

PRELIMINARY OFFICIAL STATEMENT DATED [JULY 31], 2018

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: Moody's: "___"
 Standard & Poor's: "___"
 Fitch: "___"
 See "RATINGS" herein.

In the opinion of Becker Stowe Partners LLC, Special Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, (1) the interest portion of the Base Rentals to be paid with respect to the Series 2018A Certificates (the "Interest Portion") is excludable from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes, (2) the Interest Portion is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (3) to the extent the Interest Portion is excludable from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes, such Interest Portion is not subject to income taxation by the State of Colorado. See "TAX MATTERS" herein for a description of the federal alternative minimum tax, including federal alternative minimum tax on corporations for taxable years beginning before January 1, 2018, and for a more detailed discussion.

\$129,000,000*

CERTIFICATES OF PARTICIPATION, SERIES 2018A
(Colorado Convention Center Expansion Project)

Evidencing Proportionate Interests in the Base Rentals and Other Revenues under an Annually Renewable Lease Purchase Agreement between Denver Public Facilities Leasing Trust 2018A, as Lessor, and the City and County of Denver, Colorado, as Lessee

Dated: Date of Execution and Delivery

Due: June 1, as shown on the inside cover page

The Series 2018A Certificates are fully registered certificates executed and delivered by the Trustee in book entry only form only in denominations of \$5,000 or integral multiples thereof. The Series 2018A Certificates are to be registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository for the Series 2018A Certificates. Individual purchases are to be made in book entry only form in authorized denominations. Purchasers will not receive physical delivery of the Series 2018A Certificates. *Capitalized terms not otherwise defined on this cover page have the meanings set forth in this Official Statement.*

Interest on the Series 2018A Certificates is payable semiannually each June 1 and December 1, commencing June 1, 2019, to and including the maturity dates shown on the inside cover page, unless the Series 2018A Certificates are redeemed earlier.

The Series 2018A Certificates are subject to redemption prior to maturity as more fully described herein. See "THE SERIES 2018A CERTIFICATES – Redemption Provisions."

The Series 2018A Certificates evidence proportionate interests in the Base Rentals and certain other Revenues under an annually renewable Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery between the Denver Public Facilities Leasing Trust 2018A, as lessor, and the City, as lessee. The Series 2018A Certificates are executed and delivered pursuant to a Declaration and Indenture of Trust (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery by ZB, National Association, dba Zions Bank, Denver, Colorado, as trustee for the Trust and the owners of the Series 2018A Certificates. See "THE SERIES 2018A CERTIFICATES."

The City owns the Colorado Convention Center and plans to expand and improve it using various sources of financing, including lease purchase financing. For this lease purchase financing transaction, the City's ownership interest in portions of the rooftop of the Colorado Convention Center, the existing space and improvements currently located thereon and certain of the expanded and newly created third or rooftop expansion level and other improved spaces constituting portions of this Colorado Convention Center Expansion Project are to constitute the "Facilities" to be leased by the City, as lessor, to the Trust, as lessee, pursuant to a 2018A Facilities Lease Agreement No. 2018A (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery and leased by the Trust to the City pursuant to the 2018A Lease. See "THE COLORADO CONVENTION CENTER EXPANSION PROJECT – Project Plan of Finance," "SOURCES AND USES OF FUNDS" and "THE LEASED PROPERTY."

The Series 2018A Certificates are payable solely from certain Revenues that include (1) annually budgeted and appropriated Base Rentals, Prepayments, Net Proceeds and any Purchase Option Price paid by the City under the 2018A Lease, (2) following an Event of Nonappropriation or an Event of Lease Default, any moneys received by the Trustee from the exercise of remedies under the 2018A Facilities Lease and the 2018A Lease, and (3) any money and securities, including investment income, held by the Trustee in certain Funds and Accounts established under the 2018A Indenture. Neither the 2018A Lease nor the Series 2018A Certificates constitute a general obligation or other indebtedness of the City. Neither the 2018A Lease nor the Series 2018A Certificates constitute a multiple fiscal year direct or indirect debt or other financial obligation of the City or obligate the City to make any payments beyond those appropriated for any fiscal year in which the 2018A Lease is in effect. The City may choose not to renew, and therefore terminate its obligations under, the 2018A Lease on an annual basis. See "CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS."

This cover page is not a summary of the Series 2018A Certificates. Investors should read this Official Statement in its entirety to make an informed investment decision, giving particular attention to the section entitled "CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS."

The Series 2018A Certificates are offered when, as and if executed and delivered by the Trustee, subject to approval of legality and other matters by Becker Stowe Partners LLC, Denver, Colorado, as Special Counsel, and to certain other conditions. Certain legal matters will be passed upon for the City by Kristin M. Bronson, Esq., City Attorney. Becker Stowe Partners LLC, in its Special Counsel capacity, has also advised the City concerning, and have assisted in the preparation of, this Official Statement. Delivery of the Series 2018A Certificates through the facilities of DTC is expected on or about August __, 2018.

GEORGE K. BAUM & COMPANY

LOOP CAPITAL MARKETS

STERN BROTHERS & CO.

The date of this Official Statement is _____, 2018

* Preliminary, subject to change.

\$129,000,000*
CERTIFICATES OF PARTICIPATION, SERIES 2018A
(Colorado Convention Center Expansion Project)
Evidencing Proportionate Interests in the Base Rentals and Other Revenues
Under an Annually Renewable Lease Purchase Agreement
between Denver Public Facilities Leasing Trust 2018A, as Lessor,
and the City and County of Denver, Colorado, as Lessee

MATURITY SCHEDULE
(CUSIP 6-digit issuer number _____)¹

Year (June 1)	\$	<u>Amount*</u>	Interest <u>Rate</u> %	<u>Price</u>	<u>Yield</u> %	<u>CUSIP</u> <u>Number¹</u>
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
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2046						
2047						
2048						

* Preliminary, subject to change.

¹ The City takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of the Owners of the Series 2018A Certificates.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2018A Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2018A Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the City.

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

The information, estimates and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2018A Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or in the information, estimates or opinions set forth herein, since the date of this Official Statement.

The offering of the Series 2018A Certificates is made only by means of this entire Official Statement. The order and placement of materials in this Official Statement, including appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions of this Official Statement.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2018A Certificates. Neither the Trust nor the Trustee has or assumes any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

This Official Statement contains statements relating to future results that are “forward looking statements” as defined in the federal Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect,” “assume” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

This Official Statement has been prepared only in connection with the original offering of the Series 2018A Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Series 2018A Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the City, the Series 2018A Certificates and the terms of the offering, including the merits and risks involved. Neither the Securities and Exchange Commission nor the securities regulatory authority of any state has approved or disapproved the Series 2018A Certificates or this Official Statement. Any representation to the contrary is unlawful.

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OFFICIAL STATEMENT
Relating to
\$129,000,000*
CERTIFICATES OF PARTICIPATION, SERIES 2018A
(Colorado Convention Center Expansion Project)

Evidencing Proportionate Interests in the Base Rentals and Other Revenues under an Annually Renewable Lease Purchase Agreement between Denver Public Facilities Leasing Trust 2018A, as Lessor, and the City and County of Denver, Colorado, as Lessee

INTRODUCTION

This Official Statement, including its cover page, inside cover page and appendices, is provided in connection with the offer and sale of \$129,000,000* aggregate principal amount of Certificates of Participation, Series 2018A (the “Series 2018A Certificates”). The Series 2018A Certificates evidence proportionate interests in the Base Rentals and certain other Revenues as defined in and pursuant to an annually renewable Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery (the “2018A Lease”) between the Denver Public Facilities Leasing Trust 2018A (the “Trust”), as lessor, and the City and County of Denver, Colorado (the “City”), as lessee. The Series 2018A Certificates are executed and delivered pursuant to a Declaration and Indenture of Trust (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery (the “2018A Indenture”) by ZB, National Association, dba Zions Bank, Denver, Colorado, as trustee (the “Trustee”). See “THE SERIES 2018A CERTIFICATES.”

Unless otherwise defined herein, capitalized terms used herein are defined in “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – Definitions.”

The Trust

The Trust is the lessee under a Facilities Lease Agreement No. 2018A (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery (the “2018A Facilities Lease”) with the City, as lessor, and is the lessor under the 2018A Lease. The Trustee established the Trust pursuant to the 2018A Indenture. The Trust is being established for the benefit of the Owners of the Series 2018A Certificates. See “THE TRUST” and “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Indenture.”

The City

The City is the lessor under the 2018A Facilities Lease and the lessee under the 2018A Lease. The City exists as a “home-rule” city under the City’s home rule charter. The City is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado. The City is the capital of the State and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 3,100,000 people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which more than 700,000 currently reside in the City limits. See “APPENDIX C – THE CITY” for a description of the City.

* Preliminary, subject to change.

The Colorado Convention Center and the Expansion Project

Located in downtown Denver, the Colorado Convention Center is an important economic engine to both the City and Colorado and is home to over 250 events annually. According to the Denver Convention & Visitors' Bureau, the Colorado Convention Center generates more than \$600 million in annual economic impact and more than \$8 billion total economic impact since the completion of a significant expansion in late 2004. The Colorado Convention Center currently has 584,000 square feet of exhibit space, 100,000 square feet of meeting rooms, 85,000 square feet of ballroom space, and a 5,000-seat theatre. There are 1,000 parking spaces located in an adjacent parking facility owned by the City and considered part of the Colorado Convention Center. The Colorado Convention Center can be configured to accommodate a single large convention or multiple conventions and meetings.

Recent studies supported the need for upgrades and improvements to the Colorado Convention Center to ensure that it remains a major driver of tourism and a best-in-class facility by responding to trends in conventions, trade-shows and meeting business. A recent Master Plan for the City set forth proposed enhancements to and expansion of the Colorado Convention Center, including rooftop flexible multi-use meeting space, outdoor terrace, lobby enhancements, arrival improvements and necessary technological upgrades.

The City plans to expand and improve the existing Colorado Convention Center by constructing and acquiring certain rooftop, lobby, wayfinding and related improvements (the "Expansion Project"). The Expansion Project is anticipated to include a significant rooftop expansion of the existing Colorado Convention Center with the construction of a third level on top of the southwest portion of the existing Colorado Convention Center and parking facility. The rooftop expansion, anticipated to comprise a total of approximately 250,000 square feet, is to include, among other things, the design, acquisition, construction and equipping of a multi-function room (ballroom) that can be configured into smaller, flexible meeting spaces, a pre-function space, a rooftop terrace, a commercial kitchen, and other associated support spaces. See "Project Plan of Finance" below and "THE COLORADO CONVENTION CENTER EXPANSION PROJECT."

Project Plan of Finance

The total cost of the Expansion Project is currently estimated to be approximately \$233 million. Together with the proceeds from the Series 2018A Certificates, the City plans to use up to \$104 million of the proceeds from revenue bonds authorized by Denver voters in November 2015 to fund the costs of the Expansion Project. Using a portion of this 2015 authorization, the City has funded \$6 million of the initial project management and design development costs of the Expansion Project from the proceeds of revenue bonds issued in 2016 and anticipates issuing additional revenue bonds in 2020 to provide for the remaining costs of the Expansion Project.

After depositing to the Costs of Execution and Delivery Fund created under the 2018A Indenture the estimated amount of the expenses to be incurred in connection with the execution and delivery of the Series 2018A Certificates, the Trustee is to deposit the remaining proceeds of the Series 2018A Certificates to the Project Fund created under the 2018A Indenture, all in consideration for the City's grant of a leasehold interest in the Facilities Leased Property (the Leased Property) to the Trust pursuant to the 2018A Facilities Lease. Pursuant to the 2018A Indenture and the 2018A Lease, the City is to draw moneys from the Project Fund and use such moneys to accomplish the initial portion of the Expansion Project.

The Leased Property

At the time of the execution and delivery of the 2018A Lease, the Leased Property is to consist of an approximately one-third portion of the rooftop of the existing Colorado Convention Center, together with all space and improvements located thereon and from time to time thereafter during the period of acquisition and construction of the Expansion Project. After completion of the Expansion Project, the 2018A Facilities Lease and the 2018A Lease are to be amended in order to revise and refine the description of the Leased Property under the 2018A Lease and the Facilities Leased Property under the 2018A Facilities Lease, such that the portion of the completed Expansion Project constituting 50% of the ballroom and 50% of the back-of-house space and all of the kitchen space and all of the pre-function space located on the third level of the Colorado Convention Center will be the Leased Property under the 2018A Lease and the Facilities Leased Property under the 2018A Facilities Lease.

The 2018A Facilities Lease

The “Facilities Leased Property” under the 2018A Facilities Lease consists of, initially, a certain portion of the rooftop of the City’s existing Colorado Convention Center, an access license, and any existing improvements thereon. The Facilities Leased Property is to be leased by the City, as lessor, to the Trust, as lessee, pursuant to the 2018A Facilities Lease upon payment, in advance and in full, from the net proceeds of the Series 2018A Certificates, of the rentals due under the 2018A Facilities Lease. The Trust is then to lease the Leased Property back to the City pursuant to the 2018A Lease. The proceeds of the leasing of the Facilities Leased Property by the City, as the lessor under the 2018A Facilities Lease, are to be used by the City to fund the costs of the Expansion Project pursuant to the terms of the 2018A Lease and the 2018A Indenture. See “The 2018A Lease” below, “SOURCES AND USES OF FUNDS,” “THE LEASED PROPERTY,” “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Results of Termination of 2018A Lease – Enforceability of Remedies” and “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Leasing of Facilities Leased Property; Construction of Colorado Convention Center Expansion Project.*”

The 2018A Lease

The Trust, as lessor, will lease the Leased Property to the City, as lessee, pursuant to the 2018A Lease, subject only to Permitted Encumbrances, and the City will pay Base Rentals to the Trust during the term of the 2018A Lease, which constitute payments payable by the City for and in consideration of the right to possess and use the Leased Property. The 2018A Facilities Lease and the 2018A Lease provide that the descriptions of the Facilities Leased Property and the Leased Property are to be amended upon completion of the Expansion Project based upon an survey to be provided by the City in order that the as-built Facilities Leased Property and Leased Property are described to include 50% of the ballroom and 50% of the back-of-house space and all of the kitchen space and all of the pre-function space, subject to a nonexclusive license right in the City and its agents, contractors, customers, vendors, suppliers, visitors, tenants, subtenants, invitees, and licensees of each of them, to pedestrian access, ingress and egress on and through the pre-function space to be located on the third level of the Colorado Convention Center.

The 2018A Lease has an initial term expiring on December 31, 2018 (the “Initial Term”), but is subject to annual renewal by the City for subsequent one-year terms (each a “Renewal Term”), each of which coincides with the City’s “Fiscal Year” (calendar year), to and including Fiscal Year 2048. The Initial Term and all Renewal Terms (subject to termination by the City as described below) are collectively referred to as the “Lease Term.” The City may determine not to renew, and therefore terminate, all of the City’s obligations under the 2018A Lease on an annual basis. The exercise of the City’s option not to renew the 2018A Lease is evidenced by a failure of the City Council to specifically appropriate moneys sufficient

to pay all Base Rentals and reasonably estimated Additional Rentals for the next ensuing Fiscal Year (an “Event of Nonappropriation”). See “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Right of the City to Not Renew and to Terminate 2018A Lease Annually,” “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Nonappropriation*” and “APPENDIX C – THE CITY.”

During the Initial Term and each Renewal Term for which the 2018A Lease has been renewed, the City is required to pay Base Rentals at the times and in the amounts sufficient to pay the principal of and interest coming due on the outstanding Series 2018A Certificates, and on any Additional Certificates that may be executed and delivered pursuant to the 2018A Indenture (together with the Series 2018A Certificates, the “Certificates”) during such Fiscal Year. The City also is required to pay Additional Rentals, which generally refers to (1) expenses and fees of the Trust and Trustee related to the preparation of reports or records, maintenance of the Trust’s existence, performance or discharge of responsibilities under the 2018A Lease or the 2018A Indenture, payment of insurance deductibles, and other fees and costs, (2) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and (3) all other charges and costs that the City agrees to assume or pay as Additional Rentals under the 2018A Lease.

The 2018A Lease and the City’s obligations thereunder do not constitute a mandatory charge or requirement of the City in any Fiscal Year beyond the then current Fiscal Year, do not constitute or give rise to a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory or home rule charter debt limitation, and do not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. The City is also under no obligation whatsoever to exercise its option to purchase its leasehold interest in the Leased Property. The execution and delivery by the Trustee of the Series 2018A Certificates does not directly or indirectly obligate the City to renew the 2018A Lease from Fiscal Year to Fiscal Year or to make any payments beyond those budgeted and appropriated for the City’s then current Fiscal Year. *The City may determine to not renew, and therefore terminate the City’s obligations under the 2018A Lease on an annual basis by failing to specifically appropriate moneys sufficient to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year.*

The 2018A Lease is an “absolute net lease” and, subject to the annual budget and appropriation requirements thereof, the City is required to pay the Base Rentals, Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required under the 2018A Lease for which a specific appropriation has been effected by the City for such purpose, free of any deductions and without abatement, deduction or setoff (other than credits, if any, against Base Rentals expressly provided for in the 2018A Lease). The City may, however, terminate the 2018A Lease upon the occurrence of certain events of casualty or loss of title or use of the Leased Property as described in the 2018A Lease.

The City will enter into the 2018A Lease pursuant to authority granted by the constitution and laws of the State and the City’s home rule charter (the “Charter”), and pursuant to an ordinance adopted by the City Council of the City. The 2018A Lease does not require prior voter approval as discussed in “APPENDIX C – THE CITY – FINANCIAL INFORMATION CONCERNING THE CITY – Revenue, Spending and Debt Limitations.”

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See generally “THE 2018A FACILITIES LEASE,” “THE 2018A LEASE,” “THE LEASED PROPERTY,” “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS,” “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – “The 2018A Facilities Lease” – “The 2018A Lease,” “APPENDIX C – THE CITY” and “APPENDIX D – BASIC AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017.”

The Series 2018A Certificates

Authorization. The Series 2018A Certificates are being executed and delivered pursuant to the 2018A Indenture and in accordance with the constitution and laws of the State. See “THE 2018A INDENTURE” and “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS.”

General Provisions. The Series 2018A Certificates are to be dated the date of execution and delivery thereof and bear interest, mature and are subject to redemption prior to maturity as described on the cover page and inside cover page hereof and in “THE SERIES 2018A CERTIFICATES.”

Redemption. The Series 2018A Certificates are subject to redemption prior to maturity. See “THE SERIES 2018A CERTIFICATES – Redemption Provisions.”

Security and Sources of Payment. The Series 2018A Certificates evidence proportionate interests in the Base Rentals payable by the City under the 2018A Lease and certain other Revenues under the 2018A Indenture as, when and if the same are received by the Trustee, including: (1) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the 2018A Lease, including annually budgeted and appropriated Base Rentals, Prepayments, Purchase Option Prices and Net Proceeds, but not including Additional Rentals; (2) any portion of the proceeds of the Series 2018A Certificates deposited with the Trustee in the Base Rentals Fund established by the 2018A Indenture (the “Base Rentals Fund”); and (3) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the 2018A Indenture (except the Rebate Fund). The Series 2018A Certificates are payable solely from the Revenues. Neither the 2018A Lease nor the Series 2018A Certificates constitute a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation of the City, nor obligate the City to make any payments beyond those appropriated for any Fiscal Year in which the 2018A Lease is in effect. *The City has the right to renew or not renew, and therefore terminate, the 2018A Lease on an annual basis.* See “THE SERIES 2018A CERTIFICATES – Security.”

Book Entry Only System; Authorized Denominations. The Series 2018A Certificates are to be executed and delivered in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which is to serve as securities depository for the Series 2018A Certificates. Ownership interests in the Series 2018A Certificates (“Beneficial Ownership Interests”), in non-certificated book entry only form, may be purchased in minimum denominations of \$5,000 and integral multiples thereof (“Authorized Denominations”) by or through participants in the DTC system (“DTC Participants”). Beneficial Ownership Interests are to be recorded in the name of the purchasers thereof (“Beneficial Owners”) on the books of the DTC Participants from whom they are acquired, and governed as to payment, prior redemption, transfers, the receipt of notices and other communications with respect to the Series 2018A Certificates and various other matters by the rules and operating procedures applicable to the DTC book entry system as described in “THE SERIES 2018A CERTIFICATES – Book Entry Only Form.” Reference herein to the registered owners (the “Registered Owners”) of the Series 2018A Certificates means Cede & Co. or such other nominee as

may be designated by DTC, and not the Beneficial Owners. See also “APPENDIX G – BOOK ENTRY ONLY FORM.”

Further Information. For further information regarding the Series 2018A Certificates, see generally “THE SERIES 2018A CERTIFICATES” and “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS.”

Certain Risks and Other Investment Considerations

The purchase and ownership of the Series 2018A Certificates are subject to various investment risks, including those described under “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS.”

Legal and Tax Matters

All legal matters incident to the validity, enforceability and tax-exempt status of the interest on the Series 2018A Certificates will be passed upon by Becker Stowe Partners LLC, Denver, Colorado, as Special Counsel, who will deliver its opinion on the Closing Date in substantially the form of Appendix A to this Official Statement. Certain legal matters will be passed upon for the City by Kristin M. Bronson, Esq., City Attorney. Becker Stowe Partners LLC, in its Special Counsel capacity, has also advised the City concerning and has assisted in the preparation of this Official Statement. See “LEGAL MATTERS.”

In the opinion of Special Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, (1) the interest portion of the Base Rentals to be paid with respect to the Series 2018A Certificates (the “Interest Portion”) is excludable from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes, (2) the Interest Portion is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and (3) to the extent the Interest Portion is excludable from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes, such Interest Portion is not subject to income taxation by the State of Colorado. See “TAX MATTERS” herein for a more detailed discussion, including a description of the federal alternative minimum tax, including federal alternative minimum tax on corporations for taxable years beginning before January 1, 2018. See also “APPENDIX A – PROPOSED FORM OF OPINION OF SPECIAL COUNSEL.”

Continuing Disclosure

Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), prohibits underwriters from purchasing or selling certain municipal securities unless the issuers of those securities or an obligated person for whom financial or operating data is presented in the final official statement agree to provide continuing disclosure information for the benefit of the owners of those securities. The City will execute and deliver a Continuing Disclosure Undertaking in which it will agree to annually provide to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system certain financial information and operating data and to provide notice of certain specified events. See “CONTINUING DISCLOSURE UNDERTAKING” and “APPENDIX F – PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING” for a description of the nature of the annual information, the events for which notice is to be provided and other terms of the Continuing Disclosure Undertaking.

Additional Information

Brief descriptions of the 2018A Indenture, the Trustee, the 2018A Facilities Lease, the 2018A Lease, the Leased Property, the Series 2018A Certificates, the City and certain other matters are included in this Official Statement and the appendices hereto. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2018A Certificates, copies of the documents described herein may be obtained from the Financial Advisor.

Forward Looking Statements

This Official Statement contains statements relating to future results that are “forward looking statements” as defined in the federal Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect,” “assume” and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See “FORWARD LOOKING STATEMENTS.”

Miscellaneous

The cover page, inside cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement.

Information contained in this Official Statement has been obtained from sources believed to be reliable. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the Trust or the affairs of the City since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement is not to be construed as a contract or agreement between any party and the Registered Owners or Beneficial Owners (collectively, the “Owners”) of the Series 2018A Certificates.

THE TRUST

The Trust, denominated as the “Denver Public Facilities Leasing Trust 2018A,” is formed pursuant to the 2018A Indenture for the purpose of receiving a leasehold interest in the Facilities Leased Property from the City pursuant to the 2018A Facilities Lease. The Trustee will provide for the execution and delivery of the Series 2018A Certificates and for the lease to the City of the Leased Property under the 2018A Lease, all for the benefit of the Owners of the Series 2018A Certificates. See “THE LEASED PROPERTY.”

The Trust is not intended to be, is not to be deemed and is not to be treated as, a business trust, general partnership, investment company or joint stock company. Under the 2018A Indenture, the Trustee has been appointed to exercise, on behalf of the Trust, the rights and responsibilities of the Trust. Upon payment in full of the principal of and interest in the Series 2018A Certificates, the City will be the sole residual beneficiary of the Trust. After the 2018A Indenture has been discharged as provided therein, and under circumstances and upon conditions described therein, the Trustee, on behalf of the Trust, is to release

its leasehold interest in the Leased Property. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Indenture – *Defeasance*.”

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2018A Certificates. Neither the Trust nor the Trustee has or assumes any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

THE COLORADO CONVENTION CENTER EXPANSION PROJECT

General Description of the Expansion Project

The City plans to expand and improve the existing Colorado Convention Center by constructing and acquiring certain rooftop, lobby, wayfinding and related improvements (the “Expansion Project”) as described herein. According to a 2014 feasibility study performed by Strategic Advisory Group (SAG), the Expansion Project is expected to result in more than 25 additional events per year and generate more than \$85 million in additional annual economic impact.

The Expansion Project is currently under design and the descriptions below are subject to modifications.

Rooftop Expansion and Related Improvements. The Expansion Project is anticipated to include a significant rooftop expansion of the existing Colorado Convention Center with the construction of a third level on top of the southwest portion of the existing Colorado Convention Center and parking facility.

The rooftop expansion is to include, among other things, the design, acquisition, construction and equipping of a multi-function room, a pre-function space, a rooftop terrace, a commercial kitchen and other associated support spaces. This addition is currently anticipated to comprise a total of approximately 250,000 square feet, resulting in an approximate 30% increase to the size of the existing Colorado Convention Center usable space.

The multi-function room is expected to comprise approximately 80,000 square feet and is designed to be used, if desired, with an associated pre-function space that is approximately 50,000 square feet, as well as a rooftop terrace of approximately 60,000 square feet. The multi-function room is currently being designed to accommodate a flexible layout for multiple events, including, but not limited to, a formal ballroom, lighting exhibits, and multiple layouts to accommodate up to 24 classrooms at approximately 2,200 square foot each, with corresponding pre-function and service corridors. The current design anticipates using “air walls” (movable affixed folding panels with entry/exit doors) to configure the 80,000 square foot multi-function room into different layouts as needed.

Support spaces are currently anticipated to include a full-service kitchen and food service support spaces, totaling approximately 25,000 square feet. Storage and other back-of-house spaces are planned to comprise approximately 30,000 square feet.

The rooftop expansion is also anticipated to include the installation of conveyances, including a combination of stairs and escalators, for travel between each of the D and E lobbies of the ground floor of the existing Colorado Convention Center to the expanded third-level rooftop space, as well as two passenger elevators, two freight elevators and three emergency stairways.

Lobby and Interior and Exterior Wayfinding Improvements. The existing Colorado Convention Center contains six lobbies on the first floor, labeled A through F. The Expansion Project includes certain improvements to the existing first-floor lobbies B, D and E, including new flooring, wall finishes, lighting and wayfinding improvements. The D and E lobbies are anticipated to provide access to the rooftop expansion and improvements in those lobbies anticipated to include the addition of stairs and escalators to the rooftop expansion. The B Lobby improvements are anticipated to provide an additional direct entry point to the main area of the Colorado Convention Center. The Expansion Project is also anticipated to include interior and exterior wayfinding improvements to improve navigation and to enhance the technological experience for users.

The City is providing a license interest for access across the lobby to the Trust under the Facilities Lease.

Construction

In the fall of 2018, the City expects to select a qualified general contracting firm to perform the remaining design and construction of the Expansion Project under a single design-build contract. It is expected that construction of the Expansion Project will commence in late 2019 and reach substantial completion in late 2022. The City anticipates that certain portions of the first or second levels of the Colorado Convention Center, including certain lobbies, exhibit hall space and other areas, and certain conveyances, may be temporarily out of service during the various phases of construction of the Expansion Project. The City is planning to carefully coordinate the phases of construction of the Expansion Project in order to minimize any operational or revenue impacts to the Colorado Convention Center.

Project Plan of Finance

The total cost of the Expansion Project is currently estimated to be approximately \$233 million. Together with the proceeds from the Series 2018A Certificates, the City plans to use up to \$104 million of the proceeds from revenue bonds authorized by Denver voters in November 2015 to fund the costs of the Expansion Project. Using a portion of this 2015 authorization, the City has funded \$6 million of the initial project management and design development costs of the Expansion Project from the proceeds of revenue bonds issued in 2016 and anticipates issuing additional revenue bonds in 2020 to provide for the remaining costs of the Expansion Project.

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SOURCES AND USES OF FUNDS

The following sources and uses of funds are anticipated in connection with the sale of the Series 2018A Certificates (Rounded):

Sources*

Principal Amount of the Series 2018A Certificates	\$129,000,000
Original Issue Premium	
Total Sources	\$

Uses

2018A Capital Projects ⁽¹⁾	\$
Costs of Execution and Delivery of Series 2018A Certificates ⁽²⁾	
Total Uses	\$

⁽¹⁾ See “THE COLORADO CONVENTION CENTER EXPANSION PROJECT – Project Plan of Finance.”

⁽²⁾ Includes legal fees, fees of the Trust, the Trustee and the Financial Advisor, the Underwriter’s discount and other costs of execution and delivery of the Series 2018A Certificates.

THE 2018A FACILITIES LEASE

The “Facilities Leased Property” under the 2018A Facilities Lease consist of the existing rooftop and ultimately certain facilities (including a multi-purpose room (ballroom), pre-function space, kitchen facilities, back-of-house and support space) to be constructed, installed, and operated above, and connected to, the City’s existing Colorado Convention Center. The Facilities Leased Property is to be leased by the City, as lessor, to the Trust, as lessee, pursuant to the 2018A Facilities Lease upon payment, in advance and in full, from the net proceeds of the Series 2018A Certificates, of the rentals due under the 2018A Facilities Lease. The Trust is then to lease the Leased Property back to the City pursuant to the 2018A Lease. The proceeds of the leasing of the Facilities Leased Property by the City, as the lessor under the 2018A Facilities Lease, are to be used by the City to fund in part the costs of the Colorado Convention Center Expansion Project. See “THE COLORADO CONVENTION CENTER EXPANSION PROJECT – Project Plan of Finance,” “SOURCES AND USES OF FUNDS,” “THE 2018A LEASE,” “THE LEASED PROPERTY” and “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Results of Termination of 2018A Lease – Enforceability of Remedies.”

The 2018A Facilities Lease commences on the date of execution and delivery of the 2018A Facilities Lease and terminates on June 1, 2058 (the “Facilities Lease Termination Date”), unless such term is sooner terminated as provided in the 2018A Facilities Lease. If prior to the Facilities Lease Termination Date, the Facilities Leased Property has been released by the Trust to the City pursuant to the 2018A Lease as a result of the City’s payment of (a) the Purchase Option Prices for the Facilities Leased Property or (b) all Base Rentals and Additional Rentals as provided in the 2018A Lease, then the term of the 2018A Facilities Lease is to end immediately thereafter. It is currently expected that the term of the 2018A Facilities Lease will terminate upon payment by the City of all Base Rentals and Additional Rentals as provided in the 2018A Lease. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Facilities Lease.”

* Preliminary, subject to change.

THE 2018A LEASE

Generally

In connection with the execution and delivery of the Series 2018A Certificates, the Trust and the City are to enter into the 2018A Lease. The 2018A Lease has an initial term ending on December 31, 2018, and is subject to annual renewal and appropriation, at the sole option of the City, for a period of 30 additional one-year terms through and including June 1, 2048. The City has a right to renew or not renew, and therefore terminate, the 2018A Lease each Fiscal Year during the Lease Term. The Lease Term terminates under the 2018A Lease if an Event of Nonappropriation occurs under the 2018A Lease and is not cured, or if the City exercises its Purchase Option Rights under the 2018A Lease that causes the Lease Term to end and has the effect of releasing the Trust's leasehold interest in the Leased Property. See "THE LEASED PROPERTY," "THE SERIES 2018A CERTIFICATES – Security" and "CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Rights of the City to Not Renew and to Terminate 2018A Lease Annually."

Pursuant to the 2018A Lease, upon the payment of a Purchase Option Price, the City may cause the leasehold interest of the Trust in the Leased Property to be released.

The 2018A Lease does not prohibit the City from entering into other lease purchase agreements with the Trust or any other lessor in respect of real or personal property. The property leased by the City under such other lease purchase agreements would not become the Leased Property under the 2018A Lease. An event of default or event of nonappropriation under any other lease purchase agreement into which the City has entered or may enter does not constitute an Event of Lease Default or Event of Nonappropriation under the 2018A Lease.

A summary of certain provisions of the 2018A Lease, including provisions relating to the construction of the Colorado Convention Center Expansion Project and disbursements from the Project Fund created under the 2018A Indenture, appears in Appendix B to this Official Statement. See "APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – The 2018A Indenture."

Base Rentals

The 2018A Lease provides that the City will pay Base Rentals to the Trustee for and in consideration of the right to possess and use the Leased Property. Base Rental payments consist of principal portions and interest portions.

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Set forth below is a combined schedule of the principal and interest portions of the Base Rentals due and payable under the 2018A Lease in respect of the Leased Property for each Fiscal Year through the final maturity date of the Series 2018A Certificates.

SCHEDULE OF BASE RENTALS*
Combined Schedule Relating to Series 2018A Certificates

<u>Fiscal Year</u>	<u>Base Rentals Principal Portion^{*(1)}</u>	<u>Base Rentals Interest Portion⁽²⁾</u>	<u>Total Base Rentals</u>
2019	\$	\$	\$
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
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2043			
2044			
2045			
2046			
2047			
2048			
	<u>\$</u>	<u>\$</u>	<u>\$</u>

(1) Principal payments are due June 1 of each year, commencing June 1, 2019.

(2) Interest is payable semiannually each June 1 and December 1, commencing June 1, 2019.

If the City shall have paid all Base Rentals and Additional Rentals relating to the Leased Property as provided in the 2018A Lease, the 2018A Lease will terminate in respect of the Facilities Leased Property on June 1, 2048, and the Leased Property will be released under the 2018A Lease and, thereby, released as Facilities Leased Property under the 2018A Facilities Lease, and the 2018A Facilities Lease will terminate.

* Preliminary, subject to change.

Additional Rentals

In addition to Base Rentals, the 2018A Lease provides that the City will pay “Additional Rentals,” which do not constitute Base Rentals or other Revenues for purposes of making payments to the Owners of the Series 2018A Certificates. Additional Rentals generally include (1) expenses and fees of the Trust and Trustee related to the preparation of reports or records, maintenance of the Trust’s existence, performance or discharge of responsibilities under the 2018A Lease or the 2018A Indenture, payment of insurance deductibles and other fees and costs, (2) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property, and (3) all other charges and costs that the City agrees to assume or pay as Additional Rentals under the 2018A Lease.

Purchase Option

So long as it is not in default under the 2018A Lease, the City has the option to purchase the Trust’s leasehold interest in the Leased Property, at any time during the Lease Term if (1) the City shall have paid the then applicable purchase price (the “Purchase Option Price”) related to the Leased Property, plus any related fees and expenses then owing to the Trust and the Trustee, or (2) the City shall have paid all related Base Rentals as set forth in the 2018A Lease for the entire maximum Lease Term and all then current Additional Rentals required to be paid thereunder. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Purchase Option*.”

THE LEASED PROPERTY

At the time that the 2018A Facilities Lease and the 2018A Lease are entered into by the City and the Trust, the Facilities Leased Property and the Leased Property are to consist of an approximately one-third portion of the rooftop of the existing Colorado Convention Center, together with all space and improvements located thereon and from time to time thereafter during the period of acquisition and construction of the Colorado Convention Center Expansion Project, as well as a non-exclusive license granted by the City to the Trust upon, over, under and across the Colorado Convention Center for the purposes of installing, operating and maintaining wet and dry utilities, drainage facilities and vaults, retaining walls or other supports required for the construction, installation, operations and maintenance of the Facilities. The scope of this license granted in the Facilities Lease includes installation, operation, construction, maintenance, repair and replacement of the Facilities upon an event of default or non-appropriation in the 2018A Lease.

Once construction of all components of the Expansion Project are complete, the legal description attached to each of the 2018A Facilities Lease and the 2018A Lease are to be amended to finally describe the Leased Property as improved by the Expansion Project. The City anticipates engaging a qualified surveyor to survey the improved Leased Property for this purpose.

The 2018A Facilities Lease and the 2018A Lease provide that the descriptions of the Facilities Leased Property and the Leased Property are to be amended upon completion of the Expansion Project based upon a survey to be provided by the City in order that the as-built Facilities Leased Property and Leased Property are described to include 50% of the ballroom and 50% of the back-of-house space and all of the kitchen space and all of the pre-function space, subject to a nonexclusive license right in the City and its agents, contractors, customers, vendors, suppliers, visitors, tenants, subtenants, invitees, and licensees of each of them, to pedestrian access, ingress and egress on and through the pre-function space to be located on the third level of the Colorado Convention Center.

The value of the Leased Property has not been independently appraised for purposes of the lease purchase financing transaction represented by the 2018A Facilities Lease and the 2018A Lease. It is not possible to predict the current or future value of the sale of a leasehold interest in, or of the sublease of, the Leased Property. See also “CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Results of Termination of the 2018A Lease.”

THE 2018A INDENTURE

Generally

Under the 2018A Indenture, the Trustee is to deliver the Series 2018A Certificates and accept certain duties to act on behalf of the Owners of the Series 2018A Certificates in the receipt and application of amounts that become payable under the 2018A Lease. In connection with the execution and delivery of the Series 2018A Certificates, the City is entering into the 2018A Facilities Lease and the 2018A Lease to provide for the leasing of the Leased Property to the City pursuant to the 2018A Lease and the execution and delivery of the Series 2018A Certificates pursuant to the 2018A Indenture, all for benefit of the Owners of the Series 2018A Certificates. A summary of certain provisions of the 2018A Indenture appears in Appendix B to this Official Statement.

Funds and Accounts Created Under the 2018A Indenture

As further described in “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Indenture – *Certain Funds Created under the 2018A Indenture*,” the 2018A Indenture provides for the maintenance by the Trustee of certain funds, including a Project Fund under which moneys are to be disbursed to the City to provide for the payment of the costs of the Expansion Project and a Base Rentals Fund to be used for the deposit of all Revenues received by the Trustee. Moneys in the Base Rentals Fund are to be used solely for the payment of the principal of and interest on the Series 2018A Certificates.

THE SERIES 2018A CERTIFICATES

The Series 2018A Certificates are being executed and delivered in the aggregate principal amounts set forth on the cover page and inside cover page hereof and will be registered initially in the name of Cede & Co., as nominee of DTC, securities depository for the Series 2018A Certificates. Individual purchases may be made in book entry only form in Authorized Denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2018A Certificates.

The Series 2018A Certificates are executed and delivered by the Trustee solely as fully registered certificates of participation in the denomination of \$5,000 or integral multiples thereof. The Series 2018A Certificates are dated, mature and bear interest as described on the cover page and inside cover page hereof. For a schedule of the Base Rentals relating to the Series 2018A Certificates, see “THE 2018A LEASE – Base Rentals.”

Security

The Series 2018A Certificates evidence proportionate interests in the right of the Trust to receive Base Rentals under the 2018A Lease and other Revenues. The Series 2018A Certificates are payable solely from Revenues as, when and if the same are received by the Trustee. The 2018A Lease and the Series 2018A Certificates do not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the then current Fiscal Year, do not constitute or give rise to a general obligation or other

indebtedness of the City within the meaning of any constitutional or statutory debt limitation and do not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. The Series 2018A Certificates do not directly or indirectly obligate the City to renew the 2018A Lease from Fiscal Year to Fiscal Year or to make any payments beyond those budgeted and appropriated for the City's then current Fiscal Year.

Base Rentals; Payment of Series 2018A Certificates. The Series 2018A Certificates are payable annually solely from Base Rentals payable under the 2018A Lease and certain other limited funds. The City is required to pay the Base Rentals at the times and in the amounts sufficient to pay the principal of and interest coming due on the outstanding Series 2018A Certificates. The City may determine not to renew, and therefore terminate its obligations under, the 2018A Lease on an annual basis. See "APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Nonappropriation.*" See also "THE LEASED PROPERTY – Base Rentals" and "CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Right of the City to Not Renew and to Terminate 2018A Lease Annually – Results of Termination of 2018A Lease."

Pursuant to the 2018A Indenture, the Trust is to lease its leasehold interest in the Facilities Leased Property to the City for the benefit of the Owners of the Series 2018A Certificates. See "APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Indenture – *Events of Default and Remedies*" and "CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS – Enforceability of Remedies."

Additional Certificates. The 2018A Indenture permits the execution and delivery by the Trustee of Additional Certificates on a parity with the Series 2018A Certificates. See "APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Indenture – *Additional Certificates.*"

Payment of Principal and Interest

While the Series 2018A Certificates remain in book entry only form, payments to Beneficial Owners are governed by the rules of DTC as described below in "Book Entry Only Form." If DTC ceases to act as securities depository for the Series 2018A Certificates, payment of the principal of and interest on the Series 2018A Certificates is to be made as provided in the 2018A Indenture.

Book Entry Only Form

The Series 2018A Certificates are being executed and delivered in book entry only form, and while the Series 2018A Certificates remain in such form, the Beneficial Owners of the Series 2018A Certificates are not entitled to receive physical delivery of Series 2018A Certificates. See "APPENDIX G – BOOK ENTRY ONLY FORM."

Redemption Provisions

Optional Redemption. If the City exercises its rights to purchase the Trust's leasehold interest in the Leased Property under the 2018A Lease or otherwise prepays Base Rentals and the amount of such prepayment has been deposited to the Prepayments Account on or before the Optional Redemption Date, the Series 2018A Certificates maturing on or after June 1, 20__, are subject to Optional Redemption, in whole or part, in integral multiples of \$5,000 on June 1, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal thereof, plus accrued interest to the applicable Optional Redemption

Date. Such redemption is to be made from moneys deposited therefor in the Prepayments Account in the Base Rentals Fund.

If part, but not all, of the Series 2018A Certificates are called for Optional Redemption, the Series 2018A Certificates to be redeemed are to be selected by the Trustee on a reasonably proportionate basis from the remaining maturity dates (including Mandatory Sinking Fund Redemption Dates), determined and effectuated as nearly as practicable by the Trustee by multiplying the total principal amount of the Series 2018A Certificates to be redeemed pursuant to such Optional Redemption by the ratio which the principal amount of all of the Series 2018A Certificates required to be redeemed on each remaining maturity date (including each Mandatory Sinking Fund Redemption Date) bears to the principal amount of all of the Series 2018A Certificates outstanding before such Optional Redemption. 2018A Certificates within each maturity date are to be selected for Optional Redemption by the Trustee by lot.

The Trustee is to recalculate the Base Rentals due under the 2018A Lease in the case of a Prepayment in part of Base Rentals under the 2018A Lease in a manner that is consistent with the manner in which the Certificates are redeemed pursuant to Optional Redemption, with written agreement of the Chief Financial Officer of the City.

Mandatory Sinking Fund Redemption. The Series 2018A Certificates are to be redeemed prior to maturity, in part, by lot at 100% of the principal amount thereof plus interest accrued to the Mandatory Sinking Fund Redemption Date, on the following dates and in the following amounts:

Mandatory Sinking Fund Redemption Date (June 1)	Principal Amount	Mandatory Sinking Fund Redemption Date (June 1)	Principal Amount
	\$		\$

If, not less than sixty (60) days prior to any Mandatory Sinking Fund Redemption Date, the City has delivered to the Trustee for cancellation any 2018A Certificates owned by it on such Mandatory Sinking Fund Redemption Date, the Trustee is to credit against such Mandatory Sinking Fund Redemption obligation 100% of the principal amount of the Series 2018A Certificates so delivered and shall correspondingly reduce (a) the principal portion of the Base Rentals payment next due from the City under the 2018A Lease and (b) the principal amount of outstanding 2018A Certificates to be called for redemption on such Mandatory Sinking Fund Redemption Date.

Extraordinary Mandatory Redemption. If the 2018A Lease is terminated by reason of the occurrence of:

- (a) an Event of Nonappropriation, or
- (b) an Event of Lease Default, or
- (c) the Trustee, with the written consent of the City, fails to repair or replace the Leased Property if (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body, or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent, or (4) title to or the use of all or any portion of any the

Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating the Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the City does not appropriate sufficient funds for such purpose, the Series 2018A Certificates are to be called for Extraordinary Mandatory Redemption. If called for Extraordinary Mandatory Redemption, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as set forth below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the 2018A Lease, otherwise received and other moneys then available under the 2018A Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the 2018A Indenture, without any further demand or notice, is required to exercise all or any combination of Lease Remedies as provided in the 2018A Lease and the Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

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

IF THE CERTIFICATES, INCLUDING THE SERIES 2018A CERTIFICATES, ARE REDEEMED PURSUANT TO THE 2018A INDENTURE FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES, INCLUDING THE SERIES 2018A CERTIFICATES, HAS ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUST, THE TRUSTEE OR THE CITY.

Partial Redemption. If less than all of the Certificates are to be redeemed, the Certificates to be redeemed are selected, in the case of Optional Redemption, as described above under “*Optional Redemption*” and, in the case of Mandatory Sinking Fund Redemption, by the Trustee by lot within each maturity date. Certificates may be redeemed only in integral multiples of \$5,000. The Trustee is to treat any Certificate of denomination greater than \$5,000 as representing that number of separate Certificates each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Certificate by \$5,000. Upon surrender of any Certificate for redemption in part, the Trustee is to execute and deliver to the Owner thereof, at no expense of the Owner, a new Certificate or Certificates of Authorized

Denominations in an aggregate principal amount equal to the unredeemed portion of the Certificates so surrendered.

Notice of Redemption. Whenever Certificates are to be redeemed, the Trustee, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption for which notice is to be immediate), is to mail notice of redemption to all Owners of all Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid. In addition, the Trustee shall at all reasonable times make available to the Paying Agent and any Certificate Owner, including the Depository, if applicable, information as to Series 2018A Certificates that have been redeemed or called for redemption. Any notice of redemption is to:

- (1) identify the Certificates to be redeemed;
- (2) specify the redemption date and the redemption price;
- (3) (in the event the Series 2018A Certificates are being optionally redeemed) state that the City has given notice of its intent to exercise its option to prepay Base Rentals under the 2018A Lease;
- (4) state that such redemption is subject to the deposit of the funds on or before the stated redemption date; and
- (5) state that on the redemption date the Series 2018A Certificates called for redemption are payable at the principal corporate trust office of the Paying Agent and that from that date interest will cease to accrue.

CERTAIN RISKS AND OTHER INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE SERIES 2018A CERTIFICATES ARE SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES 2018A CERTIFICATES SHOULD READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, GIVING PARTICULAR ATTENTION TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2018A CERTIFICATES AND COULD ALSO AFFECT THE MARKET PRICE OF THE SERIES 2018A CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED. THE FOLLOWING DOES NOT PURPORT TO BE AN EXHAUSTIVE LISTING OF CERTAIN RISKS AND OTHER CONSIDERATIONS WHICH MAY BE RELEVANT TO INVESTING IN THE SERIES 2018A CERTIFICATES. IN ADDITION, THE ORDER IN WHICH THE FOLLOWING INFORMATION IS PRESENTED IS NOT INTENDED TO REFLECT THE RELATIVE IMPORTANCE OF SUCH RISKS.

Right of the City to Not Renew and to Terminate 2018A Lease Annually

The City is required to pay Base Rentals and Additional Rentals under the 2018A Lease only if City Council appropriates funds therefor in each Fiscal Year and such funds are subject to an Encumbrance during such year. Although the City is contractually obligated to include Base Rentals and Additional Rentals in each budget submitted for City Council consideration, the City is not obligated to levy taxes or apply its general resources beyond appropriated funds for any Fiscal Year. The City may decide not to renew the 2018A Lease at any time during the Lease Term, in which event the 2018A Lease will terminate under its terms and, unless the City previously has exercised its purchase option, the Trust will retain a leasehold interest in the Leased Property until the end of the term of the 2018A Facilities Lease. There is no penalty to the City if it does not renew the 2018A Lease other than the loss of use of the Leased Property

until the end of the term of the 2018A Facilities Lease. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Nonappropriation*.”

The likelihood that the 2018A Lease will continue in effect until the Series 2018A Certificates are paid is dependent upon factors that are beyond the control of the Owners of the Series 2018A Certificates. These factors include but are not limited to (1) the City’s continuing need for facilities such as the Leased Property and (2) the City’s continuing ability to generate sufficient funds from sales taxes, property taxes and other sources to pay the 2018A Lease obligations in particular and the City’s other obligations in general. Payment of the principal of and interest on the Series 2018A Certificates upon the occurrence of an Event of Lease Default or an Event of Nonappropriation will be dependent upon (1) the value of the leasehold interest of the Trust created under the 2018A Facilities Lease in the Leased Property until the end of the term of the 2018A Facilities Lease in the event that the Trustee is able to sell such leasehold interest of the Trust or (2) any rental income from leasing (to others) the Leased Property until the end of the term of the 2018A Facilities Lease. See “THE LEASED PROPERTY.”

As described under “APPENDIX C – THE CITY – FINANCIAL INFORMATION CONCERNING THE CITY – Revenue, Spending and Debt Limitations,” the Colorado Constitution was amended in 1992 (“TABOR”) resulting in the imposition of various fiscal limits and requirements on the City, including a limitation on any increase in the City’s fiscal year spending and tax revenues from one year to the next. However, on November 6, 2012, Denver voters passed a ballot measure that permanently removed all TABOR restrictions regarding the collection and retention of all taxes. The measure permanently allows the City to collect, retain, and spend all lawful property and non-property taxes.

Results of Termination of 2018A Lease

The 2018A Lease is subject to termination upon the occurrence of an Event of Nonappropriation or an Event of Lease Default. If, on or before the last day of each Fiscal Year during the Lease Term, the City does not budget and appropriate monies sufficient to pay all Base Rentals and reasonably estimated Additional Rentals coming due under the 2018A Lease for the ensuing Fiscal Year, an “Event of Nonappropriation” is deemed to have occurred. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Base Rentals and Additional Rentals*” and “– *Nonappropriation*” for a discussion of the results of an Event of Nonappropriation and the ability of the Trustee to waive, under certain circumstances, the effects of the occurrence of an Event of Nonappropriation without notice to or the consent of the Owners of the Series 2018A Certificates. In addition, an “Event of Lease Default” occurs if the City fails to make payments from funds which have been appropriated or if the City breaches any of its other obligations under the 2018A Lease.

If the 2018A Lease is terminated because an Event of Nonappropriation or an Event of Lease Default has occurred, the City is required to vacate or surrender possession of the Leased Property (1) by March 1 of the Renewal Term in respect of which an Event of Nonappropriation occurs (in the case of an Event of Nonappropriation) or (2) within 60 days after notice by the Trustee (in the case of an Event of Lease Default). Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Trustee’s Lease Remedies include the ability to sell its leasehold interest in, or lease, the Leased Property to the end of the term of the 2018A Facilities Lease. See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Remedies on Default*.” Pursuit of Lease Remedies may be a time-consuming process and may entail various legal as well as economic risks. Proceeds realized from Lease Remedies, net of the expense of pursuing such Lease

Remedies, may not be sufficient to pay the principal of and interest on the Series 2018A Certificates when due.

The City may also terminate the 2018A Lease as a result of certain events described herein in “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Damage, Destruction and Condemnation*.”

The Net Proceeds derived from a transfer of the Trust’s leasehold interest in, or lease, of the Leased Property to the end of the term of the 2018A Facilities Lease or the exercise of other Lease Remedies, along with other monies then held by the Trustee under the 2018A Indenture (with certain exceptions as provided in the 2018A Lease and the 2018A Indenture), are required to be used to redeem the Series 2018A Certificates and any Additional Certificates to the extent of such monies. See “THE SERIES 2018A CERTIFICATES – Redemption Provisions – *Extraordinary Mandatory Redemption*.”

The Facilities Leased Property consists of certain real property improvements that may not be easily converted to alternate uses. A potential purchaser of the Series 2018A Certificates should not assume that it will be possible to transfer the Trust’s leasehold interest in, or lease (to others), the Facilities Leased Property after the termination of the 2018A Lease (1) for an amount equal to the aggregate principal amount of the Series 2018A Certificates then Outstanding plus accrued interest thereon or (2) within a time period that would prevent a default in the timely payment of the principal of and interest on the Series 2018A Certificates. If the Series 2018A Certificates are redeemed subsequent to a termination of the Lease Term for an amount less than the aggregate principal amount thereof and accrued interest thereon, no Owner of any Series 2018A Certificates has any further claim for payment against the Trustee or the City.

The Leased Property is to be insured by policies of property insurance and title insurance as described in “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Insurance*.” In the event of the damage to, destruction of, or the discovery of a defect in construction or a title defect with respect to, the Leased Property, any amounts from such insurance policies constitute Net Proceeds, which are to be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property. If Net Proceeds, whether from such insurance policies or other sources, are insufficient to repair or replace the Leased Property, the City may (1) repair or replace the Leased Property by paying Additional Rentals, to the extent such amounts have been specifically appropriated by the City, for costs in excess of the amount of such Net Proceeds, (2) utilize such proceeds in order to purchase the Trust’s leasehold interest in the Leased Property in accordance with the 2018A Lease, or (3) terminate its 2018A Lease obligations with respect to the Leased Property by failing to appropriate sufficient funds in amount sufficient to proceed as described above under either clause (1) or (2). See “APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2018A Lease – *Damage, Destruction and Condemnation*.”

Effect if Construction Not Completed

The Expansion Project is to be constructed with the proceeds of the sale of the Series 2018A Certificates, and other proceeds as described hereunder under “THE COLORADO CONVENTION CENTER EXPANSION PROJECT – Project Plan of Finance.” Construction is currently expected to be complete in late 2022. Failure to complete the construction of the Expansion Project as planned, or expenditure of the sources of construction funds without completion of the construction, may result in only partially complete facilities, or no usable facilities, being available for the City to lease to the Trust pursuant to the 2018A Facilities Lease or for the Trust to lease to the City pursuant to the 2018A Lease.

Enforceability of Remedies

A termination of the 2018A Lease as a result of an Event of Nonappropriation or an Event of Lease Default will give the Trustee the right to take possession of and to sell the Trust's leasehold interest in the Leased Property or lease the Leased Property to the end of the term of the 2018A Facilities Lease, all in accordance with the provisions of the 2018A Facilities Lease, the 2018A Lease and the 2018A Indenture. Proceeds of such leasehold sale or leasing are required to be applied to the redemption of the Series 2018A Certificates. Net proceeds may not be sufficient to fully pay the Series 2018A Certificates. See "THE SERIES 2018A CERTIFICATES – Redemption Provisions – *Extraordinary Mandatory Redemption*."

The enforceability of the 2018A Facilities Lease, the 2018A Lease, the 2018A Indenture and the Series 2018A Certificates is subject to applicable bankruptcy laws, principles of equity affecting the enforcement of creditors' rights generally and liens securing such rights, if any, the police and condemnation powers of the State and its political subdivisions, including the City, and judicial discretion. In addition, the application of zoning and land use requirements and regulations of the City could adversely affect the ability of the Trustee to lease or sell the Trust's leasehold interest in the Leased Property. Because of the delays inherent in enforcing the remedies of the Trustee upon the Leased Property through the courts, a potential purchaser of the Series 2018A Certificates should not anticipate that the remedies of the Trustee could be accomplished rapidly. Any delays in resolving the Trustee's claim to possession of or the leasehold interest in the Leased Property may result in delays in the payment of the Series 2018A Certificates.

As a Colorado political subdivision with condemnation powers, the City may be able to assert various claims to possession of the Leased Property that may be superior to the Trustee's rights to possess and transfer its leasehold interest in the Leased Property to the end of the term of the 2018A Facilities Lease under the 2018A Lease and the 2018A Indenture. The City has not waived, and may not be able to waive, such claims.

Effects on Series 2018A Certificates of an Event of Nonappropriation or an Event of Lease Default

Special Counsel will not render any opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to transfers of Series 2018A Certificates subsequent to a termination of the 2018A Lease by reason of an Event of Nonappropriation or an Event of Lease Default. If the 2018A Lease is terminated by reason of an Event of Nonappropriation or an Event of Lease Default, there is no assurance that the Series 2018A Certificates may be transferred without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Special Counsel will render no opinion as to the treatment for federal or state income tax purposes of any amounts received by the Owners of the Series 2018A Certificates subsequent to an Event of Nonappropriation or an Event of Lease Default. There is no assurance that amounts received by the Owners of the Series 2018A Certificates as interest subsequent to an Event of Nonappropriation or an Event of Lease Default will be excludable from gross income for purposes of federal income taxation or exempt from State income taxes.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P's") and Fitch Ratings, Inc. ("Fitch") have assigned ratings of "___," "___" and "___," respectively, to the Series 2018A Certificates. Each rating reflects only the views

of the rating agency assigning such rating, and explanations of the methodology used by the respective rating agencies and the significance of each such rating may be obtained from such rating agency. There is no assurance that any of the ratings will continue for any given period of time or that any of the ratings will not be revised downward or withdrawn entirely by any such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2018A Certificates.

LITIGATION

There is no litigation now pending, to the knowledge of the City officials responsible for the execution and performance of the 2018A Lease, which questions the validity of the 2018A Facilities Lease, the 2018A Lease or the 2018A Indenture or of any proceedings of the City taken with respect to the execution, delivery and performance thereof. See also “APPENDIX C – THE CITY – LITIGATION” for a description of certain outstanding litigation.

TAX MATTERS

The following discussion is a summary of the opinion of Special Counsel, to be rendered with respect to the tax status of the Interest Portion (as defined below) of the Base Rentals to be paid with respect to the Series 2018A Certificates and of certain federal and State income tax considerations that may be relevant to prospective purchasers of the Series 2018A Certificates.

The Series 2018A Certificates

General. In the opinion of Special Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming continued compliance by the City with certain covenants designed to meet the requirements of Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the interest portion of the Base Rentals to be paid with respect to the Series 2018A Certificates (the “Interest Portion”) is excludable from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes. Special Counsel is also of the opinion that the Interest Portion will not be a specific item of tax preference for purposes of the federal alternative minimum taxes imposed on individuals. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisors regarding alternative minimum tax implications of owning the Series 2018A Certificates. Furthermore, Special Counsel is of the opinion that under existing law and to the extent the Interest Portion is excludable from gross income for federal income tax purposes, such Interest Portion is not subject to income taxation by the State of Colorado.

The form of opinion expected to be delivered by Special Counsel is set forth in “APPENDIX A – PROPOSED FORM OF OPINION OF SPECIAL COUNSEL.”

The Code imposes various restrictions, conditions and requirements relating to the qualification of the 2018A Lease, which underlies the Series 2018A Certificates, as a so-called “tax-exempt bond” with respect to the Interest Portion. The City has covenanted to comply with certain restrictions designed to ensure that the Interest Portion will not be includable in gross income of the Owners of the Series 2018A Certificates for federal income tax purposes. Failure to comply with these covenants could result in the 2018A Lease with respect to the Interest Portion not qualifying as tax-exempt, and thus the Interest Portion being includable in gross income of the Owners of the Series 2018A Certificates for federal income tax purposes, and such inclusion may be required retroactively to the date of execution and delivery of the Series 2018A Certificates. The opinion of Special Counsel assumes compliance with these covenants.

However, Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of execution and delivery of the Series 2018A Certificates may adversely affect the tax status of the Interest Portion.

Certain requirements and procedures contained or referred to in the 2018A Indenture and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Series 2018A Certificates) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Special Counsel expresses no opinion as to the status of the 2018A Lease or the Interest Portion if any such change occurs or action is taken or omitted upon the advice or approval of bond or special counsel other than Becker Stowe Partners LLC.

Although Special Counsel is of the opinion that the Interest Portion will be excludable from gross income for federal and Colorado income tax purposes, the ownership or disposition of the Series 2018A Certificates, or the accrual or receipt of the Interest Portion, may otherwise affect an Owner's federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Special Counsel expresses no opinion regarding any tax consequences other than what is set forth in its opinion and each Owner or potential Owner is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing of the Series 2018A Certificates on the tax liabilities of the individual or entity.

The accrual or receipt of interest on the Series 2018A Certificates may otherwise affect the federal income tax liability of the Owners of the Series 2018A Certificates. The extent of these other tax consequences will depend upon such Owner's particular tax status and other items of income or deduction. Special Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2018A Certificates, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2018A Certificates. Finally, residence of the Owner of Series 2018A Certificates in a state other than Colorado or being subject to tax in a state other than Colorado may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Series 2018A Certificates. See "Changes in Federal and State Tax Law" below.

Special Counsel has expressed no opinion regarding the effect of any termination of the City's obligations under the 2018A Lease, under certain circumstances as provided in the 2018A Lease, upon the treatment for federal income tax purposes of any monies received by the Owners of the Series 2018A Certificates, or any other federal tax consequences related to the ownership and disposition of the Series 2018A Certificates.

Original Issue Premium and Discount. Certain of the Series 2018A Certificates ("Discount Certificates") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Certificate determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval

selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Certificate (1) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018A Certificates, and (2) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Certificate.

Certain of the Series 2018A Certificates ("Premium Certificates") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Certificates callable prior to maturity). That excess constitutes original issue premium ("OIP"). For federal income tax purposes, OIP is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that OIP is deductible by the owner of a Premium Certificate. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner's tax basis in the Premium Certificate is reduced by the amount of OIP that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate.

Owners of Discount and Premium Certificates should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or OIP properly accruable in any period with respect to the Discount or Premium Certificates and as to other federal tax consequences, and the treatment of OID and OIP for purposes of state and local taxes on, or based on, income.

Tax Covenants. The Trust and the City make various covenants in the 2018A Lease, and the Trust makes various covenants in the 2018A Indenture, regarding compliance with the Code and the Tax Certificate, executed by the City with respect to the 2018A Lease, in order to preserve the excludability of the Interest Portion from gross income of the Owners of the Series 2018A Certificates for federal income tax purposes.

Backup Withholding

Certain purchasers of the Series 2018A Certificates may be subject to backup withholding at the applicable rate determined by statute with respect to the Interest Portion if the purchasers, upon execution and delivery of the Series 2018A Certificates, fail to supply the Trustee or their brokers with their taxpayer identification numbers, furnish incorrect taxpayer identification numbers, fail to report interest, dividends or other "reportable payments" (as defined in the Code) properly or, under certain circumstances, fail to provide the Trustee with a certified statement, under penalty of perjury, that they are not subject to backup withholding. Information returns will be sent annually to the Internal Revenue Service and to each purchaser setting forth the amount of the Interest Portion and the amount of tax withheld thereon.

Changes in Federal and State Tax Law

From time to time legislative proposals are made in Congress and in the states, federal and state regulatory actions are announced or proposed and litigation is threatened or commenced that if enacted, implemented or resolved in a certain manner could alter or otherwise affect the federal or state tax matters discussed above or adversely affect the market value of the Series 2018A Certificates. It cannot be predicted

how any future legislation, regulations or judicial decisions might affect the federal or state tax matters discussed above or the market value of the Series 2018A Certificates.

Purchasers of the Series 2018A Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of execution and delivery of the Series 2018A Certificates, and Special Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

CONTINUING DISCLOSURE UNDERTAKING

The City will execute and deliver the Continuing Disclosure Undertaking at the closing for the Series 2018A Certificates. The Continuing Disclosure Undertaking will be executed for the benefit of the Owners of the Series 2018A Certificates and in order to assist the Underwriter selected as a result of the competitive sale described under “UNDERWRITING” below, in complying with Rule 15c2-12. Under the Continuing Disclosure Undertaking, the City annually will provide to the MSRB through EMMA certain information, including audited financial statements, and will provide notice of certain specified events contemplated by the Rule. The proposed form of the Continuing Disclosure Undertaking is appended to this Official Statement as Appendix F.

Failure to perform the Continuing Disclosure Undertaking does not constitute an Event of Lease Default, but the Continuing Disclosure Undertaking does provide that in the event of a failure to perform the Continuing Disclosure Undertaking, the Trustee, on behalf of the Owners of the Series 2018A Certificates, has the right to seek a court order directing the City to perform its obligations thereunder.

FINANCIAL ADVISOR

Hilltop Securities Inc., Denver, Colorado (the “Financial Advisor”) has served as financial advisor to the City with respect to the Series 2018A Certificates. The Financial Advisor has also assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, ratings and execution and delivery of the Series 2018A Certificates. In its role as financial advisor to the City, the Financial Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement and the appendices hereto and is not permitted to underwrite the Series 2018A Certificates.

UNDERWRITING

The Series 2018A Certificates will be purchased from the Trust by George K. Baum & Company (the “Representative”), as representative of the underwriters set forth on the cover page hereof (the “Underwriters”) at a price equal to \$_____, being the aggregate principal amount of the Series 2018A Certificates [plus/less] original issue [premium/discount] of \$_____ and less an underwriting discount of \$_____. Pursuant to a Certificate Purchase Agreement (the “Series 2018A Certificate Purchase Agreement”), the Underwriters agree to accept delivery of and pay for all of the Series 2018A Certificates if any are delivered. The obligation to make such purchase is subject to certain terms and conditions set forth in the Series 2018A Certificate Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

LEGAL MATTERS

Legal matters incident to the authorization, execution and delivery of the 2018A Lease and the Series 2018A Certificates are subject to approval of legality by Becker Stowe Partners LLC, Denver, Colorado, as Special Counsel, whose opinion is expected to be delivered in the proposed form set forth in Appendix A hereto. Becker Stowe Partners LLC, Denver, Colorado, in its Special Counsel capacity, has also advised the City concerning, and have assisted in the preparation of, this Official Statement. Certain legal matters relating to the 2018A Lease will be passed upon for the City by Kristin M. Bronson, Esq., City Attorney.

FINANCIAL STATEMENTS

The general purpose financial statements of the City for the fiscal year ended December 31, 2017, included in Appendix D to this Official Statement, have been audited by BKD, LLP, Denver, Colorado, independent public accountants, as stated in their report appearing therein. See “APPENDIX D – BASIC AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017.” BKD, LLP, the City’s independent external auditor, has not been engaged to perform, and has not performed, since the date of its report included in Appendix D hereto, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement. The consent of BKD, LLP to the inclusion of Appendix D was not sought or obtained.

FORWARD LOOKING STATEMENTS

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

MISCELLANEOUS

The cover page, inside cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2018A Certificates, copies of the 2018A Indenture, the 2018A Facilities Lease and the 2018A Lease may be obtained from the Financial Advisor.

So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement is not to be construed as a contract or agreement between any party and the Owners of the Series 2018A Certificates.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2018A Certificates. The Trustee does not have and does not assume any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents, except for information concerning and obtained from the Trustee for inclusion herein.

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APPENDIX A

PROPOSED FORM OF OPINION OF SPECIAL COUNSEL

[Closing Date]

[Addressees]

Re: \$129,000,000* Certificates of Participation, Series 2018A (Colorado Convention Center Expansion Project), Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project), between Denver Public Facilities Leasing Trust 2018A, as lessor, and the City and County of Denver, Colorado, as lessee

Ladies and Gentlemen:

We have acted as special counsel to the City and County of Denver, Colorado (the “City”) in connection with the execution and delivery by the City of the captioned annually renewable Lease Purchase Agreement No. 2018A (the “2018A Lease”), between Denver Public Facilities Leasing Trust 2018A, as lessor (the “Trust”), and the City, as lessee, and the execution and delivery by ZB, National Association dba Zions Bank, Denver, Colorado (the “Trustee”) of the captioned Certificates of Participation, Series 2018A (the “Series 2018A Certificates”). The Series 2018A Certificates are executed and delivered on this date (the “Execution and Delivery Date”) pursuant to a Declaration and Indenture of Trust (Colorado Convention Center Expansion Project) dated the Execution and Delivery Date (the “2018A Indenture”), executed and delivered by the Trustee. *Capitalized terms used herein have the same meanings as in the 2018A Lease and the 2018A Indenture.*

The Series 2018A Certificates are executed and delivered in fully registered book entry only form, dated the Execution and Delivery Date, in minimum denominations of \$5,000 or any integral multiple thereof, and are initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository for the Series 2018A Certificates. The Series 2018A Certificates mature, bear interest, are subject to redemption and are payable as provided in the 2018A Indenture.

The Trust, denominated the “Denver Public Facilities Leasing Trust 2018A,” is created under the 2018A Indenture. The Trustee is entering into the 2018A Indenture to provide for the execution and delivery of the Series 2018A Certificates and to provide for (1) the leasing of the Facilities Leased Property from the City, as lessor, under Facilities Lease Agreement No. 2018A (Colorado Convention Center Expansion Project) dated the Execution and Delivery Date (the “2018A Facilities Lease”) and, in turn, (2) leasing to the City, as lessee, under the 2018A Lease, the leasehold interest in the Trust in the Facilities Leased Property, including the improvements to be provided under the 2018A Lease (the “Leased Property”), all for the benefit of the Owners of the Series 2018A Certificates. The Series 2018A Certificates evidence proportionate interests in the right to receive payments of Base Rentals and other Revenues under the 2018A Lease.

The Series 2018A Certificates are payable solely from the sources described in the 2018A Indenture, including the Base Rentals to be paid by the City to the Trust under the 2018A Lease. Neither the 2018A Lease nor the Series 2018A Certificates constitutes a mandatory payment obligation of the City in any ensuing fiscal year beyond a fiscal year for which the City has specifically appropriated amounts to

* Preliminary, subject to change.

make payments under the 2018A Lease, nor directly or indirectly obligates the City beyond such fiscal year, nor constitutes or gives rise to a general obligation or a multiple fiscal year direct or indirect indebtedness or other financial obligation whatsoever of the City within the meaning of any constitutional, home rule charter or statutory provision.

Under the 2018A Lease, the City has been granted an option to purchase the Trust's leasehold interest in the Leased Property created under the 2018A Facilities Lease and to terminate its obligations under the 2018A Lease upon payment of the then applicable Purchase Option Price. In addition, the City has been granted the option to otherwise not renew, and thereby terminate its obligations under, the 2018A Lease for any reason, without payment of the Purchase Option Price, upon the occurrence of an Event of Nonappropriation or an Event of Lease Default as described in the 2018A Lease.

In our capacity as special counsel, we have examined the constitution and the laws of the State of Colorado, the City's home rule charter, a certified copy of the record of proceedings of the City Council taken preliminary to the execution and delivery of the 2018A Lease, the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 3 below, and certain other documents and closing certificates executed and delivered by the Trust, the City and the Trustee as of the date of delivery of the 2018A Lease, as well as such other documents as we deemed necessary in order to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the City contained in the 2018A Lease and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon, subject to and limited by the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The 2018A Lease has been duly authorized, executed and delivered by the City and, assuming its due execution by the Trustee for the Trust, constitutes the valid and legally binding obligation of the City, enforceable against the City in accordance with its terms.

2. Assuming due execution of the 2018A Indenture and the Series 2018A Certificates by the Trustee, the Series 2018A Certificates evidence valid and binding proportionate interests in the rights to receive Base Rentals designated as Principal Portions and Interest Portions to be paid by the City under the 2018A Lease and to be paid to the Owners of the Series 2018A Certificates, and rights to receive certain other Revenues, which rights are enforceable against the City in accordance with the terms of the 2018A Lease.

3. The Interest Portion of the Base Rentals which is designated as such in the Lease and paid as interest on the Certificates is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), the interest on the Certificates is excludable from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except that, for tax years beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations, and, to the extent the Interest Portion of the Base Rentals paid by the City and received by the Owners of the Series 2018A Certificates is excludable from gross income for federal income tax purposes, such Interest Portion of the Base Rentals paid by the City and received by the Owners of the Series 2018A Certificates is not subject to income taxation by the State of Colorado and is excludable from Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof; except that we express no opinion as to the effect which any termination of the City's obligations under the 2018A Lease may have upon the treatment for federal or Colorado income tax purposes of any moneys received or paid

under the 2018A Indenture subsequent to such termination. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the City's certified proceedings and in certain other documents and certain other certifications furnished to us.

The rights of the Owners of the Series 2018A Certificates and the enforceability of the 2018A Lease may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and to the exercise by the United States of America of powers delegated to it by the United States Constitution.

As special counsel, we are passing only upon those matters set forth in this opinion. We express no opinion herein with respect to any real estate or construction matters or with respect to the accuracy or completeness of any documents prepared or used or statements made in connection with the offering or sale of the Series 2018A Certificates, or with respect to any federal or Colorado tax consequences arising from the receipt or accrual of the Interest Portion of Base Rentals paid by the City and received by the Owners of the Series 2018A Certificates, except those specifically addressed herein.

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

In performing our services as special counsel, the City is our sole client in this transaction and as special counsel we have not been engaged by, nor have we undertaken to advise, any other party or to opine as to matters not specifically covered herein.

Very truly yours,

APPENDIX B

DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS

Set forth below are the definitions of some of the terms used in this Official Statement, the 2018A Facilities Lease, the 2018A Lease and the 2018A Indenture, as well as a summary of certain provisions of the 2018A Facilities Lease, the 2018A Lease and the 2018A Indenture. Reference is made to the actual provisions of the 2018A Facilities Lease, the 2018A Lease and the 2018A Indenture for a complete recital of the terms defined therein and the complete provisions thereof, copies of which are available upon written request from the City's Department of Finance.

Definitions

"2018A Certificates" means the certificates of participation executed and delivered by the Trustee pursuant to the terms of the 2018A Indenture.

"2018A Certificates Account" means the account created in the Base Rentals Fund under the 2018A Indenture.

"2018A Facilities Lease" means the Facilities Lease Agreement No. 2018A (Colorado Convention Center Expansion Project) dated its date of execution and delivery, between the City, as lessor, and the Trust, as lessee.

"2018A Indenture" means the Declaration and Indenture of Trust (Colorado Convention Center Expansion Project) dated its date of execution and delivery, entered into by the Trustee.

"2018A Lease" means the Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project) dated its date of execution and delivery, between the Trust, as lessor, and the City, as lessee.

"Additional Certificates" means Additional Certificates, if any, that may be executed and delivered by the Trustee pursuant to the 2018A Indenture.

"Additional Rentals" means, the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee and/or the Trust related to the preparation of any reports or records of the Trust, including tax returns for the Trust, and maintenance of the existence of the Trust, (ii) reasonable expenses and fees of the Trust and the Trustee related to the performance or discharge of responsibilities under the provisions of the 2018A Facilities Lease, 2018A Lease or the 2018A Indenture, including the reasonable fees and expenses of any person or firm employed by the Trustee to make rebate calculations under the provisions of the 2018A Indenture, (iii) insurance deductible amounts in respect of insurance required to be maintained under the 2018A Lease if such amounts are paid by the Trust, and (iv) expenses and fees of the Trust or the Trustee incurred at the request of the City;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property or as otherwise required under the 2018A Lease; and

(c) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City fails to pay the same, as specifically set forth in the 2018A Lease) which the City

agrees to assume or pay as Additional Rentals under the 2018A Lease.

Payment by the City of any Additional Rentals, in addition to Appropriation or Supplemental Appropriation, requires the prior written approval of the Chief Financial Officer. Additional Rentals do not include Base Rentals.

The term Additional Rentals does not include Base Rentals.

“Appropriations” means the collective procedure by which the City Council specifically appropriates funds for a purpose and the City effects an Encumbrance for such purpose. The term “Appropriation” includes an initial Appropriation and any Supplemental Appropriation.

“Approval of Revenue Obligations Counsel” means, in respect of any Revenue Obligations Outstanding at the time the opinion is to be delivered, an opinion of Revenue Obligations Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the interest paid by the City under or pursuant to the Revenue Obligations.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of the Base Rentals paid by the City under the 2018A Lease.

“Assets of the Trust” means the Initial Assets and any and all assets currently owned or hereafter acquired by the Trust, including the Leased Property and all improvements so acquired now or hereafter located thereon and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining (subject to Permitted Encumbrances) and any and all machinery owned or hereafter acquired by the Trust and used or usable in connection with any present or future operation of and now or hereafter located or installed on, under or in the Leased Property.

“Base Rentals” means the rental payments payable by the City during the Lease Term, which constitute payments payable by the City for and in consideration of the right to possess and use the Leased Property as set forth in the 2018A Lease and relating to the Series 2018A Certificates. The term “Base Rentals” does not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in Exhibit C (Base Rentals Schedule) to the 2018A Lease.

“Business Day” means any day, other than a Saturday or a Sunday or day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close, (b) on which the Federal Reserve System is closed or (c) on which the New York Stock Exchange is closed.

“Certificate of Substantial Completion of Project” means the Certificate of Substantial Completion of Project in substantially the form attached to the 2018A Lease to be delivered by the Executive Director of Public Works to the Trustee pursuant to the 2018A Lease.

“Certificates” means the Series 2018A Certificates and any Additional Certificates.

“Chief Financial Officer” means the Chief Financial Officer of the City, as the Manager of Finance /*ex-officio* Treasurer, of the City duly appointed pursuant to the Charter or the designee of the Chief Financial Officer.

“Closing” means the date of execution and delivery of the Series 2018A Certificates.

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

“Colorado Convention Center” means, the Colorado Convention Center currently owned and operated by the City, including the related land on which the Colorado Convention Center is located and all of the buildings and related parking, paving, drainage and landscaping improvements located on such land, as the Colorado Convention Center exists on the date of the 2018A Lease and as the Colorado Convention Center exists and is configured during and after the Completion Date of the Colorado Convention Center Expansion Project.

“Colorado Convention Center Expansion Project” or the “Project” means the design, acquisition, construction and equipping of the new Facilities, including the preparation of the rooftop and parking garage of the existing Colorado Convention Center for the construction of a third level of the existing Colorado Convention Center and the existing space and improvements currently located thereon and the expanded and newly created third or rooftop expansion level and other areas and spaces in or adjacent to the existing Colorado Convention Center, such as, but not limited to, the lobby and elevators.

“Completion Date” means the date on which the Executive Director of Public Works delivers to the Trustee the Certificate of Substantial Completion of Project pursuant to which the City is certifying that the Project is substantially complete, meaning that the City has received a Temporary Certificate of Occupancy for the Project.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trust or the Trustee, related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Costs of Execution and Delivery Fund, including but not limited to, survey costs, title insurance policy premiums, closing costs and other costs relating to the Leased Property, costs of preparation and reproduction of documents, costs of printing the Certificates and the Preliminary and final Official Statements prepared in connection with the offering of the Certificates, costs of Rating Agencies and costs to provide information required by Rating Agencies for the rating or proposed rating of Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees and expenses of Special Counsel, fees and disbursements of professionals and the Financial Advisor, fees and charges for preparation, execution and safekeeping of the Certificates, and any other cost, charge or fee in connection with the original sale and the execution and delivery of the Certificates; Costs of Execution and Delivery of the Series 2018A Certificates are not Additional Rentals and are to be paid by the City as provided in the 2018A Lease.

“Costs of the Project” or “Project Costs” mean all costs and expenses incurred in connection with the financing of the Project to be provided pursuant to the terms of the 2018A Indenture, the 2018A Lease and the 2018A Facilities Lease, including without limitation:

(a) obligations incurred or assumed for labor, materials and equipment, including equipment constituting fixtures;

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

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

(d) administrative costs incurred in connection with the leasing of the Facilities Leased

Property and the construction and installation of the Facilities provided under the Colorado Convention Center Expansion Project, including supervision of construction and installation as well as the performance of all of the other duties required by or as a consequence of the Project; including, without limitation, costs of preparing and securing all Project Documents, architectural, engineering and other professional and technical fees, building permit fees, water tap fees, sanitary sewer and wastewater fees, legal fees and expenses, appraisal fees, independent inspection fees, auditing fees, and advertising expenses;

- (e) Costs of Execution and Delivery;
- (f) all costs which are required to be paid under the terms of any Project Contract;
- (g) any costs associated with the leasing of the Facilities Leased Property pursuant to the 2018A Facilities Lease;
- (h) costs relating to the preparation of the Facilities Leased Property and the facilities necessary for access to the Leased Property and for the construction of the Project, including, but not limited to the costs of demolition and cleanup of any existing improvements on the Facilities Leased Property and costs associated with the provision of sewer, water, gas, electricity and other infrastructure improvements and services to the Leased Property;
- (i) all other costs that are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles;
- (j) payments to a reserve fund to the extent necessary to establish or maintain a reserve requirement, if any; and
- (k) any and all other costs necessary to effect the Trust's leasing of the Facilities Leased Property and the acquisition, construction, installation and equipping of the Project to the extent the same are permitted by the laws of the State of Colorado and will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of Base Rentals due under the 2018A Lease.

“Encumbrance” means (a) the act of submitting a written request of the City to the Purchasing Director of the City and (b) the certification in writing by the Controller for the applicable Fiscal Year that (i) there is an unencumbered balance in the appropriate fund chargeable therefor sufficient to provide for the Base Rentals and the Additional Rentals, as the case may be, for the period specified in the 2018A Lease and (ii) such amounts have been set aside for such purposes.

“Event(s) of Indenture Default” means any event of default under the 2018A Indenture.

“Event(s) of Lease Default” means any event of default under the 2018A Lease.

“Event of Nonappropriation” means the termination and nonrenewal of the 2018A Lease by the City, determined by the City's exercise of its right, for any reason, to not enact by the last day of each Fiscal Year an appropriation ordinance for the ensuing Fiscal Year which includes (a) amounts authorized and directed to be used to pay all Base Rentals and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due. An Event of Nonappropriation may also occur under certain other circumstances described in the 2018A Lease. The term also means a notice under the 2018A Lease of the City's intention to not renew and therefore terminate the 2018A Lease or an event described in the 2018A Lease relating to the exercise by the City of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an appropriation has been previously effected.

“Executive Director of Public Works” means the Executive Director of Public Works, as the Manager of Public Works of the City duly appointed pursuant to the Charter, or the designee of the Executive Director of Public Works.

“Facilities Lease Termination Date” means June 1, 2058.

“Facilities” means, portions of the rooftop of the existing Colorado Convention Center and the existing space and improvements located thereon as of the date of delivery of the 2018A Facilities Lease and the 2018A Lease and certain of the expanded and newly created third or rooftop expansion level and other improved spaces constituting portions of the Colorado Convention Center Expansion Project as such Facilities are acquired, constructed and installed to provide the expanded and newly created third or rooftop expansion level and other improved spaces constituting portions of the Colorado Convention Center Expansion Project, all as set forth in the 2018A Facilities Lease and as the description of such Facilities is to be amended and as set forth in the 2018A Lease and as the description of such Leased Property is to be amended.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 and ends December 31 of the same year.

“*Force Majeure*” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the Trust or the City in its capacity as lessee under the 2018A Lease.

“Governmental Person(s)” means a state or local government as defined in Section 1.103-1 of the Regulations or any instrumentality of such entity. Governmental Persons do not include the United States or any agency or instrumentality of the United States.

“Initial Term” means the period which commences on the date of delivery of the 2018A Lease and terminates on December 31 of the same Fiscal Year.

“Interest Payment Date” means each June 1 and December 1, commencing June 1, 2019.

“Interest Portion” means the Interest Portion of each Base Rentals payment that represents the payment of interest in respect of the Leased Property as set forth in Exhibit C (Base Rentals Schedule) of the 2018A Lease, including the Interest Portion as stated for each Base Rentals Payment Date and Interest Portion if referencing all Interest Portions for the Base Rentals remaining to be paid in the aggregate through the Lease Term.

“Lease Balance” means the sum of the Total Aggregate Principal Portion of Base Rentals and under the 2018A Lease set forth on Exhibit C (Base Rentals Schedule) of the 2018A Lease, less the aggregate amount of Principal Portions of Base Rentals paid or prepaid by the City pursuant to the 2018A Lease.

“Lease Balance in Respect of the Leased Property” means the Total Aggregate Principal Portion of the Base Rentals under the 2018A Lease at the time the 2018A Lease is executed and delivered, as set forth in Exhibit C of the 2018A Lease less the aggregate amount of Principal Portions of Base Rentals paid or prepaid by the City in respect of the Leased Property.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in the 2018A Lease whenever an Event of Lease Default or an Event of Nonappropriation has happened and is continuing, which may be exercised by the Trustee, as provided in the 2018A Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the City may exercise its option to renew the 2018A Lease by effecting Appropriations of funds for the payment of Base Rentals and Additional Rentals thereunder. “Lease Term” refers to the time during which the City is the lessee of the Leased Property under the 2018A Lease.

“Leased Property” means the Leased Property as described on Exhibit A to the 2018A Lease and defined as the “Facilities Leased Property” in the 2018A Facilities Lease, including the Leased Property and Facilities Leased Property resulting after substantial completion of the Colorado Convention Center Expansion Project, all as such description of Leased Property are to be amended after the Completion Date of the Colorado Convention Center Expansion Project to accurately describe the Leased Property after the completion of the Colorado Convention Center Expansion Project.

“License” means the non-exclusive license or other supports granted to the Trust, and its agents, contractors, customers, vendors, suppliers, tenants, subtenants, invitees and licensees of each of them required for the construction, installation, operations and maintenance of the Facilities under the 2018A Facilities Lease, the scope of which includes installation, operation, construction, maintenance, repair and replacement of the Facilities upon an event of default or non-appropriation in the 2018A Lease and access, ingress and egress to the Facilities and other such activity necessary to operate and maintain the Facilities for the term of the 2018A Facilities Lease, consistent with the terms of the License and as the Trust deems necessary from time to time in its reasonable discretion.

“Mandatory Sinking Fund Redemption” means any redemption made pursuant to the 2018A Indenture and as provided in the form of the Series 2018A Certificates set forth in the 2018A Indenture.

“Mandatory Sinking Fund Redemption Date” means the dates for Mandatory Sinking Fund Redemption as set forth in the 2018A Indenture.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by the 2018A Lease or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any construction or other contract relating to improvements to the Leased Property, less (a) all expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the City, the Trust or the Trustee.

“Nongovernmental Person(s)” means a person (natural or artificial) other than a Governmental Person.

“Outstanding” means, with respect to the Certificates, all Certificates executed and delivered pursuant to the 2018A Indenture as of the time in question, except:

- (a) All Certificates theretofore canceled or required to be canceled under the 2018A Indenture;
- (b) Certificates in substitution for which other Certificates have been executed and delivered under the 2018A Indenture;
- (c) Certificates which have been redeemed as provided in the 2018A Indenture;

(d) Certificates for the payment or redemption of which provision has been made in accordance with the 2018A Indenture; provided that, if such Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

(e) Certificates deemed to have been paid pursuant to the 2018A Indenture.

“Owners” means the Registered Owners of any Certificates and Beneficial Owners.

“Paying Agent” means the Trustee or any successor or additional paying agent appointed pursuant to the 2018A Indenture.

“Permitted Encumbrances,” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent or liens which may remain unpaid pending contest pursuant to the provisions of the 2018A Lease; (b) the 2018A Facilities Lease, the 2018A Lease, the 2018A Indenture, any related fixture filing and any liens arising or granted pursuant to the 2018A Lease or the 2018A Indenture; (c) utility, access and other easements and rights of way, restrictions and other matters affecting title which the Executive Director of Public Works represents will not impair the effective use or interfere with the operation of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and party wall and other agreements and rights-of-way as provided in the 2018A Lease; and (d) any existing easements, covenants, restrictions, liens and encumbrances listed on the title insurance policies delivered in respect of the Leased Property, as shown on Exhibit B to the 2018A Lease and any other encumbrances agreed to by the City and the Trust.

“Prepayment” means any amount paid by the City pursuant to the provisions of the 2018A Lease as a prepayment of the Base Rentals due thereunder in respect of the Leased Property.

“Principal Portion” means the portion of each Base Rentals payment that represents the payment of principal in respect of the Leased Property set forth in Exhibit C (Base Rentals Schedule) to the 2018A Lease, including Principal Portion as stated for each Base Rentals Payment Date and Principal Portion if referencing all Principal Portions remaining to be paid in the aggregate through the Lease Term.

“Project” means the Colorado Convention Center Expansion Project.

“Project Contract” means any contract entered into before the Completion Date by the Trust or the City, acting on behalf of the Trust, regarding the design, acquisition, construction, improvement or installation of any part of the Project to be entered into by the City and the general contractor for the construction of the Project and other contracts with other construction contractors, vendors, architects, engineers, other professionals or consultants performing work or providing services in connection with the acquisition, construction, installation and equipping of the Project.

“Project Documents” means the following: (a) plans, drawings and specifications for the Project, when and as they are approved by the City, including change orders, if any; (b) any necessary permits for the Project, including any building permits and certificates of occupancy; (c) the Project Contracts; (d) policies of title insurance, insurance policies required under the Project Contracts, including general liability, property damage and automobile, workers’ compensation and builders’ risk insurance policies in respect of the general contractor for construction of the Project and, on and after the Completion Date of the Project, insurance policies required under Article 9 of the 2018A Lease, including commercial general liability and public liability, property and workers’ compensation insurance policies, or certificates of insurance for any of such policies thereof, as required by the 2018A Lease; (e) contractor’s performance and payment bonds with respect to the Project; and (f) any and all other documents executed by or furnished to the City or the Trust in connection with the Project.

“Project Fund” means the fund created under the 2018A Indenture.

“Purchase Option Price” means the amount payable on any date, at the option of the City, to prepay Base Rentals, terminate the Lease Term in respect of the Leased Property (in which case such Purchase Option Price is to be in an amount sufficient to defease all of the Certificates) and purchase the leasehold interest in the Leased Property, all as provided in the 2018A Lease.

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any year and terminating on or before December 31 of the same year as provided in the 2018A Lease.

“Revenue Obligations” means any bonds, notes or other obligations issued or executed and delivered by or on behalf the City, before or after the date of execution and delivery of the 2018A Lease, the principal of and interest on which are payable solely from any revenues of the City the proceeds of which have been or are to be used by or on behalf of the City to acquire, construct, expand or improve the Colorado Convention Center, including proceeds used for any portion of the Colorado Convention Center Expansion Project.

“Revenue Obligations Counsel” means any counsel experienced in matters of municipal law, satisfactory to the Trustee and the City, and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication.

“Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the 2018A Lease including, but not limited to, all Base Rentals, Prepayments, Purchase Option Prices and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2018A Certificates deposited in the Base Rentals Fund; and (c) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the 2018A Indenture (except for moneys and securities, including investment income, held in the Rebate Fund).

“Series 2018A Certificates” means the Certificates of Participation, Series 2018A (Colorado Convention Center Expansion Project) dated their date of execution and delivery, executed and delivered pursuant to the 2018A Indenture.

“Supplemental Appropriations” means any appropriation after an initial appropriation in respect of Base Rentals or Additional Rentals due under the 2018A Lease.

“Tax-Exempt Permitted Use Arrangement” means any arrangement between the City and a third party for the use of any portion of the Leased Property which meets any of the following criteria:

(a) use by a Nongovernmental Person under a “qualified management contract” as that term is defined for purposes of Section 141 of the Code and the Regulations, rulings and other guidance issued thereunder;

(b) use by a third party as a member of the general public (**natural persons not engaged in a trade or business**) where the term of the arrangement, including all renewal options, is not longer than two hundred (200) actual days of use; provided, however, a “right of first refusal” to renew is **not** treated as a renewal option **if**

(i) the compensation for the use is redetermined at generally applicable, fair market value rates that are in effect at the time of renewal and

(ii) the use under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business;

(c) use by a Nongovernmental Person where the term of the arrangement (including all renewal options) does not exceed a maximum of one hundred (100) actual days of use, if such use is based on uniformly applied rates; provided, however, the use permitted under this subsection (c) is not of the type available to a natural person not engaged in a trade or business;

(d) use by a Nongovernmental Person pursuant to a negotiated arms-length (nonuniform) arrangement where the term of the arrangement (including all renewal options) does not exceed a maximum of fifty (50) actual days of use; or

(e) any other arrangement subject to Approval of Special Counsel.

“Trust” means the “Denver Public Facilities Leasing Trust 2018A” created and denominated under the 2018A Indenture.

“Trustee” means ZB, National Association, dba Zions Bank, in its capacity as Trustee of the Trust and for the benefit of the Owners of the Series 2018A Certificates and any Additional Certificates, under the 2018A Indenture, and its successors and assigns.

“Trust Estate” means collectively, (a) the Assets of the Trust and (b) all of the right, title and interest of the Trust in and to the 2018A Lease, including all Revenues as defined in the 2018A Indenture.

The 2018A Facilities Lease

Lease; Term; Grant of Licenses. The City is the owner of the Facilities Leased Property, subject only to the Permitted Encumbrances as described in the 2018A Facilities Lease. In the 2018A Facilities Lease, the City covenants that the Permitted Encumbrances do not and will not interfere in any material way with the Facilities Leased Property.

The City acquired, constructed and equipped the Colorado Convention Center with proceeds of certain Revenue Obligations. The City is leasing a portion (the Facilities Leased Property) of the Colorado Convention Center to the Trust pursuant to the terms and provisions of the 2018A Facilities Lease and will subsequently lease the Facilities Leased Property back as a portion of the Leased Property from the Trust pursuant to the 2018A Lease. The City will not be reimbursed for its prior acquisition or construction of such Facilities Leased Property or any other portion of the Colorado Convention Center from proceeds of the Series 2018A Certificates. The City will retain title to the Facilities Leased Property and the Trust will have a leasehold interest in the Facilities Leased Property under the 2018A Facilities Lease.

Pursuant to the 2018A Facilities Lease, the City is to lease the Facilities Leased Property to the Trust is also granting the License, all pursuant to the terms and conditions set forth in the 2018A Facilities Lease. The term of the 2018A Facilities Lease commences on the date of execution and delivery of the 2018A Facilities Lease and ends on the Facilities Lease Termination Date, unless prior to the Facilities Lease Termination Date the Facilities Leased Property has been released by the Trust to the City as a result of the City’s payment of (a) the Purchase Option Price for the Facilities Leased Property or (b) all Base Rentals and Additional Rentals as provided in the 2018A Lease. It is currently expected that the term of the 2018A Facilities Lease will terminate upon payment by the City of all Base Rentals and Additional Rentals as provided in the 2018A Lease and as separately set forth in Exhibit C to the 2018A Lease.

Rental. The City is to receive from the Trust, as and for all rentals under the 2018A Facilities Lease, to be paid by the Trust to the City, as disbursements from the Project Fund created under the 2018A Indenture, the sum of the aggregate principal amount to the Series 2018A Certificates plus the amount of any premium from the sale of the Series 2018A Certificates, as consideration for (a) the leasehold interest in the Facilities Leased Property; and (b) the execution and delivery of the 2018A Lease.

Purpose. So long as no Event of Lease Default or Event of Nonappropriation has occurred, the Trust is to use the Facilities Leased Property solely for the purpose of leasing the Facilities Leased Property to the City pursuant to the 2018A Lease. Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the City is required to vacate the Facilities Leased Property as provided in the 2018A Lease and the Trustee, on behalf of the Trust, is entitled to exercise the remedies provided in the 2018A Facilities Lease and the 2018A Lease.

Sales, Assignments and Subleases. So long as neither an Event of Nonappropriation nor an Event of Lease Default has occurred, and except as may otherwise be provided in the 2018A Lease, the Trustee, on behalf of the Trust, may not sell or assign the rights and interests of the Trust or sublet any the Facilities Leased Property without the written consent of the Chief Financial Officer. However, if the 2018A Lease is terminated for any reason, and the 2018A Facilities Lease is not terminated, the Trustee, on behalf of the Trust, may sublease the Facilities Leased Property, or any portion thereof then subject of the 2018A Facilities Lease or sell or assign the Trust's leasehold interests under the 2018A Facilities Lease. The Trustee, on behalf of the Trust, (or any purchaser from or assignee or lessee of the Trust) may not sublease and sublicense the Facilities Leased Property or any portion thereof or sell or assign the Trust's leasehold interests under the 2018A Facilities Lease or any portion thereof unless an Approval of Revenue Obligations Counsel as set forth in the 2018A Lease has been delivered to the City Attorney and Chief Financial Officer of the City. Except as provided in the 2018A Facilities Lease, none of the City, the Trust or any purchaser from or lessee or assignee of the Trust may sell, mortgage or encumber the Facilities Leased Property or any portion thereof during the term of the 2018A Facilities Lease.

Termination. Upon termination of the 2018A Facilities Lease in respect of the Facilities Leased Property, the Trust agrees to quit and surrender the Facilities Leased Property to the City, including any permanent improvements and structures existing upon the released Facilities Leased Property.

Quiet Enjoyment and Acknowledgment of Ownership; Release of Leased Property. The City covenants that the Trust at all times during the term of the 2018A Facilities Lease will peaceably and quietly have, hold and enjoy the Facilities Leased Property, subject to the provisions of the 2018A Lease, and acknowledges that the Trust has a leasehold interest in the Facilities Leased Property and all additional improvements or additions to be made to the Facilities Leased Property subject to the 2018A Lease. Upon the occurrence of certain circumstances under the terms of the 2018A Lease, the Leased Property is to be released from the 2018A Facilities Lease and will then not constitute Facilities Leased Property under the 2018A Facilities Lease.

Taxes; Maintenance; Insurance. The City agrees that, during the Lease Term of the 2018A Lease in respect of the Facilities Leased Property and in accordance with the provisions thereof, it will pay any and all assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon such Facilities Leased Property and all maintenance costs and utility charges in connection with such Facilities Leased Property.

In the event that (a) the 2018A Lease is terminated for any reason, (b) the 2018A Facilities Lease is not terminated in respect of the Facilities Leased Property, and (c) the Trustee, on behalf of the Trust, subleases all or any portion of the Facilities Leased Property then subject to the 2018A Facilities Lease or

sells an assignment of its interest in the 2018A Facilities Lease, the Trustee, on behalf of the Trust, or any sublessee or assignee of the Facilities Leased Property then subject to the 2018A Facilities Lease is required to pay or cause to be paid when due, solely from the proceeds of such sale, subleasing or assignment, all taxes and assessments imposed on the Facilities Leased Property and maintain such Facilities Leased Property in good condition and in good working order, unless such taxes and assessments are paid directly by the purchaser, sublessee or assignee of the Facilities Leased Property.

So long as the 2018A Lease is in effect, the provisions thereof are to apply to and govern the maintenance of insurance under the 2018A Facilities Lease. In the event that the 2018A Lease is terminated for any reason that does not cause the 2018A Facilities Lease to be terminated and the Trustee subleases all or any portion of the Facilities Leased Property or sells or assigns its leasehold interest in the 2018A Facilities Lease, the Trustee, on behalf of the Trust, or any sublessee, purchaser or assignee of the Facility Leased Property, will be required to obtain and keep in force, (1) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Facilities Leased Property in an amount not less than \$1,000,000 per occurrence/\$2,000,000 in the aggregate, and (2) property insurance in an amount not less than the full replacement value of the Facilities Leased Property. Any such insurance that is to be obtained by the Trustee, on behalf of the Trust, is to be paid for solely from the proceeds of such subleasing, sale or assignment or from moneys furnished to the Trustee under the 2018A Indenture. All such insurance is to name the Trust, the Trustee, any sublessee, purchaser or assignee and the City as insureds. The Trust, the Trustee and the City agree to waive any rights of subrogation with respect to the Trust, the Trustee and the City and any sublessee or assignee of the Trust, and their members, directors, officers, agents and employees, while acting within the scope of their employment, and each such insurance policy is required to contain such a waiver of subrogation by the issuer of such policy.

Damage, Destruction or Condemnation. So long as the 2018A Lease is in effect, the provisions of the 2018A Lease are to govern matters with respect to any damage, destruction or condemnation of the Facilities Leased Property. In the event that the 2018A Lease is terminated for any reason and the 2018A Lease is not terminated in respect of the Facilities Leased Property, and either (1) such Facilities Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by fire or other casualty, or (2) title to or use of such Facilities Leased Property or any party thereof is taken under the exercise of the power of eminent domain, the City, the Trust and the Trustee, or any sublessee, purchaser or assignee of such Facilities Leased Property from the Trust is to cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of the 2018A Lease.

No Merger. The City, the Trust and the Trustee intend that the legal doctrine of merger will have no application to the 2018A Facilities Lease and that neither the execution and delivery of the 2018A Lease by the Trustee, on behalf of the Trust, and the City nor the exercise of any remedies under the 2018A Facilities Lease or the 2018A Lease will operate to terminate or extinguish the 2018A Facilities Lease or the 2018A Lease, except as specifically provided therein.

The 2018A Lease

Lease Term. The Lease Term commences on the date of execution and delivery of the 2018A Lease. The Initial Term terminates on December 31, 2018. The 2018A Lease may be annually renewed, solely at the option of the City, for the number of Renewal Terms set forth in the 2018A Lease. The maximum Lease Term in respect of the Leased Property does not exceed the remaining weighted average useful life of the Leased Property at the time the 2018A Lease is executed and delivered. The Lease Term terminates upon the earliest of: (a) the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs (except that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in the 2018A Lease); (b) the release of the Trust's

leasehold interest in the Leased Property under the 2018A Lease to the City upon payment of the Purchase Option Price in respect of Leased Property or the payment of all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the City, in respect of the Leased Property; or (c) the occurrence of an uncured Event of Lease Default and termination of the 2018A Lease by the Trustee.

Termination of the Lease Term terminates all unaccrued obligations of the City under the 2018A Lease and the City's rights of possession under the 2018A Lease (except to the extent of the holdover provisions and except for any release of the Leased Property from the Trust's leasehold interest). All obligations of the City accrued prior to such termination continue until the Trustee agrees that such accrued obligations have been satisfied.

Budget and Appropriations Procedures. The City's Chief Financial Officer, the Chief Financial Officer's designee or other officer of the City at any time charged with the responsibility of formulating budget proposals is directed in the 2018A Lease to include in the annual budget proposals submitted to the City Council, in any year in which the 2018A Lease is in effect, items for all payments required for the ensuing Renewal Term until such time, if any, as the City may determine to not renew and terminate the 2018A Lease.

Base Rentals and Additional Rentals. Under the 2018A Lease, the City is to pay Base Rentals for which an Appropriation or Supplemental Appropriation has been effected by the City, directly to the Trustee during the Initial Term and any Renewal Term. The City receives credit against its obligation to pay Base Rentals to the extent moneys are held by the Trustee on deposit in a Base Rentals Fund created under the 2018A Indenture and are available to pay Base Rentals.

The 2018A Lease provides that the City may, on any date, pay the then applicable Purchase Option Price for the purpose of terminating the 2018A Lease in whole and causing the termination of the 2018A Facilities Lease. Subject to the Approval of Special Counsel, the City may also, at any time during the Lease Term, (1) prepay any portion of the Base Rentals due under the 2018A Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in the 2018A Lease. The City is required to give the Trustee notice of its intention to exercise its purchase option or prepayment right not less than 35 days in advance of the date of termination and release or prepayment and to deposit with the Trustee by not later than the date of such exercise or prepayment an amount equal to the Purchase Option Price due on the selected date for payment of the Purchase Option Price or the applicable amount of Base Rentals to be prepaid on the selected prepayment date.

The City acknowledges in the 2018A Lease that, upon receipt by the Trustee of Base Rentals, the Trustee is to deposit the amount of such Base Rentals in the Base Rentals Fund pursuant to the 2018A Indenture.

Nonappropriation. If the City gives notice that it intends to not renew the 2018A Lease or the City does not effect an Appropriation or Supplemental Appropriation, on or before December 31 of each Fiscal Year, or of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term, an Event of Nonappropriation is deemed to have occurred; subject, however, to the 2018A Lease provisions summarized below:

- (a) If the Trustee does not receive written notice or evidence that an Appropriation or Supplemental Appropriation has been effected by the City on or before December 31 of a Fiscal Year, then the Trustee is to declare an Event of Nonappropriation on the first Business Day of the January following such Fiscal Year or the Trustee is to make such declaration on any earlier date on which the Trustee receives official written notice from the City that the 2018A Lease will not be renewed or on which the Trustee determines that a Supplemental Appropriation has not been

effected by the City with respect to any Base Rentals remaining to be paid in the then current Lease Term.

(b) The Trustee is to waive any Event of Nonappropriation which is cured by the City within 21 days of the receipt by the City of notice from the Trustee described in (a) above, by a duly effected Appropriation or Supplemental Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the 2018A Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the City within a reasonable time following the 21-day period referred to in (b) above.

If, during the Initial Term or any Renewal Term, any Additional Rentals become due which were not included in a duly effected Appropriation or Supplemental Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation is deemed to have occurred, upon notice by the Trustee to the City to such effect (subject to waiver by the Trustee as described above).

If an Event of Nonappropriation occurs, and except as described in the immediately following sentence, the City is not obligated to make payment of the Base Rentals or Additional Rentals or any other payments under the 2018A Lease which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs. Except as limited by certain other provisions of the 2018A Lease, the City continues to be liable for Base Rentals and Additional Rentals allocable to any period during which the City continues to occupy, use or retain possession of the Leased Property.

Subject to the holdover provisions of the 2018A Lease, the City is required in all events to vacate or surrender possession of the Leased Property by March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred. After March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

Upon the occurrence of an Event of Nonappropriation, (1) the Trustee is entitled to all moneys then being held in all funds created under the 2018A Indenture to be used as described therein and (2) all property, funds and rights acquired by the Trustee upon the termination of the 2018A Lease by reason of an Event of Nonappropriation are to be held by the Trustee as set forth in the 2018A Indenture.

Holdover Tenant. If the City fails to vacate the Leased Property after termination of the 2018A Lease, with the written permission of the Trustee, the City is deemed a holdover tenant on a month-to-month basis and is bound by all of the other terms, covenants and agreements of the 2018A Lease. Any holding over by the City without the written permission of the Trustee is considered to be at sufferance.

Leasing of Facilities Leased Property; Construction of Colorado Convention Center Expansion Project. At the time of execution of the 2018A Lease, the City will have leased to the Trust, and the Trust will have leased from the City, the Facilities Leased Property pursuant to the 2018A Facilities Lease. A leasehold interest in the Facilities Leased Property is to be held by the Trust, subject to the 2018A Lease.

The City agrees in the 2018A Lease that, as lessee acting on behalf of the Trust, (a) it will act as agent for the Trust in making all contracts, orders, receipts, writings and instructions, including all Project Contracts, with any other persons, firms or corporations and in general do all things that may be necessary, requisite or proper for the acquisition, construction, installation and equipping of the Project; (b) it will cause the Project to be completed as provided in the 2018A Lease; (c) title to the Facilities upon completion

of the Project will be in the name of the City, subject to the 2018A Facilities Lease and the 2018A Lease; and (d) to complete the Project with all reasonable dispatch, and to use its best efforts to have the Project substantially completed (meaning that the City has received a Temporary Certificate of Occupancy for the Project) by December 31, 2022, or as soon thereafter as may be practicable.

So long as the 2018A Lease is in full force and effect and no Event of Nonappropriation or Event of Lease Default has occurred, the City has full power to carry out the acts and agreements provided in the 2018A Lease regarding the accomplishing the Colorado Convention Center Expansion Project. The City agrees to acquire, construct, install and equip the Project through the application of moneys to be disbursed by the Trustee from the Project Fund (created under the 2018A Indenture). If for any reason, the Project is not completed by the Completion Date, there is no resulting liability on the part of the City or the Trust or the Trustee acting for the Trust or an Event of Lease Default, and there is to be no diminution in or postponement of the Base Rentals and Additional Rentals required to be paid by the City and which have been specifically appropriated by the City Council and for which an Encumbrance has been effected by the City during the Lease Term. However, in the event that the Trustee does not receive a Certificate of Project Completion in respect of the Project, as required in the 2018A Lease, by the Completion Date, and unless the City opts to complete the Project and submits a reasonable schedule of completion to the Trustee, the Trustee, on behalf of the Trust as the owner of the Leased Property, upon thirty (30) days written notice to the City, is authorized, but not required, to complete the remainder of the Project from any moneys remaining in the Project Fund for the Project.

Project Contracts. Based upon an examination of property, estimated design, construction, installation and equipping costs and the configuration of the Project, the City has represented that it believes the Project can, to the best of the City's present knowledge, be constructed, acquired and equipped for a total cost within the amount of funds to be available in the Project Fund created under the 2018A Indenture, including anticipated investment income, together with \$6 million of proceeds of Revenue Obligations issued by the City in 2016 and the anticipated proceeds of certain Revenue Obligations to be issued after the date of the 2018A Lease. In the event of cost overruns resulting in the Costs of the Project exceeding the amount available in the Project Fund created under the 2018A Indenture and available funds for the Project from certain anticipated Revenue Obligations, all in connection with the leasing of the Facilities Leased Property and the acquisition, construction, installation and equipping of the Facilities provided under the Colorado Convention Center Expansion Project, upon written consent of the City, either (a) the City is to make such modifications to the plans and specifications for the Project as will permit the Project to be provided from the amounts available therefor, including amounts available under the 2018A Indenture or (b) the City is to deposit additional funds received from the proceeds of additional certificates of participation in the Project Fund created under the 2018A Indenture, issue additional Revenue Obligations or provide moneys from other funding sources, sufficient to complete the Project. If the City pays any portion of the Costs of the Project as described, it is not entitled to any reimbursement therefor from the Trust, the Trustee or any owner of certificates of participation with respect to the 2018A Lease, nor is it entitled to any diminution in or postponement of the Base Rentals and the Additional Rentals payable under the 2018A Lease.

Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Trustee, on behalf of the Trust as lessee of the Facilities Leased Property, with a leasehold ownership interest therein, and the lessor of the Leased Property, may complete the Project, utilizing any moneys available therefor. All Project Contracts to be executed after the date of the 2018A Lease, including the contract for construction of the Project with the general contractor, but not including the program management contract and the architectural/engineering services contracts, are to allow that, upon the termination of the Lease Term by reason of the occurrence of an Event of Nonappropriation or an Event of Lease Default or upon the Trustee's assuming control over completion of the Project as provided in the 2018A Lease, and upon

written notice by the Trustee to the party or parties to the Project Contracts that any of such events has occurred: (a) such contracts are to be fully and freely assignable to the Trust, without the consent of any other person and the Trustee may choose to assume or not assume such contracts; and (b) if the Trustee does so assume such contracts, the other party or parties thereto are to perform the agreements contained therein for the Trust. Such Project Contracts to be executed after the date of the 2018A Lease also are to allow that, upon an Event of Nonappropriation or an Event of Lease Default and upon written notice from the Trustee, the Trustee may, in its full discretion, terminate some or all of such Project Contracts; and the other party or parties thereto are then to be entitled to payment only from amounts available therefor under the 2018A Indenture and only for work done prior to such termination. Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default or upon the Trustee's assuming control over the acquisition, construction, installation and equipping of the Project as provided in the 2018A Lease, and upon receipt of a written request from the Trustee, the City is to assign all of its right, title and interest in and to the any Project Contract (including the construction contract to be entered into by the City with the general contractor for the Project) to the Trust and is to deliver all such Project Documents held by it to the Trustee.

The 2018A Lease contains detailed requirements regarding the Project Contracts and Project Documents, including requirements relating to the providing of performance and payment bonds, builders' risk insurance and other insurance for the Project Contracts.

Disbursements for Costs of the Project and Costs of Execution and Delivery. So long as no Event of Nonappropriation or Event of Default has occurred, the Trustee is to disburse the moneys in the Project Fund created under the 2018A Indenture to pay the Costs of the Project. Such disbursements are to be made by the Trustee to the City upon receipt by the Trustee of a Requisition, in substantially the form set forth in the 2018A Lease signed by the Executive Director of Public Works. The City expects to submit quarterly draw requests to the Trustee that anticipate the funds needed for the payment of the Costs of the Project during the next subsequent three-month calendar period; however, draw requests can be submitted at any time. With each draw request, the City is to provide, among other things, a detailed report of the expenditures made in the past on the Costs of the Project, showing past expenditures compared to the total budget for the Project.

If an Event of Nonappropriation or an Event of Lease Default occurs after the execution and delivery of the 2018A Lease, but prior to the Completion Date, any moneys held in funds and accounts created under the 2018A Indenture may be utilized by the Trustee on behalf of the Trust as the leasehold owner of the Leased Property, to complete, repair or modify the Project, or may be disbursed for the payment of certificates of participation executed and delivered pursuant to the 2018A Indenture or other charges as the Trustee may deem appropriate in the best interests of the owners of such certificates of participation.

Completion of Construction. Upon substantial completion of the Project and the acceptance of the Project by the City, on behalf of the Trust, the Executive Director of Public Works is to execute and deliver to the Trustee a Certificate of Substantial Completion of Project. In the event that, after the delivery of the Certificate of Substantial Completion of Project, there remains in the Project Fund created under the 2018A Indenture any unreserved balance, such balance is to be used by the Trustee, as directed by the City, to: (a) add to, modify or alter the Project or add new components thereto; or (b) direct the Trustee to transfer the remaining balance to the Base Rentals Fund created under the 2018A Indenture for a credit against the Base Rentals as the same becomes due or may be prepaid under the 2018A Lease with a corresponding adjustment in the amount of Base Rentals payable under Exhibit E (Base Rentals Schedule) to the 2018A Lease, or (c) effect a combination of the foregoing.

Base Rentals set forth in the 2018A Lease are to be recalculated in the event of any partial prepayment of Base Rentals in order that the Base Rentals Schedule reflects Base Rentals in amounts and with payment dates which have been specifically appropriate by the City Council and for which an Encumbrance has been effected by the City, will provide sufficient moneys to pay the principal of and interest on outstanding certificates of participation executed and delivered with respect to the 2018A Lease.

Title to the Leased Property. At all times during the Lease Term, title to the Facilities Leased Property is to remain in the City, subject to the 2018A Facilities Lease, the 2018A Lease and any other Permitted Encumbrances. Except for personal property purchased by the City at its own expense, a leasehold interest in the Leased Property including any and all additions, modifications and replacements is in the name of the Trust until the Trustee has exercised Lease Remedies or until the Trust's leasehold interest in the Leased Property is released as provided in the 2018A Lease notwithstanding (a) the occurrence of an Event of Nonappropriation; (b) the occurrence of any Event of Lease Default; (c) the occurrence of any event of damage, destruction or condemnation, or any construction, manufacturing or design defect or title defect; or (d) the violation by the Trust of any provision of the 2018A Lease.

Maintenance of Leased Property. Subject to its right to not appropriate and as otherwise provided in the 2018A Lease, the City must, at all times during the Lease Term (a) maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and (b) from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. Neither the Trust nor the Trustee has any maintenance responsibility or any responsibility for making any additions, modifications or replacements to the Leased Property.

Modification of the Leased Property; Installation of Furnishings and Machinery of the City. The City is permitted to make substitutions, additions, modifications and improvements to the Leased Property, at its own cost and expense. Any such substitutions, additions, modifications and improvements to the Leased Property are subject to the leasehold interest of the Trust, subject to the provisions of the 2018A Facilities Lease and the 2018A Lease and are to be included under the terms of the 2018A Facilities Lease and the 2018A Lease. Such substitutions, additions, modifications and improvements may not damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental or proprietary functions of the City (except to the extent of permitted subleasing). The Leased Property, as improved or altered, is required to be of a value not less than the value of the Leased Property immediately prior to such making of substitutions, additions, modifications and improvements.

Notwithstanding the foregoing described provision of the 2018A Lease, after the Completion Date, the Trustee, as Trustee for the Trust, and the City are to amend and supplement Exhibit A to the 2018A Facilities Lease and Exhibit A to the 2018A Lease to provide for the final description of the Facilities Leased Property and the Leased Property as described on Exhibit A to the 2018A Lease, the amended description of the facilities located on portion of the third level of the Colorado Convention Center upon the completion of the Colorado Convention Center Expansion Project being expected to be 50% of the ballroom and 50% of the back-of-house space, all of the kitchen space and all of the pre-function space to be located on the third level, subject to a nonexclusive license right in the City and its agents, contractors, customers, vendors, suppliers, visitors, tenants, subtenants, invitees, and licensees of each of them pedestrian access, ingress and egress on and through the pre-function space.

The City may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property remains the sole property of the City in which neither the Trust nor the Trustee has any interests. However, a leasehold ownership interest in any such machinery, equipment, and other tangible property which becomes permanently affixed to the Leased Property is required to be in the Trust,

subject to the 2018A Facilities Lease, and is required to be included under the terms of the 2018A Lease and the 2018A Facilities Lease, if the Trustee reasonably determines that the Leased Property would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

Insurance. The City is required, at no expense to the Trust, to cause property insurance to be carried and maintained, or, at the City's option, to self-insure with respect to the Leased Property in an amount equal to (a) the Lease Balance or (b) the estimated replacement cost of the Leased Property, whichever is greater. The City may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other property as well, as long as the blanket insurance policies comply with the requirements of the 2018A Lease. Each property damage insurance policy required by the 2018A Lease is to be written or endorsed so as to show the Trust and the Trustee as loss payee.

The City is required, at its own expense, to cause commercial general liability insurance for the 2018A Lease to be carried and maintained or, at the City's option, may self-insure in connection with the use and possession of the Leased Property. Such coverage must be in amounts not less than the limits of liability per occurrence set by the Colorado Governmental Immunity Act, as amended, for claims to which the defense of sovereign immunity applies. The commercial general liability insurance required may be by blanket insurance policies. Any commercial general liability insurance policy must be written or endorsed to show the Trustee as an additional insured.

The City, at its own expense, must procure or cause worker's compensation insurance and the worker's compensation insurance to be maintained covering the City's employees working in or on the Leased Property. The City may self-insure worker's compensation insurance so long as such self-insurance (a) is approved by the Colorado Department of Labor's Division of Worker's Compensation and (b) the self-insurance fund is held in a trust fund created for this purpose. Such insurance, if issued by a private carrier, must contain a provision that such coverage may not be canceled without at least 30 days' prior written notice or, in the event of nonpayment of premiums, ten days' prior written notice, to the City and the Trustee. The worker's compensation insurance required by the 2018A Lease may be by blanket insurance policy or policies.

Each property and liability policy, other than worker's compensation, must contain a provision to the effect that the insurance company may not cancel the policy without at least 30 days' prior written notice or, in the event of nonpayment of premiums, ten days' prior written notice, to the City and the Trustee. If the City receives such notice of cancellation, it is to immediately notify the Trust and the Trustee.

In connection with the execution and delivery of the 2018A Lease, Trustee is to be provided with a title insurance policy in respect of the Leased Property under which the Trust's leasehold interest in the Leased Property is insured, in an aggregate amount no less than the original Lease Balance and subject only to Permitted Encumbrances.

Granting of Easements. As long as no Event of Nonappropriation or Event of Default has happened and is continuing, the Trustee, on behalf of the Trust, must, upon the request of the City (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements with respect to the Leased Property (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from the 2018A Lease and any security interest or other encumbrance created hereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to the Leased Property, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or

privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) in the case of the Leased Property, a written application signed by the Executive Director of Public Works requesting such grant, agreement or release and stating that such grant, agreement or release will not impair the effective use or interfere with the operation of the Leased Property.

Damage, Destruction and Condemnation. If, (a) all or any portion of the Leased Property is destroyed (in whole or in part), or damaged by fire or other casualty, (b) title to, or the temporary or permanent use of all or any portion of the Leased Property or the estate of the City or the Trust in the Leased Property is taken by eminent domain by any governmental body or by any person, firm or entity acting under governmental authority, (c) a breach of warranty or a material defect in the construction, manufacture or design of all or any portion of the Leased Property becomes apparent; or (d) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, then the City is obligated to continue to pay the amounts budgeted and appropriated for Base Rentals and Additional Rentals, subject to the City's right not to appropriate such funds.

The City and the Trustee, to the extent Net Proceeds are within their respective control and are related to the Leased Property, are required to deposit the Net Proceeds in a separate trust fund. All Net Proceeds so deposited are to be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Trustee or the City upon receipt of requisitions acceptable to the Trustee signed by the Executive Director of Public Works.

The balance of any Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed are to be used by the City to (a) add to, modify or alter the Leased Property or (b) prepay Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under the 2018A Lease, or (c) accomplish a combination of (a) and (b). Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds is the property of the Trust, subject to the 2018A Lease, and is to be included as part of the Leased Property under the 2018A Lease.

If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required by the 2018A Lease, the City may elect to:

(a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the City are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the City agrees that, if by reason of any such insufficiency of such Net Proceeds, the City will make any payments pursuant to the provisions of this paragraph, the City will not be entitled to any reimbursement therefor from the Trust or the Trustee, nor will the City be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, payable under the 2018A Lease; or

(b) apply the Net Proceeds to the payment of the Purchase Option Price in accordance with the 2018A Lease, or an appropriate portion thereof; or

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

Purchase Option. The City has the option to purchase the Trust's leasehold interest in the Leased Property, but only if an Event of Lease Default or an Event of Nonappropriation has not occurred and is not continuing. The City may exercise its options on any date by complying with one of the conditions set forth in the 2018A Lease. The City is required to give the Trustee notice of its intention to exercise its options not less than 35 days in advance of the date of exercise and to deposit the related Purchase Option Price with the Trustee on or before the selected Purchase Option Date. If the City exercises its option to purchase the Trust's leasehold interest in the Leased Property, any amount then on hand in the Base Rentals Fund must be applied toward the payment of the applicable Purchase Option Price to be paid by the City. If the City has given notice to the Trustee of its intention to purchase the Trust's leasehold interest in the Leased Property but has not deposited the amounts with the Trustee on the date specified in such notice, the City is required to continue to pay Base Rentals which have been specifically appropriated by the City for such purpose as if no such notice had been given.

Assignment, Subleasing and Tax-Exempt Permitted Use Arrangements by the City. The 2018A Lease may not be assigned by the City for any reason other than to a successor by operation of law. However, without the necessity of obtaining the consent of the Trust, the Trustee or any of the Owners of the Series 2018A Certificates, the Leased Property may be (1) subject to one or more Tax-Exempt Permitted Use Arrangements, in whole or in part, or (2) subleased, as a whole or in part, by the City, subject to each of the following conditions: (a) the Leased Property may be subleased, in whole or in part, only to a Governmental Person or, with Approval of Special Counsel, to a Nongovernmental Person; (b) the 2018A Lease and the obligations of the City thereunder, at all times during the Lease Term, remain obligations of the City and the City maintains its direct relationships with the Trust and the Trustee, notwithstanding any sublease; and (c) the City furnishes or causes to be furnished to the Trustee a copy of any sublease agreement.

Events of Lease Default. Any one of the following is an "Event of Lease Default" under the 2018A Lease:

- (a) failure by the City to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the City for such purpose, during the Initial Term or any Renewal Term, within five Business Days of the date on which they are due; or
- (b) subject to the holdover tenant provisions of the 2018A Lease, failure by the City to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or
- (c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the 2018A Lease, other than as referred to in (a) or (b), for a period of 45 days after written notice, specifying such failure and requesting that it be remedied is received by the City from the Trustee, unless the Trustee agrees in writing to an extension of such time prior to its expiration; however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not withhold its consent to an extension of such time if, in the Trustee's reasonable judgment, corrective action can be instituted by the City within the applicable period and diligently pursued until the default is corrected.
- (d) failure by the City to comply with the terms of the 2018A Facilities Lease.

The foregoing provisions of the 2018A Lease are subject to the following limitations: (a) the City is obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the City for such purpose, only during the Lease Term, except as otherwise expressly provided in the 2018A Lease; and (b) if, by reason of *Force Majeure*, the City or the Trust is unable in whole or in part to carry

out any agreement on their respective parts contained in the 2018A Lease other than the City's agreement to pay the Base Rentals and Additional Rentals due under the 2018A Lease, the City or the Trust will not be deemed in default during the continuance of such inability. The City and the Trust each agree, however, to remedy, as promptly as legally and reasonably possible, the causes preventing the City or the Trust, as the case may be, from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances are entirely within the discretion of the City.

Remedies on Default. Whenever any Event of Lease Default has happened and is continuing beyond any applicable cure period, the Trustee, on behalf of the Trust, may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the City to vacate and surrender possession of the Leased Property which vacation and surrender the City agrees to complete within 60 days from the date of such notice;

(b) upon Approval of Revenue Obligations Counsel provided by the Trustee, on behalf of the Trust, and delivered to the City Attorney and Chief Financial Officer of the City, sell, trade-in, repossess or liquidate the Trust's leasehold interest in the Leased Property or any part thereof in any lawful manner;

(c) upon Approval of Revenue Obligations Counsel provided by the Trustee, on behalf of the Trust, and delivered to the City Attorney and Chief Financial Officer of the City, lease or sublease the Leased Property or sell an assignment of the Trust's leasehold interest in the Leased Property;

(d) recover from the City: (1) the portion of Base Rentals and Additional Rentals for which a specific Appropriation has been effected by the City for such purpose, which would otherwise have been payable under the 2018A Lease, during any period in which the City continues to occupy, use or possess the Leased Property; and (2) Base Rentals and Additional Rentals which have been specifically appropriated by the City for such purpose, which would otherwise have been payable by the City under the 2018A Lease during the remainder, after the City vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs; or

(e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the 2018A Lease and the 2018A Indenture.

Limitations on Remedies; No Remedy Exclusive. A judgment requiring a payment of money may be entered against the City by reason of an Event of Lease Default only as to the City's liabilities for Base Rentals and Additional Rentals which have been specifically appropriated by the City for such purpose. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation only to the extent that the City fails to vacate and surrender possession of the Leased Property as required by the 2018A Lease, and only for Base Rentals and Additional Rentals for the period of such failure.

No remedy conferred upon or reserved to the Trustee on behalf of the Trust is exclusive and every remedy is cumulative and in addition to every other remedy given under the 2018A Lease or existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or is to be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

The 2018A Indenture

Certain Funds Created under the 2018A Indenture. The 2018A Indenture provides for the establishment of a Base Rentals Fund, a Costs of Execution and Delivery Fund, a Rebate Fund and a Project Fund. Any income from the investment of these funds is to be applied by the Trustee as provided in the 2018A Indenture.

Additional Certificates. So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing, and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth in the 2018A Indenture.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Series 2018A Certificates to provide moneys to pay: (a) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property; or (b) for the purpose of refunding or refinancing all or any portion of Outstanding Series 2018A Certificates. In such case, the Costs of Execution and Delivery of the Additional Certificates, deposits to a related reserve fund or account, if any, and other costs reasonably related to the purposes for which Additional Certificates are being executed and delivered may be included as agreed by the Trustee, on behalf of the Trust.

Additional Certificates may be executed and delivered only upon there being furnished to the Trustee: (a) originally executed counterparts of the related supplemental 2018A Indenture and amendment to the 2018A Lease; (b) a written opinion of Special Counsel, acceptable to the Trustee, to the effect that: (i) the execution and delivery of Additional Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; (ii) the exclusion of interest from gross income for federal income tax purposes on Outstanding Series 2018A Certificates, including, if applicable, any Additional Certificates theretofore executed and delivered, will not be adversely affected by the execution and delivery of the Additional Certificates being executed and delivered; and (iii) the sale, execution and delivery of the Additional Certificates, in and of themselves, will not constitute an Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations in the 2018A Indenture or in the 2018A Lease; (c) written directions from the underwriter or placement agent with respect of the Additional Certificates, together with written acknowledgment of the City, to the Trustee to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Additional Certificate executed and delivered pursuant to the 2018A Indenture must evidence a proportionate interest in the assignment of the rights to receive the Revenues under the 2018A Indenture and is to be ratably secured with all Outstanding Certificates and in respect of all Revenues is to be ranked *pari passu* with such Outstanding Series 2018A Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

Application of Revenues and Other Moneys. The Base Rentals payable under the 2018A Lease and other Revenues are to be paid directly to the Trustee. The Trustee must deposit all Revenues and other payments received on account of the 2018A Lease immediately upon receipt thereof, to the Series 2018A Certificates Account in the Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Series 2018A Certificates on the next Interest Payment Date.

Events of Indenture Default. Each of the following events is an Event of Indenture Default under the 2018A Indenture:

- (a) the occurrence of an Event of Nonappropriation; or
- (b) the occurrence of an Event of Lease Default.

Upon the occurrence of any Event of Indenture Default, the Trustee must give notice thereof to the Owners of the Series 2018A Certificates. The Trustee may waive any Event of Nonappropriation as described under “The 2018A Lease – *Nonappropriation*” above.

Remedies. If any Event of Indenture Default occurs and is continuing, the Trustee may enforce for the benefit of the Owners of the Certificates each and every right of the Trust as the owner of the Leased Property and as the lessor under the 2018A Lease. In exercising such rights of the Trust and the rights given the Trustee under the 2018A Indenture, the Trustee may take such action as, in its judgment, would best serve the interests of the Owners of the Certificates, including calling the Certificates for extraordinary mandatory redemption prior to their maturity in the manner and subject to the provisions of the 2018A Indenture and exercising the Lease Remedies provided in the 2018A Lease, provided that the exercise of certain of the Lease Remedies are subject to Approval of Revenue Obligations Counsel provided by the Trustee, on behalf of the Trust, and delivered to the City Attorney and Chief Financial Officer of the City.

If any Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Certificates and receipt of indemnity to its satisfaction, is required to, in its own name and in the name of the Trust: (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners of the Certificates, including enforcing any rights of the Trust as owner of a leasehold interest in the Leased Property and as lessor under the 2018A Lease and the 2018A Indenture and to enforce the provisions of the 2018A Indenture and any collateral rights thereunder for the benefit of the Owners of the Certificates; or (b) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Certificates.

Except as otherwise provided in the 2018A Indenture, the Owners of a majority in aggregate principal amount of the Certificates have the right, after furnishing indemnity acceptable to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee, provided that such direction does not conflict with any rule or law or with the 2018A Indenture or unduly prejudice the rights of minority Owners of Certificates.

No Owner of Certificates has any right to pursue any remedy unless: (a) the Trustee has been given written notice of an Event of Indenture Default; (b) the Owners of at least a majority in aggregate principal amount of all Outstanding Certificates have requested the Trustee, in writing, to exercise the powers granted to the Trustee or pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity acceptable to it against costs, expenses and liabilities; and (d) the Trustee has failed to comply with such request within a reasonable time.

Application of Moneys in Event of Indenture Default. Notwithstanding anything in the 2018A Indenture to the contrary, any moneys received, collected or held by the Trustee as a result of action taken to remedy an Event of Indenture Default, and any other moneys held as part of the Trust Estate, are to be applied in the following order:

- (a) To the costs, fees, liabilities and advances of the Trustee, including but not limited to counsel fees and expenses, and disbursements of the Trustee with interest thereon at the prime rate then in effect with the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of costs and expenses of the Trust, including but not limited to counsel fees, incurred in connection with the Event of Indenture Default;

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

(d) To the payment of principal or redemption price (as the case may be) then owing on the Certificates, and in case such moneys are insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another.

The surplus, if any, is to be paid to the City.

Certain Duties of the Trustee. The Trustee is required, within 30 days after it receives written notice of the occurrence thereof, to give written notice by first-class mail to the Owners of the Certificates of all Events of Indenture Default known to the Trustee and send a copy of such notice to the City, unless such defaults have been remedied. The Trustee is not required to take notice of or be deemed to have notice of any Event of Indenture Default unless it has actual knowledge thereof or has been notified in writing of such default by the Owners of at least 25% in principal amount of the Outstanding Certificates. The Trustee may, however, at any time request the City to provide full information as to the performance of any covenant under the 2018A Lease; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into any matter related to the 2018A Lease and the Leased Property.

If any Event of Default has occurred and is continuing, the Trustee is required to exercise such of the rights and powers vested in it by the 2018A Indenture and is to use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of its own affairs in exercising any rights or remedies or performing any of its duties under the 2018A Indenture, provided that if in the opinion of the Trustee such action may tend to involve expense or liability, it is not obligated to take such action unless it is furnished with indemnity satisfactory to it.

Resignation or Removal of Trustee. The Trustee may resign and be discharged of the trusts created by the 2018A Indenture by written resignation filed with the Chief Financial Officer not less than 60 days before the date when it is to take effect, provided that such notice of such resignation is required to be mailed to each Owner of each Outstanding Certificate. Such resignation takes effect only upon the appointment of and acceptance by a successor trustee.

The Trustee may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by an instrument appointing a successor to the Trustee, executed by the Owners of a majority in principal amount of the Certificates then Outstanding and filed with the Trustee and the City. Such removal takes effect only upon the appointment of and acceptance by a successor Trustee.

The Trustee. The Trustee is liable only for its own negligence or willful misconduct but is not liable for any error of judgment made in good faith so long as the Trustee was not negligent in ascertaining the pertinent facts. The Trustee may exercise any powers under the 2018A Indenture and perform any duties required of it through attorneys, agents, officers, receivers or employees, and is entitled to the advice or opinion of counsel concerning all matters involving the Trust and the Trustee's duties under the 2018A Indenture.

The Trustee is to be indemnified and held harmless by the Owners from and against any and all liabilities or notifications of potential liability, penalties, fines, forfeitures, demands, claims, causes of action, suits, costs and expenses, including the cost of defense and settlement, and other reasonable attorneys' fees relating to the 2018A Lease, the Leased Property and the 2018A Indenture (collectively, the "liability"), including, but not limited to, such liability as may arise or be claimed to arise because of any action taken by the Trustee under certain provisions of, or any action or inaction taken by the Trustee under, the 2018A Indenture, the 2018A Lease or otherwise in connection with the Series 2018A Certificates or such liability as may arise under any federal, state or local laws and regulations. Such indemnification applies regardless of the fault or negligence of the Trustee in acquiring, holding or managing the Leased Property constituting any portion of the Trust Estate, but does not extend to any liability which arises out of any grossly negligent or reckless act or omission of the Trustee. Payment by the Trust of amounts due under this indemnification is an expense of the Trust Estate.

The Trustee makes no representation as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee), or as to the validity or sufficiency of the 2018A Indenture or of the Series 2018A Certificates. The Trustee is not accountable for the use or application of any Series 2018A Certificates or the proceeds thereof by the Owner thereof, or of any money paid to or upon the order of the City under any provision of the 2018A Lease.

The Trustee is not required to give any bond or surety in respect to the execution of its trusts and powers under the 2018A Indenture or otherwise with respect to the Leased Property.

Supplemental Indentures. The Trustee may, with the written consent of the City, but without the consent of, or notice to, the Owners, enter into such indentures or agreements supplemental to the 2018A Indenture for any one or more or all of the following purposes: (a) to grant additional powers or rights to the Trustee; (b) to make any amendments necessary or desirable to obtain or maintain a rating from any rating agency rating the Certificates; (c) to authorize the execution and delivery of Additional Certificates pursuant to the terms of the 2018A Indenture; (d) to preserve or protect the excludability from gross income for federal income tax purposes of interest evidenced and represented by the Certificates; or (e) for any purpose not inconsistent with the terms of the 2018A Indenture or to cure any ambiguity or to correct or supplement any provision contained therein which may be defective or inconsistent with any other provision contained in the 2018A Indenture, or to make such other provisions in regard to matters arising under the 2018A Indenture which are not inconsistent with the provisions of the 2018A Indenture and which do not adversely affect the interests of the Owners of the Certificates.

With respect to matters other than those described in the paragraph immediately above, the 2018A Indenture may be amended by a supplemental indenture approved by the Owners of at least a majority in aggregate principal amount of the Certificates then Outstanding, except with respect to (1) the principal or interest payable upon any Outstanding Certificates, (2) the Interest Payment Dates, the dates of maturity or the redemption provisions of any Outstanding Certificates, and (3) provisions of the 2018A Indenture whereby the 2018A Indenture or the 2018A Lease may be supplemented or amended.

Amendment of 2018A Lease. The Trustee and the City have the right to amend the 2018A Lease, without the consent of the Certificate Owners for one or more of the following purposes: (a) to add covenants of the Trust or the City or to grant additional powers or rights to the Trustee; (b) to make any amendments necessary or desirable to obtain or maintain a rating from any rating agency of the Certificates; (c) in order to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as may be authorized under the 2018A Lease; (d) to make additions to Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Certificates in accordance with the 2018A Indenture; (e) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest

portion of the Base Rentals and, in turn, interest evidenced and represented by the Certificates, or (f) for any purpose not inconsistent with the terms of the 2018A Indenture or cure any ambiguity or to correct or supplement any provision contained in the 2018A Indenture which may be defective or inconsistent with any other provision contained therein or in the 2018A Lease, or to make such other provisions in regard to matters or questions arising under the 2018A Lease which are not inconsistent with the existing provisions thereof and which do not adversely affect the interests of the Owners of the Series 2018A Certificates.

If the Trustee or the City proposes to amend the 2018A Lease in such a way as would adversely affect the interests of the Owners of the Certificates, the Trustee must notify the Owners of the Certificates of the proposed amendment and may consent thereto only with the consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates. However, the Trustee may not, without the unanimous consent of the Owners of all Certificates, consent to any amendment which would (1) decrease the amounts payable in respect of the 2018A Lease, or (2) change the Base Rentals Payment Dates or (3) change any of the prepayment provisions of the 2018A Lease.

Defeasance. When the principal or redemption price (as the case may be) of, and interest on, all of the Certificates executed and delivered under the 2018A Indenture have been paid or provision has been made for payment of the same, together with the compensation of the Trustee and all other sums payable under the 2018A Indenture relating to such Certificates, the right, title and interest of the Trustee ceases and the Trustee, on direction of the City, must (1) release the 2018A Indenture and the 2018A Lease, (2) execute such documents to evidence such releases as may be reasonably required by the City, (3) if the City has satisfied all of its obligations under the 2018A Lease, release the leasehold interest of the Trust in the Leased Property to the City as provided in the 2018A Lease, (4) turn over to the City all balances then held by the Trustee in the Funds or Accounts except for amounts held in the Rebate Fund, and (5) the Trust must be terminated, subject to the survival of any rights of the Trustee to be held harmless, or to insurance proceeds or other amounts due. If payment or provision therefor is made with respect to less than all of the Certificates, the particular Certificates (or portion thereof) for which provision for payment is to be considered made are to be selected by lot by the Trustee or in such equitable manner as the Trustee may determine.

Provision for the payment of the Certificates is deemed to have been made when the Trustee holds in the Base Rentals Fund (1) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with Federal Securities) in an amount sufficient to make all payments specified above, or (2) Federal Securities maturing on or before the date or dates when the payments with respect to the Certificates become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient without reinvestment to make all such payments, or (3) any combination of such cash and such Federal Securities the amounts of which and interest thereon, when due, are or will be, in the aggregate, sufficient without reinvestment to make all such payments.

Unclaimed Money to be Returned. So long as the Trust and the City are not in default with respect to the terms and conditions contained in the 2018A Indenture, the Certificates or the 2018A Lease, any moneys deposited with the Trustee to be used for the payment of principal, premium (if any), or interest on the Certificates and remaining unclaimed by the Owners of the Certificates for a period of four years after the final due date of any Certificate, whether the final date of maturity or the final redemption date, subject to any escheat laws will, upon the written request of the City, be paid to the City, without liability for interest thereon, and such Owners may thereafter look only to the City for payment and then only (a) to the extent of the amounts so received by the City from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the City's appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under the 2018A Indenture, the Trustee is to pay such moneys to the City as an overpayment of Base Rentals.

APPENDIX C

THE CITY

General Information

The City is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado. The City is the capital of the State and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 3,100,000 people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which more than 700,000 currently reside in the City limits. See “APPENDIX E – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN REGION.”

CITY GOVERNMENT ORGANIZATION

Organization

The City was originally incorporated by a special act passed at the first session of the Legislative Assembly of the Territory of Colorado, adopted and approved on November 7, 1861. The State Constitution was adopted by the people of the State on March 14, 1876, and the Territory was admitted into the Union as a state by proclamation of President Grant on August 1, 1876. Article XX was added to the State Constitution at the State’s general election in November 1902. The City was reorganized thereunder as the consolidated municipal government known as the City and County of Denver and exists as a “home-rule” city under the City Charter adopted by the qualified electors of the City on March 29, 1904, as amended from time to time. The City is a single governmental entity performing both municipal and county functions.

Government

The City Charter establishes a “strong-mayor” form of government. The Mayor of the City is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is elected every four years and is limited to three consecutive terms. The legislative powers of the City are vested in the City Council, except as otherwise provided in the City Charter. The City Council consists of 13 members, two of whom are elected on an at-large basis and 11 of whom are elected by districts, all for four-year terms with a three-consecutive-term limit. Seven members constitute a meeting quorum, and the vote of seven members is necessary to adopt any ordinance or resolution. Ordinances passed by the City Council are subject to a qualified veto by the Mayor (except certain ordinances concerning charter amendments or conventions). The Mayor’s veto may be overridden by the vote of nine Council members.

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The elected officials of the City are as follows:

Michael B. Hancock	Mayor
Timothy M. O'Brien, CPA	Auditor
Debra Johnson	Clerk and Recorder
Jolon Clark	Councilmember and President - District 7
Stacie Gilmore	Councilmember and President <i>Pro-Tem</i> - District 11
Kendra Black	Councilmember - District 4
Albus Brooks	Councilmember - District 9
Rafael Espinoza	Councilmember - District 1
Kevin Flynn	Councilmember - District 2
Christopher Herndon	Councilmember - District 8
Paul Kashmann	Councilmember - District 6
Robin Kneich	Councilmember - At-Large
Paul D. López	Councilmember - District 3
Wayne New	Councilmember - District 10
Deborah Ortega	Councilmember - At-Large
Mary Beth Susman	Councilmember - District 5

The City Auditor is responsible for internal audits of the City and, with the Audit Committee, oversees the audit of the City's comprehensive annual financial report ("CAFR"). The Auditor is elected every four years and is limited to three consecutive terms. Powers to conduct financial and performance audits are carried out by the City Auditor in that office's audit capacity. The current City Auditor is Timothy M. O'Brien.

The Clerk and Recorder is responsible for performing all the duties of the City Clerk as provided for in the City Charter and City ordinances, as well as the duties of the Public Trustee and the County Clerk and Recorder provided by the State Constitution and statutes, with the exception of those relating to the registration of motor vehicles. The Clerk and Recorder also has oversight of the Election Division. The Clerk and Recorder is elected every four years and is limited to three consecutive terms. The current Clerk and Recorder is Debra Johnson.

The Chief Financial Officer, as the Manager of Finance and *ex officio* Treasurer serves on the Mayor's cabinet and is responsible for the management of the City's debt and financial obligations and the appointment of the Manager of Cash, Risk & Capital Funding, Controller, Treasurer, Budget Manager, Assessor and Director of Real Estate. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance. The current Manager of Finance is Brendan J. Hanlon.

As of the date of this Official Statement, the appointed members of the Mayor’s cabinet were the following individuals:

Brendan J. Hanlon	Deputy Mayor, Chief Financial Officer, as the Manager of Finance/ <i>ex-officio</i> Treasurer
Kristin M. Bronson, Esq.	City Attorney
Brad Buchanan	Executive Director of the Department of Community Planning and Development
Eulois Cleckley	Executive Director of the Department of Public Works
Kim Day	Executive Director of the Department of Aviation
Allegra “Happy” Haynes	Executive Director of the Department of Parks and Recreation
Donald J. Mares	Executive Officer of the Department of Human Services
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Troy Riggs	Executive Director of the Department of Safety
Murphy Robinson	Executive Director of the Department of General Services

In addition to the members of the cabinet, other advisors who have significant advisory roles in formulating policy include Chief of Staff Alan Salazar, Deputy Chiefs of Staff Evan Dreyer and Penny May, and Senior Special Advisor to the Mayor Stephanie O’Malley.

FINANCIAL INFORMATION CONCERNING THE CITY

Budget Policy

The City Charter establishes a fiscal year for the City that begins on January 1 and ends on December 31 (the “Fiscal Year”). Before the third Monday in October of each Fiscal Year, the Mayor submits an operating and capital budget for the ensuing Fiscal Year to the City Council for its approval. The City Council may accept the budget with a majority vote or may vote to override all or any part of the Mayor’s budget with a two-thirds majority vote. After the budget is approved (no later than the second Monday in November), the Mayor is empowered to administer the operating and capital budget for the next Fiscal Year. If the City Council fails to adopt a budget by the required date, the proposed budget, together with any amendments approved by the City Council, becomes the official budget.

The budget proposed by the Mayor may not include expenditures in excess of estimated opening balances and anticipated revenues. In addition, the General Fund budget is required by the City Charter to include a year-end closing balance, which may only be expended upon a two-thirds majority vote of the City Council during that Fiscal Year but may be considered income for the ensuing Fiscal Year. The annual budget includes a Contingency Reserve of no less than 2% of total estimated expenditures. In addition, an Emergency Reserve equal to 3% of Fiscal Year spending excluding debt service is required by State constitutional provisions (the “TABOR Reserve”) to be included in the budget. In March 2014, the City Council approved fulfilling a portion of the TABOR Reserve requirement by pledging real property in lieu of cash. This reserve may only be applied for emergency purposes as specified in the Colorado Constitution. By Department of Finance policy, the General Fund targeted reserve is 15%, and should not be drawn below 10%.

The City administration utilizes multi-year planning and forecasting methods for General Fund budgeting and for capital projects planning.

General Fund

The General Fund is the principal operating fund of the City. Information contained in this section has been derived from the annual financial reports of the City, the General Fund budget for the years 2017 and 2018 and information prepared by the Department of Finance.

Major Revenue Sources. Two major revenue sources for the City's General Fund are sales and use taxes and the City's property tax. Additional revenue sources include intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, investment income, and other miscellaneous taxes and revenues.

The general sales tax, at the end of December 31, 2017, was a fixed-rate (3.65%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax, at the end of December 31, 2017, was a fixed-rate (3.65%) tax imposed on the storage, use and consumption of tangible personal property not specifically exempted. In practice, sales and use taxes are accounted for on a combined basis. See also "Sales and Use Taxes" below.

Property taxes are levied on all real property, personal property and public utilities within the City, except for certain property that has been specifically exempted in whole or in part. General categories of exempt property include property used for religious or charitable purposes and property owned by governmental entities.

Additional amounts collected by the City and accounted for in the General Fund include the City's lodger's tax ("Lodger's Tax"), short-term auto rental tax ("Auto Rental Tax"), prepared food and beverage tax ("Food and Beverage Tax"), occupational privilege taxes ("OPT" or "Head Tax"), automobile ownership tax, telecommunications business tax, and franchise fees. A portion of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax are pledged to debt service on Dedicated Tax Revenue bonds of the City.

The automobile ownership tax is levied on all motor vehicles registered with the City's Division of Motor Vehicles and is based on the age and value of the vehicle. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines. Franchise fees include the utility franchise fees imposed upon Xcel Energy for its franchise to serve customers in the City and the franchise fee imposed on Comcast for operation of its cable television franchise within the City.

Charges for services are another major revenue source for the City's General Fund. General Fund agencies bill individuals, businesses and other City funds for various services, supplies and materials. Charges vary depending upon cost and are assessed to the individual or entity benefiting from the provision of a specific service, supply or material.

Intergovernmental revenues received by the City include State grants and other revenues. Various highway taxes and fees collected by the State are shared with local governments including the City. Currently, a portion of the State-imposed cigarette tax and wholesale marijuana tax is also shared with the City and included in intergovernmental revenues.

Major Expenditure Categories. The General Fund accounts for all expenditures normally associated with basic municipal functions. Expenditures under the General Fund include: General

Government; Public Safety; Public Works; Health; Parks and Recreation; and Cultural Activities. The largest portion of the 2018 expenditure budget (38.6%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's departments' services.

Management Discussion of Recent Financial Results

Rather than relying on tax increases, the City maintains a policy of managing General Fund resources to the level of funds available by reallocating resources selectively to initiate new services, eliminating cash deficits in other funds and targeting year-end unrestricted General Fund balances equal to 15% of estimated expenditures.

2013. 2013 General Fund core revenue collections of sales and use tax, which do not include audit revenues, were 7.5% higher than 2012 primarily as a result of a recovering economy following the economic downturn. Including audit revenues, total sales and use tax revenue collections for the General Fund were 9.2% higher than 2012. Total 2013 revenues performed 10.4% over 2012. With respect to expenditures, City departments saved over \$17 million from the revised 2013 budget, adjusted for the passage of ballot measure 2A in November 2012. See also "Constitutional Revenue and Spending Limitations." This was due to expected unspent appropriations, in large part by achieving savings measures put in place to respond to the recession, including compensation savings and equipment replacement deferrals. Total General Fund expenditures, including transfers out, increased by 5.1% from 2012, primarily driven by personnel cost increases and transfers to other funds.

2014. 2014 core revenue collections of sales and use tax, which do not include audit revenues, were 11.7% higher than 2013 primarily as a result of the continued robust recovery of the economy. Including audit revenues, total sales and use tax revenue collections for the General Fund were 12.7% higher than 2013. Total 2014 revenues performed 8.6% over 2013. With respect to budget basis expenditures, City departments saved \$43.6 million from the revised 2014 budget due to achieving expected unspent appropriations, due in large part to compensation savings. Total General Fund expenditures, including transfers out, increased by 9.8% from 2013, primarily driven by personnel cost increases.

2015. 2015 core revenue collections of sales and use tax, which do not include audit revenues, were 3.9% higher than 2014. Including audit revenues, total sales and use tax revenue collections for the General Fund were 4.8% higher than 2014. Total 2015 revenues performed 7.1% over 2014. With respect to budget basis expenditures, City departments saved \$54.6 million from the revised 2015 budget due to achieving expected unspent appropriations and return of contingency funds in 2015. Total General Fund expenditures, including transfers out, increased by 10.3% from 2014, primarily driven by personnel cost increases and transfers between City funds.

2016. 2016 core revenue collections of sales and use tax, which do not include audit revenues, were 6.5% higher than 2015 core revenue collections of sales and use tax. Audit revenues decreased year-over-year in 2016. For the General Fund, total sales and use tax revenue collections including audit revenues were 5.4% higher than 2015 total sales and use tax revenue collections including audit revenues. Total 2016 revenues performed 2.8% over 2015. With respect to budget basis expenditures, City departments saved \$72.7 million from the revised 2016 budget due to achieving expected unspent appropriations and return of contingency funds in 2016. Total General Fund expenditures, including transfers out, increased by 10.3% from 2015, primarily driven by personnel cost increases and transfers between City funds.

2017. 2017 core revenue collections of sales and use tax, which do not include audit revenues, were 6.3% higher than 2016 core revenue collections of sales and use tax. Audit revenues increased year-over-year in 2017. For the General Fund, total sales and use tax revenue collections including audit

revenues were 7.0% higher than 2016 total sales and use tax revenue collections including audit revenues. Total 2017 revenues performed 5.7% over 2016. Excluding a one-time legal settlement related to online travel companies, total 2017 revenues performed 4.9% over 2016. With respect to budget basis expenditures, City departments saved \$34.0 million from the revised 2017 budget as a result of achieving unspent appropriations, due in large part to compensation savings and not fully expending contingency funds in 2017. Total General Fund expenditures, including transfers out, increased by 5.8% from 2016, primarily driven by personnel cost increases and transfers between City funds.

Management Discussion of 2018 Budget

The 2018 Budget, adopted in November 2017, projected total General Fund revenue of \$1.336 billion in 2018, an increase of approximately \$49 million or 3.8% over the 2017 revised budget due primarily to growth in sales tax and property tax revenue and to a lesser extent, an increase in General Government revenue. Core sales and use taxes are collected in ordinary course under Denver Revised Municipal Code Section 53. Additionally, the City collects taxes that were not previously collected through routine audits (“audit revenues”). Core sales and use tax revenues (minus audit revenues) are projected to increase 3.7% in 2018 driven by continued expansion of Denver’s economy, though at a more moderate pace. General Fund expenditures are projected to grow to \$1.4 billion in 2018, up by 5.4% over the revised 2017 appropriations, driven by significant investments in transportation and mobility projects, an expansion to affordable housing options and programs, increased investment in emergency homeless services and facilities, increases to uniformed personnel and 911 call center staff, increased assistance for those experiencing behavioral health challenges, increased support of local business development, and increased investment in neighborhood parks and recreation centers and libraries. Reserves are projected to remain healthy, with an anticipated undesignated fund balance of \$211.6 million, or 15.1% of projected expenditures, by the end of 2018. For the complete 2018 Budget, visit www.denvergov.org/budget.

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General Fund Financials

The following pages include Table 1, General Fund Balance Sheet; Table 2, Statement of Revenues, Expenditures and Changes in Fund Balance for 2013 through 2017; Table 3, General Fund Budget Summary in dollars; and Table 4, General Fund Budget Summary by percentage.

Table 1

**CITY AND COUNTY OF DENVER
GENERAL FUND BALANCE SHEET
For the years ending December 31, 2013-2017
(\$ in thousands)**

ASSETS	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cash and cash equivalents	\$ 195,214	\$ 270,048	\$ 273,039	\$ 274,060	\$ 286,222
Cash on hand	143	140	117	1,156	921
Receivables (net of allowances for uncollectibles):					
Taxes	170,018	180,913	185,474	189,709	203,890
Notes	2,804	2,785	430	2,589	2,822
Accounts	20,109	19,541	21,999	24,642	19,877
Accrued interest	1,440	1,876	1,973	1,902	2,025
Interfund receivable	12,528	9,077	12,436	11,608	13,530
Prepaid items and other assets	268	425	2,890	7,215	2,983
Restricted assets:					
Cash and cash equivalents	48,203	51,218	65,283	68,115	71,295
Assets held for disposition	<u>11,436</u>	<u>11,436</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 462,163</u>	<u>\$ 547,459</u>	<u>\$ 563,641</u>	<u>\$ 580,996</u>	<u>\$ 603,565</u>
LIABILITIES					
Vouchers payable	\$ 17,037	\$ 19,921	\$ 19,240	\$ 27,539	\$ 42,799
Accrued liabilities	32,423	35,582	15,882	19,620	19,609
Due to other funds	274	266	556	528	501
Interfund Payable	2,122	3,548	36	24	1,763
Deferred revenue	122,972	124,126	133,702	134,787	144,616
Advances	<u>-</u>	<u>-</u>	<u>25</u>	<u>1,075</u>	<u>218</u>
TOTAL LIABILITIES	<u>\$ 174,828</u>	<u>\$ 183,443</u>	<u>\$ 169,441</u>	<u>\$ 183,573</u>	<u>\$ 209,506</u>
FUND BALANCE					
Nonspendable	\$ 268	\$ 425	\$ 2,890	\$ 7,215	2,979
Restricted	62,443	65,439	65,713	68,114	71,295
Committed	23,594	30,388	32,121	50,964	55,661
Unassigned	<u>201,030</u>	<u>267,764</u>	<u>293,476</u>	<u>271,130</u>	<u>264,124</u>
TOTAL FUND BALANCE	<u>\$ 287,335</u>	<u>\$ 364,016</u>	<u>\$ 394,200</u>	<u>\$ 397,423</u>	<u>\$ 394,059</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 462,163</u>	<u>\$ 547,459</u>	<u>\$ 563,641</u>	<u>\$ 580,996</u>	<u>\$ 603,565</u>

Sources: City and County of Denver Comprehensive Annual Financial Reports, 2013 – 2017

Table 2

**CITY AND COUNTY OF DENVER GENERAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2013-2017
(\$ in thousands)**

REVENUES	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Taxes:					
Property	\$ 108,522	\$ 112,120	\$ 107,198	\$ 116,009	\$ 120,328
Sales and Use	493,002	555,428	581,922	613,617	656,531
Other	85,816	94,124	100,704	104,291	116,347
Licenses and Permits	42,916	48,425	59,909	59,593	64,601
Intergovernmental Revenues	27,669	31,647	33,240	34,414	35,500
Charges for Services	167,864	169,047	189,573	193,659	194,569
Investment and Interest Income	1,890	7,499	7,388	8,308	9,185
Fines and Forfeitures	54,818	51,954	52,989	48,893	49,710
Other Revenues	<u>10,314</u>	<u>8,233</u>	<u>16,443</u>	<u>10,666</u>	<u>14,393</u>
TOTAL REVENUES	<u>\$ 992,811</u>	<u>\$ 1,078,477</u>	<u>\$ 1,149,366</u>	<u>\$ 1,189,450</u>	<u>\$ 1,261,164</u>
EXPENDITURES					
Current:					
General Government	\$ 181,635	\$ 211,460	\$ 230,258	\$ 259,959	\$ 276,941
Public Safety	475,654	500,627	518,800	539,428	561,995
Public Works	98,178	129,111	121,516	135,073	151,959
Health and Human Services	44,636	48,957	49,301	53,051	54,045
Parks and Recreation	55,279	57,476	57,914	64,534	68,087
Cultural Activities	39,192	41,064	44,213	45,416	48,444
Community Development	15,998	18,152	21,515	29,464	32,463
Economic Opportunity	574	527	601	558	187
Obligation Retirement	<u>4,785</u>	<u>7,506</u>	<u>5,995</u>	<u>5,904</u>	<u>4,950</u>
TOTAL EXPENDITURES	<u>\$ 915,931</u>	<u>\$ 1,014,880</u>	<u>\$ 1,050,113</u>	<u>\$ 1,133,387</u>	<u>\$ 1,199,071</u>
Excess of Revenues Over Expenditures	\$ 76,880	\$ 63,597	\$ 99,253	\$ 56,063	\$ 62,093
OTHER FINANCING SOURCES (USES)					
Other	\$ 305	\$ 19,039 ¹	\$ 772	\$ 564	\$ 4,160
Operating Transfers In	38,589	46,045	56,366	51,333	43,125
Operating Transfers Out	<u>(55,287)</u>	<u>(52,000)</u>	<u>(126,207)</u>	<u>(104,737)</u>	<u>(112,742)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (16,393)</u>	<u>\$ 13,084</u>	<u>\$ (69,069)</u>	<u>\$ (52,840)</u>	<u>\$ (65,457)</u>
Net Change in Fund Balance	60,487	76,681	30,184	3,223	(3,364)
Fund Balance – January 1	226,848	287,335	364,016	394,200	397,423
Fund Balance - December 31	<u>\$ 287,335</u>	<u>\$ 364,016</u>	<u>\$ 394,200</u>	<u>\$ 397,423</u>	<u>\$ 394,059</u>

¹ Amount includes \$18,763,065 of Other Financing Sources related to the execution of non-certificated capital equipment leases for the lease purchase of public works fleet in 2014.

Sources: City and County of Denver Comprehensive Annual Financial Reports, 2013 – 2017

Table 3

GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 REVISED BUDGET and 2018 ADOPTED BUDGET
Prepared in Budgetary Format
(\$ in thousands – columns may not sum to totals due to rounding)

	<u>2017 Results¹</u>	<u>2017 Revised Budget</u>	<u>2018 Adopted Budget</u>
REVENUES			
Taxes			
Property	\$ 120,328	\$ 118,569	\$ 131,949
Sales and Use	656,531	646,236	670,773
Other	116,347	109,926	112,867
Intergovernmental Revenues	35,500	37,395	38,763
Licenses and Permits	64,601	56,708	51,871
Fines and Forfeitures	49,710	51,440	55,758
Charges for Services	194,569	208,279	214,784
Investment Income	9,185	9,468	11,274
Transfers In	43,125	40,819	40,081
Other Revenues and Financing Sources	<u>18,553</u>	<u>8,235</u>	<u>8,346</u>
TOTAL FINANCIAL SOURCES	<u>1,308,449</u>	<u>1,287,074</u>	<u>1,336,466</u>
EXPENDITURES			
General Government	309,591	381,609	402,859
Public Safety	561,995	518,867	539,967
Public Works	151,959	126,791	137,189
Health	54,045	47,148	47,667
Parks and Recreation	68,087	69,775	72,750
Cultural Activities	48,444	46,619	49,081
Debt Service	4,950	0	0
Transfers Out	112,742	133,670	128,472
General Fund Contingency	-	18,584	34,458
Estimated Unspent Appropriations	<u>-</u>	<u>(15,000)</u>	<u>(12,000)</u>
TOTAL EXPENDITURES BUDGET	<u>1,311,813</u>	<u>1,328,063</u>	<u>1,400,443</u>
FUND BALANCES²		(40,988)	(63,976)
Net Change in Fund Balance	(3,364)		
Fund Balance January 1	397,423		
Fund Balance December 31	394,059		
Undesignated Fund Balance January 1	271,130	316,570	275,582
Undesignated Fund Balance December 31	<u>264,124</u>	<u>275,582</u>	<u>211,605</u>
Total Fund Balance December 31	<u>\$ 264,124</u>	<u>\$ 275,582</u>	<u>\$ 211,605</u>

¹ The City's Comprehensive Annual Financial Reports and Budgets use slightly different reporting codes for specific revenue and expenditure categories. Accordingly, there may be differences in some line item descriptions and totals.

² For the 2017 Comprehensive Annual Financial Report, the City follows GASB 54, which clarifies existing fund type definitions. The Comprehensive Annual Financial Report lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds. The Office of Management and Budget does not use this methodology for the Budget, therefore Fund balances should only be compared within the Budget Columns.

Sources: City and County of Denver 2017 Comprehensive Annual Financial Report and 2018 Budget Book

Table 4

GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 REVISED BUDGET and 2018 ADOPTED BUDGET
(by percentage)

	<u>2017 Results¹</u>	<u>2017 Revised Budget</u>	<u>2018 Adopted Budget</u>
REVENUES			
Taxes			
Property	9.2%	9.2%	9.9%
Sales and Use	50.2	50.2	50.2
Other	8.9	8.5	8.4
Intergovernmental Revenues	2.7	2.9	2.9
Licenses and Permits	4.9	4.4	3.9
Fines and Forfeitures	3.8	4.0	4.2
Charges for Services	14.9	16.2	16.1
Investment Income	0.7	0.7	0.8
Transfers In	3.3	3.2	3.0
Other Revenues and Financing Sources	<u>1.4</u>	<u>0.6</u>	<u>0.6</u>
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government	23.6%	28.7%	28.8%
Public Safety	42.8	39.1	38.6
Public Works	11.6	9.5	9.8
Health	4.1	3.6	3.4
Parks and Recreation	5.2	5.3	5.2
Cultural Activities	3.7	3.5	3.5
Debt Service	0.4	-	-
Transfers Out	8.6	10.1	9.2
General Fund Contingency	-	1.4	2.5
Estimated Unspent Appropriations	<u>-</u>	<u>(1.1)</u>	<u>(0.9)</u>
TOTAL EXPENDITURES BUDGET	100.0%	100.0%	100.0%

1 The City's Comprehensive Annual Financial Reports and budgets use slightly different reporting codes for specific revenue and expenditure categories. Accordingly, there may be differences in some line item descriptions and totals.

Source: City and County of Denver 2017 Comprehensive Annual Financial Report and 2018 Budget Book

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Collection of Taxes

The City Charter provides that the Manager of Finance shall collect taxes in the same manner and at the same time as State taxes are collected. All laws of the State for the assessment and collection of general taxes, including laws for the sale of property for taxes and the redemption of the same apply except as modified by the City Charter.

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately 50% of the General Fund revenues. As of January 1, 2018, a fixed-rate general sales tax of 3.65% was imposed on the sale of all tangible personal property not specifically exempted and on certain services. A fixed-rate general use tax of 3.65% was also imposed on the storage, use and consumption of tangible personal property not specifically exempted. The City's practice is to account for sales and use taxes on a combined basis.

The sales and use tax rate includes a 0.15% portion authorized by voters to fund increased access to and quality of preschool programs for City residents (the "preschool tax"). The revenue from this portion of the sales and use tax, which is in effect through December 31, 2026, is only available for the described purposes and cannot be used for General Fund purposes.

The general sales and use tax and the preschool tax are charged on all medical marijuana sales but retail recreational marijuana sales are charged an additional 3.5% special tax which is deposited in the General Fund for expenditures authorized in the Denver Revised Municipal Code, which include, among other things, expenses related to the licensing and regulation of the retail marijuana industry and, generally, the expenses of operating and improving the City and its facilities.

The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES

<u>Taxation of Certain Goods or Services</u>	<u>City Tax Rate</u>
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.65% ¹
Retail marijuana special sales tax	3.5%
Prepared food and drink	4.0%
Aviation fuel	\$0.04 per gallon
Automobile rental for thirty (30) days or less	7.25%
Lodging for thirty (30) days or less	10.75%

¹ Includes 0.15% City sales tax dedicated to increasing access to and quality of preschool programs for City residents. The revenue from this portion of the sales tax is only available for such purpose and cannot be used for General Fund revenue.

The above general fund sales and use tax rates effective for 2018 reflects the City's total tax rate for goods and services as set forth; however, portions of the prepared food and beverage tax, automobile rental tax and lodgers' taxes are reflected in the general fund sales and use tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Dedicated Tax Revenue Bonds and recorded in other Funds.

In addition to the 10.75% Lodger's Tax imposed by the City, at an election held in 2017, certain hoteliers in Denver approved the creation of the Denver Tourism Improvement District (the "TID"), which imposes an additional hotel and lodger's tax of 1.0% on every hotel within the City limits with 50 or more rooms. The purpose of the additional lodger's tax is to contribute to an increase in marketing services provided by Visit Denver and to contribute to tourism-related capital improvements, including improvements at the Colorado Convention Center.

Table 5 reflects the City's General Fund sales and use tax collections for the past ten years.

Table 5
CITY AND COUNTY OF DENVER
GENERAL FUND SALES AND USE TAX REVENUES
2008 — 2017
(\$ In Thousands)

<u>Year</u>	<u>Revenues</u> ¹	<u>Percent Change</u> ¹
2008	\$ 430,928	3.05%
2009	387,838	(10.00)
2010	409,817	5.67
2011	441,187	7.65
2012	451,352	2.30
2013	493,002	9.23
2014	555,428	12.66
2015	581,922	4.77
2016	613,617	5.45
2017	656,531	6.99

¹ Revenues include amounts received from audit revenues.

Source: Department of Finance

Financial Statements

The basic financial statements of the City for the year ending December 31, 2017, included in APPENDIX D to this Official Statement have been audited by BKD LLP ("BKD"), independent public accountants, as stated in their report appearing herein. The agreement between the City and BKD relating to provision of audit services provides that the City is not required to obtain BKD's consent for the inclusion of financial statements in the City's offering documents. Accordingly, the consent of BKD to the inclusion of APPENDIX D was not sought or obtained. BKD has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained in this Official Statement, since the date of this report and BKD should not be considered to be associated with the Official Statement in any manner.

Financial statements of the City for fiscal years ending on or prior to December 31, 2017, are available for inspection at the Department of Finance, 201 West Colfax Avenue, Department 1004, Denver, Colorado 80202, or on the City's website (denvergov.org) under the Controller's webpage. The information presented on the City's website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2018A Certificates.

Property Taxation

Assessed Valuation. The assessed value of real property for tax purposes is computed using statutory actual values as determined from manuals published by the Administrator of the State Division of Property Taxation and from data developed by the Manager of Finance, *Ex Officio* Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 2013 through 2017.

Table 6

STATE PROPERTY APPRAISAL METHOD

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2014	2013	June 30, 2012	July 1, 2010 to June 30, 2012
2015	2014	June 30, 2012	July 1, 2010 to June 30, 2012
2016	2015	June 30, 2014	July 1, 2012 to June 30, 2014
2017	2016	June 30, 2014	July 1, 2012 to June 30, 2014
2018	2017	June 30, 2016	July 1, 2014 to June 30, 2016

Source: Assessor's Office Division of the Department of Finance

As of January 1, 1985, the State General Assembly was required to determine the percentage of the aggregate statewide valuation for assessment that is attributable to residential real property. For each subsequent year, the General Assembly was and is required to re-determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding any increased valuation for assessment attributable to new construction and increased oil and gas production. For each year in which there is a change in the level of value, the General Assembly is required to adjust the assessed valuation ratio for residential real property as necessary to maintain the previous year's percentage of aggregate statewide valuation attributable to residential real property. The Colorado General Assembly set the residential real property assessed valuation ratio at 7.96% of its statutory actual value for assessment years 2013 through 2016 and 7.20% for 2017. All other taxable property (with certain specified exceptions) has had an assessed valuation ratio throughout these tax years of 29% of statutory actual value.

The City's assessed valuation is established by the Assessor of the City, except for public utility property, which is assessed by the Administrator of the State Division of Property Taxation. Property taxes are levied on all real and personal property, except certain categories of exempt property. Classes of property not subject to property taxes include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; property of school districts; property used as an integral part of a licensed school childcare center, inventories of merchandise and supplies that are held for consumption by a business or are held primarily for sale; agricultural and livestock products; agricultural equipment; property used for religious or charitable purposes; and noncommercial personal property.

Property Taxes. Property taxes are due January 1 of each year. They may be paid in full on or before April 30 or in two equal installments, the first due the last day of February and the second due June 15. The first half becomes delinquent after the last day of February. The second half becomes delinquent after June 15. If the entire tax is paid at one time on or before April 30, no interest is charged.

Delinquent general property taxes draw interest where the following circumstances exist. If the first installment is not paid by the last day of February, penalty interest accrues at the rate of 1% per month from March 1 until June 16, or to the date of payment if such installment is paid prior to June 16. After June 15, the entire tax becomes delinquent and accrues interest at the rate of 1% per month until the date of payment, which penalty interest is in addition to any penalty interest which may have accrued on the same taxes prior to June 16. If the full amount of taxes is paid in a single payment after the last day of April, interest is added to the full amount of taxes due in the amount of 1% per month and accrues from the first day of May until the date of payment.

The Treasurer is empowered to sell at public auction property upon which levied taxes remain unpaid, after due process of law. Tax lien sales are held in November of the year in which the taxes become delinquent. All tax certificates not sold to buyers at the annual tax lien sale are bid on by the City. Property that thereby becomes the property of the City or another taxing entity is removed from the tax rolls. Three years after the date of sale, a tax deed may be issued by the Treasurer for unredeemed tax certificates.

The City Charter imposes a tax limit of 15 mills for all general municipal purposes. This limit does not apply to taxes levied for the payment of general obligation bonded indebtedness, to fund the City's Social Services Fund, to provide for fire and police pensions, to fund a City program for the developmentally disabled or taxes levied pursuant to a voter authorized 2.5 mill levy increase for deferred capital maintenance. State case law permits the City to impose an additional General Fund levy for functions ordinarily performed by counties in the State. Current State statutes limiting mill levies imposed by counties do not apply to the City.

The Colorado Constitution provides property tax exemptions for qualifying senior citizens and for disabled veterans. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions. Therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the City.

Table 7 sets forth the mill levies for the City, School District No. 1, and the Urban Drainage and Flood Control District for the last five levy years. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" for a discussion of mill levies attributable to other taxing entities which overlap or partially overlap the boundaries of the City.

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Table 7

**CITY AND COUNTY OF DENVER
CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS¹
(By Assessment Year)**

Taxing Entity	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City and County of Denver:					
General Fund	10.458	10.436	8.989	8.943	7.888
Bond Principal Fund	4.330	4.100	5.433	7.433	7.000
Bond Interest Fund	4.103	4.333	3.000	1.000	1.433
Social Services	4.480	4.470	3.849	3.835	3.380
Developmentally Disabled	1.021	1.016	1.012	1.010	1.010
Fire Pension	1.572	1.568	1.350	1.345	1.185
Police Pension	1.875	1.870	1.610	1.604	1.413
Capital Maintenance ²	2.553	2.542	2.534	2.528	2.526
Capital Improvement	2.727	2.720	2.342	2.333	2.056
Affordable Housing ³	-	-	-	0.500	0.442
TOTAL DENVER MILL LEVY	33.119	33.055	30.119	30.531	28.333
School District No. 1	49.299	49.299	47.397	50.396	48.244
Urban Drainage and Flood Control District	0.672	0.700	0.611	0.620	0.557
TOTAL MILL LEVY:	83.090	83.054	78.127	81.547	77.134

Note: A mill equals one-tenth of one percent of assessed valuation.

- 1 The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City's boundaries. For "Overlapping Taxing Districts with General Obligation Debt" see Table 13 under "DEBT STRUCTURE OF THE CITY."
- 2 A levy in excess of the 2.5 mills approved by voters is allowable due to prior year refunds and abatements.
- 3 In 2016, in addition to an affordable housing linkage fee applicable to new construction, the City Council approved a dedicated mill levy to support affordable housing development and preservation, for collection beginning on January 1, 2017, and sunseting on December 31, 2026.

Source: Department of Finance

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Table 8 summarizes the statutory actual and assessed valuation of property in the City, taxes levied and collected by the City for general purposes and the amounts and percentages delinquent for the last five assessment years. Collection data is reported as of December 31, 2017.

Table 8

**PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS
(\$ in millions)**

ACTUAL AND ASSESSED VALUATION:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory Actual Valuation (est.) ¹	<u>\$79,581</u>	<u>\$80,891</u>	<u>\$100,204</u>	<u>\$105,773</u>	<u>\$134,744</u>
Assessed Valuation:					
Real Property – Land	\$3,252	\$3,218	\$4,514	\$4,506	\$5,671
Real Property – Improvement	6,441	6,564	8,220	8,406	10,064
Personal Property	742	765	826	827	888
Public Utilities	<u>829</u>	<u>838</u>	<u>824</u>	<u>921</u>	<u>925</u>
Total Assessed Valuations ²	<u>\$ 11,264</u>	<u>\$ 11,385</u>	<u>\$ 14,385</u>	<u>\$ 14,659</u>	<u>\$ 17,548</u>
Total Assessed Valuation					
Percentage Change ³	4.71%	1.07%	26.35%	1.91%	19.71%
LEVIES AND COLLECTIONS:^{2, 4, 5} (\$ in thousands)					
Taxes Levied	<u>\$310,922</u>	<u>\$312,314</u>	<u>\$360,103</u>	<u>\$372,011</u>	<u>\$427,059</u>
Total Collections	<u>\$306,893</u>	<u>\$308,808</u>	<u>\$356,911</u>	<u>\$369,940</u>	N/A
Percent of Original Levy					
Total Collections at Year End (as Percentage of Original Levy)	98.70%	98.88%	99.11%	99.44%	N/A

1 Colorado statutes establish property valuation methods with actual valuation representing estimated appraisal value before the respective assessment ratios are applied. In general, an income and expense value is used for commercial property, and market value is used for residential property.

2 This includes the assessed valuation attributable to Tax Increment Finance Districts, a portion of which is attributable to the Denver Urban Renewal Authority (“DURA”) or the Denver Downtown Development Authority (“DDDA”). Incremental assessed valuation attributable to DURA and the DDDA were the following amounts: \$781,793,064 for levy year 2013; \$818,799,594 for levy year 2014; \$1,149,380,667 for levy year 2015; \$1,141,847,073 for levy year 2016; and \$962,347,864 for levy year 2017. Figures listed for taxes levied and collected are net of amounts paid to DURA or DDDA. See “DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities.”

3 Changes in assessed valuations for the years shown are due in part to changes in the years used to compute values which occur every two years and adjustments attributable to a legislative extension of time permitted for appeals of assessed values. See “Property Taxation – Assessed Valuation” and Table 6 above.

4 The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2017 are collected in 2018.

5 Total collections represent City retained collections, therefore, figures do not include mills levied for the Fire Pension and Police Pension funds, School District No.1 or Urban Drainage and Flood Control District.

Source: Department of Finance

Assessed Valuation of Major Taxpayers

Table 9 lists the major property taxpayers based on assessed valuations for the 2017 assessment year.

Table 9

**CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2017
(FOR COLLECTION 2018)
(\$ in thousands)**

Name	Business	Assessed Valuation	Percentage of Total Assessed Valuation¹
Public Service Co.	Utility	\$ 281,847	1.61%
Brookfield Office Properties	Real Estate	244,372	1.39
Invesco Realty Advisers Inc.	Real Estate	159,599	0.91
Century Link Communications	Utility	148,688	0.85
Ivanhoe Cambridge Inc.	Real Estate	141,701	0.81
Franklin Street Properties	Real Estate	130,296	0.74
UBS Realty Investors	Real Estate	128,054	0.73
Beacon Capital Partners	Real Estate	126,543	0.72
Taubman Centers Inc.	Real Estate	111,836	0.64
Columbia-HealthONE, LLC	Health Care	<u>108,776</u>	<u>0.62</u>
TOTAL		\$ <u>1,581,712</u>	<u>9.01%</u>

-
- 1 Based on a 2017 assessed valuation of \$17,548,347,337. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See “DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities.”

Source: Department of Finance

Revenue, Spending and Debt Limitations

In 1992, the voters of the State approved an amendment to the State Constitution known as the “Taxpayer’s Bill of Rights” (“TABOR”), which limits the powers of public entities to borrow, tax and spend.

TABOR restricts the total amount of expenditures and reserve increases (excluding changes in debt service payments) that may be made by the City for all purposes by limiting the City’s revenues to the total amount of revenues received by the City in the preceding year, adjusted for inflation and local growth. Under TABOR, excess revenues received by a government are required to be refunded to citizens in the next fiscal year unless the voters approve that a government may retain excess revenues. On November 6, 2012, Denver voters passed ballot measure 2A that permanently removed all TABOR restrictions described above regarding the collection and retention of all taxes. The measure permanently allows the City to collect, retain, and spend all lawful taxes.

TABOR requires voter approval prior to the City incurring any multiple fiscal year debt or other financial obligation, subject to certain exceptions, such as refinancing outstanding bonds at a lower interest

rate. TABOR contains an exception for “enterprises,” defined in TABOR as a government-owned business authorized to issue its own revenue bonds and receiving less than 10% of its annual revenues from all State and local governments combined. The effect of “enterprise” status is to exempt an enterprise from the restrictions and limitations otherwise applicable under TABOR. The City has designated as enterprises for purposes of TABOR the operations of its sanitary and storm sewerage utilities, the Department of Aviation, the Department of Environmental Services, and City-owned golf courses.

PENSION PLANS

The majority of the City’s employees are covered under the Denver Employees Retirement Plan (“DERP”). Employees of the police department and the fire department are covered by separate retirement plans affiliated with and administered by the Fire and Police Pension Association (“FPPA”). DERP’s pension plan and the FPPA Plans are described below and at Note F in the City’s basic financial statements included in APPENDIX D.

Denver Employees Retirement Plan

The following information is from 2017 Comprehensive Annual Financial Report (the “2017 CAFR”) of DERP and has not been verified by the City.

DERP is a defined benefit plan. Its purpose is to provide retirement benefits to qualified members of the City and County of Denver and the Denver Health and Hospital Authority. DERP has separate legal standing and has no financial responsibility to the City. The assets of DERP are funds held in trust by DERP for the exclusive purpose of paying pension and certain postemployment health benefits to eligible members. DERP health benefits are described below under “OTHER POST EMPLOYMENT BENEFITS – DERP OPEB Plan.”

The Denver Health and Hospital Authority (“DHHA”) was established in 1996, and effective January 1, 1997, DHHA made contributions to DERP on behalf of its Denver Career Service Authority employees who were members of DERP.

DERP membership consisted of the following as of December 31, 2016 and 2017:

Denver Employees Retirement Plan Membership:		
	<u>2016</u>	<u>2017</u>
Retirees and beneficiaries currently receiving benefits	9,302	9,644
Terminated employees entitled to benefits but not yet receiving such benefits	3,500	3,464
Current employees:		
Vested	5,104	4,978
Non-vested	<u>3,877</u>	<u>4,114</u>
TOTAL	<u>21,783</u>	<u>22,200</u>

DERP provides retirement benefits plus death and disability benefits. Members who were hired before July 1, 2011 and retire at or after the age of 65 (or on or after age 55 if the sum of their age and credited years of service is at least 75) are entitled to an annual retirement benefit. For members hired before September 1, 2004, the annual retirement benefit is in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member’s highest salary during a 36 consecutive month period of credited service. Members with 5 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, the earliest they can retire is at the age of 60. In order to receive a normal, unreduced retirement prior to age 65, the sum of age added to credited years of service must equal at least 85. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments to retirement benefits are authorized only by vote of DERP's board of directors; however, no cost of living adjustment has been made since 2002. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by DERP's board of directors and enacted into ordinance by the City Council.

The following are DERP contribution requirements and dates on which contribution requirement changes took effect. Effective as of the first payroll after January 1, 2018, the City contribution (employer contribution) was increased to 12.50%. The employee contribution remained at 8.00%. Additional change in contribution would require a recommendation by DERP's board of directors to the City Council and enactment of an ordinance, but no ordinance has been filed with the City Council.

	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2018
City Contribution	8.50%	9.50%	10.25%	11.00%	11.20%	11.50%	12.50%
Employee Contribution	<u>4.50%</u>	<u>5.50%</u>	<u>6.25%</u>	<u>7.00%</u>	<u>7.30%</u>	<u>8.00%</u>	<u>8.00%</u>
Total	13.00%	15.00%	16.50%	18.00%	18.50%	19.50%	20.50%

The total net plan assets were \$2,082,001,911 and \$2,300,253,563 as of December 31, 2016, and December 31, 2017, respectively. Per DERP's independently audited 2016 CAFR, as of January 1, 2016, the most recent actuarial valuation, 72.21% of the plan's actuarial accrued liabilities were covered by actuarial value of assets. Per DERP's independently audited 2017 CAFR, as of January 1, 2017, the date of the last actuarial valuation, 69.5% of the plan's actuarial accrued liabilities were funded by actuarial value of assets.

On October 2, 2017, City Council passed a bill approving changes, effective October 1, 2017, to the DERP governing ordinance, one of which was a requested change in the "actuarially assumed rate of investment return" for the plan, from 7.75% to 7.50%. This request was made "in light of work done by DERP's investment consultant indicating lower 10-year expected returns for the DERP-specific asset allocation." The other requested changes to this ordinance were non-substantive, technical changes.

Fire and Police Pension Plans

All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978, participate in the Statewide Defined Benefit Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the FPPA. Pursuant to Colorado Revised Statutes §31-31-701(2), which was deleted in 2014 as obsolete, full-time City firefighters and police officers in the classified service hired prior to April 8, 1978 ("Old Hires") participate in the City's Old Hire Fire and Police Pension Plans ("Old Hire Plans"), unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. The FPPA manages investments and administers the contributions to, and distributions from, the Old Hire Plans. The City's Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

Due to the implementation of the provisions of GASB 68 in 2015, the funded status of the FPPA Old Hire and New Hire Plans will no longer be disclosed. For additional information on the implementation of GASB 68, refer to the City's 2015 CAFR.

OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described above, the City provides health insurance benefits to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit benefit for the retirees in the plans. The City's contribution toward the implicit rate subsidy is based on pay-as-you-go funding for the retirees. The plans for eligible DERP and FPPA retirees are described below and at Note G in the "Other Note Disclosures" section of the City's 2017 CAFR.

DERP OPEB Plan

DERP retirees are responsible for 100% of the blended premium rate. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of \$12.50 per year of service for retired participants not eligible for Medicare and \$6.25 per year of service for retirees eligible for Medicare. Per DERP's independently audited 2016 CAFR, the plan's health benefits account had a funded ratio of 52.5%. Per DERP's 2017 independently audited CAFR, as of January 1, 2017, the date of the last actuarial valuation, the plan's health benefits account had a funded ratio of 50.4%.

OPEB for Collectively Bargained Agreements

The City has collectively bargained agreements with the Sheriff, Police, and Fire Departments employees. Each of those agreements provides for post-employment benefits as individually negotiated. All collectively bargained agreements are of public record and available in the Clerk and Recorder's Office.

The Sheriff Department employees are treated as DERP employees for purposes of retirement including their post-employment health benefits but have additional bargained benefits, including funeral expenses for death in the line of duty, within the collectively bargained agreement. Police and Fire Department employees or their survivors receive contractual payments for their respective non-City post-employment health plans, funeral expenses, and statutorily required death and disability coverages.

DEBT STRUCTURE OF THE CITY

General Obligation Bonds

General obligation bonds are backed by the full faith and credit of the City and are payable from ad valorem property taxes and other general revenues. Except for refunding bonds issued to achieve savings, Denver voters must approve general obligation debt prior to issuance. Under the City Charter, general obligation bonded debt is subject to a limitation of three percent (3%) of the actual value of the taxable property within the City.

In November 2017, the City's voters approved seven general obligation ballot questions authorizing debt in the aggregate principal amount of \$937,418,500. In June 2018, the City issued Series 2018A General Obligation Bonds in the aggregate principal amount of \$193,000,000 pursuant to this authorization. \$744,418,500 in authorization remains under this authorization.

As of December 31, 2017, the City had outstanding general obligation bonds in the aggregate principal amount of \$661,775,500, which does not include accrued interest of \$7,763,617 on compound interest bonds.

Table 10 sets forth the computation of the general obligation debt margin of the City as of December 31, 2017.

Table 10

**COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN
(\$ in thousands)**

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2017	\$ 134,744,419
Maximum general obligation debt limited to 3% of actual valuation	\$ 4,042,333
Less outstanding bonds chargeable to limit ¹	<u>661,776</u>
LEGAL DEBT MARGIN – December 31, 2017	<u>\$ 3,380,557</u>

¹ This figure represents outstanding gross principal of the City's General Obligation Bonds.

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General Obligation Bonded Debt

Table 11 lists the City's outstanding general obligation bonded debt as of December 31, 2017.

Table 11
OUTSTANDING GENERAL OBLIGATION DEBT
(\$ in thousands)

<u>Issue</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007 ¹	\$ 8,861	\$ 8,861
General Obligation Justice System Facilities Bonds, Series 2008 ^{2,5}	174,135	94,615
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	66,350
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	305,835
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	56,010
General Obligation Refunding Bonds, Series 2013B1-B2 ³	137,435	118,105
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A ⁴	<u>12,000</u>	<u>12,000</u>
TOTAL ⁵ :	<u>\$ 869,911</u>	<u>\$ 661,776</u>

1 Amount excludes \$5,774,197 of compound interest on the Series 2007 Capital Appreciation Bonds.

2 Includes the Refunded Bonds and the August 1, 2018 maturity.

3 Direct bank placement; no official statement prepared.

4 Amount excludes \$1,989,420 of compound interest on the Series 2014A Capital Appreciation Bonds.

5 On June 27, 2018, the City issued \$193,000,000 of General Obligation Elevate Denver Bonds, Series 2018A, and \$67,905,000 General Obligation Justice System Facilities Refunding Bonds, Series 2018B. The Series 2018A Bonds were issued for the purpose of financing various civic facilities. The Series 2018B Bonds were issued to current refund, pay and discharge all of the City's outstanding General Obligation Justice System Facilities Bonds, Series 2008, maturing on and after August 1, 2019. Effective as of August 1, 2018, the outstanding General Obligation Justice System Facilities Bonds, Series 2008, will be legally defeased, thereby reducing the amounts outstanding to zero.

Source: Department of Finance

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Table 12 sets forth certain debt ratios based on the City's actual and assessed valuations and general obligation bonded debt as of December 31, 2017.

Table 12

**SUMMARY OF
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(\$ in thousands)**

Total Direct General Obligation Bonded Debt	\$ 661,776
Overlapping General Obligation Bonded Debt ¹	<u>1,668,092</u>
Total Direct and Overlapping General Obligation Bonded Debt	<u>\$ 2,329,868</u>
Actual Valuation	\$134,744,419
Assessed Valuation ²	\$17,548,347

-
- 1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" below for information relating to other overlapping entities.
- 2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities."

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita²
Total Direct G.O. Bonded Debt	0.49%	3.77%	\$ 941
Total Direct and Overlapping G.O. Bonded Debt ¹	1.73%	13.28%	\$ 3,312

-
- 1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See "Overlapping Debt and Taxing Entities" below for information relating to other overlapping entities.
- 2 Based upon a 2017 population estimate from the State Demography Office of 703,462.

Source: Department of Finance

Overlapping Debt and Taxing Entities

The following information has been supplied by the overlapping entities described below and the City has not attempted to verify the accuracy thereof.

School District No. 1 in the City and County of Denver. School District No. 1 (the "School District") has identical boundaries with the City. As of December 31, 2017, the School District had \$1,668,092,000 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2017, the aggregate principal amount of such certificates outstanding was \$1,014,490,000. Neither the lease purchase agreements nor the related certificates executed and delivered

by the trustees are considered debt or multiple-fiscal year financial obligations of the School District for State law purposes. The obligations of the School District to make lease payments for each year are subject to annual appropriations by the Board of Education.

Metro Wastewater Reclamation District. Metro Wastewater Reclamation District (the “Sewage District”), a governmental and political subdivision of the State, was organized in 1961 and currently includes the City and numerous other adjacent municipal units. Each municipal unit presently owns and operates a sewer system and voluntarily became part of the Sewage District in order to construct and operate a sewage disposal system in the Denver metropolitan area. Under service contracts with the Sewage District, each municipal unit is obligated to pay the Sewage District for the costs of services rendered (including debt service) based on usage of the Sewage District’s facilities. Each municipal unit imposes taxes or charges sufficient to fund its share of Sewage District costs.

The City is meeting its obligation to the Sewage District from a sewer service charge collected from the System’s users. The Sewage District assessed the City charges of \$54,709,961 for 2017. The Sewage District had outstanding \$562,640,000 aggregate principal amount of bonds as of December 31, 2017.

Regional Transportation District. The Regional Transportation District (“RTD”), a governmental and political subdivision of the State, was established in 1969, and currently includes within its boundaries the City, Boulder, City and County of Broomfield and Jefferson Counties and portions of Adams, Arapahoe, Weld and Douglas Counties. RTD is empowered to develop, maintain and operate a mass transportation system within its boundaries. RTD may levy up to one-half of one mill on all taxable property within the RTD for the payment of its expenses in situations of deficiencies, subject to the provisions of State constitutional revenue and spending limitations. RTD has not exercised its power to levy a general ad valorem property tax since 1976. At an election held within the RTD in 2004, voters approved an increase to the RTD’s sales tax rate from 0.6% to 1.0% and authorized debt in the amount of \$3.477 billion to be spent on the construction and operation of a transit expansion plan known as FasTracks. As of December 31, 2017, approximately \$2.608 billion of FasTracks debt was outstanding. RTD also had \$96,695,000 of principal outstanding on non-FasTracks debt and \$1,176,697,512 of principal outstanding related to certificates of participation and lease purchase agreements under which RTD is the lessee or purchaser.

Urban Drainage and Flood Control District. The Urban Drainage and Flood Control District (the “Drainage District”), a governmental and political subdivision of the State, was established in 1969 and includes the City and portions of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson Counties. The Drainage District was established to provide flood control and drainage facilities for the areas within the Drainage District. The Drainage District may levy up to 1/10 mill to defray engineering and operating expenses, up to 4/10 mill for construction costs and up to 4/10 mill for maintenance expenses. Beginning with taxes levied in 1986 and collected in 1987, a 1/10 mill for a special revenue fund for the South Platte River basin was authorized. Authorization for an additional levy may be obtained by voter approval. The Drainage District has no outstanding bonded indebtedness. Projects undertaken by the Drainage District to date have been financed from ad valorem taxes and local government matching contributions.

Other Overlapping Taxing Entities. There are a number of partially overlapping taxing districts having general obligation debt in amounts which do not materially affect the ability of the City to pay debt service on its general obligation bonds. Assessed valuation and bond mill levy information for those taxing districts with general obligation debt as of December 31, 2016 is provided in Table 13.

Table 13

**CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2017**

Taxing District	Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2017 Mill Levy⁴
Adams County/ North Washington Fire ¹	\$7,303,680	0.04%	16.733
Aviation Station #2 ²	2,115,350	0.01	53.000
Aviation Station #3 ²	380	0.00	53.000
Aviation Station #5 ²	30	0.00	10.000
Bellevue Station Metro No 2 ²	39,586,130	0.23	50.554
BMP No 2 (debt) ^{2, 3}	26,564,240	0.15	15.200
BMP No 3 ^{2, 3}	4,505,830	0.03	16.583
Bowles Metropolitan ¹	30,918,520	0.18	42.000
Broadway Station Metro No.3 ^{2, 3}	5,267,350	0.03	6.000
Central Platte Valley Metro ^{2, 3}	208,341,430	1.19	28.250
Central Platte Valley Metro (debt) ²	75,445,350	0.43	10.250
Cherry Creek North B.I.D.	294,065,090	1.68	15.642
Colo. Int. Center Metro No 14 ²	16,245,200	0.09	75.000
Denargo Market Metro No 2 ²	15,393,180	0.09	40.000
Denver Connection West Metro	3,158,300	0.02	50.000
Denver Gateway Center Metro	6,238,090	0.04	50.000
Denver Intl. Bus. Ctr Metro No 1	30,425,070	0.17	44.175
DUS Metro No 2 ^{2, 3}	88,645,360	0.51	25.000
DUS Metro No 3 ^{2, 3}	8,406,400	0.05	27.639
Ebert Metropolitan ²	103,418,220	0.59	90.861
Ebert Metropolitan (debt) ²	3,146,150	0.02	61.911
Gateway Regional Metro	73,452,570	0.42	16.000
Midtown Metro District	5,711,310	0.03	30.000
Mile High Business Center Metro	26,970,550	0.15	30.000
RiNo GID ³	128,693,280	0.73	4.000
Sand Creek Metropolitan ^{1,2}	37,129,250	0.21	27.500
Sand Creek Metropolitan (debt) ^{1,2}	14,317,540	0.08	16.000
SBC Metro ³	90,927,420	0.52	35.000
Section 14 Metro ^{1,2}	9,583,720	0.05	23.669
Section 14 Metro (debt Raccoon) ^{1,2}	3,762,240	0.02	13.812
Section 14 Metro (debt Fairmark) ^{1,2}	4,806,530	0.03	4.976
South Sloan's Lake Metro No 2 ^{2, 3}	16,586,040	0.09	37.529
Southeast Public Impr Metropolitan ¹	332,073,140	1.89	2.000
Westerly Creek Metro ²	<u>512,131,970</u>	<u>2.92</u>	<u>60.217</u>
<u>Special District Total Assessed Value</u>	<u>\$2,225,334,910</u>	<u>12.68%</u>	

Denver Total Assessed Value³ \$17,548,347,337

1 District also has assessed value located in more than one county.

2 Includes related districts which have separate financing and taxing roles; financing districts may not be listed in the chart above due to insignificant assessed value.

3 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City.

4 The mill levy represented is the total mill levy for each respective district, not only the bond mill levy.

Source: Assessor's Office Division of the Department of Finance

Contingent and Discretionary Payments

General. The City has entered into agreements with several independent authorities in which the City, subject to annual appropriation, may be required to make certain contingent or discretionary payments. Those authorities may be component units of the City for accounting purposes; however, the City is not responsible for the repayment of any bonds or other obligations of the authorities. The City may enter into other agreements in the future.

Denver Convention Center Authority Discretionary Economic Development Payments. In the spring of 2003, the City created the Denver Convention Center Hotel Authority (the “DCCCHA”) for the express purpose of acquiring, constructing, equipping, operating and financing a convention center headquarters hotel, parking garage and supporting facilities across the street from the Colorado Convention Center. The Authority issued its own special limited obligation revenue bonds payable from hotel revenues, and the hotel is mortgaged by the Authority to the bond trustee to secure the bonds. The City is not obligated to pay debt service on the DCCCHA bonds. However, the City entered into an Economic Development Agreement with the Authority under which the City makes payments in consideration of various agreements with the Authority regarding the hotel’s construction and operation. The agreement requires semiannual payments of \$5,500,000 through 2040; those payments are subject to annual appropriation by the City Council. The City has made all payments under the Economic Development Agreement through December 31, 2017. The Economic Development Agreement is subject to termination on each December 31 according to its terms.

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Denver Urban Renewal Authority Contingent and Discretionary Payments. The Denver Urban Renewal Authority (“DURA”) issued its Stapleton Senior Subordinate Tax Increment Revenue Bonds, Series 2010B-1 (the “Series 2010B-1 DURA Bonds”) in the aggregate principal amount of \$100,740,000. The Series 2010B-1 DURA Bonds are secured by certain tax increment revenues (the “DURA Pledged Revenues”) and a debt service reserve fund (the “DURA Series 2010B-1 Reserve Fund”) in the initial amount of \$6 million. The Series 2010B-1 DURA Bonds are scheduled to be outstanding until December 1, 2025. In order to support the redevelopment activities funded by the Series 2010B-1 DURA Bonds, the City entered into a Services Agreement dated April 1, 2010 (the “2010 Services Agreement”) with DURA in which the City’s Manager of Finance agreed to request that the City Council consider appropriating funds to replenish the DURA Series 2010B-1 Reserve Fund in an amount not to exceed \$12 million annually to the extent that DURA Pledged Revenues are not sufficient to pay the principal and interest on the Series 2010B-1 DURA Bonds and amounts are withdrawn from the DURA Series 2010B-1 Reserve Fund. The City’s Manager of Finance is not obligated to seek an appropriation which exceeds the maximum annual debt service payments due on the Series 2010B-1 DURA Bonds. The City Council’s decision to appropriate such funds is to be by ordinance without compulsion and solely in the City Council’s discretion. The City Council has never been requested to appropriate funds under the 2010 Services Agreement. DURA has agreed to repay amounts appropriated by the City for such purpose with interest, as a Junior Bond financial commitment.

DURA retained the option to purchase the Series 2010B-1 DURA Bonds from the bondowners thereof on any date on or after December 1, 2015, at a purchase price equal to the principal amount of the Series 2010B-1 DURA Bonds so purchased (with no tender premium), plus accrued interest to the purchase date. In December 2015, DURA, pursuant to a Series 2010B-1 2015 Remarketing Supplemental Indenture, exercised this option and: (a) purchased all of the then-outstanding Series 2010B-1 DURA Bonds, in the aggregate principal amount of \$76,680,000; (b) remarketed and resold to new bondowners \$67,700,000 in principal amount of the Series 2010B-1 DURA Bonds at a resale price of \$77,536,205; and (c) used the \$9,836,205 premium included in such purchase price to (1) pay the accrued interest on the purchased Series 2010B-1 DURA Bonds, (2) pay the costs incurred by DURA in connection with such remarketing and resale, including underwriters’ discount, and (3) pay and cancel the remaining \$8,980,000 principal amount of the Series 2010B-1 DURA Bonds. The remarketed Series 2010B-1 DURA Bonds continue to be secured by the DURA Series 2010B-1 Reserve Fund and the City’s undertaking with respect thereto under the 2010 Services Agreement as described in the immediately preceding paragraph.

Denver Union Station Project Authority Contingent and Discretionary Payments. In 2001, the City and various other entities created the Denver Union Station Project Authority (“DUSPA”) as a Colorado nonprofit corporation and instrumentality of the City for the purpose of financing, owning, constructing, operating and maintaining a multi-modal hub for the region’s transit system at Denver Union Station. DUSPA obtained various loans and the City agreed, in the sole discretion of the City Council and subject to annual appropriation, to replenish one of the related reserve funds. The City Council was never requested to appropriate such funds. All of DUSPA’s loans have been repaid and DUSPA was dissolved by year-end 2017.

Lease Purchase Agreements

Certificated Lease Purchase Agreements. The City has utilized lease purchase transactions whereby an independent lessor sells Certificates of Participation (“COPs”) which represent proportionate interests in the lessor’s right to receive rentals and revenues paid by the City pursuant to lease purchase agreements executed to facilitate the financing of certain public capital projects. Neither the lease purchase agreements nor the COPs constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations. Under its various lease purchase agreements, the City has the right to appropriate or not appropriate the rental payments due for the then

current fiscal year. In the event of nonappropriation, the respective lease purchase agreement terminates and the related COPs are then payable solely from the proceeds received by the trustee for the benefit of the owners of the COPs from specified remedies. If appropriated for the applicable fiscal year, the City has the obligation to pay the related lease agreement rentals for that fiscal year.

Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal portions of Base Rentals under these lease purchase agreements outstanding as of December 31, 2017, are summarized in Table 14.

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Table 14

**SCHEDULE OF CERTIFICATED LEASE PURCHASE TRANSACTIONS
AND RELEASE DATES
AS OF DECEMBER 31, 2017**

<u>Series</u>	<u>Outstanding Principal Amount</u>	<u>Leased Property</u>	<u>Date Lease Property Scheduled to be Acquired</u>
2005A ¹	\$5,075,000	Human Services Campus	May 1, 2020
2008A1-A3	211,585,000	Wellington E. Webb Office Building	December 1, 2031
2010A ²	16,620,000	Central Platte Campus	December 1, 2030
2010B	8,750,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
2012A	4,180,000	Denver Cultural Center Parking Garage	December 1, 2021
2012C1-C3 ²	37,040,000	Denver Properties Leasing Trust	December 1, 2031
2013A	27,310,000	Buell Theatre	December 1, 2023
		Blair-Caldwell African American Research Library,	
2015A	20,400,000	Fire Station Nos. 18, 19, and 22	December 1, 2034
2017A ²	<u>15,506,673</u>	Denver Botanic Gardens Parking Facility	December 1, 2028
TOTAL	\$346,466,673		

1 Through June 2016, the entire Human Services Campus was used by the City in its governmental functions. However, as Denver Human Services has modified its policies with respect to privatizing some services, the City has met its services obligations through contracts with non-profit service providers. As a result, the Family Crisis Center portion of the campus has been minimally-used in recent years. The City is currently reviewing alternative human services-related uses with the non-profit sector, under private-use guidelines, to optimize use of the former Family Crisis Center facility. To facilitate this direction the City conducted a TEFRA hearing in 2017.

2 Direct bank placements; no official statement prepared.

Source: Department of Finance

Non-Certificated Lease Purchase Agreements. As of December 31, 2017, the City was the lessee under various other capitalized lease agreements for the lease purchase of equipment outstanding in the principal amount of \$23,319,310. At the end of the final term of such leases, the City expects to own the equipment that is the subject of such leases. Certificates of participation relating to these leases have not been executed and delivered. The City currently has no real property under any non-certificated lease purchase agreement.

Revenue Bonds

The City has outstanding certain enterprise and dedicated tax revenue bonds payable from specifically pledged revenues, excluding ad valorem taxes. All dedicated tax revenue bonds, except for refunding bonds at a lower interest rate, require prior elector approval under the State Constitution.

As of December 31, 2017, the City's Airport Enterprise had \$3,965,580,000 of airport system revenue bonds and airport system subordinate bonds outstanding. Of this total, \$1,124,525,000 represents variable rate debt. \$754,700,000 of such variable rate debt have been synthetically swapped to a fixed rate pursuant to interest rate swaps. The termination dates of the swaps range from November 15, 2022, to November 15, 2025, and are shorter than the stated maturity dates of the hedged variable rate debt. In

August 2018, the City's Airport Enterprise plans to issue approximately \$[] billion of Airport System Subordinate Revenue Bonds, Series 2018A-C.

As of December 31, 2017, the City had dedicated tax revenue and dedicated tax revenue refunding bonds outstanding in the aggregate principal amount of \$351,475,000. In August 2018, the City plans to issue \$300 million of Dedicated Tax Revenue Bonds, Series 2018A-B, to provide additional funding for the National Western Center campus.

As of December 31, 2017, the City had Wastewater Enterprise Revenue Bonds outstanding in the aggregate principal amount of \$147,880,000. In February 2018, the City issued additional Wastewater Enterprise Revenue Bonds in the aggregate principal amount of \$103,050,000.

As of December 31, 2017, the City had Golf Enterprise Revenue Bonds outstanding in the aggregate principal amount of \$1,865,000.

LITIGATION

The City is party to numerous pending lawsuits, under which it may be required to pay certain amounts upon final disposition of these matters. Generally, the City is self-insured, except for the City's Airport System. Pursuant to State law and subject to constitutional limitations, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the City Council must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City is required to continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes.

The City and the County of Adams, Colorado ("Adams County"), the county from which land for the Denver International Airport ("Airport") was annexed into the City, entered into an Intergovernmental Agreement on a New Airport, dated April 21, 1988 (the "Adams County IGA"), and on July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City in the Jefferson County District Court of Colorado for claims related to the Adams County IGA. The Airport is a self-reliant enterprise fund and it is unlikely that any result in this litigation will impact the City's general fund.

For Fiscal Year 2018, the City Attorney's office has received an appropriation of approximately \$2,000,000 for payment of claims and judgments for items not covered by existing insurance. Together with unspent funds from Fiscal Year 2017, the City Attorney's office has approximately \$2,635,275 available for such payments. The City considers this amount sufficient to provide for the disposition of matters which are anticipated to be finalized for Fiscal Year 2018.

GOVERNMENTAL IMMUNITY

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

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public

entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$387,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$1,093,000; except in such instance, no person may recover in excess of \$387,000. The City may increase any maximum amount that may be recovered from the City for certain types of injuries. However, the City may not be held liable either directly or by indemnification for punitive or exemplary damages unless the City voluntarily pays such damages in accordance with State law. The City has not acted to increase the damage limitations in the Immunity Act.

The City may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the City may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

* * *

APPENDIX D

**BASIC AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2017**

[TO FOLLOW]

APPENDIX E

AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN REGION

[TO FOLLOW]

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this “Disclosure Undertaking”) is delivered by the City and County of Denver, Colorado (the “City”) and ZB, National Association, dba Zions Bank, Denver, Colorado (the “Trustee”), in connection with the execution and delivery of \$129,000,000* in aggregate principal amount of Certificates of Participation, Series 2018A (the “Series 2018A Certificates”), pursuant to a Declaration and Indenture of Trust (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery (the “2018A Indenture”), executed by the Trustee, as trustee thereunder. The Series 2018A Certificates evidence assignments of proportionate interests in the rights to receive certain amounts payable by the City pursuant to an annually renewable Lease Purchase Agreement No. 2018A (Colorado Convention Center Expansion Project) to be dated its date of execution and delivery (the “2018A Lease”), between the Trustee, as lessor, and the City, as lessee.

In consideration of the purchase of the Series 2018A Certificates by the Participating Underwriters (defined below), the City, as an “obligated person” with respect to the Series 2018A Certificates within the meaning of Rule 15c2-12 (the “Rule”) adopted by the U.S. Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time, and the Trustee hereby covenant, agree and undertake as follows:

Section 1. Definitions. The definitions set forth in the 2018A Lease and the 2018A Indenture shall apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined herein. In addition to such terms and the terms defined above, as used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

“*Annual Financial Information*” means the financial information or operating data with respect to the City delivered at least annually pursuant to Section 2 hereof, substantially similar to the type set forth in the Official Statement as described in Schedule 1 hereto. Annual Financial Information may, but is not required to, include Audited Financial Statements and may be provided in any format deemed convenient by the Trustee.

“*Audited Financial Statements*” means the annual financial statements for the City prepared in accordance with generally accepted accounting principles as in effect from time to time and audited by a firm of certified public accountants.

“*City Representative*” means the Chief Financial Officer of the City, as the Manager of the Department of Finance, *ex officio* Treasurer of the City, or his or her designee, and successors in functions, if any.

“*Dissemination Agent*” means the dissemination agent or any successor dissemination agent that has been designated in writing by the City.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>.

“*Events*” means any of the events listed in Section 3(a) of this Disclosure Undertaking.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s

* Preliminary, subject to change.

required method of filing is electronically via EMMA. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314; telephone (703) 797-6600; fax (703) 797-6700.

“*Official Statement*” means the final Official Statement dated [_____], 2018, together with any supplements thereto prior to the date on which the Series 2018A Certificates are initially executed and delivered.

“*Owner(s)*” means the registered owner(s) of the Series 2018A Certificates, and so long as the Series 2018A Certificates are subject to the book entry system, any person who, through any contract, arrangement or otherwise, has or shares investment power with respect to the Series 2018A Certificates, which includes the power to dispose or direct the disposition of the Series 2018A Certificates.

“*Participating Underwriters*” has the meaning given thereto under the Rule, or any successors to such Participating Underwriters known to the City.

Section 2. Provision of Annual Financial Information.

(a) Commencing with the Fiscal Year ended December 31, 2018, and annually thereafter while the Series 2018A Certificates remain outstanding, the City shall provide or cause to be provided to EMMA, in an electronic format as prescribed by the MSRB, Annual Financial Information and Audited Financial Statements with respect to the City. The Annual Financial Information shall include the written representation of the City Representative that the Annual Financial Information is the Annual Financial Information required under this Disclosure Undertaking.

(b) The Annual Financial Information shall be provided to EMMA not later than 270 days after the end of each Fiscal Year. If not provided as a part of the Annual Financial Information, the Audited Financial Statements shall be provided to EMMA when available, but in no event later than 270 days after the end of each Fiscal Year.

(c) The Annual Financial Information and Audited Financial Statements may be provided by the City by specific cross reference to other documents that have been submitted to EMMA or filed with the SEC. If the document so referenced is a final official statement within the meaning of the Rule, such final official statement must also be available from the MSRB. The City Representative shall clearly identify each such other document provided by cross reference.

Section 3. Reporting of Events.

(a) At any time the Series 2018A Certificates are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of an Event, the City shall provide or cause to be provided to EMMA notice of any of the following Events with respect to the Series 2018A Certificates:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on any debt service reserve relating to the Series 2018A Certificates reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancement relating to the Series 2018A Certificates reflecting financial difficulties;

- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices of determinations with respect to the tax status of the Series 2018A Certificates, or other material events affecting the tax-exempt status of the Series 2018A Certificates;
- (vii) modifications to rights of the Owners, if material;
- (viii) redemption of any Series 2018A Certificates, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) defeasance of the Series 2018A Certificates or any portion thereof;
- (x) release, substitution or sale of property securing repayment of the Series 2018A Certificates, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of an obligated person* ;
- (xiii) consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The SEC requires the listing of (i) through (xiv) above although some of such Events may not be applicable to the Series 2018A Certificates.

(b) Whenever the Trustee obtains actual knowledge of the occurrence of an Event, the Trustee shall contact the City Representative as soon as possible to request that the City Representative determine if such Event would require filing with EMMA pursuant to Section 3(a) above. For the purpose of this Disclosure Undertaking, “actual knowledge” by the Trustee of the occurrence of such Events shall mean actual knowledge by the officer at the office(s) of the Trustee with regular responsibility for the administration of matters related to the 2018A Indenture.

* For purposes of Section 3(a)(xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(c) Whenever the City Representative obtains knowledge of the occurrence of an Event, including notice from the Trustee pursuant paragraph (b) of this Section, the City Representative shall as soon as possible determine if such Event would require filing with EMMA pursuant to Section 3(a) above.

(d) If the City Representative determines that the occurrence of the Event should be filed with EMMA, the City Representative shall file or cause to be filed, in an electronic format as prescribed by the MSRB, a notice of such occurrence with EMMA within the time period prescribed in Section 3(a) above.

(e) The City Representative shall provide or cause to be provided, in a timely manner, to EMMA notice of any failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Section 2 hereof.

Section 4. Term. This Disclosure Undertaking shall be in effect from and after the initial execution and delivery of the Series 2018A Certificates and shall extend to the earlier of (a) the date all principal and interest on the Series 2018A Certificates shall have been deemed paid pursuant to the terms of the 2018A Indenture; (b) the date that the City shall no longer constitute an “obligated person” within the meaning of the Rule; and (c) the date on which those portions of the Rule that require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action have been repealed retroactively or otherwise do not apply to the Series 2018A Certificates, which determination shall be evidenced by an opinion of nationally recognized municipal bond counsel selected by the City. The City Representative shall file a notice of any termination of this Disclosure Undertaking with EMMA.

Section 5. Use of a Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist the City in carrying out its obligations under Sections 2 and 3 of this Disclosure Undertaking, and may discharge such dissemination agent with or without appointing a successor dissemination agent.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if such amendment or waiver is otherwise consistent with the Rule. Written notice of any such amendment or waiver shall be provided by the City to EMMA, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided. If any amendment changes the accounting principles to be followed in preparing financing statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The City shall provide notice of any such amendment or waiver to EMMA.

Section 7. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Undertaking; provided, however, that the City shall not be required to do so. If the City chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

Section 8. Default and Enforcement. If the City or the Trustee fails to comply with any provision of this Disclosure Undertaking, any Owner may take action to seek specific performance by court

order to compel such party to comply with its obligations under this Disclosure Undertaking; provided, however, that any Owner seeking to require compliance with this Disclosure Undertaking shall first provide to the City at least 30 days' prior written notice of the City's failure, giving reasonable details of such failure, following which notice the City shall have 30 days to comply; and, provided further, that only the Owners of not less than a majority in aggregate principal amount of the outstanding Series 2018A Certificates may take action to seek specific performance in connection with a challenge to the adequacy of the information provided by the City in accordance with this Disclosure Undertaking, after notice and opportunity to comply as provided herein, and such action shall be taken only in a court of jurisdiction in the State of Colorado. A DEFAULT UNDER THIS DISCLOSURE UNDERTAKING SHALL NOT BE DEEMED AN EVENT OF DEFAULT UNDER THE 2018A LEASE, THE 2018A INDENTURE OR THE SERIES 2018A CERTIFICATES, AND THE SOLE REMEDY UNDER THIS DISCLOSURE UNDERTAKING IN THE EVENT OF ANY FAILURE OF THE CITY TO COMPLY WITH THIS DISCLOSURE UNDERTAKING SHALL BE AN ACTION TO COMPEL PERFORMANCE.

Section 9. Beneficiaries. This Disclosure Undertaking is made for the benefit of the Owners and in order to allow the Participating Underwriters to comply with the Rule, shall inure solely to the benefit of the Participating Underwriters and Owners from time to time of the Series 2018A Certificates and shall create no rights in any other person or entity.

Date: August [], 2018

CITY AND COUNTY OF DENVER, COLORADO

By: _____
Chief Financial Officer, as the Manager of
Finance/*ex officio* Treasurer

SCHEDULE 1

ANNUAL FINANCIAL INFORMATION

Index of Official Statement Tables to be Updated

“Annual Financial Information” means the financial information or operating data with respect to the City substantially similar to the type set forth in Appendix C to the Official Statement under Tables 1 through 4 and Table 14.

* * *

APPENDIX G

BOOK ENTRY ONLY FORM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2018A Certificates. The Series 2018A Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018A Certificate will be issued for each issue of the Series 2018A Certificates, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law,

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

Purchases of Series 2018A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A Certificates on DTC’s records. The ownership interest of each actual purchaser of Series 2018A Certificates (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018A Certificates, except in the event that use of the book entry system for the Series 2018A Certificates is discontinued.

To facilitate subsequent transfers, all Series 2018A Certificates deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018A Certificates with DTC and

their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2018A Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018A Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee or the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest on the Series 2018A Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee or the City, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trust, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018A Certificates at any time by giving reasonable notice to the Trustee or the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2018A Certificates are required to be printed and delivered.

The Trust, upon the written direction of the City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, Series 2018A Certificates will be printed and delivered to DTC.

The foregoing information concerning DTC and DTC's book entry system has been obtained from sources that are believed to be reliable, but none of the Trust, the Trustee or the City takes any responsibility for the accuracy thereof.