

ORDINANCE NO. 702

AN ORDINANCE OF THE TOWN OF HAYDEN, COLORADO, AUTHORIZING THE ISSUANCE OF THE TOWN'S SALES TAX REVENUE BONDS, SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000; PROVIDING FOR THE PAYMENT OF THE BONDS FROM A PLEDGE OF A PORTION OF THE TOWN'S SALES TAX REVENUES DEPOSITED IN THE PARK AND RECREATION FUND; AND PROVIDING OTHER DETAILS AND APPROVING OTHER DOCUMENTS IN CONNECTION WITH THE BONDS.

WHEREAS, the Town of Hayden, Colorado, is a municipal corporation duly organized and operating as a home-rule town under Article XX of the Constitution of the State of Colorado and the Charter of the Town (unless otherwise indicated, capitalized terms used in this preamble shall have the meanings set forth in Section 1 of this Ordinance); and

WHEREAS, pursuant to the Hayden Municipal Code, and prior voter approval, the Town imposes a perpetual sales tax at the rate of 5.5% (the "Sales Tax"); and

WHEREAS, the Town is authorized by the Charter and by Title 29, Article 2, Part 1, Colorado Revised Statutes to issue revenue bonds payable from all or any portion of the Sales Tax, subject to obtaining voter approval of a ballot proposal authorizing such bonds; and

WHEREAS, Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is required for any new tax or the creation of any direct or indirect debt or other multiple-fiscal year financial obligation whatsoever; and

WHEREAS, pursuant to an election held on November 3, 2020, the electors of the Town voted in favor of the following ballot issue (the "Ballot Issue"):

SHALL THE TOWN OF HAYDEN DEBT BE INCREASED \$3,800,000, WITH A MAXIMUM REPAYMENT COST OF UP TO \$7,200,000, SUCH DEBT TO CONSIST OF SALES TAX REVENUE BONDS TO BE PAYABLE FROM ALL OR A PORTION OF THE TOWN'S SALES TAX AND ISSUED SOLELY FOR PARKS AND RECREATION PURPOSES, INCLUDING BUT NOT LIMITED TO:

- ACQUIRING, DEVELOPING, RENOVATING AND EQUIPPING THE HAYDEN RECREATION CENTER AND RELATED FACILITIES; AND

SUCH BONDS TO BE DATED AND SOLD AT SUCH TIME, AND AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF TRUSTEES MAY DETERMINE; AND SHALL THE EARNINGS ON THE INVESTMENT OF THE PROCEEDS OF SUCH BONDS (REGARDLESS OF AMOUNT) AND THE FUNDS USED FOR THE PAYMENT OF THE BONDS CONSTITUTE A

VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE
REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE
COLORADO CONSTITUTION?

WHEREAS, the returns of the above referenced election were duly canvassed and the results thereof duly declared; and

WHEREAS, the Town Council has heretofore determined and does hereby determine that it is necessary to provide for the improvements authorized in the Ballot Issue, and, to the date of this Ordinance, no bonds or other obligations have been issued pursuant to the Ballot Issue; and

WHEREAS, the Town Council hereby determines that it is in the best interests of the Town, and the residents thereof, to issue the Town of Hayden, Colorado, Sales Tax Revenue Bonds, Series 2021, the net proceeds of which will be issued for the purpose of providing funds to finance the Project; and

WHEREAS, the Town hereby determines that the private placement of the Bonds is in the best interests of the Town and the residents thereof; and

WHEREAS, the Bonds shall be revenue obligations of the Town payable solely from the revenue derived from the imposition of 2% of the Sales Tax but not the remaining 3.5% of the Sales Tax; and

WHEREAS, none of the members of the Town Council have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof; and

WHEREAS, the Town Council desires to authorize the issuance, sale and delivery of the Bonds, and to provide for the details and payment of the Bonds.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN,
COLORADO:

Section 1. Definitions. The following terms shall have the following meanings as used in this Ordinance:

“*Acts*” means the Charter, the Supplemental Public Securities Act and Part 1 of Article 2 of Title 29, C.R.S., or any successor thereto.

“*Authorized Denominations*” means \$500,000 or integral multiples of \$1.00 in excess thereof, provided that in the event a Bond is partially redeemed by the Town and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond shall be issued in the largest possible denomination of less than \$500,000.

“*Ballot Issue*” means the Ballot Issue approved by Town voters, which is set forth and defined as such in the preambles hereto.

“Bond Account” means the “Series 2021 Sales Tax Bond Account” established in the section hereof entitled “Reaffirmation of Park and Recreation Fund; Establishment of Accounts.”

“Bond Counsel” means (a) as of the date of issuance of the Bonds, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the Town with nationally recognized expertise in the issuance of municipal bonds.

“Bonds” means the Bonds authorized by the Section hereof entitled “Authorization and Purpose of the Bonds.”

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed for business.

“Park and Recreation Fund” means the “Park and Recreation Fund” reaffirmed in this Ordinance.

“Certified Public Accountant” means an independent certified public accountant within the meaning of § 12-2-115, C.R.S. and any amendment thereto, licensed to practice in the State.

“Charter” means the Charter of the Town.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the Bonds or the use of proceeds thereof, unless the context clearly requires otherwise.

“Combined Maximum Annual Principal and Interest Requirements” means an amount equal to the maximum amounts required to be paid in any single current or future calendar year as the principal of (including any mandatory sinking fund requirements) and interest on the Bonds and any Parity Lien Bonds outstanding, excluding any such bonds which have been defeased pursuant to the terms of the authorizing documents. For purposes of calculating the Combined Maximum Annual Principal and Interest Requirements in any calendar year in which any issue of Bonds and Parity Lien Bonds finally mature, there shall be subtracted from the final principal payment for said bonds any cash or the present value of any investments deposited in a reserve fund or account established pursuant to the authorizing documents which are properly allocable to said bonds.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“County” means Routt County, Colorado.

“Dated Date” means the original dated date for the Bonds, which shall be the date of delivery of the Bonds or such other date as established in the Sale Certificate.

“Defeasance Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct, non callable obligations of the United States of America or which are

fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to the extent such investments are Permitted Investments.

“Event of Default” means any of the events specified in the section hereof entitled “Events of Default.”

“Federal Securities” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct non-callable obligations of the United States of America or which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“Interest Payment Date” means each June 1 and December 1, commencing on June 1, 2021, or such other dates set forth in the Sale Certificate.

“Interest Sub-Account” means a sub-account of the Bond Account established by the provisions hereof for the purpose of paying the interest on the Bonds and any Parity Lien Bonds.

“Letter of Instructions” means the Letter of Instructions, dated the date of issuance of the Bonds, and delivered by Bond Counsel to the Town, as it may be superseded or amended in accordance with its terms.

“Ordinance” means this ordinance which authorizes the issuance of the Bonds, including any amendments properly made hereto.

“Outstanding” means, as of any date, all Bonds, except the following:

(a) Any Bond cancelled by the Town or the Paying Agent, or otherwise on the Town’s behalf, at or before such dates;

(b) Any Bond held by or on behalf of the Town;

(c) Any Bond for the payment or the redemption of which moneys or Federal Securities sufficient to meet all of the payment requirements of the principal of, interest on, and any premium due in connection with the redemption of such Bond to the date of maturity or any redemption date thereof, shall have theretofore been deposited in trust for such purpose in accordance with the section hereof entitled “Defeasance”; and

(d) Any lost, apparently destroyed, or wrongfully taken Bond in lieu of or in substitution for which another bond or other security shall have been executed and delivered.

“Owner” or *“Owners”* means the Person or Persons in whose name or names a Bond is registered on the registration books maintained by the Paying Agent pursuant hereto.

“Parity Lien Bonds” means any bonds or other obligations (which may or may not be multiple-fiscal year financial obligations) permitted to be issued pursuant to the section hereof entitled “Conditions to Issuance of Parity Lien Bonds,” with a lien that is equal to and on a parity

with the lien of the Bonds on the Pledged Revenues and the moneys on deposit from time-to-time in the Park and Recreation Fund.

"Paying Agent" means the Town Manager, as agent for the Town for the payment of the Bonds, or such successor as the Town Manager may designate.

"Permitted Investments" means any lawful investment permitted for the investment of funds of the Town by the laws of the State.

"Person" means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"Pledged Revenues" means all of the revenue derived from the imposition of 2% of the Town's Sales Tax but not the remaining 3.5% of the Sales Tax. The Pledged Revenues are pledged solely for the purposes described herein, in accordance with the Acts.

"Principal Payment Date" means December 1 or such other date or dates of each year as established in the Sale Certificate.

"Principal Sub-Account" means a sub-account of the Bond Account established by the provisions hereof for the purpose of paying the principal of and premium, if any, on the Bonds and any Parity Lien Bonds.

"Project" means any purpose for which proceeds of the Bonds may be expended under the Acts and the Ballot Issue, including, but not limited to, the payment of costs of issuance of the Bonds.

"Project Account" means the "Series 2021 Project Account" created in the section hereof entitled "Reaffirmation of Park and Recreation Fund; Establishment of Accounts."

"Pro Rata Portion" means the dollar amount derived by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

"Purchaser" means a qualified financial entity selected by the Sale Delegate and designated as such in the documents effecting the sale of the Bonds.

"Record Date" means, with respect to each Interest or Principal Payment Date, the fifteenth day of the month immediately preceding the month (whether or not such day is a Business Day) in which such Interest or Principal Payment Date occurs.

"Sale Certificate" means the certificate executed by the Sale Delegate under the authority delegated pursuant to this Ordinance which sets forth the terms of the Bonds described in the Section hereof entitled "Delegation and Parameters."

"Sale Delegate" means the Mayor of the Town or, in the Mayor's absence, the Town Manager of the Town.

“Pledged Sales Tax” means that portion of the Sales Tax equal to a 2% sales tax. The term “Sales Tax” does not include any increase in the rate of sales tax from the present rate of 2% and does not include the Town’s use tax or any other legally available excise tax unless otherwise provided by the Town Council.

“Special Record Date” means the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined pursuant to this Ordinance.

“State” means the State of Colorado.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S., or any successor thereto.

“Tax Certificate” means the Tax Compliance Certificate of the District concerning the tax status of the Bonds.

“Town” means the Town of Hayden, Colorado.

“Town Council” means the Town Council of the Town.

Section 2. Authorization and Purpose of the Bonds. Pursuant to and in accordance with the Charter, the Acts and the Ballot Issue, the Town hereby authorizes, approves and orders that there shall be issued the “Town of Hayden, Colorado, Sales Tax Revenue Bonds, Series 2021” in the aggregate principal amount not to exceed \$2,000,000 for the purpose of paying the costs of the Project.

Section 3. Bond Details.

(a) **Registered Form, Denominations, Dated Date and Numbering.** The Bonds shall be issued in fully registered form, shall be dated as of the Dated Date, and shall be registered in the names of the Persons identified in the registration books maintained by the Paying Agent pursuant hereto. The Bonds shall be issued in Authorized Denominations. The Bonds shall be consecutively numbered, beginning with the number one, preceded by the letter “R.” Notwithstanding the preceding, upon the purchase of all of the Bonds by the Purchaser, one Bond shall be issued in the principal amount determined by the Sale Delegate, but not to exceed \$5,000,000. The Bond shall be registered in the name of the Purchaser and shall be numbered “R-1.” The Bond shall be held at all times by a single Owner.

(b) **Maturity Dates, Principal Amounts and Interest Rates.** The Bonds shall mature on the Principal Payment Date of the years and in the principal amounts, and shall bear interest at the rates per annum (calculated based on a 360-day year of twelve 30-day months) set forth in the Sale Certificate.

(c) **Accrual and Dates of Payment of Interest.** Interest on the Bonds shall accrue at the rates set forth in the Sale Certificate from the later of the Dated Date or the

latest Interest Payment Date (or in the case of defaulted interest, the latest date) to which interest has been paid in full and shall be payable on each Interest Payment Date.

(d) ***Manner and Form of Payment.*** Principal of each Bond shall be payable to the Owner thereof upon presentation and surrender of such Bond at the principal office of the Paying Agent in the Town identified in the definition of Paying Agent in the Section hereof entitled "Definitions" or at such other office of the Paying Agent designated by the Paying Agent for such purpose. Interest on each Bond shall be payable by check, draft or wire transfer (if requested by any Owner) of the Paying Agent mailed or wired on each Interest Payment Date to the Owner thereof as of the close of business on the corresponding Record Date; provided that such interest payable to any Owner may be paid by any other means agreed to by such Owner and the Paying Agent that does not require the Town to make moneys available to the Paying Agent earlier than otherwise required hereunder or increase the costs borne by the Town hereunder. All payments of the principal of and interest on the Bonds shall be made in lawful money of the United States of America.

(e) ***Final Determination of Bond Details.*** The authority to determine other details of the Bonds is delegated to the Sale Delegate in the Section hereof entitled "Delegation and Parameters."

Section 4. Delegation and Parameters.

(a) The Town Council hereby delegates to the Sale Delegate the authority to determine and set forth in the Sale Certificate: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the parameters set forth in subsection (c) of this Section.

(b) The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

- (i) the identity of the Purchaser;
- (ii) the Dated Date of the Bonds;
- (iii) the Principal Payment Date;
- (iv) the Interest Payment Date;
- (v) the aggregate principal amount of the Bonds;
- (vi) the price at which the Bonds will be sold;

(vii) the amount of principal of the Bonds maturing in any particular year and the rate of interest on the Bonds;

(viii) the Bonds which may be redeemed at the option of the Town, the dates upon which such optional redemption may occur, and the prices at which such Bonds may be optionally redeemed; and

(ix) the principal amounts, if any, of Bonds subject to mandatory sinking fund redemption and the years in which such Bonds will be subject to such redemption.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Sale Certificate after the date that is one year after the date of adoption of this Ordinance;

(ii) the aggregate principal amount of the Bonds shall not exceed \$2,000,000;

(iii) The net effective interest rate for the Bonds shall not exceed 4.00% per annum; and

(iv) the final maturity of the Bonds shall be no later than the date that is 30 years after the date of issuance of the Bonds.

Section 5. Form of the Bonds. The Bonds shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the Town executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Ordinance and is incorporated herein as if set forth in full in the body of this Ordinance.

Section 6. Execution, Authentication and Delivery of the Bonds.

(a) **Execution.** The Bonds shall be executed in the name and on behalf of the Town with the manual or facsimile signature of the Mayor, shall bear a manual or facsimile of the seal of the Town and shall be attested by the manual or facsimile signature of the Town Clerk both of whom are hereby authorized and directed to prepare and execute the Bonds in accordance with the requirements hereof. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of any Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

(b) **Authentication.** When the Bonds have been duly executed, the officers of the Town are authorized to, and shall, deliver the Bonds to the Paying Agent for

authentication. No Bond shall be secured by or entitled to the benefit of this Ordinance, or shall be valid or obligatory for any purpose, unless the certificate of authentication of the Paying Agent has been manually executed by an authorized signatory of the Paying Agent. The executed certificate of authentication of the Paying Agent upon any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been properly authenticated hereunder.

(c) ***Delivery.*** Upon the authentication of the Bonds, the Paying Agent shall deliver the same to the Owners.

Section 7. Registration, Transfer and Exchange of the Bonds.

(a) ***Registration.*** The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration books shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the Town nor the Paying Agent shall be affected by any notice or other information to the contrary.

(b) ***Transfer and Exchange.*** The Bonds may be transferred or exchanged, at the Town Hall of the Town, which is the principal office of the Paying Agent, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the Town shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond.

(c) ***Limitations on Transfer.*** The Town and Paying Agent shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing interest payment date, or (ii) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Paying Agent shall not be required to transfer any Bonds selected or called for redemption. In order to ensure that all of the Bonds are held by not more than one Owner at any time, any transfer of Bonds hereunder shall be for not less than the aggregate principal amount of Bonds outstanding at the time of the transfer and shall be to a single purchaser.

Section 8. Replacement of Lost, Destroyed or Stolen Bonds. If any Bond shall become lost, apparently destroyed, stolen or wrongfully taken, it may be replaced in the form and tenor of the lost, destroyed, stolen or taken bond and the Town shall execute and the Paying Agent shall authenticate and deliver a replacement Bond upon the Owner furnishing, to the satisfaction of the Paying Agent: (a) proof of ownership (which shall be shown by the registration books of the Paying Agent), (b) proof of loss, destruction or theft, (c) an

indemnity to the Town and the Paying Agent with respect to the Bond lost, destroyed or taken, and (d) payment of the cost of preparing and executing the new bond or bonds.

Section 9. Redemption of Bonds Prior to Maturity.

(a) ***Optional Redemption.*** The Bonds shall be subject to redemption at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity on such dates as set forth in the Sale Certificate. If the Bonds are redeemed in part in any fiscal year, then no additional Bonds may be redeemed in that same fiscal year.

(b) ***Mandatory Sinking Fund Redemption.*** All or any principal amount of the Bonds may be subject to mandatory sinking fund redemption by lot on the Principal Payment Date of the years and in the principal amounts specified in the Sale Certificate and the Bond, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

(c) ***Redemption Procedures.*** Notice of any optional redemption of Bonds shall be given by the Paying Agent in the name of the Town by sending a copy of such notice by first class, postage prepaid mail or by electronic means, not less than 30 days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Ordinance funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. No prior notice shall be required to effect a mandatory sinking fund redemption. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

Section 10. Reaffirmation of Park and Recreation Fund; Establishment of Accounts. There is hereby reaffirmed the Park and Recreation Fund. Pledged Revenues deposited in the Park and Recreation Fund shall not thereafter be available to be pledged or expended for any general municipal purpose. There also are hereby established or re-established within the Park and Recreation Fund the following accounts:

(a) the Bond Account, within which there are established the Interest Sub-Account and the Principal Sub-Account; and

(b) the Project Account.

Section 11. Reserved.

Section 12. Application of Proceeds of the Bonds. Upon payment to the Town of the purchase price of the Bonds, the proceeds received by the Town from the sale of the

Bonds shall be applied as a supplemental appropriation of the Town for the payment of the costs of issuance of the Bonds and as follows:

- (a) accrued interest on the Bonds from the dated date thereof to the date of issuance shall be deposited into the Interest Sub-Account;
- (b) all remaining proceeds shall be deposited into the Project Account.

Section 13. Deposit of Pledged Revenues. Immediately upon receipt of the Pledged Revenues, the Town shall make the following deposits to the Park and Recreation Fund in the following order of priority:

First, to the credit of the Interest Sub-Account, the amounts required by the section hereof entitled "Bond Account";

Second, to the credit of the Principal Sub-Account, the amounts required by the section hereof entitled "Bond Account";

Third, to the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on subordinate lien obligations as described in paragraph (c) of the section hereof entitled "Pledge and Lien for Payment of Bonds," including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the ordinance or other enactment authorizing issuance of said subordinate lien obligations; and

Fourth, to the credit of any other account hereafter established by the Town in the Park and Recreation Fund.

Section 14. Bond Account.

(a) ***Use of Moneys in Bond Account.*** Moneys deposited in the Bond Account shall be used solely for the purpose of paying the principal of, premium if any, and interest on the Bonds and any Parity Lien Bonds. The Principal Sub-Account shall be used to pay the principal of and premium, if any, on the Bonds and any Parity Lien Bonds, and the Interest Sub-Account shall be used to pay the interest on the Bonds and any Parity Lien Bonds.

(b) ***Deposits to Interest Sub-Account.*** On or before the last day of each month, commencing in the month next succeeding the date of issuance of the Bonds, the Town shall credit to the Interest Sub-Account, from the Pledged Revenues and any interest income to be deposited in the Interest Sub-Account pursuant to the terms hereof, an amount equal to the Pro Rata Portion of the interest to come due on the Bonds and any Parity Lien Bonds on the next succeeding interest payment date.

(c) ***Deposits to Principal Sub-Account.*** On or before the last day of each month, commencing in the month next succeeding the date of issuance of the Bonds, the Town shall credit to the Principal Sub-Account, from the Pledged Revenues and any interest income to be deposited in the Principal Sub-Account pursuant to the terms

hereof, an amount equal to the Pro Rata Portion of the principal coming due on the Bonds and on any Parity Lien Bonds on the next succeeding principal payment date.

(d) ***Investments.*** Moneys deposited in the Bond Account may be invested or deposited in securities or obligations that are Permitted Investments. The investment of moneys deposited in the Bond Account shall, however, be subject to the covenants and provisions of the section hereof entitled "Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes." Except to the extent otherwise required by such section, all interest income from the investment or reinvestment of moneys deposited in any sub-account of the Bond Account shall remain in and become part of such sub-account.

Section 15. Project Account.

(a) ***Use of Moneys in Project Account.*** All moneys deposited in the Project Account shall be applied solely to the payment of the costs of the Project. Upon the determination of the Town Council that all costs of the Project have been paid or are determinable, any balance remaining in the Project Account (less any amounts necessary to pay costs of the Project not then due and owing) shall be transferred to the Bond Account.

(b) ***Investments.*** Moneys deposited in the Project Account may be invested or deposited in securities or obligations that are Permitted Investments. The investment of moneys deposited in the Project Account shall, however, be subject to the covenants and provisions of the section hereof entitled "Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes." Except to the extent otherwise required by such section, interest income from the investment or reinvestment of moneys deposited in the Project Account shall remain in and become part of the Project Account.

Section 16. Pledge and Lien for Payment of Bonds.

(a) ***Pledge of Revenues.*** The Town hereby pledges for the payment of the principal of, premium, if any, and interest on the Bonds and Parity Lien Bonds at any time Outstanding, and grants a first lien (but not necessarily an exclusive first lien) for such purpose on the Pledged Revenues and (ii) all moneys on deposit from time-to-time in the Bond Account and the Project Account.

(b) ***Superior Liens Prohibited.*** The Town shall not pledge or create any other lien on the revenues and moneys pledged pursuant to paragraph (a) of this Section that is superior to the pledge thereof or lien thereon pursuant to such paragraphs.

(c) ***Subordinate Liens Permitted.*** Nothing herein shall prohibit the Town from issuing subordinate lien obligations and pledging or creating a lien on the revenues and moneys pledged and the lien created pursuant to paragraph (a) of this section that is subordinate to the pledge thereof or lien thereon pursuant to such paragraph, provided that no Event of Default shall have occurred and be continuing.

(d) ***No Prohibition on Additional Security.*** Nothing herein shall prohibit the Town from depositing any legally available revenues from the Sales Tax that are not Pledged Revenues or any other moneys into any account of the Park and Recreation Fund pledged to the payment of the Bonds and Parity Lien Bonds (and thereby subjecting the moneys so deposited to the pledge made and lien granted in paragraph (a) of this section).

(e) ***Bonds are Special, Limited Obligations of the Town.*** The Bonds are special, limited and non-cancellable (subject only to redemption, as provided herein) obligations of the Town payable solely from the Pledged Revenues and secured solely by the sources provided in this Ordinance. The Bonds shall not constitute a debt of the Town within the meaning of any constitutional or statutory limitation.

Section 17. Conditions to Issuance of Parity Lien Bonds. The Town shall not issue Parity Lien Bonds unless all of the following conditions are satisfied:

(a) ***Historical and Expected Sales Tax Test; Special Test for Refundings.*** A Certified Public Accountant certifies in writing that either:

(i) the Sales Tax for any 12 consecutive months in the 18 months immediately preceding the month in which such certification is delivered (referred to in this paragraph as the "test period") have been equal to at least 150% of the sum of the Combined Maximum Principal and Interest Requirements due or to become due on the Bonds and the proposed Parity Lien Bonds during each calendar year following the date of issuance of the proposed Parity Lien Bonds, provided that in calculating the Sales Tax during the test period, the Town shall add the amount by which the Town reasonably estimates the Sales Tax would have been increased during the test period from any increase in the rate of the Town's Sales Tax that (A) is effective on or prior to the date such certification is delivered and (B) is pledged to the payment of principal of, premium, if any, and interest on the Bonds; or

(ii) the proceeds of the proposed Parity Lien Bonds will be used to refund the Bonds and the aggregate principal of and interest due on the proposed Parity Lien Bonds is not greater than the aggregate principal of and interest due on the Bonds that will be refunded.

(b) ***Accrued Interest Deposited in Bond Account.*** Moneys (which may but need not be proceeds of the proposed Parity Lien Bonds) in an amount equal to the interest accrued on the proposed Parity Lien Bonds from their dated date to their date of issuance are deposited into the Bond Account.

(c) ***No Event of Default.*** The Mayor certifies in writing that no Event of Default has occurred and is continuing.

Section 18. Additional General Covenants. In addition to the other covenants of the Town contained herein, the Town hereby further covenants for the benefit of Owners of the Bonds that:

(a) ***Maintenance of Sales Tax.*** The Town will not reduce the rate of the Sales Tax or alter, exempt or modify the transactions, properties or items subject to the Sales Tax in any manner that the Town expects will materially reduce the amounts available for deposit into the Park and Recreation Fund; provided however, nothing in this section shall be construed as prohibiting the Sales Tax to be superseded by a State or County sales tax which is intended to replace the Sales Tax and which (i) is approved by a majority of the Town's qualified electors voting at a Townwide election, (ii) is pledged to the payment of the principal of, premium if any, and interest on the Bonds, and (iii) results in a pledge of revenues from a sales tax on the sale or purchase of tangible personal property sold at retail or the furnishing of services within the Town which is not materially different than the pledge of the Sales Tax in the Park and Recreation Fund.

(b) ***Efficient Collection and Enforcement of the Sales Tax.*** The Town will manage the collection and enforcement of the Sales Tax in the most efficient and economical manner practicable.

(c) ***Inspection of Records.*** The Town will keep or cause to be kept such books and records showing the proceeds of the Sales Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governmental entities, and the Owner of any Bond shall have the right at all reasonable times to inspect all non-confidential records, accounts, actions and data of the Town relating to the Bonds, the Sales Tax and the Park and Recreation Fund.

(d) ***Annual Audit.*** The Town will cause an annual audit to be made of the books relating to the Sales Tax each year by a certified public or registered accountant and shall furnish a copy thereof to the Purchaser at its request and to any Owner who so requests and agrees to pay the cost of reproduction and mailing. The annual audit of the Town's general purpose financial statements shall be deemed to satisfy this covenant.

(e) ***Replacement of the Sales Tax.*** If the Sales Tax is replaced by another tax or revenue source, the revenues, net of collection and enforcement costs, received by the Town from the replacement in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and to make the deposits to the accounts required hereunder are hereby pledged for the benefit of the Owners of the Bonds in the same manner and on the same terms as the Pledged Revenues are pledged therefor hereunder.

Section 19. Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes. For purposes of ensuring that the interest on the Bonds is and remains excluded from gross income for federal income tax purposes, the Town hereby specifically covenants that:

(a) ***Prohibited Actions.*** The Town will not use or permit the use of any proceeds of the Bonds or any other funds of the Town from whatever source derived, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions, which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or would otherwise cause the interest on any Bond to be includible in gross income for federal income tax purposes.

(b) ***Affirmative Actions.*** The Town will at all times do and perform all acts and will not permit any omissions as from time to time required by law that are necessary in order to assure that interest paid by the Town on the Bonds shall not be includible in the gross income of any Owner for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the Town represents, warrants and covenants to comply with the following rules unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Bonds will not be used in a manner that will cause the Bonds to be considered “private activity bonds” within the meaning of the Code; (ii) the Bonds are not and will not become directly or indirectly “federally guaranteed”; and (iii) the Town will timely file Internal Revenue Form 8038-G which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

(c) ***Letter of Instructions.*** The Town will comply with the Letter of Instructions delivered to it on the date of issuance of the Bonds, including but not limited by the provisions of the Letter of Instructions regarding the application and investment of Bond proceeds, the calculations, the deposits, the disbursements, the investments and the retention of records described in the Letter of Instructions; provided that, in the event the original Letter of Instructions is superseded or amended by a new Letter of Instructions drafted by, and accompanied by an opinion of Bond Counsel stating that the use of the new Letter of Instructions will not cause the interest on the Bonds to become includible in gross income for federal income tax purposes, the Town will thereafter comply with the new Letter of Instructions.

(d) ***Bank Qualified.*** The Town hereby designates the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code. The Town covenants that the aggregate original issue amount of all tax-exempt obligations issued by the Town, together with governmental entities which derive their issuing authority from the Town or are subject to substantial control by the Town, shall not be more than \$10,000,000 during calendar year 2021. The Town recognizes that such tax-exempt obligations include notes, leases, loans and warrants, as well as bonds. The Town further recognizes that any bank, thrift institution or other financial institution that owns the Bonds will rely on the Town’s designation of the Bonds as qualified tax-exempt obligations for the purpose of avoiding the loss of 80% of any otherwise available interest deduction attributable to such institution’s tax-exempt holdings.

Section 20. Defeasance. Any Bond shall not be deemed to be Outstanding hereunder if it shall have been paid and cancelled or if cash or Federal Securities shall have been deposited in trust for the payment thereof (whether upon or prior to the maturity of such Bond, but if such Bond is to be paid prior to maturity, the Town shall have given the Paying Agent irrevocable directions to give notice of redemption as required by this Ordinance, or such notice shall have been given in accordance with this Ordinance). In computing the amount of the deposit described above, the Town may include interest to be earned on the Federal Securities. If less than all the Bonds are to be defeased pursuant to this section, the Town, in its sole discretion, may select which of the Bonds shall be defeased.

Section 21. Events of Default. Each of the following events constitutes an Event of Default:

(a) ***Nonpayment of Principal, Premium or Interest.*** Failure to make any payment of principal of, premium, if any, or interest on the Bonds when due hereunder;

(b) ***Breach or Nonperformance of Duties.*** Breach by the Town of any material covenant set forth herein or failure by the Town to perform any material duty imposed on it hereunder and continuation of such breach or failure for a period of 60 days after receipt by the Town Attorney of the Town of written notice thereof from the Paying Agent or from the Owners of at least 10% in principal amount of the Outstanding Bonds, provided that such 60 day period shall be extended so long as the Town has commenced and continues a good faith effort to remedy such breach or failure; or

(c) ***Appointment of Receiver.*** An order or decree is entered by a court of competent jurisdiction appointing a receiver for all or any portion of the revenues and moneys pledged for the payment of the Bonds pursuant hereto is entered with the consent or acquiescence of the Town or is entered without the consent or acquiescence of the Town but is not vacated, discharged or stayed within 30 days after it is entered.

Section 22. Remedies for Events of Default.

(a) ***Remedies.*** Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Town to protect and to enforce the rights of any Owner of Bonds under this Ordinance by mandamus, injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction: (i) for the payment of interest on any installment of principal of any Bond that was not paid when due at the interest rate borne by such bond, (ii) for the appointment of a receiver or an operating trustee, (iii) for the specific performance of any covenant contained herein, (iv) to enjoin any act that may be unlawful or in violation of any right of any Owner of any Bond, (v) to require the Town to act as if it were the trustee of an express trust, (vi) for any other proper legal or equitable remedy as such Owner may deem most effectual to protect their rights or (vii) any combination of such remedies or as otherwise may be authorized by any statute or other provision of law; provided, however, that acceleration of any amount not yet due on the Bonds according to their terms shall not be an available remedy. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of Owners of Bonds hereunder may collect, receive and apply all revenues and moneys pledged for the payment of the Bonds pursuant hereto arising after the appointment of such receiver or operating trustee in the same manner as the Town itself might do.

(b) ***Failure to Pursue Remedies Not a Release; Rights Cumulative.*** The failure of any Owner of any Bond then Outstanding to proceed in any manner herein provided shall not relieve the Town of any liability for failure to perform or carry out its

duties hereunder. Each right or privilege of any such Owner (or trustee therefor) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity.

(c) ***Obligations of Town and Paying Agent in Connection with Events of Default.*** Upon the occurrence and continuation of any of Events of Default: (i) the Town shall take all proper acts to protect and preserve the security for the payment of the Bonds and to insure the payment of debt service on the Bonds promptly when due; (ii) the Town and the Paying Agent shall give the Owners of the Bonds then Outstanding notice by first class mail of (A) any default in the payment of, premium, if any, or interest on the Bonds immediately after discovery thereof and (B) any other Event of Default within 30 days after discovery thereof. During the continuation of any Event of Default, except to the extent it may be unlawful to do so, all revenues and moneys pledged for the payment of the Bonds pursuant hereto shall be held for and applied to the debt service on all Bonds and Parity Lien Bonds, but not Subordinate Bonds on an equitable and prorated basis. If the Town fails or refuses to proceed as provided in this paragraph, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as provided in this paragraph; and to that end any such rights of Owners of Bonds then Outstanding shall be subrogated to all rights of the Town under any agreement or contract involving the revenues and moneys pledged for the payment of the Bonds pursuant hereto that was entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding. Nothing herein requires the Town to proceed as provided in this paragraph if it determines in good faith and without any abuse of its discretion that such action is likely to affect materially and prejudicially the Owners of the Bonds then Outstanding.

Section 23. Amendment of Ordinance.

(a) ***Amendments Permitted without Notice to or Consent of Owners.*** The Town may, without the consent of or notice to the Owners of the Bonds, adopt one or more ordinances amending or supplementing this Ordinance (which ordinances shall thereafter become a part hereof) for the purpose of making any change that does not materially adversely affect the Owners of the Bonds.

(b) ***Amendments Requiring Notice to and Consent of Owners.*** Except for amendments permitted by paragraph (a) of this section, this Ordinance may only be amended (i) by an ordinance of the Town amending or supplementing this Ordinance (which, after the consents required therefor, shall become a part hereof) and (ii) with the written consent of the Owners of at least 66 2/3% in aggregate principal amount of the Bonds then Outstanding; provided that any amendment that makes any of the following changes with respect to any Bond shall not be effective without the written consent of the Owner of such bond: (A) a change in the maturity of such bond; (B) a reduction of the interest rate on such bond; (C) a change in the terms of redemption of such bond; (D) a

delay in the payment of principal of, premium, if any, or interest on such bond; (E) the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of such bond hereunder that is superior to the pledge and lien for the payment of such bond hereunder; (F) a relaxation of the conditions to the issuance of Parity Lien Bonds or to the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of such bond hereunder that is equal to or on a parity with the pledge and lien for the payment of such bond hereunder; (G) a reduction of the principal amount or percentage of Bonds whose consent is required for an amendment to this Ordinance; or (H) the establishment of a priority or preference for the payment of any amount due with respect to any other Bond over such bond.

(c) ***Procedure for Notifying and Obtaining Consent of Owners.*** Whenever the consent of an Owner or Owners of Bonds is required under paragraph (b) of this Section, the Town shall mail a notice to such Owner or Owners at their addresses as set forth in the registration books maintained by the Paying Agent and to the Purchaser, which notice shall briefly describe the proposed amendment and state that a copy of the amendment is on file in the office of the Town Clerk for inspection. Any consent of any Owner of any Bond obtained with respect to an amendment shall be in writing and shall be final and not subject to withdrawal, rescission or modification for a period of 60 days after it is delivered to the Town unless another time period is stated for such purpose in the notice mailed pursuant to this paragraph.

Section 24. Findings and Determinations. Having been fully informed of and having considered all the pertinent facts and circumstances, the Council does hereby find, determine, and declare:

(a) Voter approval of the Ballot Issue was obtained in accordance with all applicable provisions of law and, in accordance with the Ballot Issue (i) the principal amount of the Bonds will not exceed \$3,800,000 and (ii) the maximum repayment cost of the Bonds will not exceed \$7,200,000;

(b) The issuance of the Bonds and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Charter and the Constitution and laws of the State, including the Acts, and all conditions and limitations of the Charter, and other applicable law relating to the issuance of the Bonds have been satisfied;

(c) It is to the best advantage of the Town and its residents that the Bonds be authorized, sold, issued and delivered pursuant to a private placement to be held and conducted in accordance with the Acts and the provisions hereof at the time, in the manner and for the purposes provided in this Ordinance; and

(d) In accordance with Section 11 57 204, C.R.S., the Town hereby elects to apply all of the provisions of Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes, as amended, to the issuance of the Bonds.

Section 25. Appointment and Duties of Paying Agent. The Paying Agent is hereby appointed as paying agent, registrar and authenticating agent for the Bonds unless and until the Town removes it as such and appoints a successor Paying Agent, in which event such successor shall automatically succeed to the duties of the Paying Agent hereunder and its predecessor shall immediately turn over all its records regarding the Bonds to such successor. The Paying Agent, by accepting its duties as such, agrees to perform all duties and to take all actions assigned to it hereunder in accordance with the terms hereof. The Paying Agent may resign at any time by giving prior written notice of such resignation to the Town at its last known address, and thereupon such duties as Paying Agent shall cease not sooner than thirty (30) days following the Town's receipt of such notice. The Town may appoint a successor agent, whose appointment and acceptance of the duties of Paying Agent may be affected through the execution of a certificate or agreement by the Paying Agent.

Section 26. Approval of Miscellaneous Documents. The Town Council hereby authorizes and approves the execution of the Tax Certificate. The Mayor, the Town Clerk and all other officers of the Town are hereby authorized and directed to execute all documents and certificates necessary or desirable to effectuate the issuance of the Bonds and the transactions contemplated hereby.

Section 27. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Ordinance or the Acts) by the Town Council or by the officers and employees of the Town directed toward the issuance of the Bonds for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 28. Events Occurring on Days That Are Not Business Days. Except as otherwise specifically provided herein with respect to a particular payment, event or action, if any payment to be made hereunder or any event or action to occur hereunder which, but for this section, is to be made or is to occur on a day that is not a Business Day shall instead be made or occur on the next succeeding day that is a Business Day.

Section 29. Headings. The headings to the various sections and paragraphs to this Ordinance have been inserted solely for the convenience of the reader, are not a part of this Ordinance, and shall not be used in any manner to interpret this Ordinance.

Section 30. Ordinance Irrepealable. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the Owners and the Town, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 31. Severability. It is hereby expressly declared that all provisions hereof and their application are intended to be and are severable. In order to implement such intent, if any provision hereof or the application thereof is determined by a court or administrative body to be invalid or unenforceable, in whole or in part, such determination shall not affect, impair or invalidate any other provision hereof or the application of the provision in question to any other situation; and if any provision hereof or the application thereof is determined by a court or administrative body to be valid or enforceable only if its application is limited, its application shall be limited as required to most fully implement its purpose.

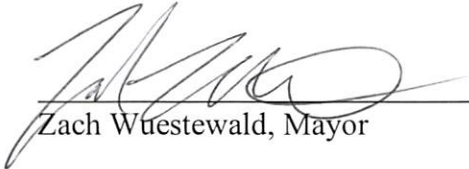
Section 32. Repealer. All orders, bylaws, ordinances, and resolutions of the Town, or parts thereof, inconsistent or in conflict with this Ordinance, are hereby repealed to the extent only of such inconsistency or conflict.

Section 33. Effective Date. This Ordinance, immediately on final passing and adoption, shall be published in accordance with Section 3-3h of the Home Rule Charter and recorded in the Town Book of Ordinances kept for that purpose, authenticated by the signature of the Mayor and attested by the Town Clerk. This Ordinance shall be in full force and effective immediately after its publication in accordance with Section 3-3h of the Hayden Home Rule Charter.

Section 34. Public Hearing. A public hearing on this Ordinance will be held on the 21st day of January, 2021, at or about 7:30 p.m. at the Hayden Town Hall, 178 West Jefferson Avenue, Hayden, Colorado.

[Remainder of Page Left Intentionally Blank]

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (d) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE 7TH DAY OF JANUARY, 2021.


Zach Wuestewald, Mayor

ATTEST


Sharon Johnson, Town Clerk



FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (h) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE 21ST DAY OF JANUARY, 2021.


Zach Wuestewald, Mayor

ATTEST


Sharon Johnson, Town Clerk



APPENDIX A
FORM OF THE BOND

UNITED STATES OF AMERICA
STATE OF COLORADO

TOWN OF HAYDEN, COLORADO
SALES TAX REVENUE BONDS
SERIES 2021

No. R. _____ \$ _____

Interest Rate

Maturity Date

Original Dated Date

CUSIP

_____ %

REGISTERED OWNER:

PRINCIPAL SUM: ** _____ DOLLARS**

The TOWN OF HAYDEN, COLORADO, a duly organized and validly existing town and political subdivision of the State of Colorado (the "Town"), for value received, hereby promises to pay to the order of the registered owner named above or registered assigns, solely from the special funds as hereinafter set forth, on the maturity date stated above, the principal sum stated above, in lawful money of the United States of America, with interest thereon from the original dated date stated above, at the interest rate per annum stated above, payable on June 1 and December 1 of each year, commencing June 1, 2021, the principal of and premium, if any, and the final installment of interest on this bond being payable to the registered owner hereof upon presentation and surrender of this bond at the office of the Town Manager, as Paying Agent (the "Paying Agent"), in Hayden, Colorado, or at such other location as identified by the Paying Agent, and the interest hereon (other than the final installment of interest hereon) to be paid by check or draft of the Paying Agent mailed on the interest payment date to the registered owner hereof as of the close of business on the last day (whether or not such day is a Business Day) preceding the interest payment date. The Town and the Paying Agent agree to make payments of principal and interest on the Bonds, when due respectively, via wire transfer if so requested in writing by the registered owner hereof.

This bond is one bond of the Town with multiple mandatory sinking fund redemption dates for principal, as set forth in the table below, designated Sales Tax Revenue Bonds, Series 2021, issued in the principal amount of \$ _____ (the "Bonds"). The Bonds are being issued by the Town for the purpose of providing funds for the financing of the Project, pursuant to and in full conformity with the Constitution and laws of the State of Colorado and an ordinance (the "Ordinance") duly adopted by the Town prior to the issuance hereof.

[Redemption Provisions to be Inserted Here.]

This Bond is subject to mandatory sinking fund redemption, in part, by lot, on December 1, 20__ and on each December 1 thereafter prior to the maturity date of this Bond, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption	Redemption Amount
20__	\$ __,000
20__	__,000
20__	__,000
20__ ¹	__,000

¹ Final maturity, not a sinking fund redemption.

Notice of any optional redemption of Bonds shall be given by the Paying Agent in the name of the Town by sending a copy of such notice by first-class, postage prepaid mail, not less than 30 days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the principal amounts of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Ordinance funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. No prior notice shall be required to effect a mandatory sinking fund redemption. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of the Bonds shall be recorded. The person in whose name this bond shall be registered on such registration books shall be deemed to be the absolute owner hereof for all purposes, whether or not payment on this bond shall be overdue, and neither the Town nor the Paying Agent shall be affected by any notice or other information to the contrary. This bond may be transferred to a single purchaser or exchanged, at the principal operations office of the Paying Agent in Denver, Colorado, or at such other location as identified by the Paying Agent, for a like aggregate principal amount of the Bonds of other authorized denominations (\$5,000 or any integral multiple thereof) of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith.

The Bonds are special, limited and non-cancellable (subject only to redemption, as provided herein) obligations of the Town payable solely from and secured solely by the sources provided in the Ordinance and shall not constitute a debt of the Town within the meaning of any constitutional or statutory limitation. Pursuant to the Ordinance the Town pledged for the payment of the principal of, premium, if any, and interest on the Bonds at any time outstanding, and granted a lien for such purpose on (i) all of the revenue derived from the imposition of 2% of

the Town's Sales Tax but not the remaining 3.5% of the Sales Tax (the "Pledged Revenues"), and (ii) all moneys on deposit from time-to-time in the Bond Account and the Project Account within the Park and Recreation Fund. The Town is authorized to pledge and grant a lien, on a parity with the lien for the payment of the Bonds, on the Pledged Revenues and the moneys on deposit in the Park and Recreation Fund for the payment of other bonds or obligations upon satisfaction of certain conditions set forth in the Ordinance.

This bond is issued pursuant to, under the authority of, and in full conformity with, the Charter of the Town and the laws of the State, including, in particular, Part 1 of Article 2 of Title 29 and Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended. This bond, including the interest hereon, is payable solely from and secured solely by the special funds provided in the Ordinance and shall not constitute a debt of the Town within the meaning of any constitutional or statutory debt limitation or provision.

THE ORDINANCE CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE TOWN. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE ORDINANCE, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

The Town agrees with the owner of this bond and with each and every person who may become the owner hereof, that it will keep and perform all the covenants and agreements contained in the Ordinance.

The Ordinance may be amended or supplemented from time-to-time with or without the consent of the registered owners of the Bonds as provided in the Ordinance.

It is hereby certified that all conditions, acts and things required by the constitution and laws of the State of Colorado, and the ordinances of the Town, to exist, to happen and to be performed, precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Bonds do not exceed any limitations prescribed by said Constitution or laws of the State of Colorado, or the resolutions of the Town.

This bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the Paying Agent shall have signed the certificate of authentication hereon.

IN WITNESS WHEREOF, Town of Hayden, Colorado, has caused this bond to be signed in the name and on behalf of the Town with the manual or facsimile signature of the Mayor, to be sealed with the seal of the Town or a facsimile thereof and to be attested by the manual or facsimile signature of the Town Clerk.

[MANUAL OR FACSIMILE SEAL]

HAYDEN, COLORADO

By (Manual or Facsimile Signature)
Mayor

ATTEST:

By (Manual or Facsimile Signature)
Town Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Ordinance.

The Town Manager of the Town of Hayden, as
Paying Agent

By Nathan Hendson
Town Manager

Date of Authentication: 01-21-2021

CERTIFICATE OF TRANSFER

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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

TRANSFER FEE MAY BE REQUIRED