filed pursuant to Section 4-5(A) of the Frisco Code of Ordinances. Other attorneys of the Firm may assist in this representation only with the express written consent of the Client. Brief bios for Ms. Massey and for Ms. Juran are appended to this letter. The Firm understands that it shall take direction from, provide assistance to, and report to the Town Manager's Office in its representation of the Client. We may, from time to time, seek your instructions and may ask for such instructions in writing. Please communicate with us often in order to ensure that your needs are met.

Compensation. The Client shall pay the Firm compensation for services rendered by the Firm. For legal services performed by either Ms. Massey or Ms. Juran, compensation will be based upon an hourly rate of $300.00 per hour. The Firm shall not modify compensation rates for any attorney working on behalf of the Client through December 31, 2025, after which date any increase in compensation will be subject to prior approval of the Client.

Costs. The Client shall compensate the Firm for out-of-pocket fees and costs incurred by the Firm for work performed. In the event that travel is required to attend a Board of Appeals hearing or to provide training to the Board of Appeals, such fees might include: (1) personal use of private vehicles used by the Firm's attorneys incurred in the direct and exclusive performance of services related to the Client's work; and (2) ordinary and customary expenses for database access needed to perform legal research from third-party vendors (e.g., Westlaw or Lexis) which access charges are anticipated to be nominal and not expected to exceed $100.00 in any given month. All costs will be billed to the Client at the Firm's cost without administrative mark-up. Vehicle mileage charges shall be billed at the Internal Revenue Service published standard mileage rate for computing the deductive cost of vehicle operation. Other out-of-pocket expenses shall be subject to the Client's approval.

Retainer, Invoicing, and Payment. The Firm will not collect a retainer from the Town. The Firm shall provide to the Client invoices for the legal services rendered on a monthly basis. Such invoice(s) shall separate work and fees for the specific matter. Payment is expected within thirty (30) days. The Client's obligation to make prompt payment of all fees and charges does not depend upon achievement of any specific result.

Term and Termination. This Agreement shall be effective upon approval by the authorized representative of the Client with the requisite authority to bind the Client to the obligations of this engagement letter and by the Firm. This engagement shall terminate upon written notice by either party. Termination by either party may occur at any time without cause or reason. If the Client discharges the Firm, the Client shall pay all fees and costs incurred to the date of termination, and the Firm shall deliver all files and documents as requested by the Client.

Public Acknowledgement of Representation. The Client consents to the Firm's public acknowledgement to others that the Firm represents or has previously represented the Client for the limited scope of the services.

Notice. Any notice required to be made under this engagement letter shall be effective when mailed, postage prepaid or when emailed, and receipt confirmed, and sent to the following addresses:

If to Client:	**If to the Firm:**
Tom Fisher Town Manager Frisco Town Hall 1 East Main Street, Frisco, CO 80443	Wynetta Massey Widner Juran LLP 13133 East Arapahoe Road, Suite 100 Centennial, CO 80112 Phone: 303-754-3391 (office) Email: wmassey@lawwj.com

Funding Availability. All financial obligations of the Town arising under this engagement letter that are payable after the current fiscal year are contingent upon funds for that purpose being annually appropriated, budgeted and otherwise made available by the Town of Frisco Town Council, in its discretion.

WIDNER JURAN LLP

By: ______________________________

Maureen Juran

TOWN OF FRISCO, COLORADO

By: ______________________________

Tom Fisher, Town Manager

Date: ______________, 2025

Wynetta Massey
Of Counsel

Wynetta has more than three decades of municipal legal expertise and joined Widner Juran LLP, in 2025 following a distinguished 35 year career with the Colorado Springs City Attorney's Office--including 11 years as the Colorado Springs City Attorney and Chief Legal Officer. In that role, she provided comprehensive legal counsel to the 39th largest city in the nation, supporting the Mayor, City Council, Colorado Springs Utilities, Memorial Health System, municipal enterprises, boards, commissions, departments, agencies, and city staff.

Her decades of work with the Colorado Municipal League are a testament to her deep commitment to the practice of local government law. Wynetta's contributions to local government education and advocacy extend beyond Colorado. She is a national speaker on a wide range of topics, including ethics, managing complex litigation, real estate manuals, client management, and fostering effective relationships between elected and administrative officials. Through her service on the International Municipal Lawyers Association Board of Directors and as an IMLA Fellow, Wynetta has contributed to amicus briefs before the 10th Circuit Court of Appeals and the US Supreme Court.

Education

J.D., University of Kansas, Lawrence, KS
B.A., University of Missouri, Columbia, MO

Phone: 303-754-3411
E-Mail: wmassey@lawwj.com

Maureen Juran
Of Counsel

Maureen has been practicing local government law for over three decades. She believes strongly that the attorney-client relationship should be collaborative and friendly and she works hard as part of the team to help her clients reach their policy goals and to effectively manage and operate the city/town/district.

Maureen loves the variety and often the novelty of issues that a local government practice involves. Over the years, she has advised on zoning and land use planning, financial incentives, elections, taxation and revenue, real property, complex private/public partnership contracts, code enforcement, construction, marijuana and liquor licensing, utility operations, and municipal prosecution.

Maureen has served as Deputy City Attorney for the City of Centennial for over 15 years and as town for several statutory and home rule towns throughout her career.

Education

J.D. 1991, University of Denver Sturm College of Law, Denver, CO
B.S. 1984, Carlow University, Pittsburgh, PA

Phone: 303-754-3391
E-Mail: mjuran@lawwj.com

TO:	**Mayor and Town Council**
FROM:	**Ryan Thompson, Water Superintendent**
RE:	***Estimated Start Time 7:10PM -*** **Extra-Territorial Water Service Agreement Consideration (0254 Alpine Drive Future Lot #2)**
DATE:	**November 11, 2025**

Summary & Background:
In 2023, Ordinance 23-05 was approved, which modified Chapter 171 of the Town code by adding an application process for Extra-Territorial water taps. The new process requires prospective water users outside the Town of Frisco to submit a written application, dedicate water rights, submit a written will-serve letter from Frisco Sanitation District, and other conditions per the ordinance. Town Council will then grant denial or approval with conditions based on the "best interest of Town residents". In addition, the ordinance states that the Council will consider whether the request will result in detrimental secondary impacts to Town or its residents. If Council approves a request, the applicant is required to meet all conditions, dedicate water rights or pay an in-lieu fee, pay all fees and reimbursements, and execute the Extra-Territorial Tap Contract.

Analysis:
This review has determined that the request is consistent with the provisions of Ordinance 23-05 and does not present any conflicts with existing Town policies or water service obligations, currently. The Town's current water supply and rights portfolio are sufficient to accommodate the proposed service without adverse impact to in-town customers. Additionally, the proposed agreement includes the standard terms and conditions for extra-territorial water service, ensuring consistency, equity, and enforceability. The current property has one existing single-family home that is already connected as a Town of Frisco, extra-territorial, water customer, and the property owner is looking to subdivide the lot. At this time, there are no building plans submitted for any development, and the owner is looking to secure an Extra-Territorial Water Service Agreement for authorization from Summit County Government to subdivide the lot for future development.

Financial Impact:
The extra-territorial in-lieu fee, plant investment fee, and water rates have been determined to cover costs associated with additional water service. Therefore, the revenues are expected to match the increased costs of 0254 Alpine Drive, Frisco, and no financial impacts are anticipated.

Environmental Sustainability:
Providing water service would enable the property to be connected to the Town of Frisco's water system and the Frisco Sanitation District's sewer system, eliminating the need for a well and septic system on the property. This would ensure the protection of water resources in the area.

Alignment with Strategic Plan:
Water service to 0254 Alpine Drive, Frisco, aligns with the Core Services of the Strategic Plan by expanding water service to properties adjacent to the Town of Frisco. Execution of the extraterritorial water agreement will allow the property owner to connect to the Town's municipal water system in a manner that is legally compliant, operationally feasible, and consistent with the Town's long-term water management strategy.

Staff Recommendation:
Staff recommends approval for this action. After discussing the unique circumstances of a property not having building plans available at the time of application or an existing structure to serve, with the Town Attorney. It has been determined that the application can move forward and be presented to the Town Council for approval. If approved through the Extra-Territorial Water Service Application process, this will authorize the mayor to sign the water service agreement for 0254 Alpine Drive, Frisco, CO.

Reviews and Approvals:
Josh Southworth, Public Works Director — Created/Initiated - 11/4/2025
Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager

Attachments:
1. Attachment 1 - Extra-Territorial Water Service Application
2. Attachment 2 - Property Owner Letter
3. Attachment 3 - County GIS Address Confirmation Letter
4. Attachment 4 - Frisco Sanitation District Will Serve Letter

Frisco Public Works
102 School Road
Frisco, CO 80443
Phone: 970-668-0836

TOWN OF FRISCO
COLORADO

APPLICATION FOR APPROVAL OF EXTRA-TERRITORIAL WATER TAP(S)

OWNER'S AUTHORIZED AGENT INFORMATION ("Applicant")

Name of Applicant Suzanne Berkhofer	**Phone #/E-mail** 6313779662 Successoleeast.com		
Address of Applicant 254 Alpine Dr. P.O. Box 716	**City** Friso	**State** CO	**Zip** 80443

PROPERTY OWNER INFORMATION ☑ SAME AS APPLICANT

Name of Owner	**Phone #/Email**		
Address of Owner	**City**	**State**	**Zip**

PROPERTY TO BE SERVED

Project Address 254 Alpine Dr. Lot#2	**City** Frisco	**State** Co	**Zip** 80443

Legal Description of Project *(use separate attachment if necessary)*

See attached

Assessor's Parcel No. **Tract/Subdivision** **Lot No.**

NUMBER/SIZE/CAPACITY OF TAP(S) REQUESTED

No. of EQR's Requested: ONE | Tap Size/Capacity: ONE INCH

SERVICE USE[1]
[Attach detailed description of service use]

☑ Single Family Residential
☐ Multi-Family Residential
*Number of Dwelling Units:*_________
☐ Mixed-Use
*Commercial (sq. ft.):*_______ *Residential (units):*_______

☐ Commercial
*Type of business:*_______________________
☐ Industrial
*Type of trade or service:*_______________________
(i.e., professional trades; general services; storage; contractor services)

NON-REFUNDABLE FEE and INITIAL/ADDITIONAL DEPOSITS

$1,000 Non-refundable Extra-Territorial Tap Application Fee [*see* § 171-6.B(ii) of the Town Code]. _________ (Initial)

$1,000 Initial Deposit for Extra-Territorial Tap Reimbursement for Outside Consultants [*see* § 171-6.B(iii) of the Town Code][2] _________ (Initial)

$1,000 Additional Deposit for Extra-Territorial Tap Reimbursement for Outside Consultants _________ (Initial)
Applicant agrees that upon exhaustion of the initial deposit, it shall make an additional deposit of $1,000 and shall continue to make such deposits until the said reimbursement has been made in full [*see* § 171-6.B(iii) of the Town Code].

Property Owner/Owner's Authorized Agent Suzanne Berkhofer (Print Name)

Signature Suzanne Berkhofer Date: 10/20/2025

My signature and initials above are an acknowledgment by me that I have read and agree to the required Non-refundable Extra-Territorial Tap Application Fee, in addition to the initial and additional deposits for the Extra-Territorial Tap Reimbursement for Outside Consultants.

---

1 Please refer to Chapter 171, Section 171-11.A 3 of the Frisco Town Code in order to determine the type of usage of each requested tap; attach a more detailed description if the application is for service to more than one (1) dwelling unit.

2 The purpose of this Extra-Territorial Tap Reimbursement for Outside Consultants Initial deposit is to reimburse the Town for its reasonable outside consulting fees incurred in the evaluation of the application and any water right offered to the Town in satisfaction of the Water Right Dedication Requirement. The Town will refund any amount of such deposit remaining after it has been reimbursed in full [see § 171-6.B(iii)].

WATER RIGHTS DEDICATION/CASH IN LIEU

The Owner proposes to dedicate to the following water rights to the Town, and to pay any and all costs incurred by the Town that may be necessary or desirable to cause such rights to be put to use in providing water for the subject property (attach evidence of the owned water right(s)):

(i) ______________________________; and
(ii) ______________________________.

or

The Owner seeks a discretionary determination by the Town to allow a cash-in-lieu of water rights dedication, in an amount to be determined in accordance with the applicable provisions of Chapter 171 of the Town Code. SB (Initial)

ADVISEMENT CONCERNING WATER MAINS INSTALLED AT THE EXPENSE OF DEVELOPER OR USER

Pursuant to § 171-6.I-K of the Town Code, Applicant acknowledges and agrees to the following:

(1) Any water mains installed by the Town or by a developer or user are always at the expense of the developer or user; SB (Initial)
(2) If requested by the Town, the developer or user shall deed to the Town the water system and rights-of-way, and any easement associated therewith, after completion; and SB (Initial)

Property Owner/Owner's Authorized Agent ______________________ (Print)

Signature Suzanne Berkhofer Date: 10/20/2025

My signature and initials above are an acknowledgment by me that I have read § 171-6.I-K and agree to the conditions contained therein.

TOWN COUNCIL'S AUTHORITY CONCERNING APPLICATION FOR APPROVAL OF EXTRA-TERRITORIAL TAP

SB Please initial to acknowledge and confirm the Owner's understanding of Section 171-6.L of the Town Code, which states that the Town Council, at its discretion, shall have the authority to deny Applications for Approval of Extra-Territorial Taps or approve such applications with conditions should it deem such denial or approval with conditions to be in the best interest of Town residents, as set forth in subsections (i)-(iii) of § 171-6.L.

SB Please initial to acknowledge and confirm the Owner's understanding that, in considering your application, the Town Council will consider whether the issuance of the requested Extra-Territorial Tap(s) will result in detrimental secondary impacts to the Town of its residents, and that in determining such detrimental secondary impacts, the Town Council will consider not only the number of water taps then-requested, but also whether the taps will serve a part of a larger community of development that is likely to make subsequent similar requests.

SB Please initial to acknowledge and confirm the Owner's understanding that the Town Council's consideration of detrimental secondary impacts will consider matters including but not limited to whether the planned community will result in a degradation of service levels on Town street and intersections, and whether there will be in increase in demands for Town police protective services, park and recreation programs and services, or other public facilities or services without attendant revenue to pay the costs of avoiding the degradation of service levels or to meet the increase in demand.

Please describe briefly below and attach any information that you think that the Town Council should consider concerning the assessment of adverse secondary impacts that the planned community may cause within the Town of Frisco, as well as any measures or improvements that are proposed to mitigate such impacts.

See attached

VERIFICATION BY APPLICANT OF REQUIREMENTS AND CONDITIONS

SB Please initial to verify your acknowledgement and agreement that the outdoor use of water delivered to any Extra-Territorial Tap is **prohibited,** subject only to the limited exceptions set forth in Section 171-6.B(iv) of the Town Code.

SB Please initial to verify your acknowledgement and agreement that regardless of approval of an Extra-Territorial Water Tap, no water tap shall be sold by the Town except in conjunction and simultaneously with the issuance of a building permit for the improvement to be served by the water tap.

SB Please initial to verify your acknowledgement and agreement that the issuance of any Extra-Territorial Tap is conditioned upon receipt by the Town of written confirmation from the Frisco Sanitation District that the property to be served is connected to and served by the wastewater treatment system operated by the sanitation district, and that the Extra-Territorial Tap Contract will condition the Town's continuing obligation to deliver water to the Extra-Territorial Tap on the Owner maintaining such connection and service.

SB Please initial to verify your agreement that, at the Town's request, any existing well(s) on the property to be served by an Extra-Territorial Tap have been plugged and abandoned and that a copy of the executed DWR Form GWS-09, file-stamped as received by the State Engineer's Office will be delivered to the Town.

ADVISEMENT CONCERNING EXTRA-TERRITORIAL TAP CONTRACT; CASH IN LIEU OF WATER RIGHT DEDICATION; and WATER RIGHT DEDICATION REQUIREMENT FOR EXTRA-TERRITORIAL TAPS

Pursuant to Section 171-4.A of the Town Code, an ***Extra-Territorial Tap Contract*** is required for service to an Extra-Territorial Tap and shall contain, among other provisions, the following to which the Applicant must acknowledge and agree:

(i) If permitted at the Town's discretion, the payment of ***Cash in Lieu of Water Right Dedication*** must be made in full by Applicant as identified in the Extra-Territorial Tap Contract (see Town Code § 171-6.D(iv)); ________ (Initial)

(ii) ***Water Right Dedication Requirement for Extra-Territorial Taps***, which shall be identified in the Extra-Territorial Tap Contract, must be conveyed to the Town by Applicant in a form satisfactory to the Town Attorney and the Town's water rights counsel as identified in the Extra-Territorial Tap Contract (see § 171-6.D(v)); and N/A (Initial)

(iii) The owner must grant the Town a first right of refusal to acquire any water right historically used on the property to be served by the Extra-Territorial Tap. ________ (Initial)

Note, the above section references are provided for convenience only. Please read the entirety of Chapter 171 as it relates to the above items (i), (ii) and (iii) in order to understand the conditions required with regard to same, specifically any additional requirements, conditions, or exceptions with regard to water use related to Extra-Territorial Taps.

Property Owner/Owner's Authorized Agent Suzanne Berkholer (Print)

Signature Suzanne Berkholer Date: 10/20/2025

My signature and initials above are an acknowledgment by me that I have read and agree to the requirements associated with the Extra-Territorial Tap Contract, Cash in Lieu of Water Right Dedication, and Water Right Dedication Requirement for Extra-Territorial Taps.

CERTIFICATION OF APPLICANT

I hereby certify that the information contained in this Application for Extra-Territorial Tap, and any and all attachments is true, correct, and complete to the best of my knowledge, contains no false, misleading or fraudulent statements, and that it is my responsibility and the responsibility of my agents/employees to comply with Town of Frisco Municipal Code ("Code"), specifically, Chapter 171 and the sections of the Code as they relate to water service outside of Town. I also certify that I have read and understand those sections in Chapter 171 of the Code pertaining to same. If I, as the Applicant, am not the Owner of the property to be served, then I hereby certify that I am the duly authorized agent of that Owner, and I have attached written documentation of my authorization.

Suzanne Berkhofer

Authorized Signature

Property owner

Title

Suzanne Berkhofer

Print Name

10/20/2025

Date

FOR OFFICE USE ONLY	
Account #:	Total Tap Fee Paid: $

Water line construction plans received and approved N/A
Water Line Inspection Form Complete? (please attach) ______
Water line as-built drawings received______
Private Well abandonment form received (please attach) N/A
Proof of Connection to Frisco Sanitation District system_ (please attach) SEE ATTACHED
Cash in Lieu or Water Rights Dedication CASH IN LIEU

Cash in Lieu Paid:$	Application fee paid: $ 1,000.00 CHECK # 2993
Initial Deposit Paid: $ 1000.00	Additional Deposit Paid: $
Deposit refunded: $	
Processed By:______	Date:______
Approved By:______	Date:______

SUZANNE & GEORGE BERKHOFER

254 Alpine Drive | P.O. Box 716 |Frisco, CO 80443 | 631.377.9662 | sue@soleeast.com

October 16, 2025

Frisco Public Works
102 Summit School Road
Frisco, CO 80443

Frisco Public Works Department/ Water Authority,

In early September of this year, I visited your offices seeking a "will serve letter" for a portion of my property (254 Alpine Drive, Frisco), which I am in the process of applying to subdivide. At that time, I was informed by your office, that since the current home (Lot 1 on the Survey attached) is on Town Water, that it may be possible that the second lot could also hook in.

I was told that a determination could only be made once the proposed Lot#2 "was given an address". I received the address from the Summit County GIS Department today. Please see attached, reflecting the Lot #2 address: 170 Willow Lane. Please note that this property also borders Rivercrest Dr. During my September inquiry, I was also informed by your office that in the event tapping into existing water line was unavailable, there is a water main on Rivercrest, which could be another option for tapping into.

The water source component for the lot (#2) is the last component necessary to move the preliminary plat application forward. **With the address documentation provided (attached), I am once again seeking a "will serve" letter for a water source to Proposed 170 Willow Lane.** Please feel free to reach out to me with any questions or comments.

I appreciate your help!

Sincerely,

Suzanne Berkhofer

Suzanne Berkhofer

SUMMIT COUNTY
COLORADO

INFORMATION SYSTEMS DEPARTMENT

970-668-4200

Post Office Box 5660
County Commons
0037 County Road 1005
Frisco, Colorado, 80443

TO: Owner and Concerned Agencies

FROM: Chandler Morehardt, GIS Analyst

SUBJECT: New address for LOT 1,2 BLOCK 2 WIBORG PARK SUB # 1 LOT LINES VACATED PER REC#164598

DATE: October 15, 2025

To Whom It May Concern:

This letter is to confirm a new address for ***LOT 1,2 BLOCK 2 WIBORG PARK SUB # 1 LOT LINES VACATED PER REC#164598*** :

0128 Willow Ln (CR 1054) – Future Lot 1
0170 Willow Ln (CR 1054) – Future Lot 2

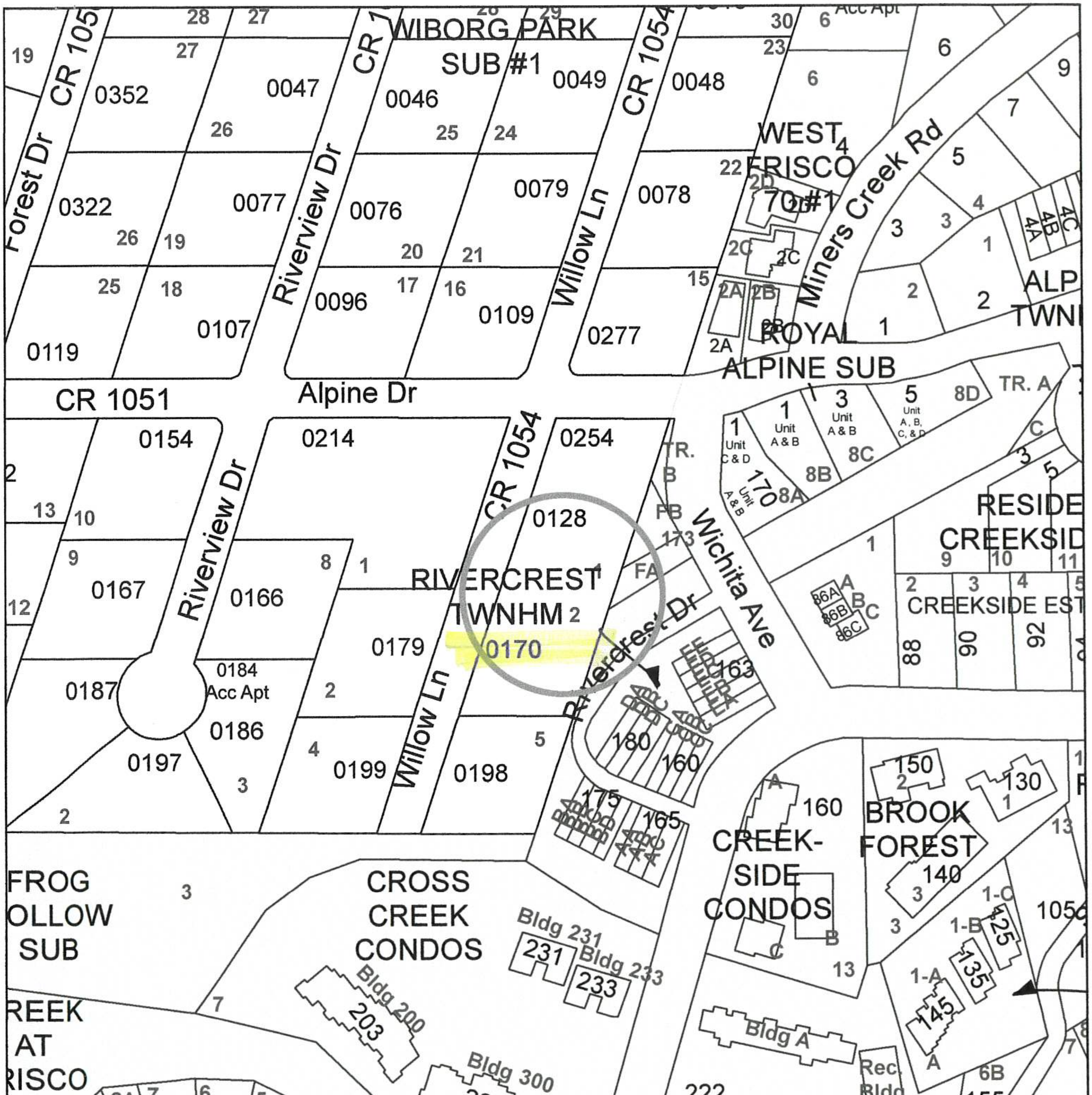
The existing address of 0254 Alpine Dr will be retired once these lots are officially split.

Please see the attached map for the address location. The address is located in Unincorporated Summit County, with a zip code of 80443. It is located in Section 34, T5S R78W. This property can be found on pages W12 and W40 of the Summit County Address Book.

If you have any questions or comments, please feel free to contact me.

Sincerely,

Chandler Morehardt
Information Systems
Summit County Government
GIS Analyst
Chandler.Morehardt@summitcountyco.gov
970-668-4219
PO Box 5660
Frisco, CO 80443



New Addresses for LOT 1,2 BLOCK 2 WIBORG PARK SUB # 1 LOT LINES VACATED PER REC#164598

1 inch = 168 feet

Physical Addresses:
0128 Willow Ln (CR 1054)
0170 Willow Ln (CR 1054)

Notes:
Unincorporated Summit County
Section 34 T5S R78W, RAB Pages: W12 small, W40 large

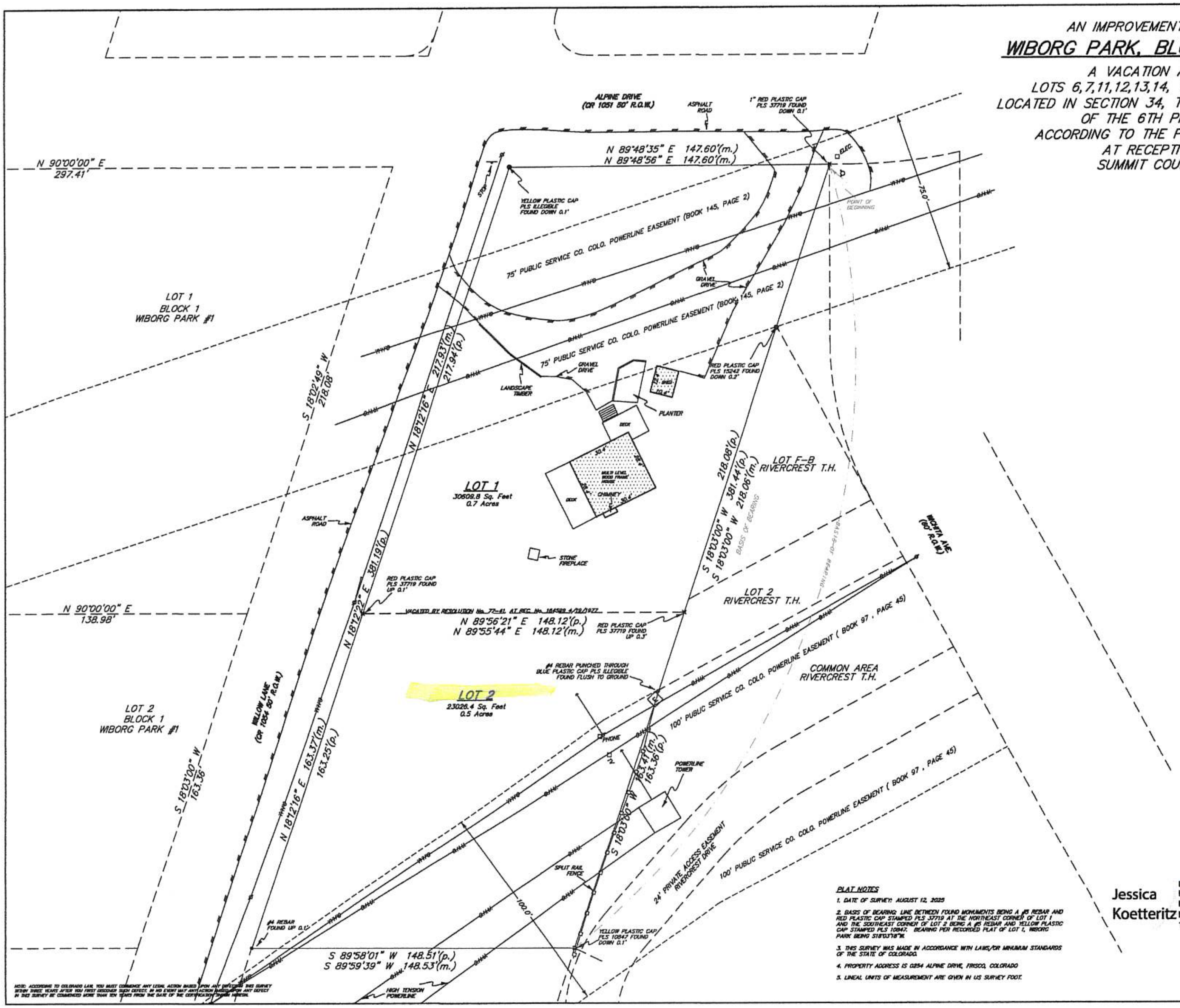
SUMMIT COUNTY
COLORADO

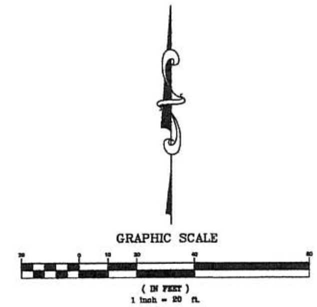
This map is for display purposes only.
Do not use for legal conveyance.
Not necessarily accurate by surveying standards, and does not comply with National Mapping Accuracy Standards.

AN IMPROVEMENT SURVEY PLAT OF

WIBORG PARK, BLOCK 2, LOTS 1 & 2

A VACATION AND REPLAT OF
LOTS 6,7,11,12,13,14, WIBORG PARK FILING No.1
LOCATED IN SECTION 34, TWP.5 SOUTH, RANGE 78 WEST
OF THE 6TH PRINCIPLE MERIDIAN
ACCORDING TO THE PLAT FILED ON 4/9/1970
AT RECEPTION No. 115682
SUMMIT COUNTY, COLORADO





GRAPHIC SCALE

(IN FEET)
1 inch = 20 ft.

LEGEND

●	FOUND REBAR & PLASTIC CAP (PLS ILLEGIBLE)
○	FOUND REBAR & PLASTIC CAP (PLS 15242)
•	FOUND #4 REBAR
▫	FOUND REBAR & PLASTIC CAP (PLS 10847)
×	FOUND REBAR & RED PLASTIC CAP (PLS 37719)
ᐅ	FIRE HYDRANT
□	UTILITY PEDESTAL
ø	UTILITY POLE
E	TRANSFORMER

PLAT NOTES

1. DATE OF SURVEY: AUGUST 12, 2025
2. BASIS OF BEARING: LINE BETWEEN FOUND MONUMENTS BEING A #5 REBAR AND RED PLASTIC CAP STAMPED PLS 37719 AT THE NORTHEAST CORNER OF LOT 1 AND THE SOUTHEAST CORNER OF LOT 2 BEING A #5 REBAR AND YELLOW PLASTIC CAP STAMPED PLS 10847. BEARING PER RECORDED PLAT OF LOT 1, WIBORG PARK BEING S18°03'18"W.
3. THIS SURVEY WAS MADE IN ACCORDANCE WITH LAWS/OR MINIMUM STANDARDS OF THE STATE OF COLORADO.
4. PROPERTY ADDRESS IS 0254 ALPINE DRIVE, FRISCO, COLORADO
5. LINEAL UNITS OF MEASUREMENT ARE GIVEN IN US SURVEY FOOT.

NOTE: ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE 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 YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.

SURVEYOR'S CERTIFICATE

I, JESSICA J. KOETTERITZ, BEING A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THIS PLAT AND SURVEY WERE PREPARED BY ME AND UNDER MY SUPERVISION AND THAT BOTH ARE ACCURATE TO THE BEST OF MY KNOWLEDGE.

DATED THIS 29TH DAY OF AUGUST, 20 25

SIGNATURE: Jessica Koetteritz
JESSICA J. KOETTERITZ
COLORADO REGISTRATION NO. 38855

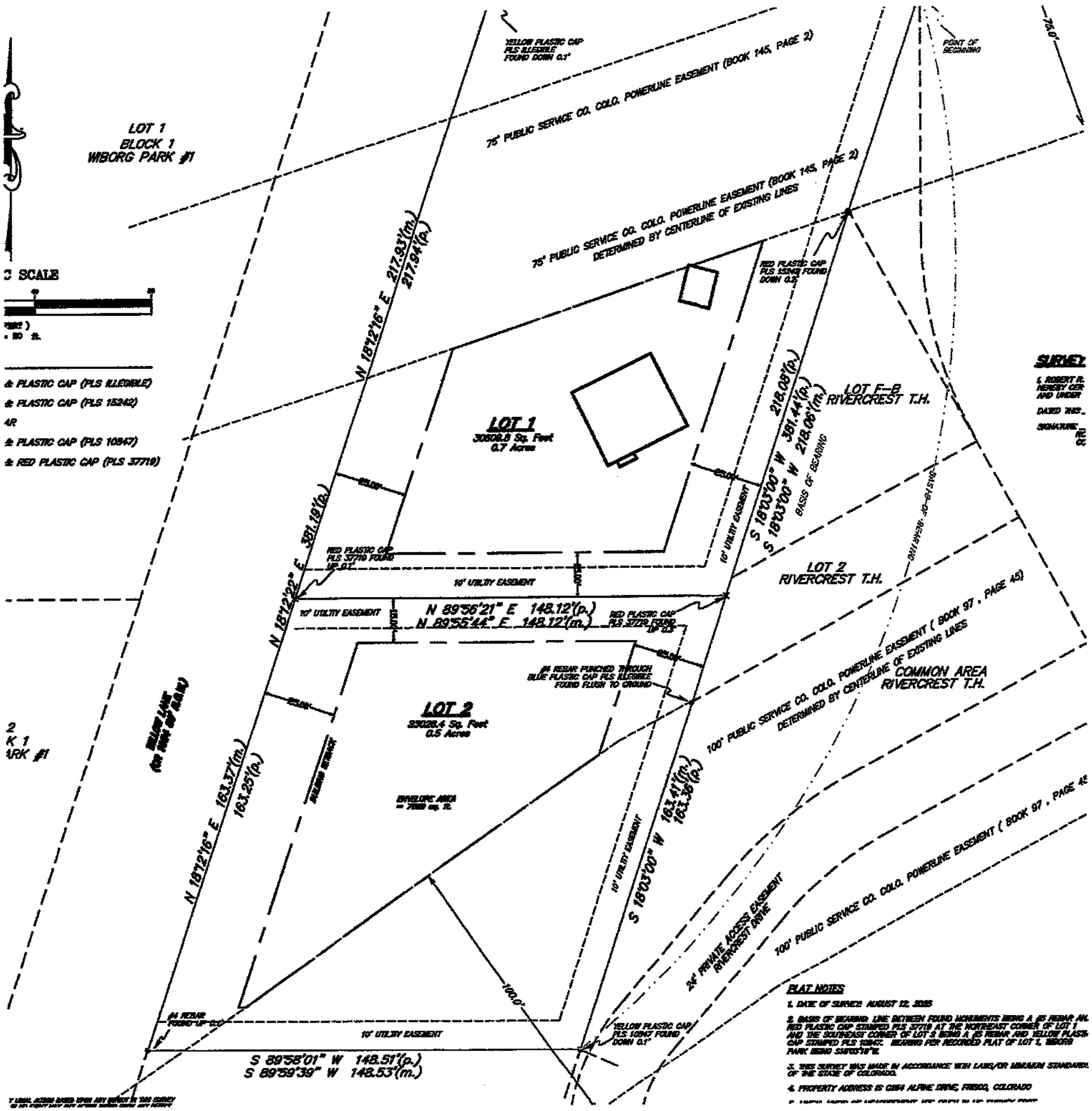
COLORADO REGISTERED PROFESSIONAL LAND SURVEYOR 38855

Jessica Koetteritz

Digitally signed by Jessica Koetteritz
Date: 2025.08.29 13:44:32 -06'00'

Drawn ESH	Dwg 23079	Project 23079
Checked JJK	Date 8/29/2025	Sheet 1 of 1

RANGE WEST INC.
ENGINEERS & SURVEYORS
P.O. Box 589
Silverthorne, CO 80498 970-468-6281


LOT 1
BLOCK 1
WIBORG PARK #1
SCALE
PLASTIC CAP (PLS ILLEGIBLE)
PLASTIC CAP (PLS 15242)
PLASTIC CAP (PLS 10847)
RED PLASTIC CAP (PLS 37719)
YELLOW PLASTIC CAP
PLS ILLEGIBLE
FOUND DOWN 0.1'
75' PUBLIC SERVICE CO. COLO. POWERLINE EASEMENT (BOOK 145, PAGE 2)
75' PUBLIC SERVICE CO. COLO. POWERLINE EASEMENT (BOOK 145, PAGE 2)
DETERMINED BY CENTERLINE OF EXISTING LINES
POINT OF
BEGINNING
N 18°12'16" E 217.93'(m.)
217.94'(p.)
RED PLASTIC CAP
PLS 15242 FOUND
DOWN 0.2'
LOT 1
30609.8 Sq. Feet
0.7 Acres
LOT F-B
RIVERCREST T.H.
S 18°03'00" W 381.44'(p.)
S 18°03'00" W 218.06'(m.)
218.08'(p.)
BASIS OF BEARING
N 18°12'22" E 381.19'(p.)
RED PLASTIC CAP
PLS 37719 FOUND
10' UTILITY EASEMENT
LOT 2
RIVERCREST T.H.
N 89°56'21" E 148.12'(p.)
N 89°55'44" E 148.12'(m.)
RED PLASTIC CAP
PLS 37719 FOUND
#4 REBAR PUNCHED THROUGH
BLUE PLASTIC CAP PLS ILLEGIBLE
FOUND FLUSH TO GROUND
COMMON AREA
RIVERCREST T.H.
100' PUBLIC SERVICE CO. COLO. POWERLINE EASEMENT (BOOK 97 , PAGE 45)
DETERMINED BY CENTERLINE OF EXISTING LINES
LOT 2
23028.4 Sq. Feet
0.5 Acres
ENVELOPE AREA
BUILDING SETBACK
N 18°12'16" E 163.37'(m.)
163.25'(p.)
S 18°03'00" W 163.41'(m.)
163.38'(p.)
100.0'
24' PRIVATE ACCESS EASEMENT
RIVERCREST DRIVE
100' PUBLIC SERVICE CO. COLO. POWERLINE EASEMENT (BOOK 97 , PAGE 45
#4 REBAR
YELLOW PLASTIC CAP
PLS 10847 FOUND
DOWN 0.1'
S 89°58'01" W 148.51'(p.)
S 89°59'39" W 148.53'(m.)
75.0'
SURVEY
PLAT NOTES
4. PROPERTY ADDRESS IS 0264 ALPINE DRIVE, FRISCO, COLORADO

FRISCO SANITATION DISTRICT
P.O. Box 601 • Frisco, Colorado 80443

August 28, 2025

Sue Berkhofer

254 Alpine Drive, Frisco CO

Re: Sewer Service Will Serve Letter – 254 Alpine Drive/ Lot 1 & 2 Wiborg Park Sub #1

Dear Sue Berkhofer

The Frisco Sanitation District confirms that sewer service is available for the above property. Service will be provided once all District requirements are met, including but not limited to:

- Petitioning for and gaining approval for inclusion into the District,
- Submittal and approval of construction plans,
- Payment of all required fees, and
- Completion and acceptance of any necessary sewer improvements.

This letter is valid for **one year** from the date above. The property identified above has many challenges to tie into the sanitary sewer system as there is no sewer main adjacent to the property, with no current plans to install a sewer main in that area. A lengthy, privately owned service line may be required for service.

Please contact the District office at 970-668-3723 with any questions.

Sincerely,

Matt Smith
District Manager
Frisco Sanitation District

TO: MAYOR AND TOWN COUNCIL

FROM: JOSH SOUTHWORTH, PUBLIC WORKS DIRECTOR

KATIE KENT, COMMUNITY DEVELOPMENT DIRECTOR

RE: **ORDINANCE 25-20: AN ORDINANCE AMENDING CHAPTER 65 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, BY AMENDING SECTION 65-13 CONSTRUCTION PERMIT FEE SCHEDULE AND AMENDING CHAPTER 87 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, BY AMENDING SECTION 87-5 EXCAVATIONS, FEES AND BONDS**

DATE: **NOVEMBER 11, 2025**

Summary
Before the Town Council on November 11, 2025 is the first reading of Ordinance 25-20. This Ordinance proposes a modification to Frisco Town Code, Chapter 65-13 and Town Code, Chapter 87-5 concerning removing stated building division and excavation fees currently within the Town Code and being inserted into a Town supplemental fee schedule.

Having fees in a town wide fee schedule allows the Town Council to review and analyze fees on an annual basis. It is also how fees are handled in most jurisdictions. When such fees reside in code language, as ours do now, they are typically not changed until a request for a change of fee(s) is requested and when requested, requires two readings of an Ordinance for any proposed modifications. This proposed change to a fee schedule has been reviewed by and is supported by our Town Attorney.

If supported by Council, the second reading of Ordinance 25-20 will be at the December 9, 2025 meeting after the Council adopts a Resolution approving a supplemental town fee schedule through resolution.

Analysis:
The Building Division is responsible for the review of construction documents for compliance with numerous International Codes including: IBC, IRC, IPC, IMC, IFGC, IECC, IWUI, ISPSC, IPMC, and IEBC; issuance of building permits, inspection of structures; and investigations of complaints related to building code violations. Plan review includes new construction, additions, remodels, and tenant improvements for both commercial and residential construction. The division also provides counsel on policy matters and issues concerning physical development in the Town. Subcategories of building, plumbing, and mechanical permits are all reviewed and issued through the Town's contracted Building Division. Electrical permits for work within the Town are

submitted, processed, and issued through Summit County Government and elevator permits for work within the Town are submitted, processed, and issued through the Northwest Council of Governments (NWCOG).

Public Works is responsible for the review and issuance of permits for excavation or opening for utility installation in or on any private property or under the surface or pavement of any street, alley, sidewalk or other public place within the limits of the Town of Frisco; provided however, that in case of an actual emergency it shall be lawful to make such excavation without a permit in order to repair utilities if a present danger to life or property exists.

Proposed changes as outlined in Ordinance 25-20 include:

1. Remove stated building permit fees and reference a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

2. Remove stated electrical permit fees and reference. a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

3. Remove stated mechanical permit fees and reference a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

4. Remove stated plumbing permit fees and reference a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

5. Remove stated elevator permit and certificate of inspection fees and reference fees set forth in a town fee schedule anticipated to be adopted by Resolution on December 9, 2025..

6. Remove stated “other inspection and fees” and reference a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

7. Remove stated “excavation permit fee” and reference a town fee schedule anticipated to be adopted by Resolution on December 9, 2025.

Staff Recommendation: Staff recommends that the Town Council approve the first reading of Ordinance 25-20:

AN ORDINANCE AMENDING CHAPTERS 65 AND 87 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, BY AMENDING SECTION 65-13, CONCERNING THE CONSTRUCTION PERMIT FEE SCHEDULES, AND SECTION 87-5, CONCERNING EXCAVATIONS PERMIT FEES AND BONDS

Reviews and Approvals:

- Diane McBride, Assistant Town Manager
- Tom Fisher, Town Manager

Attachments:

Attachment 1_Ordinance 25-20

TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 25-20

AN ORDINANCE AMENDING CHAPTERS 65 AND 87 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, BY AMENDING SECTION 65-13, CONCERNING THE CONSTRUCTION PERMIT FEE SCHEDULES, AND SECTION 87-5, CONCERNING EXCAVATIONS PERMIT FEES AND BONDS.

WHEREAS, the Town of Frisco, Colorado ("Town") is a home rule municipality, duly organized and existing under Article XX of the Colorado Constitution; and

WHEREAS, in support of public health, safety and welfare, the Town regulates the construction of buildings and excavations for utilities within the Town, and has placed fees on the issuance of building permits and excavation permits in order to recoup the costs associated with the review of applications for, and issuance of, such permits; and

WHEREAS, the Town of Frisco currently regulates construction within the Town and the related construction permit fees under Chapter 65 of the Frisco Town Code; and

WHEREAS, the Town of Frisco currently regulates excavation within the Town and the related excavation permit fees under Chapter 87 of the Frisco Town Code; and

WHEREAS, the Town Council desires to amend Chapter 65 to remove the construction permit fee schedule in order that fees that are imposed by the Town therein may be set forth in a comprehensive fee schedule to be adopted by Council Resolution from time to time; and

WHEREAS, the Town Council desires to amend Chapter 87 to remove the excavation permit fee schedule in order that fees that are imposed by the Town therein may be set forth in a comprehensive fee schedule to be adopted by Council Resolution from time to time; and

WHEREAS, the Town Council has created a Town of Frisco Fee Schedule to be adopted and amended by Resolution of the Town Council from time to time.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO THAT:

Section 1. Section 65-13 of the Frisco Town Code, Concerning Construction Permit Fee Schedule, is hereby amended to read in its entirety as follows:

§ 65-13. Construction permit fee schedule.

A. *Building permit fees.*

(1) *Permit fees.* The fee for each permit for which a building permit application is received shall be ~~set forth in Table 65-13 A (1)~~ as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time.

(2) *Plan review fees.* When submittal documents are required by the building code, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. Said plan review fee shall be ~~65 percent of the building permit fee as set forth in Section 65-13 A (1)~~ as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time. The plan review fees specified in this section are separate fees from the permit fees specified in Section 65-13 A (1) and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in the Town's fee schedule ~~Table 65-13F(1~~).

(a) *Deferred submittal plan review fees.* When the project involves deferred submittal items as defined in the building code, the plan review fee shall be equal to the amount of the permit fee as set forth in ~~Section 65-13A(1)~~ the Town's fee schedule.

~~Table 65-13A(1)~~ **~~BUILDING PERMIT FEES~~**	
~~TOTAL VALUATION~~	**~~FEE~~**
~~$1.00 to $500.00~~	~~$50.00~~
~~$500.01 to $2,000.00~~	~~$50.00 for the first $500.00 plus $1.25 for each additional $100.00, or fraction thereof, to and including $2,000.00~~
~~$2,000.01 to $25,000.00~~	~~$69.25 for the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00~~
~~$25,000.01 to $50,000.00~~	~~$391.25 for the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00~~
~~$50,000.01 to $100,000.00~~	~~$643.75 for the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00~~
~~$100,000.01 to $500,000.00~~	~~$993.75 for the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00~~
~~$500,000.01 to $1,000,000.00~~	~~$3,233.75 for the first $500,000.00 plus $4.75 for each additional $1,000, or fraction thereof, to and including $1,000,000.00~~
~~$1,000,000.01 and up~~	~~$5,608.75 for the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof~~

B. *Electrical permit fees.*

(1) *Permit fees and Plan Review Fees*. The fee for each permit shall be as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time ~~in Table 65-13B(1)~~.

Plan Review Fees. The plan review fees for electrical work shall be ~~65 percent of the electrical permit fee as set forth in Section 65-13(B)(1)~~ as set forth in the fee schedule adopted and amended by resolution of the Town Council from time to time. The plan review fees specified in this section are separate from the permit fees specified in ~~Section 65-13(B)(1)~~ the fee schedule and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be paid as set forth in ~~Table 65-13B(1)~~ the fee schedule.

~~**Table 65-13B(1)**~~ ~~**ELECTRICAL PERMIT FEES**~~		
~~**RESIDENTIAL FEES:** This includes construction and extensive remodeling and additions to modular homes, duplexes, condominiums and townhouses (based on the enclosed living area).~~		
	~~**UNIT AREA**~~	~~**PERMIT FEE**~~
	~~Not more than 1,000 sq. ft.~~	~~$120.00~~
	~~Over 1,000 sq. ft., and not more than 1,500 sq. ft.~~	~~$168.00~~
	~~Over 1,500 sq. ft., and not more than 2,000 sq. ft.~~	~~$216.00~~
	~~Over 2,000 sq. ft.~~	~~$216.00 plus $9.60 per 1,000 sq. ft. or fraction thereof over 2,000 sq. ft.~~
~~**ALL OTHER FEES:** All other permit fees shall be computed on the dollar value of the electrical installation, including time and material, and such fees shall be computed as follows:~~		
	~~**VALUATION**~~	~~**PERMIT FEE**~~
	~~Not more than $2,000.00~~	~~$120.00~~
	~~More than $2,000.00~~	~~$9.60 per thousand or fraction thereof plus $120.00~~
	~~Temporary Power Permit~~	~~$65.00~~
	~~Hot Tub Electrical Permit~~	~~$120.00~~
	~~Additional plan review~~	~~$65.00 per hour or fraction thereof~~
	~~Reinspection on all above~~	~~$65.00~~

C. *Mechanical permit fees.*

(1) *Permit fees.* The fee for each permit shall be as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time. ~~determined by multiplying total mechanical value or valuation by a constant of 0.0075. The minimum fee for any mechanical permit shall be $50.00. The determination of value or valuation shall be as set forth in Section 109.3 of the International Building Code~~. ~~Mechanical permit valuation set by the building official for projects without accurate total valuation by the applicant will be determined as a percentage of total building valuation by multiplying the total building valuation by a constant of 0.10.~~

(2) *Plan review fees.* The plan review fees for mechanical work shall be as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time ~~equal to 65 percent of the mechanical permit fee as set forth in Section 65-13(C)(1)~~. The plan review fees specified in this section are separate fees from the permit fees specified in Section 65-13(C)(1) and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in ~~Table 65-13F(1)~~ the fee schedule.

D. *Plumbing permit fees.*

(1) *Permit Fees.* The fee for each plumbing permit shall be as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time ~~determined by multiplying total plumbing value or valuation by a constant of 0.0075. The minimum fee for any plumbing permit shall be $50.00. The determination of value or valuation shall be as set forth in Section 109.3 of the International Building Code~~. ~~Plumbing permit valuation set by the building official for projects without accurate total valuation by the applicant will be determined as a percentage of total building valuation by multiplying the total building valuation by a constant of 0.10.~~

(2) *Plan review fees.* The plan review fees for plumbing work shall be as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time ~~equal to 65 percent of the plumbing permit fee as set forth in Section 65-13(D)(1)~~. The plan review fees specified in this section are separate fees from the permit fees specified in Section 65-13(D)(1) and are in addition to the permit fees. When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in ~~Table 65-13F(1)~~ the fee schedule.

E. *Elevator permit and certificate of inspection fees.*

(1) *Permit and Plan Review Fees.* The fee for each permit shall be as set forth ~~in Table 65-13E(1)~~ as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time.

(2) *Additional plan review fees.* When submittal documents are incomplete or changed so as to require additional plan review, an additional plan review fee shall be charged at the rate shown in ~~Table 65-13E(1)~~ the fee schedule.

~~**Table 65-13E(1)**~~ ~~**ELEVATOR PERMIT FEES**~~	
	~~**Fee**~~
~~**New Installations:**~~	
~~1. Passenger or freight elevator, lula, escalator, moving walk:~~	
~~-Valuation up to and including $50,000.00~~	~~$5,000.00~~
~~-Valuation $50,000.00 to $199,999.00~~	~~$500.00 plus $20.00 for each $1,000.00 or fraction thereof over $50,000.00~~
~~-Valuation $200,000.00 and up~~	~~$3,500.00 plus $10.00 for each $1,000.00 or fraction thereof over $200,000.00~~
~~2. Lift, dumbwaiter or private residence elevator:~~	
~~-Up to and including $20,000.00 of valuation~~	~~$350.00~~
~~-Over $20,000.00 of valuation~~	~~$350.00 plus $10.00 for each $1,000.00 or fraction thereof over $20,000.00~~
~~3. Work performed without a permit~~	~~Double the Permit Application Fee~~
~~**Major Alterations:**~~	
~~-Valuation up to and including $10,000.00~~	~~$350.00~~
~~-Valuation $10,001 to $25,000.00~~	~~$500.00~~
~~-Valuation $25,001 and up~~	~~$500.00 plus $20.00 for each $1,000.00 or fraction thereof over $25,001.00~~
~~Work performed without a permit~~	~~Double the Permit Application Fee~~
~~**Other Inspection Fees:**~~	
~~1 Inspections outside of normal hours, per hour (minimum charge - two hours~~	~~$150.00~~
~~2. Reinspection of non-operational conveyances, per hour~~	~~$150.00~~
~~3. Inspections for which no fee is specifically indicated, per hour (minimum charge - one hour)~~	~~$150.00~~

~~4. Additional plan review, per hour (minimum charge - one hour)~~	~~$150.00~~

(3) *Annual certificate of inspection fees.* The fee for each annual certificate of inspection shall be as set forth ~~in Table 65-13 E (3)~~ in a fee schedule adopted and amended by resolution of the Town Council from time to time .

~~**Table 65-13 E (3)**~~ ~~**ELEVATOR ANNUAL CERTIFICATE OF INSPECTION FEES**~~[1, 2]	
~~**Description**~~	~~**Fee**~~
~~Elevator up to 3 stops~~	~~$225.00~~
~~Elevator with 4 to 6 stops~~	~~$275.00~~
~~Escalator, per hour~~	~~$100.00~~
~~Dumbwaiter~~	~~$225.00~~
~~Lift~~	~~$225.00~~
[1] ~~Each elevator or moving walk unit powered by one motor shall be considered as a separate escalator or moving walk.~~ [2] ~~Residential elevators do not require certificates of inspection.~~	

F. *Other inspections and fees.*

(1) *Other construction permit fees.* Other inspections and fees associated with these permits and the services provided by the building official shall require payment of fees ~~as listed in Table 65-13F(1)~~ as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time.

~~**Table 65-13F(1)**~~ ~~**OTHER INSPECTIONS AND FEES**~~	
~~**Description**~~	~~**Fee**~~
~~1. Inspections outside of normal business hours (minimum charge - two hours)~~	~~$65.00 per hour~~[1]
~~2. Reinspection fees assessed~~[2]	~~$65.00~~
~~3. Inspections for which no fee is specifically indicated (minimum charge - one hour)~~	~~$65.00 per hour~~[1]
~~4. For use of outside consultants for plan checking or inspections, or both~~	~~Actual costs~~[3]
~~5. Additional plan review (minimum charge - one hour)~~	~~$65.00 per hour~~[1]
~~6. Residential photovoltaic permit~~	~~$75.00~~
~~7. Hot tub/spa installation permit~~	~~$50.00~~
~~8. Residential Re-roof permit (IRC dwellings)~~	~~$100.00~~
~~9. Defensible space permit fee~~	~~$150.00~~

~~9. Clerical time for researching or duplicating records, or both (minimum charge - one hour)~~	~~$65.00 per hour[1]~~
~~[1] Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employee involved.~~ ~~[2] Reinspection fees shall be paid physically in person to the office of the Department of Building Safety.~~ ~~[3] Actual costs include administrative and overhead costs.~~	

Section 2. Section 87-5 of the Frisco Town Code, Concerning Fees and Bonds in connection with excavations, is hereby amended to read in entirety as follows:

A. Upon application for an excavation permit, the applicant shall pay to the Town a permit fee ~~in the sum of $200.00 ,~~ as set forth in a fee schedule adopted and amended by resolution of the Town Council from time to time to cover the cost of administration, initial inspection, locates and final inspection.

Section 3. Repeal. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repeal shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 4. Effective Date. In accordance with Section 3-8 of the Town Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION AND POSTING ORDERED THE 11TH DAY OF NOVEMBER 2025.

INTRODUCED, PASSED ON SECOND READING AND PUBLICATION AND POSTING ORDERED THIS 9TH DAY OF DECEMBER 2025.

TOWN OF FRISCO, COLORADO:

____

Frederick J. Ihnken, Mayor

ATTEST:

____

Stacey Campbell, Town Clerk

TO:	**Mayor and Town Council**
FROM:	**Ryan Thompson, Water Superintendent, Josh Southworth, Public Works Director**
RE:	***Estimated Start Time 7:30PM -*** **First Reading Ordinance 25-24: AN ORDINANCE PROHIBITING THE USE OF GRAYWATER AND THE INSTALLATION OF GRAYWATER TREATMENT SYSTEMS WITHIN THE TOWN OF FRISCO**
DATE:	**November 11, 2025**

Summary & Background:
On May 29, 2024, Governor Jared Polis signed into law House Bill 24-1362, titled Measures to Incentivize Graywater Use. The legislation, effective January 1, 2026, and codified as Section 25-8-205.4, C.R.S., authorizes the installation and use of graywater treatment systems in new construction projects, unless a county or municipality determines that the use of such systems is not authorized within its jurisdiction.
“Graywater” is defined as wastewater from showers, bathtubs, bathroom sinks, and laundry (excluding toilets, dishwashers, and utility sinks) that can be reused for purposes such as irrigation or toilet flushing.
Underthe legislation, local governments retain control through the option to opt out of the program by adopting an ordinance or resolution.
Prior to this law, jurisdictions had to establish individual graywater programs under State Regulation 86, resulting in inconsistent and limited participation. HB 24-1362 streamlines that process by authorizing graywater use statewide—unless a local government formally opts out.

Analysis:
HB 24-1362 represents a proactive effort to promote water conservation and domestic water efficiency. It also allows developers to pursue environmentally conscious projects that emphasize water reuse and reduced demand.
However, participation would place unfunded regulatory and administrative responsibilities on the Town. Implementation would require staff oversight during project review and inspection, ongoing monitoring of system compliance, and enforcement of backflow and cross-connection control requirements. These activities introduce new complexity to Frisco’s existing water and building programs.
While this legislation may benefit larger or rapidly growing communities seeking to extend limited water supplies, the benefits for smaller municipalities with stable water portfolios are minimal. For Frisco, the additional oversight and liability exposure likely outweigh the

conservation gains achievable under current development trends.

Financial Impact:
Adopting HB 24-1362 would require the Town to develop a formal graywater program, amend building and development codes, document system installations, track annual inspections, and ensure compliance with State and local plumbing standards. These responsibilities would increase staff workload and create ongoing administrative costs.
Although modest utility savings could occur from reduced pumping and chemical use, meaningful system-wide benefits would require large-scale adoption. Given anticipated low participation and the significant staff time needed for program administration, the cost-benefit ratio for Frisco appears unfavorable.

Environmental Sustainability:
HB 24-1362 aligns with the Town's environmental sustainability objectives by supporting reduced water consumption and more efficient use of available resources. From a long-term resource management standpoint, the program is promising. However, its success depends heavily on both local government support and strong participation from developers and consumers—conditions that may be limited in smaller communities.

Alignment with Strategic Plan:
The intent of HB 24-1362 is consistent with the Town's Strategic Plan goal to deliver *Progress-Driven Quality Core Services* through efficiency and conservation. However, implementation poses potential conflicts with Frisco's existing water rights decrees and system design. Any introduction of non-potable reuse systems connected to the public distribution network increases cross-connection risks and could complicate compliance with water-rights obligations.

Staff Recommendation:
While HB 24-1362 advances the State's water conservation goals, **staff recommends that the Town of Frisco opt out** of participation at this time.
Implementing and enforcing graywater system standards would place new administrative, technical, and inspection demands on limited staff resources. The program also presents potential public health and cross-connection risks requiring specialized oversight. Given Frisco's size, staffing, and existing water utility structure, the anticipated local benefits do not justify the associated costs.
Opting out provides the most practical and responsible approach until the State offers additional resources, technical guidance, or incentive mechanisms to support small municipalities in adopting graywater programs.

Reviews and Approvals:
Josh Southworth, Public Works Director — Created/Initiated - 11/6/2025
Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager

Attachments:

1. Attachment 1 - Ordinance 25-24 Graywater Opt-Out

TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 25 – 24

AN ORDINANCE PROHIBITING THE USE OF GRAYWATER AND THE INSTALLATION OF GRAYWATER TREATMENT SYSTEMS WITHIN THE TOWN OF FRISCO

WHEREAS, "graywater" is the portion of wastewater collected from bathroom and laundry room sinks, bathtubs, showers, and laundry machines (but excluding wastewater from toilets, urinals, kitchen sinks, dishwashers, or nonlaundry utility sinks) in residential, commercial or industrial buildings or institutional facilities before treatment or combination with other wastewater to be put to beneficial uses, as defined by Regulation 86 of the Colorado Water Quality Control Commission, Colorado Department of Public Health and Environment (5 CCR 1002-86, June 30, 2015); and

WHEREAS, in 2013, Colorado House Bill 13-1044 authorized the use of graywater systems in municipalities only when authorized locally by ordinance, but pursuant to Colorado House Bill 24-1362, effective January 1, 2026, the collection, treatment, and use of graywater is authorized except where prohibited locally; and

WHEREAS, as a result of the significant regulation and administrative oversight that would be required to implement the safe use of graywater and graywater treatment systems, and in light of the limited use of such graywater and graywater systems that would likely result if allowed, the Town Council has determined that it is in the best interest of the Town and its inhabitants to prohibit the use of graywater and graywater systems within the Town of Frisco.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1. Findings. This ordinance is found to be supported and authorized by law and in the best interests of and necessary for the protection of the health, safety, and welfare of the public. This ordinance is enacted pursuant to C.R.S. § 25-8-205.4(2)(a) and the Home Rule Charter of the Town of Frisco. The Town Clerk will send notice of this ordinance to the Division of Administration, Department of Public Health and Environment pursuant to C.R.S. § 28-8-205.4(2)(b).

Section 2. Prohibition**.** Except for any systems permitted before the effective date of this ordinance, the installation of graywater treatment systems and the use of graywater are prohibited within the Town of Frisco, Colorado.

Section 3**.** Repeal. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repeal shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 4. Effective Date. In accordance with Section 3-8 of the Town Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION IN FULL AND POSTING BY TITLE ORDERED ON THE 11th DAY OF NOVEMBER, 2025.

ADOPTED ON SECOND READING AND PUBLICATION BY TITLE ORDERED ON THE 9th DAY OF DECEMBER, 2025.

TOWN OF FRISCO, COLORADO

____

Mayor Frederick J. Ihnken

ATTEST:

____

Stacey Campbell, Town Clerk

TO:	**Mayor and Town Council**
FROM:	**James Gorham, Economic Development Manager**
RE:	***Estimated Start Time 7:40PM -*** **Second Reading Ordinance 25-21: AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF FRISCO, THE FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY, THE NHP FOUNDATION, AND NHPF WEST MAIN, LLC, CONCERNING THE AFFORDABLE HOUSING DEVELOPMENT TO BE CONSTRUCTED AT 101 WEST MAIN STREET**
DATE:	**November 11, 2025**

Summary & Background:

Town staff are bringing forth an Amendment for 2nd Reading to the previously approved Development Agreement between the Town of Frisco and NHPF West Main LLC, for the affordable housing project located at 101 West Main Street for Town Council consideration.

The Town of Frisco has been working with the NHP Foundation (NHPF) since early 2023 when staff from NHPF approached Town staff and Council on affordable housing opportunities in Frisco. The mission of NHPF is to "preserve and create sustainable, service-enriched multifamily housing that is affordable to low- and moderate-income families and seniors, and beneficial to their communities." This mission aligns with the Council's strategic plan to support a thriving economy by increasing workforce housing and enhancing community inclusivity by offering a variety of housing types to support year-round residents.

The Town is currently working with NHPF on two affordable housing projects, located at 101 W Main and 602 Galena. Recognizing the strong need for all housing types and rental rates within Frisco, the Town has focused on ensuring that the two projects provide a range of affordable housing options to the community.

The 101 W Main project is projected to move forward in 2026 with 52 rental units at an income range of 30%, 50%, & 80% of the Summit County Area Median Income.

Analysis:

The proposed Amendment to the Development Agreement focuses on three areas of the current agreement:

1. The current unit mix table located at Section 2.01 will now reflect the finalized and approved unit size and income level count.
2. All references to the LIHTC award will now reference the awarded 9% rather than the previous 4% assumption.
3. The timelines set for construction and completion have been updated to reflect timelines established by the LIHTC award. The agreement previously stated construction would commence, “on the earlier of (i) 180 days following the award of LIHTC by CHFA… or 540 days from the Effective Date” of the Development Agreement. That language has been removed.

Financial Impact:
The Amendment does not create any additional financial impact to the Town or to the project. Currently, the Town is projected to contribute approximately $3.9million over the next two years.

Environmental Sustainability:
N/a

Alignment with Strategic Plan:
Town Council has identified in the 2024 Strategic Plan, the goal of “Offering a variety of housing types to support year-round residents” and “Actively supporting the acquisition and retention of a diverse workforce” as a priority under the guiding principle of “Creating an Inclusive Community”.

Staff Recommendation:
Staff requests the Council discuss and approve the amendment’s 2nd Ordinance Reading as described by Ordinance 25-21.

Reviews and Approvals:
James Gorham, Economic Development Manager Created/Initiated - 11/4/2025
Katie Kent, Community Development Director
Diane McBride, Assistant Town Manager
Tom Fisher, Town Manager

Attachments:
1. Attachment 1- First Amendment to Second Amended and Restated Development Agreement (101 West Main Street)
2. Attachment 2 - Ordinance 25-21 101 West Main Street Development Agreement Amendment

FIRST AMENDMENT TO
SECOND AMENDED & RESTATED DEVELOPMENT AGREEMENT

This First Amendment to Second Amended & Restated Development Agreement ("Amendment"), dated _____________, 2025, is between the TOWN OF FRISCO, a Colorado home rule municipal corporation (the "Town"), the FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY, a Colorado body corporate and politic (the "Town Housing Authority"), THE NHP FOUNDATION, a District of Columbia nonprofit corporation ("NHP"), and NHPF WEST MAIN, LLC, a Colorado limited liability company and subsidiary of NHP (together with NHP, and any permitted successors and/or assigns, the "Developer").

The Town, the Town Housing Authority and the Developer entered into that certain Second Amended & Restated Development Agreement dated June 25, 2024 (the "Development Agreement"), whereby the parties agreed that the Developer would develop an affordable housing project on certain real property known as 101 West Main Street, Frisco, Colorado (the "Property"), as further described in the Development Agreement.

The parties now desire to amend certain terms of the Development Agreement and therefore agree as follows:

1. **Defined Terms**. Those terms not defined herein shall have the same meanings given to them in the Development Agreement.

2. **Current Mix**. The table in Section 2.01 shall be amended to reflect the following unit mix:

Current Unit Mix		12%	48%	40%
Unit Type	**Total Units**	**30% AMI**	**50% AMI**	**80% AMI**
Studio	24	3	12	9
1 Bedroom	17	2	8	7
2 Bedroom	11	1	5	5
Total	**52 units**	**6**	**25**	**21**

3. **LIHTC Award**. All references to the LIHTC award throughout the Development Agreement shall be amended to nine percent (9%) rather than four percent (4%).

4. **Construction Commencement**. Section 2.01(c) shall be deleted in its entirety and replaced with the following:

(c) Subject to Unavoidable Delays, the construction of the Redevelopment Property will commence on or before the closing deadline set forth in the LIHTC award granted by CHFA to Developer, and the construction of the improvements contemplated herein to the

Redevelopment Property shall be completed not more than eighteen (18) months after the start of construction.

5. **Effect on the Development Agreement**. Except as amended by this Amendment, the Development Agreement continues unmodified and remains in full force and effect.

(*signature pages follow*)

The parties execute this Amendment as of the date first written above.

TOWN:

TOWN OF FRISCO

(SEAL)

Attest:

_________________________________ _________________________________

Stacey Campbell, Town Clerk Frederick J. Ihnken, Mayor

TOWN HOUSING AUTHORITY:

FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY,
a Colorado body corporate and politic

By: ______________________________

Name: ______________________________

Title: ______________________________

DEVELOPER:

THE NHP FOUNDATION,
a District of Columbia nonprofit corporation

By: ________________________________

Name: ________________________________

Title: ________________________________

NHPF WEST MAIN, LLC,
a Colorado limited liability company

By: ________________________________

Name: ________________________________

Title: ________________________________

TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 25 – 21

AN ORDINANCE APPROVING A FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF FRISCO, THE FRISCO COMMUNITY HOUSING DEVELOPMENT AUTHORITY, THE NHP FOUNDATION, AND NHPF WEST MAIN, LLC, CONCERNING THE AFFORDABLE HOUSING DEVLOPMENT TO BE CONSTRUCTED AT 101 WEST MAIN STREET.

WHEREAS, the Town of Frisco is a municipal corporation and political subdivision duly organized and existing under the constitution and laws of the state of Colorado and its home rule charter; and

WHEREAS, The NHP Foundation, a District of Columbia nonprofit corporation, (the "Developer") is a corporation that specializes in the planning, financing, construction and operation of for-rent affordable housing projects; and

WHEREAS, NHP acquired, with the Town's financial assistance in the form of a loan, certain real property that is commonly known as 101 West Main Street, Frisco, Colorado and that is legally described in Exhibit A to that certain Development Agreement Between the Town of Frisco and the NHP Foundation, dated as of May 23, 2023, (the "Original Development Agreement"); and

WHEREAS, the Town Council and the Developer determined that the Original Development Agreement, as it relates to the 101 Main Street property, should be amended and restated as set forth in the Second Amended and Restated Development Agreement Between the Town of Frisco and NHPF West Main, LLC, dated as of June 25, 2024 (the "Restated Development Agreement"), and

WHEREAS, the Restated Development Agreement Between the Town of Frisco and NHPF West Main, LLC, was approved by the Frisco Town Council under Ordinance No. 24-10; and

WHEREAS, under the Restated Development Agreement, the Town and the NHP Foundation intend that the Town Property be used to develop affordable rental housing (the "Project") through the use of low-income housing tax credit financing; and

WHEREAS, the Developer has been awarded low-income housing tax credit financing for the Project through the Colorado Housing and Finance Authority, but desires additional time between the award of such financing and the beginning of construction of the Project; and

WHEREAS, the Town Council desires to provide the Developer with an extension of such time period in accordance with the attached First Amendment to Second Amended and Restated Development Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1. Approval of First Amendment to Second Amended and Restated Development Agreement. The attached FIRST AMENDMENT TO SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT is in all respects approved, authorized, and confirmed, and the Mayor of the Town is hereby authorized and directed for and on behalf of the Town to execute and deliver the agreement in the form attached hereto and, further, the Mayor, the Town Manager, the Finance Director, and other appropriate officials or employees of the Town are hereby authorized to execute and deliver for and on behalf of the Town any and all ground leases, 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 and the attached agreement. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town, if so required by any documents in connection with the matters authorized by this ordinance and the attached agreement.

Section 2. Repealer. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 3. Severability. If any section, subsection, paragraph, clause, or other provision of this ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this ordinance, the intent being that the same are severable

Section 4. Effective Date. In accordance with Section 3-8 of the Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION IN FULL AND POSTING BY TITLE ORDERED ON THE 28th DAY OF OCTOBER, 2025.

ADOPTED ON SECOND READING AND PUBLICATION BY TITLE ORDERED ON THE 11th DAY OF NOVEMBER, 2025.

TOWN OF FRISCO, COLORADO

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Mayor Frederick J. Ihnken

ATTEST:

____

Stacey Campbell, Town Clerk

TO: Mayor and Town Council
FROM: Leslie Edwards, Finance Director
RE: ***Estimated Start Time 7:45PM -*** **Second Reading Ordinance 25-23: AN ORDINANCE CONCERNING THE FINANCING OF A UTILITY COST-SAVINGS MEASURE AND, IN CONNECTION THEREWITH, AUTHORIZING THE PROJECT AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER DOCUMENTS**
DATE: November 11, 2025

Summary & Background:
The purpose of this memorandum is to explain the attached ordinance and accompanying financing documents related to the Town of Frisco's Energy Performance Contract (EPC). This ordinance authorizes the Town to enter into a Lease Purchase Agreement and accompanying Federal Tax Certificate to finance energy efficiency improvements across Town-owned facilities.

At its July 22, 2025 meeting, Town Council approved a contract with McKinstry to perform energy improvements identified through the State of Colorado's Energy Performance Contracting (EPC) program. In June 2023, the Town entered into an agreement with McKinstry to complete an Investment Grade Audit (IGA), which identified a portfolio of cost-effective energy efficiency and renewable energy upgrades.

EPCs allow local governments to fund energy projects with minimal upfront costs by using guaranteed energy savings to repay financing obligations.

Analysis:
The total project cost is $2,431,000, consisting of:
- **$1,512,000** in awarded grants
- **$31,046** in anticipated equipment rebates
- **$208,369** in federal tax credits
- **$295,000** in direct **Town contribution** (to be paid from the Capital Fund)
- **$649,000** in financed amount (Lease Purchase Agreement)

The financing supports energy improvements that are projected to generate $739,399 in total savings over the term of the financing. These savings will be utilized to repay the debt obligation, minimizing long-term financial impact to the Town.

Proposed improvements include but are not limited to:
• LED lighting retrofits
• Solar photovoltaic installations
• Electric vehicle charging infrastructure
• Energy-efficient HVAC systems and controls

If approved, the attached ordinance will authorize execution of the documents necessary to finalize the financing for the EPC. The financing will be structured as a Lease Purchase Agreement with a principal amount not to exceed $650,000. Annual appropriations for the lease payments are designed to be offset by the guaranteed energy savings identified in the McKinstry IGA.

This structure enables the Town to make critical energy and sustainability upgrades without a substantial upfront capital outlay. The financing aligns with industry-standard EPC models and complies with federal and state requirements for lease-purchase transactions.

Financial Impact:
The total project investment of $2.43 million is primarily funded through grants and incentives, significantly leveraging Town resources. The Town's direct contribution is $295,000, with debt service
payments covered by anticipated energy cost savings of $739,399 over the term of the lease.

The adoption of the ordinance will authorize the Town to proceed with the execution of the financing
documents at interest rates and terms deemed acceptable and within the parameters outlined by legal
counsel.

Environmental Sustainability:
The Energy Performance Contract financing directly supports the Town of Frisco's environmental sustainability objectives by enabling the Town to invest in high-impact energy efficiency and renewable energy projects in a financially responsible manner.

By leveraging a Lease Purchase Agreement, the Town can achieve measurable environmental benefits without requiring a large initial capital investment. The resulting upgrades will substantially reduce energy consumption, greenhouse gas emissions, and long-term operating costs across Town facilities.

This financing approach ensures that the cost savings from reduced utility expenses are used to repay the financing, effectively aligning fiscal sustainability with environmental sustainability. The improvements funded by this initiative will help advance Frisco's commitment to:
• Reducing municipal energy consumption and carbon footprint;
• Increasing the share of renewable energy powering Town operations;

• Supporting state and local climate action goals; and
• Demonstrating leadership in sustainable municipal operations and infrastructure.

Over the term of the financing, these investments will not only generate financial returns through avoided utility costs but also create lasting environmental benefits for the community.

Alignment with Strategic Plan:
This project supports the Town's Strategic Plan priorities of:
• Thriving Economy – by reducing long-term operational costs and reinvesting energy savings into community priorities; and
• Quality Core Services – by modernizing Town facilities and systems for improved efficiency and reliability and by supporting environmental sustainability in reducing energy consumption, lowering emissions, and investing in renewable technologies.

Staff Recommendation:
Staff recommends that Town Council approve Ordinance 25-23, authorizing the execution of the Lease Purchase Agreement and related documents to finance the Energy Performance Contract.

Reviews and Approvals:

Leslie Edwards, Finance Director	Created/Initiated - 11/5/2025
Diane McBride, Assistant Town Manager	Approved - 11/5/2025
Tom Fisher, Town Manager	Final Approval - 11/5/2025

Attachments:
1. Attachment 1 - Ordinance 25-23 Energy Performance Contract Lease Purchase Agreement
2. Attachment 2 - Lease Purchase Agreement
3. Attachment 3 - Federal Tax Certificate

TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 25-23

AN ORDINANCE CONCERNING THE FINANCING OF A UTILITY COST-SAVINGS MEASURE AND, IN CONNECTION THEREWITH, AUTHORIZING THE PROJECT AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER DOCUMENTS.

WHEREAS, the Town of Frisco, in Summit County, Colorado (the "Town"), is a duly organized and existing home rule municipality of the State of Colorado (the "State"), created and operating pursuant to Article XX of the State Constitution and the Town's Home Rule Charter (the "Charter").

WHEREAS, pursuant to Section 10-10 of the Charter, the Town Council of the Town (the "Council") is authorized to enter into lease-purchase and installment-purchase agreements for the purchase, installation, or acquisition of any real or personal property for public purposes.

WHEREAS, the Town approved and entered into that certain Energy Performance Contract, with an effective date of [July 22, 2025] (the "EPC Contract"), which EPC Contract constitutes an "energy performance contract" as defined in C.R.S. Section 29-12.5-101 et seq. (as amended, the "Energy Conservation Statutes").

WHEREAS, under the EPC Contract, the Town engaged McKinstry Essention, LLC to acquire and install certain equipment, fixtures and other goods and property acquired with the proceeds of the Agreement and includes, but is not limited to, all energy conservation equipment, fixtures and other goods and property installed at the locations described in "Schedule B – Description of Work" of the EPC Contract (the "Project").

WHEREAS, each item of equipment included as part of the Project constitutes a "utility cost-savings measure" within the meaning of the Energy Conservation Statutes.

WHEREAS, the Council hereby determines that it is in the best interests of the Town and its inhabitants that the Town finance the costs of the Project pursuant to a Lease Purchase Agreement (Escrow Account) between Farmers Bank & Trust, a Kansas state banking corporation, as lessor (the "Lessor"), and the Town, as lessee.

WHEREAS, under the Lease Purchase Agreement, the Town shall be granted a long-term leasehold interest in the Leased Property that becomes a full ownership interest in the Leased Property at the end of the leasehold term.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO THAT:

Section 1. Recitals.

A. The Town will execute and deliver a Lease Purchase Agreement (Escrow Account) (the "Agreement") pursuant to which the Lessor will provide funds to the Town to finance a portion of the costs of the Project.

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

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

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

E. There have been filed with the Town Clerk proposed forms of: (i) the Agreement; (ii) the Escrow and Account Control Agreement between the Lessor, as escrow agent, at the Town (the "Escrow Agreement"); and (iii) a Federal Tax and Arbitrage Certificate (the "Tax Certificate") to be executed and delivered by the Town.

F. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement and the Escrow Agreement.

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

Section 3. Finding of Best Interests. The Council hereby finds and determines, pursuant to the Constitution and laws of the State and the Charter, that the implementation of the Project pursuant to the terms set forth in the Agreement, the Escrow Agreement and the Tax Certificate are necessary, convenient, and in furtherance of the Town's purposes and are in the best interests of the inhabitants of the Town and that the fair value of the Project does not exceed its Prepayment Price (as defined in the Agreement), and the Council hereby authorizes and approves the same.

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

(a) the term of the Agreement shall end no later than October 1, 2046;

(b) the maximum annual repayment cost of Rental Payments payable by the Town shall not exceed $291,000, and the total repayment cost shall not exceed $995,000;

(d) the aggregate principal amount of the Rental Payments payable by the Town under the Agreement shall not exceed $669,000;

(e) the purchase price of the Agreement by the Lessor shall not be less than 100% of the aggregate principal amount; and

(f) the maximum net effective interest rate on the interest component of the Rental Payments shall not exceed 5.00%.

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

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

Section 6. Authorization to Execute Collateral Documents. The Mayor, the Town Manager, the Finance Director, and other appropriate officials or employees of the Town are hereby authorized to execute and deliver for and on behalf of the Town any and all certificates, documents, instruments, and other papers and to perform all other acts that they deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this ordinance. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town, if so required by any documents in connection with the matters authorized by this ordinance. The appropriate officers of the Town are authorized to execute on behalf of the Town agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the Town of such instrument in accordance with the terms hereof and thereof.

Section 7. No General Obligation Debt. No provision of this ordinance, the Agreement, the Escrow Agreement or the Tax Certificate shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory, or Charter provision, nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year. The Town shall not have any obligation to make any payment with respect to the Agreement except in connection with the payment of the Rental Payments and certain other payments under the Agreement, which payments may be terminated by the Town in accordance with the provisions of the Agreement. The Agreement shall not constitute a mandatory charge or requirement of the Town in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect Town debt or other financial obligation whatsoever. No provision of the Agreement shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the State Constitution. The Agreement shall not 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 Rental Payments do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Agreement or to exercise its option to purchase the Project pursuant to the Agreement. The Council hereby determines and declares that the period during which the Town has an option to purchase the Project (i.e., the entire maximum term of the Agreement) does not exceed the remaining useful life of the Project.

Section 9. 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 under the Agreement. 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 Agreement, any person purchasing or selling the Agreement or any interest therein specifically waives any such recourse.

Section 10. 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 11. Repealer. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 12. Severability. If any section, subsection, paragraph, clause, or other provision of this ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this ordinance, the intent being that the same are severable

Section 13. Effective Date. In accordance with Section 3-8 of the Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION IN FULL AND POSTING BY TITLE ORDERED ON THE 28 DAY OF OCTOBER, 2025.

ADOPTED ON SECOND READING AND PUBLICATION BY TITLE ORDERED ON THE 11 DAY OF NOVEMBER, 2025.

TOWN OF FRISCO, COLORADO

____
Mayor Frederick J. Ihnken

ATTEST:

____
Stacey Campbell, Town Clerk

LEASE PURCHASE AGREEMENT
(ESCROW ACCOUNT)

This Lease Purchase Agreement (this *"Agreement"*) is dated as of November 13, 2025 and entered into by and between Farmers Bank & Trust, a Kansas state banking corporation (together with its successors, assigns and transferees, and as more particularly defined herein, *"Lessor"*), and the Town of Frisco, Colorado, a body politic and corporate under the laws of the State of Colorado (*"Lessee"*).

WITNESSETH:

WHEREAS, Lessee desires to lease and acquire from Lessor certain Equipment (as such term is defined herein), subject to the terms and conditions hereof; and,

WHEREAS, Lessee is authorized under the constitution and laws of the State (as such term is defined herein) to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Acquisition Amount" means $649,000.00. The Acquisition Amount is the amount represented by Lessee to be sufficient, together with other funds of Lessee (if any) that are legally available for the purpose of acquiring and installing the Equipment.

"Acquisition Period" means the period ending five (5) business days prior to May 13, 2027.

"Agreement" means this Lease Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to this Agreement pursuant to Section 1.

"Casualty Value" means the amount that is shown for each Rental Payment Date under the column titled "Casualty Value" on the Payment Schedule.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the relevant United States Treasury Regulations proposed or in effect thereunder.

"Commencement Date" means the date when Lessee's obligation to pay rent commences hereunder, which shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

"Contract Rate" means the rate identified as such in the Payment Schedule.

"Disbursement Request" means the disbursement request attached to the Escrow Agreement as Schedule 1 and made a part thereof.

"Equipment" means the equipment, fixtures and other goods and property listed in the Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Article V or Section 8.01. Whenever reference is made in this Agreement to Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

"Equipment Costs" means the total cost of the Equipment, including related soft costs such as freight, installation and taxes and other capitalizable costs, and other costs incurred in connection with the acquisition, installation and/or financing of the Equipment.

"Equipment Schedule" means the Equipment Schedule attached hereto as *Exhibit A* and made a part hereof (including any duly authorized and executed amendments thereto).

"Escrow Account" means the account established and held by the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means Lessor in its capacity as Escrow Agent and as identified in the Escrow Agreement, and its successors and assigns.

"Escrow Agreement" means the Escrow and Account Control Agreement in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

"Event of Default" means an Event of Default described in Section 12.01.

"Event of Non-appropriation" means the failure of Lessee's governing body to appropriate or otherwise make available funds to pay Rental Payments under this Agreement following the Original Term or then current Renewal Term sufficient for the continued performance of this Agreement by Lessee.

"Lease Term" means the Original Term and all Renewal Terms.

"Lessee" means the entity referred to as Lessee in the first paragraph of this Agreement.

"Lessor" means (a) the entity referred to as Lessor in the first paragraph of this Agreement and its successors or (b) any assignee or transferee of any right, title or interest of Lessor in and to this Agreement pursuant to Section 11.01 hereof, including the right, title and interest of Lessor in

and to the Equipment, the Rental Payments and other amounts due hereunder, the Escrow Agreement and the Escrow Account, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder.

"Lien" means any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"Material Adverse Change" means any change in Lessee's creditworthiness that could have a material adverse effect on (i) the financial condition or operations of Lessee, or (ii) Lessee's ability to perform its obligations under this Agreement.

"McKinstry Contract" means that certain Energy Performance Contract executed by Lessee on July 22, 2025 between Lessee and McKinstry Essention, LLC, as supplemented and amended pursuant to the terms thereof and the terms hereof.

"Non-Renewal Event" means Lessee fails to renew the Lease Term pursuant to a Renewal Act.

"Original Term" means the period from the Commencement Date until the end of the fiscal year of Lessee in effect at such Commencement Date.

"Outstanding Balance" means the amount that is shown for each Rental Payment Date under the column titled "Outstanding Balance" on the Payment Schedule.

"Payment Schedule" means the Payment Schedule attached hereto as *Exhibit B* and made a part hereof.

"Prepayment Price" means the amount that is shown for each Rental Payment Date under the column titled "Prepayment Price" on the Payment Schedule.

"Principal Portion" means the amount that is shown for each Rental Payment Date under the column titled "Principal Portion" on the Payment Schedule.

"Related Documents" means this Agreement, the Tax Certificate and the Escrow Agreement, each as may be amended and supplemented.

"Renewal Act" means the affirmative act of Lessee whereby Lessee gives notice of its intent to renew this Agreement for the applicable Renewal Term, provided, that, if permitted by applicable State law, the act of the governing body of Lessee whereby it appropriates funds to pay Lease Payments for a Lease that are due and payable in such succeeding Renewal Term shall be deemed such an affirmative act of Lessee.

"Renewal Terms" means the consecutive renewal terms of this Agreement, the first of which commences immediately after the end of the Original Term and each having a duration and a term coextensive with each successive fiscal year of Lessee; *provided* that the final such Renewal Term shall commence on the first day of the last such fiscal year and end on the first business day after the last scheduled Rental Payment Date.

"Rental Payment Date" means each date on which Lessee is required to make a Rental Payment under this Agreement as specified in the Payment Schedule.

"Rental Payments" means the basic rental payments payable by Lessee on the Rental Payment Dates and in the amounts as specified in the Payment Schedule, consisting of a principal component and an interest component, and in all cases sufficient to repay such principal component and interest thereon at the applicable Contract Rate (or Taxable Rate if then in effect).

"Scheduled Term" means the Original Term and all scheduled Renewal Terms, with a final Renewal Term ending on October 1, 2046, as set forth in *Exhibit B* attached hereto.

"SEC" means the U.S. Securities and Exchange Commission.

"Special Counsel" means Lathrop GPM LLP.

"State" means the State of Colorado.

"Tax Certificate" means that certain Federal Tax and Arbitrage Certificate dated as of even date herewith executed by Lessee with respect to the Agreement to monitor compliance with Section 148 of the Code, as it may from time to time be amended and supplemented in accordance with its terms.

"Taxable Rate" means, for each day that the interest component of Rental Payments is taxable for Federal income tax purposes, an interest rate equal to the Contract Rate plus a rate sufficient such that the total interest to be paid on any Rental Payment Date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Lessor.

"Vendor" means the manufacturer, installer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessee arranged Lessee's acquisition, installation, maintenance and/or servicing of the Equipment, and includes, without limitation, McKinstry Essention, LLC.

"Vendor Agreement" means any contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance and/or servicing of the Equipment, and includes, without limitation, the McKinstry Contract.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(a) Lessee is a municipal corporation and political subdivision of the State, duly organized and existing under the constitution and laws of the State and the Lessee's Charter, with full power and authority to enter into the Related Documents and the transactions contemplated thereby and to perform all of its obligations thereunder.

(b) Lessee has duly authorized the execution and delivery of the Related Documents by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of the Related Documents.

(c) To the best of Lessee's knowledge following due inquiry, no event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof. No Event of Non-appropriation or Non-Renewal Event has occurred or is threatened with respect to this Agreement.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a municipal corporation of the State.

(e) Lessee has complied with such procurement and public bidding requirements as may be applicable to the Related Documents and the acquisition and installation by Lessee of the Equipment.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid hereunder.

(g) Lessee has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (i) its annual comprehensive financial report within the later of (x) two hundred seventy (270) days after the end of its fiscal year or (y) or within 30-days after its posting to the Auditor of State of Colorado's website, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) upon Lessor's request, its annual budget for any prior or current fiscal year or for the following fiscal year when approved but not later than thirty (30) days prior to the end of its current fiscal year. The financial statements described in this subsection (g)(i) shall be accompanied by an unqualified opinion of Lessee's external auditors. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment and expects to make immediate use of the Equipment. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the Scheduled Term.

(i) The payment of the Rental Payments or any portion thereof is not (under the terms of this Agreement or any underlying arrangement) directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Acquisition Amount will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) To the best of Lessee's knowledge following due inquiry, there is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations under the Related Documents. Lessee will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's first priority security interest in the Escrow Account and Lessor's rights and benefits under the Related Documents.

(k) Lessee is the fee owner of the real estate where the Equipment is and will be located (collectively, the *"Real Property"*) and has good and marketable title thereto, and there exists no mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such Real Property. In the event any lien, encumbrance, restriction, asserted encumbrance, claim, dispute or other issue exists or arises with respect to the Lessee's legal title to or valid and marketable, beneficial use and enjoyment of the Real Property or impairs or adversely impacts Lessor's right, title or interest in the Equipment or any of Lessor's rights or remedies under this Agreement with respect to the Equipment (each of the foregoing referred to as a *"Real Property Issue"*), Lessee will take all steps necessary to promptly quiet, resolve and/or eliminate such Real Property Issue to the reasonable satisfaction of Lessor and ensure that Lessee and Lessor have adequate access to and use of (including beneficial use and enjoyment of) the Real Property for all purposes of the Equipment contemplated herein and Lessee shall ensure that its fee interest in the Real Property and Lessor's right, title or interest in the Equipment and rights or remedies under this Agreement with respect to the Equipment remain free and clear of Real Property Issues.

(l) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

(m) As of the date of execution and delivery of this Agreement, Lessee has not granted, and after the date of execution and delivery of this Agreement, Lessee will not grant any Lien on the Equipment.

(n) Lessee will pay all Equipment Costs and costs of issuance in excess of the Acquisition Amount available therefor out of its own funds. Lessor shall not have any responsibility to pay amounts for any Equipment Costs or costs of issuance with respect to the Related Documents or the Equipment that individually or collectively exceed the Acquisition Amount.

(p) Lessee has obtained, has caused to be obtained, or will have obtained or caused to be obtained prior to disbursement from the Escrow Account for the related Equipment, all necessary licenses, permits, approvals or other authorizations, if any, issued by any applicable governmental authority.

(r) *Reserved*.

(u) In connection with Lessee's compliance with any continuing disclosure undertakings (each, a *"Continuing Disclosure Agreement"*) entered into by Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the *"Rule"*), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor (*"EMMA"*), notice of its incurrence of its obligations under the Related Documents and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with the Related Documents, in each case including posting a full copy thereof or a description of the material terms thereof (each such posting, an *"EMMA Posting"*). Except to the extent required by applicable law, including the Rule, Lessee shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following unredacted confidential information about the Lessor or its affiliates in any portion of such EMMA Posting: address, account information and logos of the Lessor or its affiliates; e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Lessor or its affiliates; and the form of Disbursement Request that is attached to the Escrow Agreement.

Lessee acknowledges and agrees that Lessor and its affiliates are not responsible for the Lessee's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

ARTICLE III

Section 3.01. Lease of Equipment; Escrow Agreement. Subject to the terms and conditions of this Agreement, Lessor agrees to provide the Acquisition Amount to Lessee to acquire the Equipment. Lessor hereby demises, leases and transfers to Lessee, and Lessee hereby acquires, rents and leases from Lessor, the Equipment. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Scheduled Term as set forth in the Payment Schedule. At the end of the Original Term and at the end of each Renewal Term until the maximum Scheduled Term has been completed, Lessee shall be deemed to have exercised its option to continue this Agreement for the next Renewal Term unless Lessee shall have terminated this Agreement pursuant to Section 3.03 or Section 10.01 of this Agreement. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Payment Schedule for each applicable Renewal Term.

Section 3.02. Continuation of Lease Term. Lessee intends, subject to Section 3.03 hereof, to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments due hereunder. Lessee affirms that sufficient funds are legally available to pay all Rental Payments when due during the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Scheduled Term can be obtained from legally available funds of Lessee. Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due hereunder, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with all provisions of State law applicable to this Agreement and the payment of Rental Payments hereunder. Notwithstanding the foregoing, (x) the Lease Term shall automatically terminate at the end of the Original Term and or Renewal Term then in effect unless, prior to the end of the Original Term and/or Renewal Term, as applicable, a Renewal Act is taken by Lessee and upon such a Renewal Act, the succeeding Renewal Term shall commence and (y) the decision whether or not to budget and appropriate funds or to extend the Lease Term for any Renewal Term is within the sole discretion of the then-governing body of Lessee.

Section 3.03. Non-appropriation. Lessee is obligated only to pay such Rental Payments as may lawfully be made during Lessee's then current fiscal year from funds budgeted and appropriated for that purpose or, where appropriate, insurance proceeds (including self-insurance reserves if self-insurance is in effect). Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term, as applicable. Lessee agrees to deliver notice to Lessor of such termination promptly after any decision to non-appropriate is made, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section 3.03, Lessee agrees to cease use of the Equipment and peaceably remove and deliver to Lessor, at Lessee's sole expense (from legally available funds), the Equipment to Lessor at the location(s) to be specified by Lessor.

Section 3.04. Conditions to Lessor's Performance. (a) As a prerequisite to the performance by Lessor of any of its obligations under this Agreement, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, the following:

(i) An Escrow Agreement substantially in the form attached hereto as *Exhibit G*, satisfactory to Lessor and executed by Lessee and the Escrow Agent and a Vendor Agreement satisfactory to Lessor and executed by Lessee and the Vendor;

(ii) A certified copy of a resolution, ordinance or other official action of Lessee's governing body, substantially in the form attached hereto as *Exhibit C-1*, authorizing the execution and delivery of this Agreement and the Escrow Agreement and performance by Lessee of its obligations under this Agreement and the Escrow Agreement;

(iii) A Certificate completed and executed by the Town Clerk or other comparable officer of Lessee, substantially in the form attached hereto as *Exhibit C-2*, completed to the satisfaction of Lessor;

(iv) Opinion of Special Counsel, which opine on the matters set forth in the form attached hereto as *Exhibit D*, subject to reasonable and customary qualifications, limitations, exclusions, and assumptions;

(v) Evidence of insurance as required by Section 7.02 hereof, or, at Lessor's sole discretion, such insurance may be provided after the Commencement Date, *provided, however,* that no "Disbursement Request" pursuant to the Escrow Agreement (other than for costs of issuance) shall be authorized by Lessor until such insurance satisfying the conditions set forth in Section 7.02 has been delivered to Lessor;

(vi) All documents, including financing statements, affidavits, notices and similar instruments which Lessor deems reasonably necessary or appropriate at that time pursuant to Section 6.02 hereof;

(vii) A waiver or waivers of interest in the Equipment from any mortgagee or any other party having an interest in the real estate on which the Equipment will be located and/or landlord of the real estate on which the Equipment will be located and amendments and agreements releasing liens and encumbrances, if any, on the real property where the Equipment is and will be located;

(viii) A copy of the Form 8038-G, fully completed by Special Counsel as paid preparer and executed by Lessee;

(ix) In the event that Lessee is to be reimbursed for expenditures that it has paid more than sixty (60) days prior to the Commencement Date, evidence of the adoption of a reimbursement resolution or other official action covering the reimbursement from tax exempt proceeds of expenditures incurred not more than sixty (60) days prior to the date of such resolution;

(x) Copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) to the extent required by Section 5.01(b) hereof;

(xi) Wire instructions for payments to be made to Vendors and Form W-9 from each such Vendor;

(xii) A certificate from Lessee in substantially the form set forth on *Exhibit H* hereto;

(xiii) A certified copy of the analysis and recommendations prepared by McKinstry (the *"Report"*) relating to the Equipment described in C.R.S. Section 29-12.5-101 et seq. (as amended, the *"Energy Conservation Statutes"*), together with a certificate from McKinstry certifying to Lessor that the Report satisfies all requirements set forth in the Energy Conservation Statutes; and

(xiv) Such other items reasonably required by Lessor.

(b) In addition to satisfaction of the conditions set forth in subsection (a) of this Section 3.04, the performance by Lessor of any of its obligations under the Related Documents shall be subject to: (i) no Material Adverse Change having occurred since the date of this Agreement, (ii) no Event of Default having occurred and then be continuing and (iii) no Event of Non-appropriation or Non-Renewal Event having occurred or being threatened with respect to this Agreement.

(c) Subject to satisfaction of the foregoing, Lessor will deposit the Acquisition Amount with the Escrow Agent to be held and disbursed pursuant to the Escrow Agreement.

Section 3.05. Evidence of Filing Form 8038-G. As soon as it is available, Lessee shall provide to Lessor evidence that it, or its paid preparer, has filed the Form 8038-G for this Agreement with the Internal Revenue Service by delivering to Lessor proof of mailing such Form 8038-G. Notwithstanding anything to the contrary in this Agreement, it shall not be an Event of Default hereunder if Lessee does not provide to Lessor evidence that it (or its paid preparer) filed the Form 8038-G for this Agreement with the Internal Revenue Service.

ARTICLE IV

Section 4.01. Rental Payments. Subject to Section 3.03 of this Agreement, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the Rental Payment Dates and in such amounts as provided in the Payment Schedule. If any Rental Payment or other amount payable hereunder is not paid within ten (10) days of its due date, Lessee shall pay an administrative late charge of five percent (5%) of the amount not timely paid or the maximum amount permitted by law, whichever is less. Lessee shall not permit the Federal Government to guarantee any Rental Payments under this Agreement. Rental Payments consist of principal and interest components as more fully detailed on the Payment Schedule, the interest on which begins to accrue as of the Commencement Date.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal as more fully detailed on the Payment Schedule.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03 of this Agreement, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in this Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, disputes with the Lessor or the Vendor of any Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances, or failure of any Vendor to deliver any Equipment or otherwise perform any of its obligations for whatever reason, including bankruptcy, insolvency, reorganization or any similar event with respect to any Vendor or under any Vendor Agreement, or the failure or inability (for whatever reason) of Lessee to receive (or delay in receipt of) all or any portion of any grant, subsidy, or other incentive, including but not limited to any refundable tax credit under Section 6417 of the Code, as amended by the Inflation Reduction Act of 2022 (Pub. L. No. 117-169) (collectively the *"Subsidy Proceeds"*), any amounts described or derived from any federal, state, local, private or other incentives or rebates or any substantially similar (to any of the foregoing) provision of federal, state, local or foreign tax or other law (including regulations or other guidance from any taxing or other authority).

Section 4.05. Tax Covenants. Lessee agrees that it will abide by all requirements, terms, conditions and provisions set forth in the Tax Certificate. Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for Federal income tax purposes. In connection with the foregoing, Lessee hereby agrees that (a) so long as any Rental Payments remain unpaid, moneys on deposit in the Escrow Account shall not be used in a manner that will cause this Agreement to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code; and (b) Lessee shall rebate, from funds legally available for the purpose, an amount equal to excess earnings on the Escrow Account to the Federal Government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code.

Section 4.06. Event of Taxability. Upon the occurrence of an Event of Taxability, the interest component of Rental Payments and any charge on Rental Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for Federal income tax purposes (which retroactive date shall be the earliest date as of which the interest component of any Rental Payment is deemed includible in the gross income of the owner or owners thereof for Federal income tax purposes, which may be earlier than the date of delivery of such determination by the Internal Revenue Service), and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate.

For purposes of this Section, *"Event of Taxability"* means the circumstance of the interest component of any Rental Payment paid or payable pursuant to this Agreement becoming includible for Federal income tax purposes in an owner's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment is includable in the gross income of the owner thereof; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment is includable in the gross income of the owner thereof; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment has become includable in the gross income of the owner thereof for Federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for Federal income tax purposes.

Section 4.07. Mandatory Prepayment. (a) Any funds not applied to Equipment Costs and remaining in the Escrow Account on the earliest of (i) the expiration of the Acquisition Period, (ii) the date on which Lessee delivers to the Lessor the executed Disbursement Request to effect the final disbursement to pay (or reimburse) Equipment Costs from the Escrow Account or (iii) a termination of the Escrow Account as provided in the Escrow Agreement shall be applied by Lessor to prepay the applicable unpaid Principal Portion of Rental Payments owing hereunder in the inverse order of the Rental Payment Dates at a price of 100% of such prepaid Principal Portion plus accrued interest thereon to the prepayment date.

(b) Lessee shall remit any Subsidy Proceeds to Lessor on the next Rental Payment Date following Lessee's receipt of such amounts, which shall be applied by Lessor to prepay the applicable unpaid Principal Portion of Rental Payments owing hereunder in the inverse order of the Rental Payment Dates at a price of 100% of such prepaid Principal Portion plus accrued interest thereon to the prepayment date.

(c) In connection with any partial prepayment of Rental Payments, Lessor shall prepare a new Payment Schedule and deliver the same to the Lessee, which shall be binding, absent manifest error.

ARTICLE V

Section 5.01. Acquisition, Delivery, Installation and Acceptance of Equipment. (a) Lessee shall order the Equipment to be acquired and financed hereunder, cause the Equipment to be delivered and installed at the location specified in the Equipment Schedule and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. Lessee shall conduct such inspection and testing of the Equipment as it deems appropriate in order to unconditionally accept such Equipment. When the Equipment has been delivered and installed, including any component of Equipment, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering Disbursement Requests to the Lessor pursuant to the Escrow Agreement for the purpose of effecting disbursements from the Escrow Account to pay (or reimburse) Equipment Costs for the Equipment so acquired and installed. In connection with the execution and delivery by Lessee to Lessor of the final Disbursement Request, Lessee shall deliver to Lessor a "Final Acceptance Certificate" in the form attached hereto as *Exhibit E*.

(b) Lessee shall deliver to Lessor together with each Disbursement Request copies of invoices (and proof of payment of such invoices if Lessee seeks reimbursement for prior expenditures) relating to each item of Equipment accepted by Lessee as evidenced by such Disbursement Request. Once approved, the Escrow Agent shall disburse such amounts from the Escrow Account in accordance with the Escrow Agreement.

Section 5.02. Quiet Enjoyment of Equipment. So long as no Event of Default, no Event of Non-appropriation and no Non-Renewal Event exists hereunder, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term.

Section 5.03. Location; Inspection. Once installed, no item of the Equipment will be moved or relocated from the location specified for it in the Equipment Schedule without Lessor's prior written consent, which consent shall not be unreasonably withheld. Upon at least twenty-four (24) hours' prior notice to Lessee, Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee shall not install, use, operate or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body, including, without limitation, all anti-money laundering laws and regulations; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights hereunder.

Lessee agrees that it shall (a) maintain, preserve, and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer; (b) proceed promptly, at its expense, to protect its rights and exercise its remedies under any warranty then in effect with respect to the Equipment; and (c) replace or rebuild any component of the Equipment that becomes permanently unfit for normal use or inoperable during the Lease Term (herein, the *"Inoperable Component"*) in order to keep the Equipment as a whole in good repair and working order during the Lease Term. Lessee shall promptly notify Lessor in writing when any component of the Equipment is reasonably expected to become an Inoperable Component. Lessee shall promptly replace or rebuild the Inoperable Component with a similar component of comparable or improved make and model that has at least the equivalent value and utility of the Inoperable Component, a remaining useful life of no less than the remaining Scheduled Term and such replacement or rebuilt component shall be in good operating condition. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for in Sections 3.03 and 12.02(b) of this Agreement.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment.

ARTICLE VI

Section 6.01. Defend Title to the Equipment. Lessee shall at all times protect and defend, at its own cost and expense, title in and to the Equipment from and against all claims, Liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, Liens and processes. Upon the occurrence of an Event of Default or other termination of this Agreement, Lessee shall execute and deliver to Lessor such documents as Lessor may request to terminate Lessee's interests in the Equipment, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 3.03 or 12.02 of this Agreement, as applicable.

Section 6.02. Reserved.

Section 6.03. Personal Property, No Encumbrances. Lessee agrees that the Equipment is deemed to be and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, Lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; *provided,* that if Lessor or its assigns is furnished with a waiver of interest in the Equipment acceptable to Lessor or its assigns in their respective discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, Liens, and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the lease, sale, purchase, operation, use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all sales and other taxes, special assessments, governmental and other charges of any kind that are at any time lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part of either thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor. Lessee shall pay all utility and other charges incurred in the operation, use and maintenance of the Equipment. Lessee shall pay such taxes, assessments or charges as the same may become due; *provided* that, with respect to any such taxes, assessments or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the Lease Term. Lessor will not claim ownership of the Equipment under this Agreement for the purposes of any tax credits, benefits or deductions with respect to such Equipment.

Section 7.02. Insurance. Lessee shall during the Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the greater of (i) the then applicable Outstanding Balance or (ii) the replacement cost of the Equipment; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least $2,000,000 per occurrence and $3,000,000 aggregate for bodily injury and property damage coverage (such liability insurance coverage may be in a combination of primary general liability and/or excess liability umbrella coverage), and in all events under clauses (a) and (b) above issued in form and amount satisfactory to Lessor and by an insurance company that is authorized to do business in the State and having a financial strength rating by A.M. Best Company of "A-" or better (or with Lessor's prior written approval in its sole and absolute discretion, a financial stability rating by Demotech of AAA and "Unsurpassed" or such other credit rating from another rating agency approved by Lessor in its sole and absolute discretion); and (c) worker's compensation coverage as required by the laws of the State. Notwithstanding the foregoing, Lessee may self-insure against the risks described in clauses (a) and/or (b) through a government pooling arrangement, self-funded loss reserves, risk retention program or other self-insurance program, in each case with Lessor's prior written consent (which Lessor may grant, withhold or deny in its sole discretion) and *provided* that Lessee has delivered to Lessor such information as Lessor may request with respect to the adequacy of such self-insurance to cover the risks proposed to be self-insured and otherwise in form and substance acceptable to Lessor. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout the Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least thirty (30) days in advance of such cancellation or modification.

Section 7.03. Risk of Loss. Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Agreement. To the extent not prohibited by State law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to (a) any Equipment, including, but not limited to, the possession, ownership, lease, use, or operation thereof, (b) entering into this Agreement or any of the transactions contemplated hereby, (c) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant of Lessee under or in connection with this Agreement or any material misrepresentation provided by Lessee under or in connection with this Agreement. To the extent enforceable under the laws of the State, the provisions of this Section 7.03 shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

Section 7.04. Vendor Default. In the event of a material default by any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations hereunder.

Section 7.05. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order or shall fail to maintain any insurance required by Section 7.02 hereof, Lessor may, but shall be under no obligation to, maintain and repair the Equipment or obtain and maintain any such insurance coverages, as the case may be, and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term, and Lessee covenants and agrees, subject to appropriation by Lessee, to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at a rate equal to the Contract Rate (or the Taxable Rate if then in effect) *plus* five percent (5%) per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment or such part thereof and any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee or (ii) Lessee shall exercise its option to prepay the obligations hereunder in accordance with Section 10.01(a)(ii) hereof.

If Lessee elects to replace any item of the Equipment (the *"Replaced Equipment"*) pursuant to this Section 8.01, the replacement equipment (the *"Replacement Equipment"*) shall be new or of a quality, type, utility and condition at least as good as the Replaced Equipment, shall be of equal or greater value than the Replaced Equipment and shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation and shall have an expected remaining useful life at least through the Scheduled Term. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, Liens, security interests and encumbrances and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Agreement. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment Date after the occurrence of a casualty event, or be required to exercise its option to prepay the obligations hereunder with respect to the damaged Equipment in accordance with Section 10.01(a)(ii) hereof. Notwithstanding anything in this Agreement to the contrary, no provision or term contained within this Agreement can or should be construed as an "anti-substitution" or "nonsubstitution" clause (and any such provision or term is deemed to be hereby deleted in its entirety).

For purposes of this Article VIII, the term *"Net Proceeds"* shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including reasonable attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Casualty Value *plus* all other amounts then owing hereunder, and, upon such payment, the Lease Term shall terminate. The amount of the Net Proceeds remaining, if any, after completing such repair, restoration, modification or improvement or after paying such Casualty Value *plus* all other amounts then owing hereunder shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section 8.02, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of any of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement.

Section 9.02. Vendor Agreements; Warranties. Lessee covenants that it shall not in any material respect amend, modify, rescind or alter any Vendor Agreement without the prior written consent of Lessor. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default under this Agreement and so long as no Event of Non-appropriation and no Non-Renewal Event has occurred, to assert from time to time whatever claims and rights (including, without limitation, warranties) relating to the Equipment that Lessor may have against a Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor under this Agreement, including the right to receive full and timely Rental Payments and other payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to any of the Equipment.

ARTICLE X

Section 10.01. Prepayment; Payment in Full.

(a) *Prepayment.* Lessee shall have the option to prepay or satisfy all, but not less than all, of its obligations hereunder, at the following times and upon the following terms:

(i) *Optional Prepayment.* From and after the date specified (if any) in the Payment Schedule (the *"Prepayment Option Commencement Date"*), on the Rental Payment Dates specified in the Payment Schedule, upon not less than thirty (30) days prior written notice (unless otherwise agreed upon by Lessor), and upon payment in full of the sum of all Rental Payments then due *plus* the then applicable Prepayment Price, which shall include a prepayment premium on the unpaid Outstanding Balance as set forth in the Payment Schedule *plus* all other amounts then owing hereunder; or

(ii) *Casualty or Condemnation Prepayment.* In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day specified in Lessee's notice to Lessor of its exercise of the prepayment option (which shall be the earlier of the next Rental Payment Date or sixty (60) days after the casualty event) upon payment in full to Lessor of (A) in the event such prepayment occurs on a Rental Payment Date, the sum of (i) all Rental Payments then due *plus* (ii) the then applicable Casualty Value *plus* (iii) all other amounts then owing hereunder OR, (B) in the event such prepayment occurs on a date other than a Rental Payment Date, the sum of (i) the applicable Casualty Value shown on the Payment Schedule for the Rental Payment Date immediately preceding the applicable date of such prepayment (or if the date of such prepayment occurs prior to the first Rental Payment Date, the earliest Casualty Value shown on the Payment Schedule) *plus* (ii) accrued interest at the Contract Rate (or the Taxable Rate if then in effect) on the Outstanding Balance as of the Rental Payment Date immediately preceding the applicable date of such prepayment from such Rental Payment Date (or if the date of such prepayment occurs prior to the first Rental Payment Date, the Commencement Date) to the date of such prepayment *plus* (iii) all other amounts then owing hereunder.

(b) *Payment in Full.* Lessee will own the Equipment after either (i) payment of either (A) the applicable Prepayment Price and all other amounts then owing hereunder in accordance with Section 10.01(a)(i) of this Agreement or (B) the applicable Casualty Value and all other amounts then owing hereunder in accordance with Section 10.01(a)(ii) of this Agreement or (ii) upon the expiration of the Scheduled Term and payment in full of all Rental Payments then due and all other amounts then owing hereunder in accordance with this Agreement.

ARTICLE XI

Section 11.01. Assignment by Lessor. (a) Lessor's right, title and interest in and to this Agreement, the Rental Payments and any other amounts payable by Lessee hereunder, and the Escrow Agreement (collectively, the *"Assigned Rights"*), may be assigned and reassigned by Lessor at any time, in whole or in part, to one or more assignees or sub-assignees without the necessity of obtaining the consent of Lessee; *provided,* that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom Lessor reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an *"accredited investor"* as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and in either case is purchasing the Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of the Assigned Rights (or any interest therein) as it determines to be in its best interests, (ii) shall not result in more than 35 owners of the Assigned Rights or the creation of any interest in the Assigned Rights in an aggregate principal component that is less than $100,000 and (iii) shall not require Lessee to make Rental Payments, to send notices or otherwise to deal with respect to matters arising hereunder or under the Escrow Agreement with or to more than one Lease Servicer (as such term is defined below), and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, trustee, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the *"Lease Servicer"*) to act on their behalf with respect to the Assigned Rights, including with respect to the exercise of rights and remedies of Lessor on behalf of such owners upon the occurrence of an Event of Default or an Event of Non-appropriation or a Non-Renewal Event under this Agreement. Lessor and Lessee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 11.01 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

(b) Unless to an affiliate controlling, controlled by or under common control with Lessor, no assignment, transfer or conveyance permitted by this Section 11.01 shall be effective as against Lessee until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; *provided,* that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, participation interests, trust certificates or partnership interests with respect to the Rental Payments payable under this Agreement, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank, trust company or other entity that acts as the Lease Servicer; *provided further* that and Lessor shall endeavor to provide Lessee with notice of such assignment at least five (5) days prior to such assignment, but Lessor's failure to provide such notice at least five (5) days prior to such assignment shall not invalidate such assignment if Lessor complies with the other requirements of this sentence for the assignment. Notices of assignment provided by Lessor (or any assignee or sub-assignee of Lessor) to Lessee pursuant to this Section 11.01(b) shall contain sufficient information for Lessee to comply with Section 149 of the Code, as well as a confirmation of compliance with the transfer requirements imposed by Section 11.01(a) hereof. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments as last designated in such notice(s) of assignment. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. Assignments in part may include without limitation assignment of all of Lessor's rights in, to and under this Agreement related to the Equipment, and all of Lessor's security interest in or all rights in, to and under the Escrow Agreement.

Section 11.02. Assignment and Subleasing by Lessee. **None of Lessee's right, title, and interest in, to and under this Agreement or any portion of the Equipment, the Escrow Agreement or the Escrow Account may be assigned, encumbered or subleased by Lessee for any reason, and any purported assignment, encumbrance or sublease without Lessor's prior written consent shall be null and void.**

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an *"Event of Default"* under this Agreement:

(a) Failure by Lessee to (i) pay any Rental Payment or other payment required to be paid under this Agreement within ten (10) days after the date when due as specified herein, (ii) maintain insurance as required herein, or (iii) observe and perform any covenant, condition or agreement on its part to be observed or performed under Section 6.01 or 6.02 hereof;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement contained in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration;

provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by Lessor or any affiliate of Lessor, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of $500,000.00;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable Federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, liquidation, readjustment, reorganization, moratorium or insolvency proceeding;

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days; or

(g) Lessee's failure to comply with the requirements of the Energy Conservation Statutes in connection with any Vendor Agreement, this Agreement or the Equipment (unless such failure is waived by the Lessor in its discretion).

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as applicable, to be immediately due and payable;

(b) With or without terminating the Lease Term, Lessor may enter the premises where the Equipment is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee and other amounts hereunder that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies hereunder, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and reasonable attorney's fees), subject, however, to the provisions of Section 3.03 of this Agreement. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities hereunder or with respect to the Equipment;

(c) Lessor may terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments scheduled to be paid hereunder; and/or

(d) Lessor may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Agreement or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder 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 or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article XII it shall not be necessary to give any notice other than such notice as may be required in this Article XII.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement 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 13.04. Amendments, Changes and Modifications. This Agreement may only be amended by Lessor and Lessee in writing.

Section 13.05. Execution in Counterparts. This Agreement 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; *provided,* that only Counterpart No. 1 of this Agreement shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

Section 13.06. Applicable Law; Venue; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the State. The parties hereto consent and submit to the jurisdiction of the State and venue in any state or Federal court of such State for the purposes of any suit, action or other proceeding arising in connection with this Agreement, and each party expressly waives any objections that it may have to the venue of such courts. The parties hereto expressly waive any right to trial by jury in any action brought on or with respect to this Agreement.

Section 13.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.08. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated by this Agreement (including in connection with any amendment, waiver or other modification hereof or of any other related document), the Lessee acknowledges and agrees that: (a) (i) the transactions regarding this Agreement provided by the Lessor and any affiliate thereof are arm's-length commercial transactions between the Lessee, on the one hand, and the Lessor and its affiliates, on the other hand, (ii) the Lessee has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Lessee is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement and by the other related documents; (b) (i) the Lessor and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Lessee, or any other person and (ii) neither the Lessor nor any of its affiliates has any obligation to the Lessee with respect to the transactions contemplated by this Agreement except those obligations expressly set forth herein and in the other related documents; and (c) the Lessor and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Lessee, and neither the Lessor nor any of its affiliates has any obligation to disclose any of such interests to the Lessee. To the fullest extent permitted by law, the Lessee, hereby waives and releases any claims that it may have against the Lessor or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated by this Agreement.

Section 13.09. Entire Agreement. The parties agree that this Agreement constitutes the final and entire agreement between the parties superseding all conflicting terms or provisions of any prior proposals, term sheets, solicitation documents, requests for proposals, award notices, approval letters or any other agreements or understandings between the parties.

Section 13.10. Electronic Signatures. The Related Documents may be executed and delivered by facsimile signature or other electronic or digital means (including, without limitation, Adobe's Portable Document Format (*"PDF"*)). Any such signature shall be of the same force and effect as an original signature, it being the express intent of the parties to create a valid and legally enforceable contract between them. The exchange and delivery of the Related Documents and the related signature pages via facsimile or as an attachment to electronic mail (including in PDF) shall constitute effective execution and delivery by the parties and may be used by the parties for all purposes. Notwithstanding the foregoing, at the request of either party, the parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

[*Remainder of Page Intentionally Left Blank*]

[*Signature Page Follows*]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Purchase Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:	LESSEE:
FARMERS BANK & TRUST	TOWN OF FRISCO
1017 Harrison Street Great Bend, KS 67530 Email: SDobratz@farmers.com	City Hall – 1 Main Street Cleveland Heights, OH 80443 Attention: Acting Finance Director Telephone: (970) 668-9138 Email: LeslieE@townoffrisco.com
By:_________________________________ Name: Steve Dobratz Title: CFO	By:_________________________________ Name: Frederick J. Ihnken Title: Mayor

Counterpart No. _____ of _____ manually executed and serially numbered counterparts. To the extent that this Agreement constitutes chattel paper (as defined in the applicable Uniform Commercial Code), no security interest or ownership herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

[Signature Page of Lease Purchase Agreement]

LIST OF EXHIBITS

EXHIBIT A

EQUIPMENT SCHEDULE

The Equipment includes, but is not limited to, all of the equipment, fixtures and other goods and property acquired with the proceeds of the Agreement and includes, but is not limited to, that portion of the equipment, fixtures and other goods and property installed and acquired pursuant to the McKinstry Contract, as all such equipment and the locations at which such equipment is to be installed, as further described in “Schedule B – Description of Work” to the McKinstry Contract.

EXHIBIT B

PAYMENT SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/1/2026			29,866.76	29,866.76	29,866.76
4/1/2027			16,490.85	16,490.85	
10/1/2027	257,718.49	4.930%	16,490.85	274,209.34	290,700.19
4/1/2028			10,138.09	10,138.09	
10/1/2028	3,197.41	4.930%	10,138.09	13,335.50	23,473.59
4/1/2029			10,059.27	10,059.27	
10/1/2029	4,759.02	4.930%	10,059.27	14,818.29	24,877.56
4/1/2030			9,941.96	9,941.96	
10/1/2030	8,964.44	4.930%	9,941.96	18,906.40	28,848.36
4/1/2031			9,720.99	9,720.99	
10/1/2031	10,245.54	4.930%	9,720.99	19,966.53	29,687.52
4/1/2032			9,468.44	9,468.44	
10/1/2032	11,618.28	4.930%	9,468.44	21,086.72	30,555.16
4/1/2033			9,182.05	9,182.05	
10/1/2033	13,084.33	4.930%	9,182.05	22,266.38	31,448.43
4/1/2034			8,859.52	8,859.52	
10/1/2034	14,655.87	4.930%	8,859.52	23,515.39	32,374.91
4/1/2035			8,498.25	8,498.25	
10/1/2035	16,332.42	4.930%	8,498.25	24,830.67	33,328.92
4/1/2036			8,095.66	8,095.66	
10/1/2036	18,153.33	4.930%	8,095.66	26,248.99	34,344.65
4/1/2037			7,648.18	7,648.18	
10/1/2037	20,039.33	4.930%	7,648.18	27,687.51	35,335.69
4/1/2038			7,154.21	7,154.21	
10/1/2038	22,083.81	4.930%	7,154.21	29,238.02	36,392.23
4/1/2039			6,609.84	6,609.84	
10/1/2039	24,257.56	4.930%	6,609.84	30,867.40	37,477.24
4/1/2040			6,011.89	6,011.89	
10/1/2040	26,577.39	4.930%	6,011.89	32,589.28	38,601.17
4/1/2041			5,356.76	5,356.76	
10/1/2041	29,049.57	4.930%	5,356.76	34,406.33	39,763.09
4/1/2042			4,640.69	4,640.69	
10/1/2042	31,681.59	4.930%	4,640.69	36,322.28	40,962.97
4/1/2043			3,859.74	3,859.74	
10/1/2043	34,484.19	4.930%	3,859.74	38,343.93	42,203.67
4/1/2044			3,009.70	3,009.70	
10/1/2044	37,462.93	4.930%	3,009.70	40,472.63	43,482.33

4/1/2045			2,086.24	2,086.24	
10/1/2045	40,632.19	4.930%	2,086.24	42,718.43	44,804.67
4/1/2046			1,084.66	1,084.66	
10/1/2046	44,002.31	4.930%	1,084.66	45,086.97	46,171.63
	669,000.00		325,700.74	994,700.74	994,700.74

Contract Rate. The Contract Rate is 4.93% per annum.

Prepayment Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date is November 14, 2030.

LESSOR:

FARMERS BANK & TRUST

By:_________________________________
Name: Steve Dobratz
Title: CFO

LESSEE:

TOWN OF FRISCO, COLORADO

By:_________________________________
Name: Frederick J. Ihnken
Title: Mayor

[Signature Page to Payment Schedule]

EXHIBIT C-1

FORM OF AUTHORIZING ORDINANCE

AN ORDINANCE CONCERNING THE FINANCING OF A UTILITY COST-SAVINGS MEASURE AND, IN CONNECTION THEREWITH, AUTHORIZING THE PROJECT AND APPROVING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT, AN ESCROW AND ACCOUNT CONTROL AGREEMENT, AND OTHER DOCUMENTS.

WHEREAS, the Town of Frisco, in Summit County, Colorado (the "Town"), is a duly organized and existing home rule municipality of the State of Colorado (the "State"), created and operating pursuant to Article XX of the State Constitution and the Town's Home Rule Charter (the "Charter").

WHEREAS, pursuant to Section 10-10 of the Charter, the Town Council of the Town (the "Council") is authorized to enter into lease-purchase and installment-purchase agreements for the purchase, installation, or acquisition of any real or personal property for public purposes.

WHEREAS, the Town approved and entered into that certain Energy Performance Contract, with an effective date of [July 22, 2025] (the "EPC Contract"), which EPC Contract constitutes an "energy performance contract" as defined in C.R.S. Section 29-12.5-101 et seq. (as amended, the "Energy Conservation Statutes").

WHEREAS, under the EPC Contract, the Town engaged McKinstry Essention, LLC to acquire and install certain equipment, fixtures and other goods and property acquired with the proceeds of the Agreement and includes, but is not limited to, all energy conservation equipment, fixtures and other goods and property installed at the locations described in "Schedule B – Description of Work" of the EPC Contract (the "Project").

WHEREAS, each item of equipment included as part of the Project constitutes a "utility cost-savings measure" within the meaning of the Energy Conservation Statutes.

WHEREAS, the Council hereby determines that it is in the best interests of the Town and its inhabitants that the Town finance the costs of the Project pursuant to a Lease Purchase Agreement (Escrow Account) between Farmers Bank & Trust, a Kansas state banking corporation, as lessor (the "Lessor"), and the Town, as lessee.

WHEREAS, under the Lease Purchase Agreement, the Town shall be granted a long-term leasehold interest in the Leased Property that becomes a full ownership interest in the Leased Property at the end of the leasehold term.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO THAT:

SECTION 1. Recitals.

A. The Town will execute and deliver a Lease Purchase Agreement (Escrow Account) (the "Agreement") pursuant to which the Lessor will provide funds to the Town to finance a portion of the costs of the Project.

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

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

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

E. There have been filed with the Town Clerk proposed forms of: (i) the Agreement; (ii) the Escrow and Account Control Agreement between the Lessor, as escrow agent, at the Town (the "Escrow Agreement"); and (iii) a Federal Tax and Arbitrage Certificate (the "Tax Certificate") to be executed and delivered by the Town.

F. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement and the Escrow Agreement.

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

Section 3. Finding of Best Interests. The Council hereby finds and determines, pursuant to the Constitution and laws of the State and the Charter, that the implementation of the Project pursuant to the terms set forth in the Agreement, the Escrow Agreement and the Tax Certificate are necessary, convenient, and in furtherance of the Town's purposes and are in the best interests of the inhabitants of the Town and that the fair value of the Project does not exceed its

Prepayment Price (as defined in the Agreement), and the Council hereby authorizes and approves the same.

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

(a) the term of the Agreement shall end no later than October 1, 2046;

(b) the maximum annual repayment cost of Rental Payments payable by the Town shall not exceed $291,000, and the total repayment cost shall not exceed $995,000;

(d) the aggregate principal amount of the Rental Payments payable by the Town under the Agreement shall not exceed $669,000;

(e) the purchase price of the Agreement by the Lessor shall not be less than 100% of the aggregate principal amount; and

(f) the maximum net effective interest rate on the interest component of the Rental Payments shall not exceed 5.00%.

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

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

Section 6. Authorization to Execute Collateral Documents. The Mayor, the Town Manager, the Finance Director, and other appropriate officials or employees of the Town are hereby authorized to execute and deliver for and on behalf of the Town any and all certificates, documents, instruments, and other papers and to perform all other acts that they deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this ordinance. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town, if so required by any documents in connection with the matters authorized by this ordinance. The appropriate officers of the Town are authorized to execute on behalf of the Town agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the Town of such instrument in accordance with the terms hereof and thereof.

Section 7. No General Obligation Debt. No provision of this ordinance, the Agreement, the Escrow Agreement or the Tax Certificate shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory, or Charter provision, nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year. The Town shall not have any obligation to make any payment with respect to the Agreement except in connection with the payment of the Rental Payments and certain other payments under the Agreement, which payments may be terminated by the Town in accordance with the provisions of the Agreement. The Agreement shall not constitute a mandatory charge or requirement of the Town in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect Town debt or other financial obligation whatsoever. No provision of the Agreement shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the State Constitution. The Agreement shall not 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 Rental Payments do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Agreement or to exercise its option to purchase the Project pursuant to the Agreement. The Council hereby determines and declares that the period during which the Town has an option to purchase the Project (i.e., the entire maximum term of the Agreement) does not exceed the remaining useful life of the Project.

Section 9. 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 under the Agreement. 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 Agreement, any person purchasing or selling the Agreement or any interest therein specifically waives any such recourse.

Section 10. 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 11. Repealer. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 12. Severability. If any section, subsection, paragraph, clause, or other provision of this ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this ordinance, the intent being that the same are severable.

Section 13. Effective Date. In accordance with Section 3-8 of the Charter, this ordinance will take effect five days after final publication.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION IN FULL AND POSTING BY TITLE ORDERED ON THE 28 DAY OF OCTOBER, 2025.

ADOPTED ON SECOND READING AND PUBLICATION BY TITLE ORDERED ON THE ____ DAY OF __________, 2025.

TOWN OF FRISCO, COLORADO

____
Mayor Frederick J. Ihnken

ATTEST:

____
Stacey Campbell, Town Clerk

EXHIBIT C-2

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting Town Clerk of the Town of Frisco (*"Lessee"*) certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the *"Officials"*) in the capacity set forth opposite their respective names below and the facsimile signatures below are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute, in writing or electronically, and deliver the Lease Purchase Agreement dated as of November 13, 2025 by and between Lessee and Farmers Bank & Trust (*"Lessor"*), the Escrow and Account Control Agreement dated as of November 13, 2025 by and among Lessor, as Escrow Agent, and Lessee, the Federal Tax and Arbitrage Certificate dated as of November 13, 2025, all documents related thereto and delivered in connection therewith, and any future modification(s) or amendments thereof (collectively, the *"Operative Agreements"*), and the Operative Agreements each are the binding and authorized agreements of Lessee, enforceable in all respects in accordance with their respective terms.

NAME OF OFFICIAL	TITLE	SIGNATURE
Frederick J. Ihnken	Mayor	______________________

Dated: November 13, 2025

By:____________________________________
Name: Stacey Campbell
Title: Town Clerk

(The signer of this Certificate cannot be listed above as authorized to execute the Operative Agreements.)

EXHIBIT D

FORM OF OPINION OF SPECIAL COUNSEL
(TO BE TYPED ON LETTERHEAD OF COUNSEL)

[Closing Date]

Farmers Bank & Trust
Great Bend, KS

Re: Lease Purchase Agreement,
dated as of November 13, 2025, by and between
Farmers Bank & Trust, as Lessor,
and the Town of Frisco, Colorado, as Lessee

Ladies and Gentlemen:

As legal counsel to the Town of Frisco, Colorado (*"Lessee"*), I have examined (a) an executed counterpart of that certain Lease Purchase Agreement, dated as of November 13, 2025, and Exhibits thereto by and between Farmers Bank & Trust (*"Lessor"*) and Lessee (the *"Agreement"*), which, among other things, provides for the lease of certain property (the *"Equipment"*) and a certain Escrow and Account Control Agreement dated as of November 13, 2025 by and among Lessee and Lessor, in its capacity as escrow agent (the *"Escrow Agreement"*), (b) an executed counterpart of the ordinances or resolutions of Lessee with respect to authorization of the transaction contemplated by the Agreement, the Escrow Agreement and documents related thereto, (c) the Federal Tax and Arbitrage Certificate dated as of November 13, 2025 executed and delivered by Lessee (the *"Tax Certificate"*); and (d) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. Further, in rendering the following opinions, we have relied upon, among other things, that certain Certificate of Lessee executed and delivered by Lessee to this firm and Lessor on November 13, 2025 as to the matters set forth therein (including any legal conclusions so stated). The Agreement, the Escrow Agreement, the Tax Certificate, and the documents relating thereto are herein collectively referred to as the "*Transaction Documents*".

Based on the foregoing, I am of the following opinions:

1. Lessee is a town, duly organized and existing under the laws of the State of Colorado and is a political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code.

2. The portion of Rental Payments designated as interest is excluded from gross income for Federal income tax purposes under Section 103 of the Code.

Lessee has designated its obligation to pay Rental Payments under the Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding (a) other federal or State of Colorado tax consequences arising with respect to the Rental Payments or the Agreement, (b) the treatment for federal or State of Colorado income tax purposes of any moneys received by Lessor, other than payments by Lessee made pursuant to the Lease, upon an Event of Non-appropriation, an Event of Default or a Non-Renewal Event or (c) title to, security interests in or the description of the Equipment or any other property subject to the Agreement.

The rights of Lessor and the enforceability of the Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

All capitalized terms herein shall have the same meanings as in the Transaction Documents unless otherwise provided herein.

Sincerely,

EXHIBIT E

FORM OF FINAL ACCEPTANCE CERTIFICATE

Farmers Bank & Trust
Great Bend, KS

Re: Lease Purchase Agreement,
dated as of November 13, 2025, by and between
Farmers Bank & Trust, as Lessor,
and the Town of Frisco, as Lessee

Ladies and Gentlemen:

In accordance with the above-referenced Lease Purchase Agreement (the *"Agreement"*), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment has been delivered, installed and unconditionally accepted on the date hereof.

2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.

4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement are true and correct as of the date hereof.

5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof.

6. No Material Adverse Change has occurred since the date of the execution and delivery of the Agreement.

7. No Event of Non-appropriation and no Non-Renewal Event has occurred or been threatened.

Capitalized terms used, but not defined, in this Final Acceptance Certificate shall have the same meanings as when such terms are used in the Agreement.

Date: ____________________

LESSEE:

TOWN OF FRISCO

By:____________________________________
Name: ______________________________
Title: _______________________________

(SEAL)

EXHIBIT F

RESERVED

EXHIBIT G

ESCROW AND ACCOUNT CONTROL AGREEMENT

This Escrow and Account Control Agreement (this *"Agreement"*), dated as of November 13, 2025, by and among Farmers Bank & Trust, a Kansas state banking corporation (together with its successors and assigns and transferees, hereinafter referred to as *"Lessor"* or *"Escrow Agent"*), and the Town of Frisco, Colorado, a body politic and corporate under the laws of the State of Colorado (hereinafter referred to as *"Lessee"*).

Reference is made to that certain Lease Purchase Agreement dated as of November 13, 2025 between Lessor and Lessee (hereinafter referred to as the *"Lease"*), covering the acquisition and lease of certain Equipment described therein (the *"Equipment"*). It is a requirement of the Lease that the Acquisition Amount ($649,000.00) be deposited into a segregated escrow account under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Creation of Escrow Account. (a) There is hereby created an escrow fund to be known as the "Town of Frisco, Colorado Escrow Account" (the *"Escrow Account"*) to be held by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) Lessee may, from time to time, provide written instructions for Escrow Agent to use any available cash in the Escrow Account to purchase any money market fund or liquid deposit investment vehicle that Escrow Agent from time to time makes available to the parties hereto. Such written instructions shall be provided via delivery to Escrow Agent. All funds invested by Escrow Agent at the direction of Lessee in such short-term investments shall be deemed to be part of the Escrow Account and subject to all the terms and conditions of this Agreement. The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Agreement. The Lessee acknowledges that neither the Escrow Agent nor the Lessor is providing investment supervision, recommendations, or advice. If any cash is received for the Escrow Account after the cut-off time for the designated short-term investment vehicle, the Escrow Agent shall hold such cash uninvested until the next Business Day. *"Business Day"* means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in Frisco, Colorado or New York, New York. In the absence of written instructions from Lessee designating a short-term investment of cash in the Escrow Account, cash in the Escrow Account shall remain uninvested and it shall not be collateralized. Escrow Agent shall have no obligation to pay interest on cash in respect of any period during which it remains uninvested. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Lessee. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein.

(c) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written instruction(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Escrow Account on or after the earlier of (i) the expiration of the Acquisition Period or (ii) the date on which Lessee executes a Final Acceptance Certificate shall be applied as provided in Section 4 hereof.

(d) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account, (ii) the date on which Lessee executes a Final Acceptance Certificate or (iii) written notice given by Lessor of the occurrence of an Event of Default under the Lease or termination of the Lease due to an Event of Non-appropriation. Notwithstanding the foregoing, this Agreement shall not terminate nor shall the Escrow Account be closed until all funds deposited hereunder have been disbursed.

(e) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. Notwithstanding the foregoing sentence, the Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, to the extent permitted by law, Lessee agrees to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees) (collectively, *"Losses"*) incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given by written or electronic transmission given by each, respectively, *provided, however,* that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, with regards to the execution of the instructions or directions in question, it being understood that forbearance on the part of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person shall not be deemed to constitute gross negligence or willful misconduct.

In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(f) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, to the extent permitted by all applicable laws, Lessee agrees to and does hereby release and indemnify the Escrow Agent and its directors, officers, employees and agents and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action including an interpleader action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

(h) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct. The Escrow Agent may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(i) The compensation fee for Escrow Agent's services under this Agreement is $0.00. Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for non-routine administration of the Escrow Account, execution of the directions provided by the Lessee and Lessor and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, any termination of the Lease due to an Event of Non-appropriation or in connection with any dispute between Lessor and Lessee concerning the Escrow Account. The terms of this paragraph shall survive termination of this Agreement and/or the earlier resignation or removal of the Escrow Agent.

(j) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the

"Effective Date"), which shall be a date not less than 60 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(k) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no implied duties responsibilities or obligations shall be read into this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent.

(l) The permissive rights of the Escrow Agent to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Escrow Agent shall not be answerable for other than its gross negligence or willful misconduct.

(m) Nothing in this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder.

(n) In no event shall the Escrow Agent be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(o) In the event that any of the funds in the Escrow Account shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the funds in the Escrow Account, the Escrow Agent is hereby expressly authorized to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. To the extent permitted by law, the Escrow Agent shall inform the Lessor and Lessee in writing about any such attachment, garnishment, levy, court order, judgment or decree within ten (10) business days of its receipt of any such attachment, garnishment, levy, court order, judgment or decree. In the event that the Escrow Agent obeys or complies with any such writ, order or decree, it shall not be liable to any of the other parties to this Agreement or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 2. Acquisition and Installation of Equipment.

(a) *Acquisition Contracts.* Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof. Escrow Agent shall have no duty to inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Agreement or monitor or enforce Lessee's compliance with the foregoing covenant.

(b) *Authorized Escrow Account Disbursements*. It is agreed as between Lessee and Lessor that disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment.

(c) *Requisition Procedure*. Prior to disbursement from the Escrow Account, there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. The Escrow Agent is authorized to obtain and rely on confirmation of such Disbursement Request and payment instructions by telephone call-back to the person or persons executing such Disbursement Request unless otherwise designated by Lessee. Lessor and Lessee hereby confirm that any call-back performed by Escrow Agent to verify a disbursement instruction pursuant to a Disbursement Request submitted pursuant to this Section 2(c) before release, shall be made to Lessor only and Escrow Agent shall have no obligation to call-back Lessee. The Escrow Account may be executed by Lessee's Mayor, the Finance Director of Lessee, or any other officer or employee designated in writing to execute any Disbursement Request by either of them.

Each such Disbursement Request shall be signed by an authorized representative of Lessee (an *"Authorized Representative"*) and by Lessor, and shall be subject to the following conditions, which Escrow Agent shall conclusively presume have been satisfied at such time as a requisition executed by Lessee and Lessor is delivered to it:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1;

2. Delivery to Lessor of copies of invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale therefor or other evidence of title transfer, and release by Vendor of any security interest, therefor as required by Section 3.04 of the Lease and any additional documentation reasonably requested by Lessor; and

3. The disbursement shall occur during the Acquisition Period.

Lessee and Lessor agree that their execution of the form attached hereto as Schedule 1 and delivery of the executed form to Escrow Agent confirms that all of the requirements and conditions with respect to disbursements set forth in this Section 2 have been satisfied.

Section 3. Deposit to Escrow Account. Upon satisfaction of the conditions specified in Section 3.04 of the Lease, Lessor will cause the Acquisition Amount to be deposited in the Escrow Account. Lessee agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Account. The Escrow Agent shall not be liable for any amount in excess of the Acquisition Amount.

Section 4. Excess Proceeds in Escrow Account. Upon receipt of written instructions from Lessor including a representation that one of the following conditions has been satisfied (upon which representation Escrow Agent shall conclusively rely), any funds remaining in the Escrow Account on or after the earliest of (a) the expiration of the Acquisition Period, (b) the date on which Lessee executes a Final Acceptance Certificate, or (c) upon a termination of the Escrow Account as provided in this Agreement, shall be distributed by the Escrow Agent to the Lessor in order for the Lessor to apply such funds to amounts owed by Lessee under the Lease in accordance with Section 4.07 of the Lease.

Section 5. Security Interest. Lessee acknowledges and agrees that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account, and all proceeds thereof, and all investments made with any amounts in the Escrow Account.

Section 6. Reserved.

Section 7. Information Required Under USA Patriot Act. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA Patriot Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA Patriot Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Section 8. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below.

Notices and other communications hereunder may be delivered or furnished by electronic mail *provided* that any formal notice shall be attached to an email message in PDF format and *provided further* that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt.

If a court of competent jurisdiction declares any provision hereof invalid, it will be ineffective only to the extent of such invalidity, so that the remainder of the provision and Agreement will continue in full force and effect.

This Agreement and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersede all prior agreements and understandings, oral or written.

If to Lessor/Escrow Agent:	Farmers Bank & Trust 1017 Harrison Street Great Bend, Kansas 67530 Attn: Steve Dobratz Telephone: (620) 792-2411 Email: sdobratz@farmersbankks.com
If to Lessee:	Town of Frisco, Colorado City Hall – 1 Main Street P.O. Box 4100 Frisco, CO 80443 Attention: Leslie Edwards, C.P.A., Finance Director Telephone: (970) 668-9138 Email: lesliee@townoffrisco.com

Section 9. Lessee and Lessor understand and agree that they are required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with such Tax Certification. As used herein "Tax Certification" shall mean an IRS form W-9 or W-8 as described above. The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a foreign person, the Escrow Agent will withhold U.S. tax as required by law and report such earnings and taxes withheld, if any, for the benefit of such foreign person on IRS Form 1042-S (or any other required form), unless such earnings and withheld taxes are exempt from reporting under Treasury Regulation Section 1.1461-1(c)(2)(ii) or under other applicable law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and Lessee as payee. Escrow Agent shall recognize Lessee as the designated party for regulatory reporting purposes.

Lessee and Lessor agree that they are not relieved of their respective obligations, if any, to prepare and file information reports under Code Section 6041, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to Code Sections 483 or 1272. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

Section 10. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and the parties hereto consent to jurisdiction in the State of Colorado and venue in any state or Federal court located in the State of Colorado, and each party expressly waives any objections that it may have to the venue of such courts. THE PARTIES HERETO EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT.

Section 11. Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding. Any bank or corporation into which the Lessor may be merged or with which it may be consolidated, or any bank or corporation to whom the Lessor may transfer a substantial amount of its business, shall be the successor to the Lessor without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

Section 12. This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

Section 13. No party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed.

Section 14. Escrow Agent and Lessor will treat information related to this Agreement as confidential but, unless prohibited by law, Lessee authorizes the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates and other representatives and advisors of Escrow Agent and third parties selected by any of them, wherever situated, for confidential use in the ordinary course of business, and further acknowledge that Escrow Agent and any such subsidiary, officer, affiliate or third party may transfer or disclose any such information as required by any law, court, regulator or legal process. For the avoidance of doubt, nothing herein prohibits any individual from communicating or disclosing information regarding suspected violations of laws, rules, or regulations to a governmental, regulatory, or self-regulatory authority without any notification to any person.

Lessee will treat the terms of this Agreement as confidential except on a "need to know" basis to persons within or outside Lessee's organization (including affiliates of such party), such as attorneys, accountants, bankers, financial advisors, auditors and other consultants of such party and its affiliates, except as required by any law, court, regulator or legal process and except pursuant to the express prior written consent of the other parties, which consent shall not be unreasonably withheld.

Section 15. This Agreement may be executed and delivered by facsimile signature or other electronic or digital means (including, without limitation, Adobe's Portable Document Format (*"PDF"*)). Any such signature shall be of the same force and effect as an original signature, it being the express intent of the parties to create a valid and legally enforceable contract between them. The exchange and delivery of this Agreement and the related signature pages via facsimile or as an attachment to electronic mail (including in PDF) shall constitute effective execution and delivery by the parties and may be used by the parties for all purposes. Notwithstanding the foregoing, at the request of either party, the parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Escrow and Account Control Agreement as of the date first above written.

FARMERS BANK & TRUST, as Lessor and Escrow Agent

By:_________________________________
Name: ___________________________
Title: ____________________________

TOWN OF FRISCO, COLORADO, as Lessee

By:_________________________________
Name: Frederick J. Ihnken
Title: Mayor

[Signature Page to Escrow and Account Control Agreement]

SCHEDULE 1
TO THE ESCROW AND ACCOUNT CONTROL AGREEMENT

FORM OF DISBURSEMENT REQUEST

Re: Lease Purchase Agreement dated as of November 13, 2025 by and between Farmers Bank & Trust, as Lessor, and the Town of Frisco, Colorado, as Lessee (the *"Lease"*) (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow and Account Control Agreement, dated as of November 13, 2025 (the *"Escrow and Account Control Agreement"*) by and among Farmers Bank & Trust (*"Lessor"*), the Town of Frisco, Colorado (*"Lessee"*) and Farmers Bank & Trust (the *"Escrow Agent"*), the undersigned hereby requests the Escrow Agent pay the persons/entities the amounts set forth, for the purposes listed, and pursuant to the instructions provided on Schedule 1 attached hereto from the Escrow Account created under the Escrow and Account Control Agreement.

Lessee hereby represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(i) Each obligation specified in the table herein titled as "Disbursement Amounts" (a) has been incurred by Lessee in the stated amount, (b) the same is a proper charge against the Escrow Account for Equipment Costs relating to the Equipment identified above and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and (c) has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Equipment relating to such obligation has been delivered, installed and accepted by Lessee.

(ii) For each item of Equipment relating to an obligation specified in the table herein titled as "Disbursement Amounts" (a) Lessee has conducted such inspection and testing of the Equipment as it deems necessary and appropriate in order to determine the Equipment's capability and functionality in order to accept such Equipment, (b) such Equipment has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee and title thereto has transferred to Lessee and any security interest of Vendor therein has been released and (c) the date on which Equipment acceptance occurred is __________, 20__. Attached hereto is a copy of the original invoice, and certification from Vendor as to title transfer and release by Vendor of any security interest with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other Liens or rights to Liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Equipment is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof. No Event of Non-appropriation has occurred or is threatened with respect to the Lease.

(vii) The disbursement shall occur during the Acquisition Period.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

(ix) No Material Adverse Change has occurred since the date of the execution and delivery of the Lease.

(x) The information in this Disbursement Request regarding each Payee, including their respective name, address and wiring instructions (collectively, the *"Payee Information"*), is true and correct, such Payee Information has been verified and confirmed by Lessee and the Lessor can rely on Lessee's verification and confirmation of the accuracy of such Payee Information. Lessee hereby acknowledges and agrees that any call-back performed by Lessor to verify the disbursement instructions pursuant to this Disbursement Request shall be made to Lessee only and Lessor shall have no obligation to call-back any Payee listed above.

Dated: _______________

TOWN OF FRISCO, COLORADO

By:___________________________________
Name: ______________________________
Title: _______________________________

Disbursement of funds from the Escrow
Account in accordance with the foregoing
Disbursement Request hereby is authorized

FARMERS BANK & TRUST
as Lessor under the Lease

By:________________________________
Name:____________________________

Title:_________________________

[Exhibit A attached hereto]

81253090.v2

EXHIBIT A

DISBURSEMENT AMOUNTS:

Payee's Name	INVOICE NUMBER	DOLLAR AMOUNT	PURPOSE
<Payee's Name>	<invoice list>	< invoice amount>	<general description of equipment>

81253090.v2

EXHIBIT H

CERTIFICATE OF LESSEE

In connection with the execution and delivery of the Agreement and the opinion of special counsel (the "*Opinion Letter*") being delivered by Lathrop GPM LLP to Farmers Bank & Trust (*"Lessor"*) on November 13, 2025 relating to the Agreement and the Transaction Documents (as each such capitalized term is defined in the Opinion Letter), the undersigned authorized officer of the Town of Frisco, Colorado ("*Lessee*") hereby certifies to Lessor and to Lathrop GPM LLP on behalf of Lessee the following:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State of Colorado and has been delegated a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by state and federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. The authorization, approval, execution and delivery of the Transaction Documents and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance and strict compliance with all open meeting laws (including public notice thereof), procurement and public bidding and investment laws and all other applicable State laws. The first reading of the ordinance evidencing the Lessee's approval of the Transaction Documents (the "*Ordinance*") was on October 28, 2025, and the second reading and final adoption of the Ordinance was completed on November 5, 2054. Each such meeting constituted a Regular Meeting of Lessee's governing body and was conducted following proper public notice of each such meeting provided in accordance with Lessee's Code of Ordinances and the laws of the State of Colorado.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the Equipment or the transactions contemplated by the Transaction Documents.

6. Legal counsel to Lessee has reviewed the Agreement and has independently

determined and agreed, and the undersigned hereby represents and warrants, that: (a) each item of Equipment being financed with proceeds of the Agreement constitutes a "utility cost-savings measure" within the meaning of the Energy Conservation Statutes; (b) the Agreement constitutes an "energy saving measure" within the meaning of the Energy Conservation Statutes; (c) the McKinstry Contract constitutes an "energy performance contract" within the meaning of the Energy Conservation Statutes; (d) the Agreement and the Transaction Documents are not subject to competitive bidding requirements that have not otherwise been complied with by Lessee; (e) the amount of Rental Payments to be paid under the Agreement by Lessee have been determined and approved by the Lessee's governing body; (f) the Lease Term does not exceed the weighted average useful system life of the Equipment; (g) the debt represented by the Agreement does not give rise to an indebtedness within the meaning of any constitutional, statutory, or home rule debt limitation and does not require approval of the qualified electors of Lessee; (h) the borrowing represented by the Agreement does not cause the total outstanding indebtedness of Lessee to exceed one-fifth of one percent of the latest valuation for assessment of all of the taxable property within the boundaries of Lessee; and (i) the Contract Rate does not exceed the maximum legal rate of interest determined under section 18-15-104 of the Colorado Revised Statutes or that are otherwise applicable to Lessee.

7. Lessee's approval of and entering into the Transaction Documents was done in accordance with and is not in violation or contravention of the laws of the State of Colorado, Lessee's Charter or Lessee's Code of Ordinances.

All capitalized terms used in this Certificate shall have the meanings given to them in the Opinion Letter or the Agreement, each dated as of the date hereof.

It is understood that Lathrop GPM LLP will rely on the statements set forth herein (including any legal conclusions so stated) in rendering its Opinion Letter as to certain matters required by Lessor.

[remainder of page intentionally blank; signatures follow]

TOWN OF FRISCO, COLORADO

____
By: Frederick J. Ihnken, Mayor

[Certificate of Lessee – Signature Page]

FEDERAL TAX CERTIFICATE

Relating to:
$649,000
LEASE PURCHASE AGREEMENT
(ESCROW ACCOUNT)
DATED AS OF NOVEMBER 5, 2025,
BETWEEN
FARMERS BANK & TRUST, AS LESSOR,
AND TOWN OF FRISCO, COLORADO, AS LESSEE

THIS FEDERAL TAX CERTIFICATE (the "**Tax Certificate**"), is executed as of November 5, 2025 (the "**Closing Date**"), by Town of Frisco, Colorado (the "**Town**").

RECITALS

1. This Tax Certificate is being executed and delivered in connection with that certain Lease Purchase Agreement (Escrow Account) dated as of November 5, 2025 (the "**Agreement**"), entered into between the Town and Farmers Bank & Trust, a Kansas corporation (the "**Lessor**"), in the original principal amount of $649,000.00.

2. The Agreement is being executed the date of this Tax Certificate, for the purpose of financing the acquisition and construction of certain energy savings equipment (the "**Financed Property**").

3. The Internal Revenue Code of 1986, as amended (the "**Code**"), and the applicable regulations and rulings issued by the U.S. Treasury Department (the "**Regulations**"), impose certain limitations on the uses and investment of the proceeds of the Agreement and of certain other money relating to the Agreement and set forth the conditions under which the interest portion of the rental payments (the "**Interest Components**") will be excluded from gross income for federal income tax purposes.

4. The Town is executing this Tax Certificate in order to set forth certain facts, covenants, representations, and expectations relating to the use of proceeds of the Agreement and the property financed with those proceeds and the investment of the proceeds of the Agreement and of certain other related money, in order to establish and maintain the exclusion of the Interest Components from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

5. This Tax Certificate is entered into to set out specific tax compliance procedures applicable to the Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Certificate, the Town represents, covenants and agrees as follows:

ARTICLE I

GENERAL OVERVIEW, SPECIAL TAX COUNSEL ADVICE

Section 1.1. *Definitions of Words and Terms.* Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the recitals above, in the Agreement, or on **Exhibit G** to this Tax Certificate, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations.

Section 1.2 *General*. The Town understands that among other things, in order to maintain the exclusion of the Interest Components from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in Code § 501(c)(3)) have to use the Financed Property identified on **Exhibit D**. Each of these requirements will be applied beginning on the later of the Closing Date or date each portion of the Financed Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Agreement is retired (the "**Measurement Period**"). The Town also understands that the federal income tax regulations also may restrict the Town's ability to invest any money set aside or pledged to pay rental payments on the Agreement.

Section 1.3. *Special Tax Counsel Advice*. The Town acknowledges that it may need to obtain written legal advice from a lawyer or firm of attorneys that regularly advises clients on similar questions as to how these rules apply in specific factual situations, referred to in this Tax Certificate as a "**Special Tax Counsel Opinion**." The Town agrees to obtain a Special Tax Counsel Opinion if required by the terms of this Tax Certificate and whenever the Town has a question regarding whether an action might impact the exclusion of the Interest Components from gross income for federal income tax purposes.

ARTICLE II

USE OF FINANCED PROPERTY

Section 2.1. *Use of Financed Property; Post-Issuance Tax Requirements*.

(a) <u>In General</u>. The Town will comply with the requirements of Section 141 of the Code and the Regulations which provide restrictions on special legal rights that users other than the Town or a state or local government or an agency or instrumentality of a state or a local government (an "**Eligible User**") may have to use the Financed Property or the Town buildings improved by the Financed Property (the "**Benefitted Buildings**"). For this purpose, special legal rights may arise from a management or service agreement, lease, research agreement or other arrangement providing any entity except an Eligible User the right to use a Benefitted Building or the Financed Property. Any use of the Financed Property or the Benefitted Buildings by a user other than an Eligible User is referred to in this Tax Certificate as **"Non-Qualified Use."**

(b) <u>Governmental Lease–Use of Proceeds</u>. Throughout the Measurement Period, all of the Financed Property is expected to be owned by the Town or another Eligible User. No portion of the Financed Property or the Benefitted Buildings is expected to be used in a Non-Qualified Use (which Non-Qualified Use has not exceeded and is not expected to exceed 10% of the proceeds or the Agreement and the use of the Financed Property and the Benefitted Buildings). As of the Closing Date, the Town has entered into the following agreements with respect to the Benefitted Buildings:

(c) Written Policies and Procedures of the Town. The Town intends for the Tax Compliance Procedure, as supplemented by this Tax Certificate, to be its primary written policies and procedures for monitoring compliance with the requirements related to the use of proceeds of the Agreement, the use of the Financed Property and Benefitted Buildings and the use or investment of Gross Proceeds of the Agreement after the Closing Date (the "**Post-Issuance Tax Requirements**"). In the event of any inconsistency between the Tax Compliance Procedure and this Tax Certificate, the terms of this Tax Certificate will govern.

(d) Compliance Officer. The Town, when necessary to fulfill the Post-Issuance Tax Requirements, will, through the Town's Bond Compliance Officer (as identified in the Tax Compliance Procedures), sign Form 8038-T in connection with the payment of arbitrage rebate or yield reduction payments, participate in any federal income tax audit of the Agreement or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Regulations § 1.141-12.

(e) Annual Compliance Checklist. Attached as **Exhibit B** is a Sample Annual Compliance Checklist for the Financed Property and the Benefitted Buildings. The Bond Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Property and Benefitted Buildings at least annually. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Certificate, the Bond Compliance Officer will obtain an Opinion of Special Tax Counsel and take actions to correct any deficiency.

(f) Record Keeping. The Bond Compliance Officer will maintain a file containing records relating to the expenditure of proceeds of the Agreement and use of the Financed Property and Benefitted Buildings, including the Annual Compliance Checklists (the "**Tax Compliance File**"). Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Certificate, the Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Agreement or (ii) any obligation issued to refund the Agreement. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Town and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the Town's premises.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. *Purpose of Financing.* The Agreement is being executed and delivered for the purpose of providing funds to (a) finance the costs of the Financed Property, and (b) pay the costs of executing and delivering the Agreement.

Section 3.2. *Funds and Accounts.* Besides the Escrow Account, no other separate funds or accounts have been established for the Agreement to hold proceeds of the Agreement or other money that will be used to pay the rental payments. The Town is required to make periodic payments in amounts sufficient to pay the rental payments under the Agreement. No separate sinking fund or other similar fund is expected to be established with respect to the Agreement.

Section 3.3. *No Refunding*. No proceeds of the Agreement will be used to pay the principal of or interest on any other debt obligation.

Section 3.4. *Rebate and Yield Restriction Requirements.* The Town will comply with the requirements of the Arbitrage Investment Instructions included as **Exhibit G** attached hereto (the "Arbitrage Instructions").

Section 3.5. *Single Issue; No Other Issues*. No other debt obligations of the Town (1) are being sold within 15 days of the sale of the Agreement, (2) are being sold under the same plan of financing as the Agreement, and (3) are expected to be paid from substantially the same source of funds as the Agreement (disregarding guarantees from unrelated parties, such as bond insurance).

Section 3.6. *Purchase Price and Yield on Agreement.*

(a) Purchase Price. The Lessor has represented in its Closing Certificate dated as of the Closing Date and attached to this Tax Certificate as **Exhibit F** that it has purchased the Agreement for $649,000.00, without accrued interest (the "**Purchase Price**"). The Lessor has certified in its Closing Certificate that it intends to hold the Agreement for its own account with no present intention to sell, assign or transfer to any entity.

(b) Yield. Based on the Purchase Price, the yield on the Agreement is 4.923871%, as computed by D.A. Davidson & Co., as shown on **Exhibit C**. The Town has not entered into an interest rate swap agreement with respect to any portion of the proceeds of the Agreement.

(c) Expenditure of Proceeds. The sale proceeds of the Agreement are expected to be allocated to expenditures as follows: $649,000.00 of sale proceeds of the Agreement will be deposited in the Escrow Account and used by the Town to pay the costs of acquiring and installing the Financed Property.

The Town has incurred, or will incur within 6 months after the Closing Date, a substantial binding obligation to a third party to spend at least 5% of the sale proceeds of the Agreement. The acquisition and installation of the Financed Property and the allocation of the sale proceeds to expenditures will proceed with due diligence. At least 85% of the sale proceeds of the Agreement will be used to carry out the governmental purpose of the Agreement within 3 years after the Closing Date, and not more than 50% of the proceeds of the Agreement will be invested in investments having a substantially guaranteed Yield for 4 years or more.

(d) *Reimbursement.* No portion of the net proceeds of the Agreement will be used to reimburse expenditures paid by the Town prior to the Closing Date. The Town will evidence each allocation of the proceeds of the Agreement to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than three years before the date of the reimbursement allocation. In addition, no reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Financed Property was placed in service.

ARTICLE IV

MISCELLANEOUS

Section 4.1. *No Federal Guarantee*. The payment of debt service on the Agreement is not and will not be directly or indirectly guaranteed by the United States of America or any agency of the United States of America.

Section 4.2. *Record Owner*. The Town will maintain or cause to be maintained a record of the owner(s) of the Agreement and the person/entity entitled to the receipt of the Interest Components. Transfer of ownership of the Agreement is effective only if entered in these records. The Agreement will be held in registered form within the meaning of Code § 149(a).

Section 4.3. *IRS Form 8038-G*. Special Tax Counsel will prepare IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) based on the representations and covenants of the Town contained in this Tax Certificate or otherwise provided by the Town. Special Tax Counsel will sign the return as a paid preparer following completion and will then deliver copies to the Town for execution and for the Town's records. The Town agrees to timely execute and return to Special Tax Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the "as-filed" copy along with proof of filing will be included as **Exhibit A**.

Section 4.4. *Effective Date of Agreement*. This Tax Certificate is effective on and after the Closing Date. If this Tax Certificate is actually executed prior to the Closing Date, it is subject to the express condition that the individual executing the Tax Certificate will immediately notify the Special Tax Counsel if any of the representation is not true and correct as of the Closing Date.

Section 4.5. *Governing Law***.** This Tax Certificate will be governed by and construed in accordance with the laws of the State of Colorado.

Section 4.6. *Electronic Transactions***.** The transaction described in this Tax Certificate may be conducted, and related documents may be stored, by electronic means.

Dated: November 5, 2025.

TOWN OF FRISCO, COLORADO

By: ____
Name: Frederick J. Ihnken
Title: Mayor

EXHIBIT A

IRS FORM 8038-G

[To be prepared and filed by Special Tax Counsel.]

EXHIBIT B

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation financing the Financed Property (the "Agreement")	Town of Frisco, Colorado – Lease Purchase Agreement (Escrow Account) with Farmer's Bank & Trust
Closing Date	November 5, 2025
Financed Property and Benefitted Buildings	Energy Conservation Improvements for the Town Buildings listed in the Schedule 1 to this checklist
Placed in service date of Financed Property	Various (See Exhibit D to the Tax Certificate for the Final Allocation of Agreement Proceeds with Placed in Service Dates)
Name of Compliance Officer	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	For federal income tax purposes, were all of the Benefitted Buildings and the Financed Property owned by the Town during the entire Annual Period?	☐ Yes ☐ No
	If answer above was "No," was an Opinion of Special Tax Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	☐ Yes ☐ No
2 Leases & Other Rights to Possession	During the Annual Period, were any portions of the Benefitted Buildings leased at any time pursuant to an agreement for more than 50 days?	☐ Yes ☐ No
	If the answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	☐ Yes ☐ No

Item	Question	Response
3 **Management or Service Agreements**	During the Annual Period, has the management of all or any part of the operations of the Benefitted Buildings been assumed by or transferred to another entity? Note: As of the Closing Date, Special Tax Counsel is aware of the Town's agreements with Follett Higher Education Group, Inc. and Language Company as described in Section 2.1(b) of the Tax Certificate. The Town does not need to contract Special Tax Counsel with regard to these agreements unless the Town is contemplating amending either agreement for any reason or if either provider will use additional space in any of the Benefitted Buildings pursuant to the respective agreements.	☐ Yes ☐ No
	If the answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the management agreement? If Yes, include a copy of the Opinion in the Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	☐ Yes ☐ No

4 **Other Use Agreements**	During the Annual Period, were any other agreements entered into with an individual or entity (other than an Eligible User, as defined in the Tax Certificate) that grants special legal rights to any of the Benefitted Buildings or the Financed Property?	☐ Yes ☐ No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the agreement? If Yes, include a copy of the Opinion in the Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	☐ Yes ☐ No

5 **Arbitrage Rebate and Yield Reduction Compliance**	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	☐ Yes ☐ No
	If No, contact the Rebate Analyst and incorporate report or include description of resolution in the Tax Compliance File.	☐ Yes ☐ No

Compliance Officer: ______________________________

Date Completed: ______________________________

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EXHIBIT C

LEASE AMORTIZATION SCHEDULE, PROOF OF YIELD AND CALCULATION OF WEIGHTED AVERAGE MATURITY

[See attached.

EXHIBIT D

DESCRIPTION OF THE FINANCED PROPERTY

[To be prepared by Special Tax Counsel.]

EXHIBIT E

RESOLUTION OF INTENT

[See attached.]

EXHIBIT F

CERTIFICATE OF LESSOR

Relating to:
$649,000
LEASE PURCHASE AGREEMENT
(ESCROW ACCOUNT)
DATED AS OF NOVEMBER 5, 2025,
BETWEEN
FARMERS BANK & TRUST, AS LESSOR,
AND TOWN OF FRISCO, COLORADO, AS LESSEE

The undersigned, as representative of Farmers Bank & Trust (the "Lessor"), with respect to the above-referenced lease purchase agreement (the "Agreement"), being executed and delivered on the date of this certificate, hereby certifies and represents that the Lessor is purchasing the Agreement for its own account and has not acted as agent or principal for any entity and has no present intention to sell any portion of the Agreement to any person or entity. The aggregate purchase price of the Agreement is $649,000.00, without accrued interest (the "Purchase Price"). The Purchase Price was established based on bona fide arm's length transactions between Town of Frisco, Colorado (the "University") and the Lessor, and was established without regard to any other services, products or assets being delivered by the Town or the Lessor in the transaction, if any.

This certificate may be relied upon by the Town in executing and delivering the Tax Compliance Certificate and Agreement relating to the Agreement, and by Lathrop GPM LLP, Special Tax Counsel, in rendering its opinion relating to the exclusion from federal gross income of the interest portion of rental payments paid under the Agreement and in preparing any informational return required to be filed with the Internal Revenue Service in connection with the execution and delivery of the Agreement.

Dated: November 5, 2025.

FARMERS BANK & TRUST

By: ______________________________________
Title: _____________________________________

EXHIBIT G

ARBITRAGE INVESTMENT INSTRUCTIONS

Relating to:
$649,000
LEASE PURCHASE AGREEMENT
(ESCROW ACCOUNT)
DATED AS OF NOVEMBER 5, 2025,
BETWEEN
FARMERS BANK & TRUST, AS LESSOR,
AND TOWN OF FRISCO, COLORADO, AS LESSEE

Section 1. Definitions. Except as otherwise provided in this Tax Certificate or unless the context otherwise requires, capitalized words and terms used in this Tax Certificate have the same meanings as set forth in the Agreement, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Certificate have the following meanings:

"Adjusted Gross Proceeds" means the Gross Proceeds of the Agreement, reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Closing Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

"Available Construction Proceeds" means the sale proceeds of the Agreement, increased by (i) Investment earnings on the sale proceeds, (ii) earnings on amounts in a reasonably required reserve or replacement fund allocable to the Agreement but not funded from the Agreement, and (iii) earnings on such earnings, reduced by sale proceeds (A) in any reasonably required reserve fund or (B) used to pay the costs of executing and delivering the Agreement. Available Construction Proceeds do not include Investment earnings on amounts in a reasonably required reserve or replacement fund after the earlier of (a) the second anniversary of the Closing Date or (b) the date the installation of the Financed Property is substantially completed.

"Bona Fide Debt Service Fund" means a fund, which may include proceeds of the Agreement, that (a) is used primarily to achieve a proper matching of revenues with principal and interest payments within each Lease Year; and (b) is depleted at least once each Lease Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Lease Year, or (2) one-twelfth of the principal and interest payments on the Agreement for the immediately preceding Lease Year.

"Computation Date" means each date on which arbitrage rebate for the Agreement is computed. The Town may treat any date as a Computation Date, subject to the following limits:

(a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Closing Date;

(b) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and

(c) the date the Agreement is discharged is the final Computation Date.

"Gross Proceeds" means (i) sale proceeds; (ii) Investment proceeds derived from the investment of sale proceeds; (iii) amounts held in a sinking fund for the Agreement; (iv) amounts held in a pledged fund or reserve fund for the Agreement; and (v) any transferred proceeds. Specifically, Gross Proceeds includes, but is not limited to, all amounts held in the Escrow Account.

"Guaranteed Investment Contract" is any investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

"Investment" means any security, obligation, annuity contract or other investment-type property which is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include obligations the interest on which is excluded from federal gross income, except for "specified private activity bonds" as defined in Code § 57(a)(5)(C).

"IRS" means the Internal Revenue Service.

"Lease Year" means each one-year period ending on November 1, or another one-year period selected by the Town.

"Minor Portion" means the lesser of $100,000 or 5% of the sale proceeds.

"Opinion of Special Tax Counsel" means the written opinion of Special Tax Counsel or other firm of nationally recognized special tax counsel to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest component of rental payments on the Agreement from gross income for federal income tax purposes or an opinion describing additions, modifications or additional procedures required to preserve the exclusion of the interest component of rental payments on the Agreement from gross income for federal income tax purposes.

"Proposed Regulations" means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

"Reasonable Retainage" means Gross Proceeds retained by the Town for reasonable business purposes, such as to ensure or promote compliance with a contract; provided that such amount may not exceed 5% of net sale proceeds of the Agreement on the date 18 months after the Closing Date.

"Regulations" means all Regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to the Agreement.

"Special Tax Counsel" means Lathrop GPM LLP, Kansas City, Missouri, or other nationally recognized firm of bond counsel.

"Yield" means the yield on the Agreement, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

Section 2. Covenants. The Town agrees (a) to compute arbitrage rebate or to determine that all or a portion of the Gross Proceeds are exempt from the rebate requirements, as appropriate, (b) to monitor Yield restriction on all Gross Proceeds, and (c) to pay to the United States all arbitrage rebate or

Yield reduction payment due in accordance with these Arbitrage Investment Instructions and the Regulations.

Section 3. Investment Yield Restriction. Except as described below, the Town will not invest gross proceeds of the Agreement at a Yield greater than the Yield on the Agreement:

(a) *Escrow Account*. Proceeds of the Agreement deposited in the Escrow Account or that are otherwise held by the Town to be used to pay the (1) costs of executing and delivering the Agreement, or (2) costs of acquiring and installing the Financed Property and investment earnings thereon may be invested without Yield restriction for not more than three years after the Closing Date. If any unspent proceeds of the Agreement remain in the Escrow Account or are held by the Town after three years, these amounts may continue to be invested without Yield restriction, so long as the Town pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Agreement is exempt from the arbitrage rebate requirements of Code § 148.

(b) *Bona Fide Debt Service Fund*. To the extent any fund or account of the Town qualifies as a Bona Fide Debt Service Fund, money in such account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on such amounts may be invested without Yield restriction for 1 year after the date of receipt of such earnings.

(c) *Minor Portion*. In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

Section 4. Procedures for Establishing Fair Market Value.

(a) *General*. No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair market value of any Investment is the price a willing buyer would pay to a willing seller to acquire the Investment in a bona fide, arm's-length transaction. Fair market value will be determined in accordance with Regulations § 1.148-5.

(b) *Established Securities Market*. Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using 1 of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) *Certificates of Deposit*. The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD issuer to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts*. The Town is applying Regulations § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Regulations (relating to electronic bidding of Guaranteed

Investment Contracts) to the Agreement. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Town makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Town or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Town or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are "commercially reasonable." A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Town's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive "last look").

(G) At least 3 "reasonably competitive providers" are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least 3 bids are received from providers that were solicited as described above and that do not have a "material financial interest" in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Closing Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Town retains the following records with the bond documents until 3 years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Town, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments*. If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least 3 bids on the Investment must be received from persons with no financial interest in the Agreement (*e.g.,* as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 5. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General.* A portion of the Gross Proceeds of the Agreement may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Agreement and will not otherwise affect the application of the Investment limitations described in **Section 3**. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 6** applies even if a portion of the Gross Proceeds of the Agreement is exempt from the rebate requirement.

(b) *Applicable Spending Exceptions*.

(1) The 2-year spending exception is unavailable for the Agreement because the Town does not expect that at least 75% of the Available Construction Proceeds will be used for construction or rehabilitation expenditures for property owned by the Town.

(2) The following optional rebate spending exceptions can apply to the Agreement:

(i) 6-month spending exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c)).

(ii) 18-month spending exception (Regulations § 1.148-7(d)).

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that any fund or account of the Town qualifies as a Bona Fide Debt Service Fund, Investment earnings in the fund cannot be taken into account in computing arbitrage rebate (1) with respect to such portion that meets the 6-month or 18-month spending exception, or (2) for a given Lease Year, if the gross earnings on the portion of the fund or account that qualifies as a Bona Fide Debt Service Fund for such Lease Year are less than $100,000. If the average annual debt service on the Agreement does not exceed $2,500,000, the $100,000 earnings test may be treated as satisfied in every Lease Year.

(e) *Documenting Application of Spending Exception.* At any time prior to the first Computation Date, the Town may engage a rebate analyst (the "**Rebate Analyst**") to determine whether one or more spending exceptions has been satisfied, and the extent to which the Town must continue to comply with **Section 6** hereof.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds to pay the principal component of any rental payment is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Agreement are spent within 6 months following the Closing Date. The test may still be

satisfied even if up to 5% of the sale proceeds remain at the end of the initial 6-month period, so long as this amount is spent within 1 year of the Closing Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds are spent in accordance with the following schedule:

Time Period After the Closing Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(5) For purposes of applying the 18-month spending exception only, the failure to satisfy the **final** spending requirement is disregarded if the Town uses due diligence to complete the Financed Facility and the failure does not exceed the lesser of 3% of the aggregate issue price the Agreement or $250,000. **No such exception applies for any other spending period.**

(6) For purposes of applying the 18-month spending exception only, the Agreement meets the applicable spending test even if, at the end of the **final** spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as such Reasonable Retainage is spent within 30 months after the Closing Date.

Section 6. Computation and Payment of Arbitrage Rebate.

(a) *Computation of Rebate Amount*. The Town will provide the Rebate Analyst Investment reports relating to each fund held by it that contains Gross Proceeds of the Agreement together with copies of Investment reports for any funds containing Gross Proceeds that are held by a party other than the Town annually as of the end of each Lease Year and not later than 10 days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price, (3) information establishing the fair market value on the date such Investment was allocated to the Agreement, (4) any accrued interest paid, (5) face amount, (6) coupon rate, (7) frequency of interest payments, (8) disposition price, (9) any accrued interest received, and (10) disposition date. Such records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the Town together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals.

(c) *Rebate Payments*. Within 60 days after each Computation Date, the Town will pay to the United States the rebate amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

(d) *Successor Rebate Analyst*. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if the Town desires that a different firm act as the Rebate Analyst, then the Town by an instrument or concurrent instruments in writing delivered to the firm then serving as the Rebate Analyst and any other party to this Tax Certificate, will name a successor Rebate Analyst. In each case, the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and such firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst hereunder.

(e) *Filing Requirements*. The Town will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Special Tax Counsel.

(f) *Survival after Defeasance*. Notwithstanding anything in the Agreement to the contrary, the obligation to pay arbitrage rebate to the United States will survive the payment, final maturity or defeasance of the Agreement.

(g) *Opinion of Special Tax Counsel.* These Arbitrage Investment Instructions may be modified or amended in whole or in part upon receipt of an opinion of Special Tax Counsel to the effect that such modifications and amendments will not adversely affect the exclusion from federal gross income of the interest components of the rental payments.

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