

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 27, 2026**

**NEW ISSUE  
BOOK-ENTRY ONLY**

**RATING: Moody's: "[To come]"  
See "RATING"**

*In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease 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 of delivery of the Certificates (the "Tax Code"), is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations, and is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates as described herein. See "TAX MATTERS."*

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**CERTIFICATES OF PARTICIPATION, SERIES 2026**

**Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement, dated August 19, 2026, between U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, solely in its capacity as Trustee under the Indenture, as lessor, and the CITY OF FORT COLLINS, COLORADO, as lessee**

**Dated: Date of Delivery**

**Due: December 1, as shown herein**

The Certificates of Participation, Series 2026 (the "Certificates"), evidence a proportionate interest in the base rentals and certain other revenues under an annually renewable Lease Purchase Agreement dated as of August 19, 2026 (the "Lease"), entered into between U.S. Bank Trust Company, National Association, solely in its capacity as trustee under the Indenture (the "Trustee"), as lessor, and the City of Fort Collins, Colorado, as lessee (the "City"). The Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of August 19, 2026 (the "Indenture"), executed and delivered by the Trustee.

The Certificates are issued as fully registered certificates in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See "THE CERTIFICATES--Book-Entry Only System." The Certificates bear interest at the rates set forth herein, payable on June 1 and December 1 of each year, commencing on [December 1], 2026, to and including the maturity dates shown herein (unless the Certificates are redeemed earlier), payable to the registered owner of the Certificates, initially Cede & Co. The

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\* Subject to change.

principal of the Certificates will be payable upon presentation and surrender at the Trustee. See “THE CERTIFICATES.”

**The maturity schedule for the Certificates appears on the inside cover page of this Official Statement.**

The Certificates are subject to redemption prior to maturity at the option of the City [and are also subject to mandatory sinking fund redemption] as described in “THE CERTIFICATES--Redemption Provisions.” *The Certificates are subject to extraordinary mandatory redemption upon the occurrence of an Event of Nonappropriation or an Event of Lease Default as described in “THE CERTIFICATES--Redemption Provisions - Extraordinary Redemption Upon the Occurrence of Certain Events.”*

The proceeds from the issuance of the Certificates, together with other available moneys, will be used to: (i) acquire, construct, install, equip and improve the Recreation Center portion of the Southeast Community Center and other capital improvements of the City (the “Project”); and (ii) pay the costs of issuing the Certificates. See “SOURCES AND USES OF FUNDS.”

**Neither the Lease nor the Certificates constitute a general obligation, a multiple fiscal year direct or indirect debt or other financial obligation or indebtedness of the City within the meaning of any constitutional, or statutory debt limitation. None of the Lease, the Indenture or the Certificates directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year in which the Lease may be in effect. Except to the extent payable from the proceeds of the Certificates and income from the investment thereof, from the Net Proceeds (defined herein), from net proceeds from exercising certain remedies under the Lease or from other amounts made available under the Indenture, the Certificates are payable during the lease term solely from Base Rentals payable to the Trustee under the Lease and the income from certain investments under the Indenture. All payment obligations of the City under the Lease are from year to year only. The Lease is subject to annual renewal by the City. Upon termination of the Lease, the Certificates will be payable solely from moneys, if any, held by the Trustee under the Indenture and any amounts resulting from the exercise of various remedies by the Trustee under the Site Lease, the Lease and the Indenture, all as more fully described herein.**

**This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision and should give particular attention to the section entitled “CERTAIN RISK FACTORS.”**

The Certificates are offered when and if executed and delivered and subject to the approval of legality by Butler Snow LLP, Denver, Colorado, Special Counsel, and certain other conditions. Butler Snow LLP also has acted as special counsel to the City in connection with this Official Statement. Certain legal matters will be passed upon for the City by the City Attorney. Hilltop Securities Inc., Denver, Colorado, is acting as Municipal Advisor to the City. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about August 19, 2026.\*

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\* Subject to change.

**MATURITY SCHEDULE**  
**(CUSIP® 6-digit issuer number: \_\_\_\_\_)**

\$ \_\_\_\_\_ \*

**CERTIFICATES OF PARTICIPATION, SERIES 2026**  
**Evidencing Proportionate Interests in the Base Rentals and other Revenues under an**  
**Annually Renewable Lease Purchase Agreement, dated August 19, 2026, between**  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
**solely in its capacity as Trustee under the Indenture, as lessor,**  
**and the CITY OF FORT COLLINS, COLORADO, as lessee**

<u>Maturing</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>	<u>CUSIP®</u> <u>Issue</u> <u>Number</u>	<u>Maturing</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u> <u>or</u> <u>Yield</u>	<u>CUSIP®</u> <u>Issue</u> <u>Number</u>
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[\$ \_\_\_\_\_ % Term Certificate due December 1, 20\_\_\_\_. Priced to Yield: \_\_\_\_\_%. CUSIP® Issue No.: \_\_\_\_\_.

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\* Subject to change.

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 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 Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the City. The City maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Certificates.

The information set forth in this Official Statement has been obtained from the City and from the sources referenced throughout this Official Statement, which the City believes to be reliable. No representation is made by the City, however, as to the accuracy or completeness of information provided from sources 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 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.

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

The Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE CERTIFICATES, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**CITY OF FORT COLLINS, COLORADO**

**City Council**

Emily Francis, Mayor  
Julie Pignataro, Mayor Pro Tem  
Chris Conway, Council Member  
Josh Fudge, Council Member  
Melanie Potyondy, Council Member  
Amy Hoeven, Council Member  
Anne Nelsen, Council Member

**City Staff**

Kelly DiMartino, City Manager  
Caleb Weitz, Chief Financial Officer  
Carrie Daggett, Esq., City Attorney

**MUNICIPAL ADVISOR TO THE CITY**

Hilltop Securities Inc.  
Denver, Colorado

**TRUSTEE, REGISTRAR AND PAYING AGENT**

U.S. Bank Trust Company National Association  
Denver, Colorado

**SPECIAL COUNSEL**

Butler Snow LLP  
Denver, Colorado

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NOTE: Tables marked with an (\*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2 12, as amended. See Appendix D - Form of Continuing Disclosure Certificate.

The information to be updated may be reported in any format chosen by the City; it is not required that the format reflected in this Official Statement be used in future years. The budget information contained in the General Fund budget summary and comparison table is to be satisfied with the current year budget information found in the ACFR.

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## OFFICIAL STATEMENT

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**solely in its capacity as Trustee under the Indenture, as lessor,**  
**and the CITY OF FORT COLLINS, COLORADO, as lessee**

### INTRODUCTION

#### General

This Official Statement, including the cover page, inside cover page and appendices, is furnished in connection with the execution, delivery and sale of \$ \_\_\_\_\_\* aggregate principal amount of Certificates of Participation, Series 2026 (the “Certificates”), evidencing proportionate interests in the base rentals and other revenues under an annually renewable Lease Purchase Agreement dated as of August 19, 2026 (the “Lease”), between U.S. Bank Trust Company, National Association, Denver, Colorado, solely in its capacity of trustee under the Indenture (the “Trustee”), as lessor, and the City of Fort Collins, Colorado, as lessee (the “City”). The Certificates will be executed and delivered pursuant to the terms of an Indenture of Trust executed by the Trustee dated as of August 19, 2026 (the “Indenture”). Certain of the capitalized terms used herein and not otherwise defined are defined in Appendix B to this Official Statement.

*The offering of the Certificates is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Certificates. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein, particularly the section entitled “CERTAIN RISK FACTORS.” Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page and appendices, is unauthorized.*

#### The City

The City is a political subdivision of the State of Colorado (the “State”) founded in 1864 and incorporated as a statutory town on February 3, 1873. The City became a city of the second class on February 2, 1883, and existed in this form until September 16, 1913, when the City Charter (the “City Charter”) was adopted by a majority of the electors of the City acting under the provisions of Article XX of the Constitution of the State. On October 5, 1954, the present City Charter was adopted authorizing a council-manager form of government.

The City had an estimated population of 172,321 as of December 2021 and is located approximately 65 miles north of Denver in north central Colorado just west of Interstate 25, the principal route between Denver, Colorado, and Cheyenne, Wyoming. The City is the

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\* Subject to change.

county seat of Larimer County (the “County”). Colorado State University (the “University”) is located in the City, and students and staff at the University are a significant factor in the City’s economy. See “THE CITY.”

### **The Certificates; Prior Redemption**

The Certificates are issued solely as fully registered certificates in the denomination of \$5,000, or any integral multiple thereof. The Certificates are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the Certificates is described in “THE CERTIFICATES--Payment Provisions.” The Certificates initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Certificates. Purchases of the Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Certificates. See “THE CERTIFICATES--Book-Entry Only System.”

The Certificates are subject to redemption prior to maturity at the option of the City [and are also subject to mandatory sinking fund redemption] as described in “THE CERTIFICATES--Redemption Provisions.”

*The Certificates are subject to extraordinary mandatory redemption upon the occurrence of an Event of Nonappropriation or an Event of Lease Default as described in “THE CERTIFICATES--Redemption Provisions - Extraordinary Redemption Upon the Occurrence of Certain Events.”*

### **Purpose**

The City, Poudre River Library District and Poudre School District are contributing to, funding and constructing the Southeast Community Center located in the City (the “SECC”). The library portion of the SECC will be owned and operated by the Poudre River Public Library District, the common space portion will be shared by the City and the Poudre River Public Library District, and the Recreation Center portion will be owned and operated by the City. The proceeds from the issuance of the Certificates will be used by the City to: (i) acquire, construct, install, equip and improve the Recreation Center portion of the SECC and other capital improvements of the City (the “Project”); and (ii) pay the costs of issuing the Certificates. See “SOURCES AND USES OF FUNDS.”

### **The Site Lease and the Leased Property**

The Site Lease. The City and U.S. Bank Trust Company, National Association, solely in its capacity as Trustee under the Indenture, will enter into a Site Lease Agreement dated as of August 19, 2026 (the “Site Lease”), pursuant to which the City will lease to the Trustee the Eldora Pool Ice Center (“EPIC”) and the real property upon which EPIC is located, including all improvements located thereon (the “Leased Property”).

The Site Lease term expires on December 31, 20\_\_\_. Concurrently with the execution of the Site Lease, the Trustee will lease the Leased Property back to the City pursuant to the terms of the Lease. The City will own fee title to the Leased Property and the Trustee will

have a leasehold interest in the Leased Property, subject to the terms and provisions of the Site Lease, the Lease and the Indenture.

The Leased Property. The Leased Property includes EPIC and the real property upon which EPIC is located. EPIC's street address is 1801 Riverside Avenue in the City. [Description of Leased Property and approximate size in square feet and amenities]. The insured replacement value of EPIC is \$36,330,000.

### **Security for the Certificates; Termination of Lease**

General. The Certificates and the interest thereon are payable solely from the Base Rentals paid by the City pursuant to the Lease and other revenues (the "Revenues") received under the Lease, which include: (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Certificates deposited into Base Rentals Fund created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

Under the Indenture, the Trustee, for the benefit of the Owners of the Certificates, is to receive Base Rentals payable by the City under the Lease. The amount and timing of the Base Rentals are designed to provide sufficient money to the Trustee to pay the principal of and interest on the Certificates when due. The Trustee is to deposit to the Base Rentals Fund created under the Indenture all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the Lease, including all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds (but not Additional Rentals), all as defined in Appendix B.

*Neither the Lease nor the Certificates constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory, or Charter debt limitation. Neither the Certificates nor the Lease will directly or indirectly obligate the City to make any payments other than those which may be appropriated by the City for each fiscal year.*

The Trustee does not have any obligation to and will not make any payments on the Certificates pursuant to the Lease or otherwise.

Sources of Payment of Base Rentals. The Certificates and the interest thereon are payable solely from annually appropriated Base Rentals and other Revenues paid by the City under the Lease from any legally available funds of the City and from certain investment earnings and reserves, except to the extent payable from the "Net Proceeds," which are defined to mean the proceeds of any performance or payment bonds or proceeds of insurance, including self-insurance, required by the Lease or proceeds from any condemnation award, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of the Lease by reason of an Event of Nonappropriation or an Event of Lease Default, allocable to the Leased Property, less (a) all related expenses (including, without limitation, attorney's fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the City and the Trustee. See "SECURITY FOR THE CERTIFICATES."

The City currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from legally available funds in its General Fund and its 2050 Tax Parks & Recreation, Transit and Climate Fund [this statement to be confirmed by the City]. Notwithstanding the foregoing, Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the City's available funds in the future. *However, no revenues of the City, including revenues received from the sources described below, are specifically pledged to pay Base Rentals.*

The major source of the moneys deposited into the City's General Fund is the City's base sales and use tax (the "Base Sales and Use Tax"), which is currently imposed at a rate of 2.25%. The City's overall sales and use tax rate is 4.35%; however, portions of the total Sales and Use Tax are restricted to specific uses and are not deposited into the General Fund. As a result, the major source of legally available revenue is expected to be the Base Sales and Use Tax. See "CURRENT SOURCES OF AVAILABLE REVENUES" for a description of the City's Sales Tax. With voter approval, the City may increase its sales and/or use tax rates in the future, including the Base Sales and Use Tax.

Certain statutory and constitutional limitations limit the amount of Sales and Use Tax the City can collect. See "LEGAL MATTERS--Certain Constitutional Limitations" for a discussion of those limitations.

No Reserve Fund. The Certificates will *not* be secured by a Reserve Fund.

Termination of Lease; Annual Appropriation. The Lease constitutes a one-year lease of the Leased Property which is annually renewable for additional one-year terms as described in the Lease. The City must take action annually to renew the Lease term for another year. If the City fails to take such action, the Lease automatically will be terminated. The City's decision to terminate its obligations under the Lease will be determined by the failure of the City Council of the City (the "Council") to specifically budget and appropriate moneys to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year. The Chief Financial Officer or other officer of the City at any time charged with the responsibility of formulating budget proposals for the City is directed in the Lease to include in the annual budget proposals submitted to the Council, in any year in which the Lease is in effect, items for all payments required for the ensuing Renewal Term under the Lease until such time, if any, as the City may determine to not renew and terminate the Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation (defined in Appendix B) for the Base Rentals and Additional Rentals shall be made solely by the Council in its absolute discretion and not by any other official of the City, as further provided in the Lease.

If on or before the December 31 prior to the beginning of any Fiscal Year of the City, the City fails to budget and appropriate sufficient funds to pay all Base Rentals and all reasonably estimated Additional Rentals, the City will be considered to have terminated the Lease (subject to certain waiver and cure provisions). Upon termination of the City's obligations under the Lease, the Trustee may proceed to exercise certain remedies under the Lease and the Indenture, including the lease or sublease of the Leased Property, the sale or assignment of any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property, or one or any combination of the steps described in the Lease. See APPENDIX B - THE

LEASE--Nonappropriation by the City. The net proceeds of any such disposition are required to be applied by the Trustee toward the payment of the Certificates.

The Site Lease; Termination of the Site Lease. The Leased Property will be leased by the City to the Trustee pursuant to the Site Lease. At the end of the term of the Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee in and to the Leased Property will vest in the City. The Site Lease will terminate on the earliest to occur of the following: (a) the termination of the Lease Term as provided in the Lease due to the payment of the Purchase Option Price by the City, or upon payment by the City of all Base Rentals and Additional Rentals for the entire Lease Term; or (b) discharge of the Indenture as a result of the fact that all Certificates have been paid or have been deemed to have been paid as provided in the Indenture; or (c) December 31, 20[\_\_\_]. The Leased Property will no longer be subject to the provisions of the Site Lease, the Lease or the Indenture upon the termination of the Site Lease. See “CERTAIN RISK FACTORS--Limited Duration of Site Lease” and Appendix B - Certain Definitions and Document Summaries--The Site Lease - Site Lease and Term.

Release of Leased Property; Purchase Option Price. The City has the option to purchase the Trustee’s leasehold interest in the Leased Property and terminate the Site Lease and the Lease by paying the Purchase Option Price, which is equal to the amount necessary to pay all principal and interest due on all Outstanding Certificates and any other amounts necessary to defease and discharge the Indenture, as provided in the Lease. See APPENDIX B - THE LEASE--Purchase Option and Conditions for Purchase Option. The Trustee is required to use the Purchase Option Price to pay the principal, interest, and any premium on the Certificates. See “THE CERTIFICATES--Redemption Provisions.”

Release of Leased Property; Release and Substitution of Property. So long as no Event of Lease Default or Event of Nonappropriation shall have occurred and is continuing, the Trustee shall release the Leased Property, and shall execute all documents necessary or appropriate to convey or reconvey the same to the City, free of all restrictions and encumbrances imposed or created by the Site Lease, the Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written request of the City Representative for such release, describing the Leased Property to be released; (b) a certificate of the City Representative certifying (i) that the disposition of the Leased Property to be released and the substitution therefor of the real property to be substituted for the Leased Property to be released will not materially adversely affect the ability of the City to operate the Leased Property or any leased property to be substituted therefor, or to fulfill its obligations under the Lease, (ii) that any real property to be substituted for the Leased Property to be released will be useful in the operation of the City, and (iii) that the fair value of any real property to be substituted for the Leased Property to be released, as determined by the Council in a duly adopted resolution, together with remaining Leased Property and cash to be paid by the City to the Trustee, if any, is at least equal to the aggregate principal amount of the Certificates then Outstanding; (c) a certified copy of the resolution referred to in clauses (b)(iii); and (d) supplements and amendments to the Lease, the Indenture and any other documents necessary to subject to the lien of the Indenture any real property to be substituted for the Leased Property to be released. The City agrees that any cash paid to the Trustee pursuant to the Indenture provisions described above shall be deposited into the Principal Account or the Interest Account of the Base Rentals Fund, or both such accounts, as directed by the City.

Also see Appendix B - Certain Definitions and Document Summaries--The Lease - Partial Release and Substitution of Leased Property.

Additional Certificates. The Indenture permits the issuance of Additional Certificates without notice to or approval of the owners of the outstanding Certificates under the circumstances described in “THE CERTIFICATES--Additional Certificates.”

### **Tax Status**

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, the portion of the Base Rentals which is designated in the Lease 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 of delivery of the Certificates (the “Tax Code”), is not a specific preference item for purposes of the federal alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations, and is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates as described herein. See “TAX MATTERS.”

*Notwithstanding the foregoing, Special Counsel has disclaimed any opinion regarding the tax status of the Certificates after termination of the Lease. See “CERTAIN RISK FACTORS--Effect of Termination on Exemption from Taxation and on Exemption from Registration,” “TAX MATTERS” and Appendix E.*

### **Professionals**

Butler Snow LLP, Denver, Colorado, has acted as Special Counsel to the City in connection with execution and delivery of the Certificates and has also acted as special counsel to the City in connection with preparation of this Official Statement. The fees of Butler Snow LLP will be paid only from Certificate proceeds at closing. Certain legal matters will be passed upon for the City by the City Attorney. Hilltop Securities Inc., Denver, Colorado, is acting as the municipal advisor to the City (the “Municipal Advisor”) in connection with the issuance of the Certificates. See “MUNICIPAL ADVISOR.” U.S. Bank Trust Company, National Association, is serving as the Trustee. The City’s audited basic financial statements as of and for the year ended December 31, 2025, including the report thereon of Plante & Moran, PLLC, certified public accountants, Detroit, Michigan, are attached hereto as Appendix A. See “INDEPENDENT AUDITORS.”

### **Continuing Disclosure Undertaking**

The City will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the Certificates. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Certificates and the City has covenanted in the Lease to comply with its terms. The Disclosure Certificate will provide that so long as the Certificates remain outstanding, the City will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access (“EMMA”) system: (i) annually, audited financial statements; (ii) annually, certain financial information and operating data; and (iii) notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D.

The City filed a remedial notice of failure to file on March 15, 2023, with certain annual financial and operating information required by the continuing disclosure undertaking for the 2019 Certificates. The information includes the City's ten largest sales and use tax generators for the fiscal years ended December 31, 2020, and 2021. In addition, without a determination of materiality, the City also filed a table showing the City's historical sales and use tax collections broken out by category and by year-over-year percent change for the fiscal years ended December 31, 2020, and 2021. [Any additional disclosures that are necessary after reviewing a continuing disclosure compliance lookback report will be inserted here.]

### **Additional Information**

This introduction is only a brief summary of the provisions of the Certificates, the Indenture, the Lease, the Site Lease and other documents described herein; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Project, the City, the Certificates, the Indenture, the Lease, the Site Lease and other documents are included in this Official Statement. All references herein to the Certificates, the Lease, the Site Lease, the Indenture and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change without notice.*

Additional information and copies of the documents referred to herein are available from the City or the Municipal Advisor as follows:

City of Fort Collins, Colorado  
Attention: Chief Financial Officer  
215 North Mason, 2<sup>nd</sup> Floor  
Fort Collins, Colorado 80522  
Telephone: (970) 221-6795

Hilltop Securities Inc.  
8055 E. Tufts Avenue, Suite 350  
Denver, Colorado 80237  
Telephone: (303) 771-0217

## **CERTAIN RISK FACTORS**

*Investment in the Certificates involves certain risks. Each prospective investor in the Certificates is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below which could affect the payment of rentals under the Lease and could affect the market price of the Certificates to an extent that cannot be determined at this time. The factors set forth below are not intended to provide an exhaustive list of the risks associated with the purchase of the Certificates.*

### **Nonappropriation**

Prospective purchasers of the Certificates should look to the ability of the City to pay Base Rentals pursuant to the Lease; such Base Rentals will provide funds for payment of principal and interest on the Certificates. The City is not obligated to pay Base Rentals or Additional Rentals under the Lease unless funds are budgeted and appropriated for such rentals by the City each year. If, by the last date of each Fiscal Year, the City does not specifically budget and appropriate amounts sufficient to pay all Base Rentals due in the next Fiscal Year, and to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, an “Event of Nonappropriation” occurs. If an Event of Nonappropriation occurs, the City is deemed to have terminated its obligations under the Lease, and the City will not be obligated to make payment of the Base Rentals or Additional Rentals which accrue after the last day of the fiscal year during which such Event of Nonappropriation occurs (except for any period for which the City continues to retain possession of the Leased Property).

Various political, legal and economic factors could lead to the nonappropriation of sufficient funds to make the payments under the Lease, and prospective investors should carefully consider any factors which may influence the budgetary process. There is no assurance that the Council will appropriate sufficient funds to renew the Lease each year and the City has no obligation to do so. In addition, the ability of the City to maintain adequate revenues for its operations and obligations in general (including obligations associated with the Lease) is dependent upon several factors outside the City’s control, such as the general economy, collections of Sales and Use Tax and changes in law. See “LEGAL MATTERS--Certain Constitutional Limitations,” “SECURITY FOR THE CERTIFICATES,” and “CITY FINANCIAL INFORMATION.”

The obligation of the City to pay Base Rentals and Additional Rentals is limited to those City funds that are specifically budgeted and appropriated annually by the Council for such purpose. The Lease directs the officer of the City charged at any time with the responsibility of formulating budget proposals with respect to the Leased Property to include, in the annual budget proposals submitted to the Council, items for all payments required under the Lease for the ensuing Fiscal Year, until such time (if any) as the City determines not to renew the Lease. The Lease provides that it is the intention of the City that any decision not to renew the Lease is to be made solely by the Council and not by any other official or employee of the City.

### **Effect of a Termination of the Lease Term**

In the event of termination of the City’s obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the City is required to vacate and surrender the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default

shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) 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 under the Lease to complete within sixty (60) days from the date of such notice (in the event the City does not vacate and surrender possession on the termination date, the “holdover tenant” provisions of the Lease shall apply); (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee’s leasehold interest in the Leased Property pursuant to the Site Lease; (iii) recover from the City (a) 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 Lease, during any period in which the City continues to occupy, use or possess the Leased Property; and (b) 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 by the City under the 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 (iv) 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 Site Lease, the Lease and the Indenture.

A potential purchaser of the Certificates should not assume that the amount of money received by the Trustee upon the exercise of its rights under the Site Lease, the Lease and the Indenture after a termination of the Lease Term will be sufficient to pay the aggregate principal amount of the Certificates then outstanding plus accrued interest thereon. This may be due to the inability to recover certain of the costs incurred in connection with the issuance of the Certificates. The Recreation is expected to initially have valuation exceeding to the amount of the Certificates; however, that value could be lower than that amount for various reasons and the value can decline over time. No current valuation of the land comprising the Leased Property is available and no appraisals of the Leased Property have been completed.

*There is no guarantee that the Trustee will be able to sublease the Leased Property or otherwise sell or dispose of its leasehold interest in the Leased Property in an amount equal to the amount of the outstanding Certificates.*

IF THE CERTIFICATES (AND ANY ADDITIONAL 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, SUCH PARTIAL PAYMENT WILL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES PURSUANT TO THE INDENTURE; AND UPON SUCH A PARTIAL PAYMENT, NO OWNER OF ANY CERTIFICATE WILL HAVE ANY FURTHER CLAIMS FOR PAYMENT UPON THE TRUSTEE OR THE CITY.

**Factors that May Cause Insufficiency of Expected Revenues**

Economic and Other Factors Beyond the Control of the City. Although the City is not obligated to pay Base Rentals and Additional Rentals from any particular revenue source, it is the current expectation of the City that Base Rentals and Additional Rentals will be paid (to the extent funds are appropriated therefor each year) from revenues in the General Fund and the 2050 Tax Parks & Recreation, Transit and Climate Fund. See “CURRENT SOURCES OF AVAILABLE REVENUES.”

The primary sources of revenue in the General Fund are derived from the City's Base Sales and Use Tax. Sales and Use Tax revenues are subject to fluctuation, and may be impacted by adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the City, the County, the State and the region, a decrease in rates of population growth and rates of residential and commercial development in the City, the County, the State and the region and various other factors.

Collections of Sales and Use Tax revenues are also subject to fluctuations in consumer spending. Such fluctuations cause Sales and Use Tax revenues to increase along with the increasing prices brought about by inflation, but also cause collections to be vulnerable to adverse economic conditions and reduced spending. Consequently, the rate of Sales Tax collections can be expected to correspond generally to economic cycles. The City has no control over general economic cycles and is unable to predict what general economic factors or cycles will occur while the Certificates remain outstanding.

Existing Use of Property Tax Revenues. Ad valorem property tax revenues are another source of General Fund revenues. However, the majority of property tax revenues (68%) in the General Fund are required to be remitted to the Poudre Fire Authority ("PFA") pursuant to an agreement between the City and the PFA for firefighting services. The portion of the property tax revenue required to be remitted to the PFA are not legally available to pay Base Rentals under the Lease.

Tax Increment Areas. The City has formed an Urban Renewal Authority (the "URA") which has established several redevelopment areas within the City and has also formed a Downtown Development Authority (the "DDA"). Three of the URA plan areas receive only property tax increment as does the DDA. The fourth redevelopment area, the Foothills redevelopment area, receives both property tax and sales tax increment for a 25-year period (through 2038). The Foothills plan area was formed in 2013 as part of the redevelopment of the Foothills Mall. The sales tax increment, derived from the Base Sales Tax imposed at a rate of 2.25%, attributable to the Foothills redevelopment area is not available to the City.

Although the City Council has not taken action to create a new URA plan area within the City, it may create additional plan areas in the future in accordance with the dictates of State law. It is possible that any new area would receive both property tax and sales tax increment. If additional plan areas are created and sales tax increment financing is authorized for use within such areas, increases in the amount of Sales Tax revenue available to the City will be limited in the future.

Existing Obligations Payable from Legally Available Revenues; Future Bonds and Other Obligations. The City has numerous other obligations outstanding that are serviced from the General Fund. Although Sales and Use Tax revenues are not specifically pledged to these obligations, those revenues comprise the vast majority of revenues in the General Fund and are used to pay debt service on various obligations. See "CITY DEBT STRUCTURE" for a description of the obligations payable from legally available revenues in the General Fund.

In addition, in connection with the URA's 2013 issuance of tax increment bonds, which were refinanced in 2025 (the "TIF Bonds"), regarding one of the redevelopment areas described above (the North College Avenue Project), the City adopted a moral obligation

resolution in which it declares its intent to consider the appropriation of funds to replenish the reserve fund for the TIF Bonds to the applicable reserve fund requirement, if necessary.

In connection with the URA's 2019 issuance of TIF Bonds regarding one of the redevelopment areas described above (the Midtown URA Prospect South project), the City adopted an additional moral obligation resolution in which it declared its intent to consider the appropriation of funds to replenish the reserve fund for the TIF Bonds to the applicable reserve fund requirement, if necessary.

[Any additional moral obligations will be inserted here.]

While the City Council has agreed in the moral obligation resolutions to consider appropriating money to replenish deficiencies in the reserve funds for the TIF Bonds, the City Council may in its sole discretion determine whether to make such an appropriation, and it is never required to do so. Should the City choose to honor the covenant made in the moral obligation resolutions, it is likely that available General Fund revenues (likely Sales Tax revenues) will be used to satisfy the City's obligation. The TIF Bonds for North College and Prospect South are currently outstanding through December 1, 2030, and December 1, 2036, respectively, in the aggregate principal amounts of \$12,820,000 and \$3,565,000; and the applicable reserve fund requirements are currently \$1,282,000 and \$356,500, respectively. [Any additional TIF bonds will be inserted here.]

The City is a party to agreements pursuant to which it has agreed to rebate Use Tax (along with other development fees) to private parties and performance-based business assistance agreements for purposes of economic development. See Note II(C) in the audited financial statements attached hereto as Appendix A. These agreements are subject to annual appropriation by the City and do not have a pledge on any existing City revenues. The City may enter into additional incentive or business assistance agreements in the future.

The City may enter into additional capital leases in the future; if it does so, the rentals due under those leases will also be payable from legally available revenues.

The City does not expect to issue Additional Certificates within the next five years, but may do so at any time.

Further, the City is authorized to issue bonds secured in whole or in part by its Base Sales and Use Tax after satisfying all legal conditions. Should the City issue bonds secured by the Base Sales and Use Tax, debt service on those bonds will be paid prior to any Base Sales and Use Tax revenues being available to pay Base Rentals or Additional Rentals. The City currently has no plans to issue any bonds secured by its Base Sales and Use Tax, but may do so at any time.

### **Factors that Could Impact Value of Property if Lease is Terminated**

General. The City will retain fee simple title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property pursuant to the Site Lease. Upon the termination of the Lease due to an Event of Nonappropriation or an Event of Lease Default, the Trustee will have the right to use and possession of the Leased Property. However, a potential purchaser of the Certificates should not assume that it will be possible for the Trustee to sublease the Leased Property or otherwise sell or dispose of its leasehold interest in the Leased Property, or any portion thereof, for an amount equal to the aggregate principal amount of the Certificates then

outstanding plus accrued interest thereon or that such subleasing or disposal can be accomplished in time to pay any installment of principal or interest on the Certificates when due.

Current Valuation. The valuation of the Leased Property is discussed in “INTRODUCTION--The Leased Property.” The valuation is based upon insured value for EPIC. The insured replacement value may have fluctuated since that value was set and may fluctuate in the future. In any event, the insured replacement value is an imperfect indicator of the value of the Leased Property to third parties if an Event of Lease Default or an Event of Nonappropriation occurs. The Trustee is not able to sell the Leased Property upon the occurrence of an Event of Lease Default or an Event of Nonappropriation and the insured replacement value may not be indicative of amounts the Trustee may receive in exercising its remedies under the Lease. There is no assurance that the current insured replacement value of the Leased Property will continue in the future and there is no guarantee that the Trustee will be able to sublease or otherwise sell or dispose of its leasehold interest in the Leased Property under the Site Lease in an amount equal to the amount of the outstanding Certificates.

Title Restrictions and Zoning. The Leased Property is subject to certain pre-existing title restrictions which may make the Leased Property less attractive to potential users if the Trustee must sublease or otherwise sell or dispose of its interest in the Leased Property. The title restrictions, which will be Permitted Encumbrances under the Lease, include: [Discussion of encumbrances to come after receipt of title commitment will be inserted here].

Further, the Leased Property is subject to present and future zoning requirements or other land use regulations imposed by the City. The Leased Property has been zoned as Medium Density Mixed-Use Neighborhood District (“MMN”). The MMN zone district is intended to be a setting for a diverse range of higher intensity housing and complementary services and amenities within close proximity to transit and/or commercial districts. This District is intended to function together with adjacent commercial development and/or transit to provide a transition to lower density neighborhoods. Together, the MMN district and its adjacent commercial core and low density neighborhoods are intended to form an integral, town-like pattern of development with a unifying pattern of walkable streets and blocks.

More information about the MMN zone district, including permitted uses, building types, setbacks, access and parking can be found in City’s land use code. The zoning of the Leased Property could limit alternate uses of the Leased Property, which could make the Leased Property less attractive to potential users if the Trustee must sublease or otherwise sell or dispose of its leasehold interest in the Leased Property. Zoning and land use regulations in effect in the future may restrict the future uses of the Leased Property. Should that occur, the Leased Property may have less value to third parties than the insured value would indicate. *There is no guarantee that the Trustee will be able to liquidate its interest in the Leased Property in an amount equal to the amount of the outstanding Certificates.*

### **Construction Risks**

General. Construction of the Project will be financed in part with the net proceeds of the Certificates. There is no assurance that the Project can be completed with the available funds or within the budget anticipated by the City. Any increases in the costs of the Project could result in the unwillingness of the City to appropriate Base Rentals under the Lease or an inability to

complete the Project, which would in turn impact the Trustee's ability to exercise its remedies under the Site Lease, the Lease or the Indenture.

Additionally, normal contingencies generally involved with the construction of any facility, such as natural disasters, labor difficulties, including the inability to attract a sufficient workforce to work on the Project, unanticipated engineering or structural problems, soil issues, rockslides, environmental issues, difficulties in obtaining materials or sharp increases in the price of materials, a shortened construction season due to weather conditions, and economic conditions in general may cause delays resulting in increased costs.

Tariffs. The imposition of tariffs or other import restrictions, or the increase in existing tariffs, could significantly increase the cost of imported goods and materials that may be required for construction of the Project, potentially leading to higher construction prices, and increasing the risk that the Project cannot be completed within budget. Tariffs and related trade measures can also disrupt global supply chains, increase lead times, and require the City to identify and use alternative supplies and/or suppliers, if any exist. The Trump administration has imposed varying tariff rates on construction materials and other goods imported into the United States, including steel, aluminum, copper, timber/lumber, and derivative products thereof. In some cases, the tariffs have been announced and then reduced, canceled, or delayed. Additionally, foreign governments have, in some instances, announced retaliatory measures in response to U.S. tariff actions. The scope of products subject to tariffs and the availability of exclusions or other relief have changed over time and may change again. Thus, it is impossible to predict what tariffs or other import restrictions will be imposed in the future, upon what goods and/or countries, or for how long. Investors should be aware that any such measures could materially increase the costs of the Project and may result in the need to issue Additional Certificated to complete the Project.

### **Limited Duration of Site Lease**

The term of the Site Lease is ten years longer than the term of the Certificates. Upon termination of the Lease for any reason (including the occurrence of an Event of Nonappropriation), the Trustee may assign its interest in the Site Lease and may foreclose through the courts on or sell, lease, sublease or otherwise liquidate or dispose of its interest in the Leased Property. The net proceeds received from those activities are to be applied to pay the Certificates. However, due to the limited term of the Site Lease, the Trustee may find it difficult or impossible to locate third parties that are interested in accepting an assignment of the Trustee's rights in the Leased Property. Further, the limited term of the Site Lease may make it difficult or impossible for the Trustee to collect revenues over the remaining term of the Site Lease that are sufficient to pay the Certificates.

### **Enforceability of Remedies; Liquidation Delays**

Under the Lease and the Site Lease, the Trustee has the right to take possession of and dispose of the Trustee's leasehold interest in the Leased Property upon an Event of Nonappropriation or an Event of Lease Default and a termination of the Lease. However, the enforceability of the Lease is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, and the police powers of the City, which may delay an action brought to enforce the remedy of the Trustee to take possession of the Leased Property or may delay repossession for an indefinite period, even though the City may have terminated the Lease or be in default thereunder. As long as the Trustee is

unable to take possession of the Leased Property or any other projects or property which may subsequently be approved in connection with the issuance of Additional Certificates, it will be unable to sublease or otherwise dispose of its leasehold interests in the Leased Property as permitted under the Site Lease and the Indenture or to redeem or pay the Certificates except from funds otherwise available to the Trustee under the Indenture. See “SECURITY FOR THE CERTIFICATES.”

**No Reserve Fund.**

No reserve fund secures the Certificates.

**Effect of Termination on Exemption from Taxation and on Exemption from Registration**

Special Counsel has specifically disclaimed any opinion as to the effect that termination of the Lease may have upon the treatment for federal or State income tax purposes of amounts received by the registered owners of the Certificates. There is no assurance that any amounts representing interest received by the registered owners of the Certificates after termination of the Lease as a consequence of an Event of Nonappropriation or an Event of Default will be excluded from gross income under federal or State laws. In view of past private letter rulings by the United States Department of Treasury, registered owners of the Certificates should not assume that payments allocable to interest received from the Certificates would be excluded from gross income for federal or State income tax purposes.

In the event of a termination of the City’s obligations under the Lease, there is no assurance that Owners of Certificates would be able to transfer their interests without compliance with federal securities laws.

**Condemnation Risk**

In the mid-1990’s, the Town of Sheridan, Colorado (“Sheridan”) exercised its eminent domain powers to acquire an administration building it previously had leased under an annually terminable lease purchase agreement. Sheridan sought to use its condemnation power to acquire the property at a fraction of the remaining lease payments (which would be paid to owners of certificates of participation in Sheridan’s lease). Sheridan’s condemnation suit was successful; however, Sheridan was unable to pay the court-determined amount representing the value of the property and eventually vacated the building in favor of the trustee. Sheridan eventually reached a settlement with the trustee and reacquired possession of the building from the trustee. Pursuant to this settlement, certificate holders reportedly received less than half of the amounts due them under the certificates. The City considers the occurrence of a situation such as the one described above to be unlikely; however, there is no assurance that the Leased Property (or portions thereof) would not be condemned in the future.

**Casualty Risk**

If all, substantially all, or any portion of the Leased Property is damaged or destroyed by any casualty, there is no assurance that casualty insurance proceeds and other available monies of the City will be sufficient either to repair or replace the damaged or destroyed property or to pay all the outstanding Certificates, if the Certificates are called for mandatory redemption as a result of such casualty. See “THE CERTIFICATES--Redemption Provisions.” Although the City believes its casualty insurance coverages are adequate, there is no assurance

that such damage or destruction would not have a material adverse effect on the ability of the City to make use of the Leased Property. Delays in the receipt of casualty insurance proceeds pertaining to the Leased Property or delays in the repair, restoration or replacement of property damaged or destroyed also could have an adverse effect upon the ability of the City to make use of the Leased Property or upon its ability to make timely payment of rental payments under the Lease.

### **Insurance Risk**

The Lease requires that the City provide casualty, public liability and property damage insurance for the Leased Property in an amount equal to the amounts specified in the Lease. The City may provide such insurance through commercial policies or, in its discretion, through a qualified self-insurance pool. For a description of the insurance requirements related to the Leased Property (including requirements related to a qualified self-insurance pool), see Appendix B - Certain Definitions and Document Summaries--The Lease - Insurance. The City currently maintains the insurance described in "THE CITY--Insurance." There is no assurance that, in the event the Lease is terminated as a result of damage to or destruction of the Leased Property, moneys made available by reason of any such occurrence will be sufficient to redeem the Certificates at a price equal to the principal amount thereof outstanding plus accrued interest to the redemption date. See "THE CERTIFICATES--Redemption Provisions."

### **Future Changes in Laws**

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of sales taxes and other revenues, and the operation of the City. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the City and the imposition, collection, and expenditure of its revenues. Such changes could include, but are not limited to, future restrictions on real estate development and growth in the City and State law changes in the items subject to sales taxes or exemptions therefrom.

### **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," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to 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 and could impact the availability of Revenues available to pay Base Rentals and Additional Rentals under the Lease.

### **Secondary Market**

No assurance can be given concerning the future existence of a secondary market for the Certificates or its maintenance by the Initial Purchaser or others, and prospective purchasers of the Certificates should therefore be prepared, if necessary, to hold their Certificates to maturity.

**SOURCES AND USES OF FUNDS**

**Sources and Uses of Proceeds**

The City expects to apply the proceeds of the Certificates as shown in the following table.

**Sources and Uses of Proceeds**

	<u>Amount</u>
<u>Sources of Funds</u>	
Par amount of the Certificates .....	
Plus/(Less): [net] original issue premium/(discount) .....	
Total:.....	
 <u>Uses of Proceeds</u>	
The Project .....	
Costs of issuance (including Underwriter's discount).....	
Total: .....	

Source: The Municipal Advisor.

**The Project**

The net proceeds of the Certificates are expected to be used to: (i) acquire, construct, install, equip and improve the Recreation Center portion of the Southeast Community Center and other capital improvements of the City; and (ii) pay the costs of issuing the Certificates.

Specifically, the City, Poudre River Library District and the Poudre School District are contributing to, funding and constructing portions of the Southeast Community Center, a portion of which will consist of the Recreation Center that the City will own and operate. The Recreation Center is currently planned to include approximately 85,000 square feet and include a large indoor/outdoor recreation pool, a 10-lane indoor pool, a fitness center, childcare facilities that Recreation Center patrons can utilize while at the Recreation Center, group exercise areas, two basketball courts and a running track.

## THE CERTIFICATES

### General

The Certificates are issuable as fully registered certificates and initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the Certificates. Purchases by Beneficial Owners of the Certificates are to be made in book-entry only form. Payments to Beneficial Owners are to be made as described in “Book-Entry Only System” below. The Certificates are dated the date of their execution and delivery and will mature on the dates and in the amounts and bear interest at the rates set forth on the inside cover page of this Official Statement.

### Payment Provisions

Except for any Certificates for which DTC is acting as Depository or for an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. In the case of any Certificates for which DTC is acting as Depository, the principal of, premium, if any, and interest on such Certificates shall be payable as directed in writing by the Depository. In the case of an Owner of \$1,000,000 or more in aggregate principal amount of Certificates, the principal of, premium, if any, and interest on such Certificates shall be payable by wire transfer of funds to a bank account located in the United States designated by the Certificate Owner in written instructions to the Trustee.

Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the 15<sup>th</sup> day of the calendar month immediately preceding the Interest Payment Date, whether or not that day is a Business Day (the “Regular Record Date”), irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by electronic means or first class mail postage prepaid at least ten (10) days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

Notwithstanding the foregoing, payments of the principal of and interest on the Certificates will be made directly to DTC or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner (the “Owner”) of the Certificates. Disbursement of such payments to DTC’s Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and the Indirect Participants, as more fully described herein. See “Book-Entry Only System” below.

**Redemption Provisions\***

Optional Redemption.\* The Certificates maturing on or prior to December 1, 20[\_\_\_], are not subject to optional redemption prior to their respective maturity dates. The Certificates maturing on and after December 1, 20[\_\_\_], are subject to redemption prior to their respective maturities, at the option of the City, in whole or in part, in integral multiples of \$5,000, and if in part in such order of maturities as the City shall determine and by lot within a maturity, on December 1, 20[\_\_\_], or on any date thereafter at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date, without a premium.

Mandatory Sinking Fund Redemption.\* The Certificates maturing on December 1, 20[\_\_\_] (“Term Certificates”), are subject to mandatory sinking fund redemption at a price equal to the principal amount redeemed plus accrued interest thereon to the redemption date. Term Certificates are to be selected by lot in such manner as the City shall determine (giving proportionate weight to Certificates in denominations larger than \$5,000).

As a sinking fund for the redemption of the Term Certificates maturing December 1, 20[\_\_\_], the City shall deposit in the Base Rentals Funds moneys which are sufficient to redeem (after any credits as described below) the following principal amounts of the Term Certificates maturing December 1, 20[\_\_\_]:

<u>Redemption Date</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>
-----------------------------------------------	-----------------------------------

(maturity)

On or before the 30th day prior to each sinking fund payment date, the Trustee shall proceed to call the Term Certificates indicated above (or any Term Certificate or Certificates issued to replace such Term Certificates) for redemption from the sinking fund on the next December 1, as the case may be, and give notice of such call without other instruction or notice from the City. The amount of each sinking fund installment may be reduced by the principal amount of any Term Certificates of the maturity and interest rate which are subject to sinking fund redemption on such date and which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) or otherwise canceled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, shall be applied in such year or years as may be determined by the City.

Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, (b) an Event of Lease Default, or (c) (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 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 part of 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

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\* Subject to change.

contracts relating to the Leased Property, made available by reason of such occurrences, shall be 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 or cause the Lease to be amended so that Additional Certificates may be executed and delivered pursuant to the Indenture for such purpose, then all Outstanding Certificates are required to be called for redemption, except as described below. If called for redemption, the Outstanding 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 described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the 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 Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Outstanding Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Outstanding Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City 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 shall be 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 ANY ADDITIONAL CERTIFICATES) ARE REDEEMED 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, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.**

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, if the Net Proceeds resulting from the exercise of such Lease Remedies are insufficient to redeem the Outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, the Trustee may, or at the request of the Owners of a majority in aggregate principal amount of the Outstanding Certificates, and upon indemnification as provided in the Indenture, shall determine that the Certificates shall not be subject to

extraordinary mandatory redemption as described above, in which event the Trustee will not apply any Net Proceeds or other available moneys to the redemption of any Outstanding Certificates prior to their respective maturity dates. In such event, the Trustee shall (a) allocate such Net Proceeds (together with any other available moneys held under this Indenture), proportionately among all Outstanding Certificates, and (b) apply such allocation of Net Proceeds to the payment of the principal of and interest on the Outstanding Certificates on the regularly scheduled maturity and Interest Payment Dates of the Certificates.

Notice of Redemption. Whenever Certificates are to be redeemed, the Trustee is required to, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption notice which is required to be immediate), give notice of redemption to all Owners of all Certificates to be redeemed by electronic means or at their registered addresses, by first class mail, postage prepaid, or in the event that the Certificates to be redeemed are registered in the name of the Depository, such notice may, in the alternative, be given by electronic means in accordance with the requirements of the Depository. In addition, the Trustee shall at all reasonable times make available to the City and any Certificate Owner, including the Depository, if applicable, information as to Certificates which 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 of optional redemption, state that the City has given notice of its intent to exercise its option to purchase the Trustee's leasehold interest or prepay Base Rentals under the Lease, (4) state that such redemption is subject to the deposit of the funds related to such option by the City on or before the stated redemption date and (5) state that on the redemption date the Certificates called for redemption will be payable at the corporate trust office of the Trustee and that from that date interest will cease to accrue. The Trustee may use "CUSIP" numbers in notices of redemption as a convenience to Certificates Owners, provided that any such notice is required to state that no representation is made as to the correctness of such numbers either as printed on the Certificates or as contained in any notice of redemption and that reliance may be placed only on the identification numbers containing the prefix established under the Indenture.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Certificates so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Certificates called for redemption in the same manner as the original redemption notice was given.

### **Tax Covenants**

In the Lease, the City covenants for the benefit of the Owners of the Certificates that it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the City, or any facilities financed or refinanced with the proceeds of the Certificates (except for the possible exercise of the City's right to terminate the Lease as provided herein) if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Certificates to become a specific preference item for purposes of federal alternative minimum tax under the Tax Code, except as such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations, or (iii) would cause interest on the Certificates

to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the City's right to terminate the Lease as provided therein, the covenant described above shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Certificates, until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code and Colorado law have been met.

In addition, the City covenants that its direction of investments pursuant to Article 5 of the Indenture shall be in compliance with the procedures established by the Tax Certificate to the extent required to comply with its covenants contained in the foregoing provisions of this Section. The City hereby agrees that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any such payment shall be accompanied by directions to the Trustee to pay such amounts to the United States Treasury. Any payment of City moneys pursuant to the foregoing sentence shall be Additional Rentals for all purposes of the Lease.

### **Book-Entry Only System**

The Certificates will be available only in book-entry form in the principal amount of \$5,000 or any integral multiples thereof. DTC will act as the initial securities depository for the Certificates. The ownership of one fully registered Certificate for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix C--Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE CERTIFICATES, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OR REGISTERED OWNERS OF THE CERTIFICATES WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the City nor the Trustee will have any responsibility or obligation to DTC's Participants or Indirect Participants, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the Certificates as further described in Appendix C to this Official Statement.

**BASE RENTALS SCHEDULE**

The following table sets forth the schedule of Base Rentals due pursuant to the Lease in each year, including the Principal Component and the Interest Component. See “CURRENT SOURCES OF AVAILABLE REVENUES--Existing Sales and Use Tax Agreements” and “DEBT STRUCTURE--Other Obligations” for a description of the obligations that are currently payable from legally available revenues of the City.

**Schedule of Base Rentals(1)(2)\***

<u>Calendar Year</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Base Rentals</u>
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
Total			

- (1) Totals may not add due to rounding.
- (2) The Base Rentals are due semi-annually on May 15 and November 15 of each year that the Lease remains in effect. The Trustee will use the Base Rentals to pay the principal and interest due on the Certificates on June 1 and December 1 of each year.

Source: The Municipal Advisor.

\* Subject to change.

## SECURITY FOR THE CERTIFICATES

### General

Each Certificate evidences a proportionate interest in the right to receive certain designated Revenues, including Base Rentals, under and as defined in the Lease and the Indenture. Under the Site Lease, the Leased Property has been leased by the City to the Trustee, and under the Lease, the Leased Property has been leased by the Trustee back to the City and the City has agreed to pay directly to the Trustee, Base Rentals in consideration of the City's right to possess and use the Leased Property. Certain Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon.

The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City. The execution and delivery of the Certificates does not directly or contingently obligate the City to make any payments beyond those appropriated for the City's then current Fiscal Year. As more fully described under the caption "CERTAIN RISK FACTORS," the Lease is subject to renewal on an annual basis at the option of the City. The Lease Term and the schedule of payments of Base Rentals are designed to produce moneys sufficient to pay the Certificates and interest thereon when due (if the City elects not to terminate the Lease prior to the end of the Lease Term).

The Certificates shall not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the current Fiscal Year and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the City to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the City's then current Fiscal Year. Base Rentals and Additional Rentals may be paid from any lawfully available City monies appropriated for that purpose. See "CITY FINANCIAL INFORMATION."

In the event of termination of the City's obligations under the Lease upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the City is required to vacate and surrender the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation or an Event of Lease Default has occurred. If an Event of Lease Default shall have occurred and remain uncured, the Trustee may take any of the following actions: (i) 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 under the Lease to complete within sixty (60) days from the date of such notice; (ii) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property; (iii) recover from the City (a) 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 Lease, during any period in which the City continues to occupy, use or possess the Leased Property; and (b) 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 by the City under the 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 (iv) 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 Site Lease, the Lease and the Indenture. In the event the City does not vacate and surrender possession on the termination date, the “holdover tenant” provisions of the Lease shall apply.

### **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 Indenture. The principal of any Additional Certificates shall mature on December 1 and the interest payment dates therefore shall be the same as the interest payment dates for the Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Additional Certificates may be executed and delivered without the consent of or notice to the Owners of Outstanding Certificates, to provide moneys to pay any one or more of the following:

(a) the costs of acquiring, constructing, improving, installing and equipping any capital improvements or capital projects of the City, or any New Facility, or of acquiring real property for City use or a site for any capital projects or New Facility (and costs reasonably related thereto);

(b) the costs of completing the Project or making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the City may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(c) for the purpose of refunding or refinancing all or any portion of Outstanding Certificates or Additional Certificates.

Each of the Additional Certificates issued pursuant to the Indenture will evidence a proportionate interest in the rights to receive Revenues under the Indenture and shall be ratably secured with all Outstanding Certificates and in respect of all Revenues, and shall be ranked *pari passu* with such Outstanding Certificates and with Additional Certificates that may be executed and delivered in the future, if any.

For additional information on the issuance of Additional Certificates, see Appendix B - Certain Definitions and Document Summaries - Additional Certificates.

## CURRENT SOURCES OF AVAILABLE REVENUE

### General

Although no particular funds or sources of revenue are pledged to make payments under the Lease, the City currently intends to budget, appropriate and pay the Base Rentals (and Additional Rentals, if any) allocable to the Certificates from the General Fund and 2050 Tax Parks & Recreation, Transit and Climate Fund. Notwithstanding the foregoing, such Base Rentals and Additional Rentals may be budgeted, appropriated and paid from any of the City's available funds in the future.

The City's overall financial operations, budgeting process and information and historical General Fund financial statement comparisons are discussed in "CITY FINANCIAL INFORMATION."

### Major Sources of General Fund Revenues

Sales and Use Tax revenues comprise the largest of the City's General Fund revenues, accounting for approximately **% of General Fund revenues in fiscal year 2025**. The Sales Tax is described in more detail below.

Other sources of revenue in the General Fund include: franchise taxes, sidewalk and special assessments; license and permit revenues; intergovernmental revenues; charges for services; fines and forfeits; investment income; contributions; and miscellaneous other income.

### Collection and Enforcement of the City Sales and Use Tax

The following discussion includes information with respect to the imposition, collection and administration of the City's Sales Tax.

Licensing. A sales/use tax license is required in order to engage in the business of selling at retail tangible personal property and taxable services and to use, store, distribute or consume any tangible personal property or taxable services subject to the City Sales Tax Ordinance. As of December 30, 2025, there were 14,245 active sales and use tax licenses.

Authority for Imposition of Sales and Use Tax. The City's Sales and Use Tax currently is imposed at a rate of 4.35%, except that the amount of Use Tax levied on manufacturing equipment is 3% of the purchase price. With voter approval, the City may increase its sales and/or use tax rates in the future, including the Base Sales and Use Tax, or extend expiring taxes. See "LEGAL MATTERS--Certain Constitutional Limitations."

The ordinances enacting the Sales Tax have been codified as Section 25, Article III of the Fort Collins Revised Municipal Code (the "City Sales Tax Ordinance"). The imposition, collection and enforcement of the Sales and Use Tax is governed by the City Sales Tax Ordinance, which declares the sale or use of tangible personal property, or of certain services, to be a taxable privilege.

*Notwithstanding the foregoing, certain portions of the City Sales and Use Tax are restricted to specific uses. The revenues received from those restricted Sales and Use Taxes may not be available to pay Base Rentals under the Lease. The unrestricted portion of the City Sales*

and Use Tax is imposed at a rate of 2.25%. The remainder of the Sales and Use Tax is restricted as follows: street improvements - 0.25% (sunsets in 2045); Community Capital Improvement Program (specified capital projects) - 0.25% (sunsets in 2035); open space - 0.25% (sunsets in 2030); and Keep Fort Collins Great revenue replacement - 0.25% (sunsets in 2030) with a 0.6% permanent sales tax increase which may be used to help sustain public safety service levels, fund municipal operations and maintenance and fund any other public purposes, except 15.6% of the revenue generated by this tax is used to fund fire protection and emergency services (the original Keep Fort Collins Great program sunset in 2020); and parks and recreation, pollution control and transit – 0.50% (sunsets in 2050) with half of the funds from this increase providing support for the upkeep and refresh of parks and recreation facility, a quarter funding progress toward the 2030 renewable and 2050 carbon neutrality goals and the remaining about funding infrastructure and equipment upgrades related to transit services.

Overlapping Sales Taxes. The total sales tax rate currently in effect within the City's boundaries is 8.3%, comprised of the City Sales Tax of 4.35%, the State's 2.9% sales tax, and the County's 1.05% sales tax.

Sales Tax - General. The City's Sales Tax is levied on the full purchase price paid or charged for tangible personal property and taxable services sold or purchased at retail by every person exercising a taxable privilege in the City by the sale or purchase of such property and services. The Sales Tax is levied on all sales and purchases of tangible personal property or taxable services except those specifically exempted and is collected by the retailer and remitted to the City.

*Property and Services Subject to the Sales Tax.* The Sales Tax applies, without limitation, as follows: (1) On the purchase price paid or charged for all sales and purchases of tangible personal property at retail, regardless of whether such property has been included in a previous taxable transaction; (2) On the total amount due under a lease or contract when the right to possession or use of tangible personal property is granted therein and such transfer of possession would be taxable under the City Sales Tax Ordinance if an outright sale were made; (3) In the case of retail sales involving the exchange of property, on the purchase price paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, excluding, however, from the consideration or purchase price, the fair market value of the exchanged property, provided that such exchanged property is to be sold in the usual course of the vendor's business; (4) Upon telecommunication services, including carrier access services, whether furnished by public or private corporations or enterprises, for all intrastate telecommunication services originating from or received on telecommunication equipment in the City if the charge for the service is billed to a person in the City or billed to an affiliate or division of such person in the City on behalf of a person in the City; (5) Upon carrier access services, whether furnished by public or private corporations or enterprises, for all interstate telecommunication services originating from or received on telecommunication equipment in the City if the charge for the service is billed to a person in the City or billed to an affiliate or division of such person in the City on behalf of a person in the City; (6) Upon gas and electric service, whether furnished by municipal, public or private corporations or enterprises, for gas and electricity furnished and sold for domestic and commercial consumption and not for resale and upon steam when consumed or used by the purchaser and not resold in original form, whether furnished or sold by public or private corporations or enterprises; (7) Upon the entire amount charged to any person or persons for lodging services; (8) Upon the amount paid for all prepared food or food for immediate consumption; (9) Upon the purchase price paid for any automotive vehicle, whether new or used, purchased inside or outside the City by a resident of the City or for a business located in the City

for use or storage in the City. The tax shall be paid prior to or at the time the title and registration for the vehicle are issued by the County Clerk, whichever occurs first; (10) Upon television and entertainment services; (11) Upon all sales of preprinted newspaper supplements; and (12) Upon the purchase price paid for food, but only at the tax rate of two and twenty-five hundredths (2.25) percent of the purchase price.

*Remittance of Sales Tax.* The Sales Tax is imposed upon the purchaser of the personal property or service; however, the duty to collect and remit the Sales Tax to the City is imposed upon the seller under penalties for failure to do so as prescribed in the City Sales Tax Ordinance.

Every retailer shall file a tax return each month with the Financial Officer on or before the twentieth day of each month for the preceding month and simultaneously remit the tax due to the Financial Officer. The burden of proving that any retailer is exempt from collecting or paying Sales Tax shall be on the retailer under such reasonable requirements of proof as the Financial Officer may prescribe. The Financial Officer may authorize a retailer to remit the sales tax on a basis other than an accrual basis pursuant to the written request of the retailer. If any amount of Sales Tax is not remitted on or before the date due, penalties and interest as set forth in the City Sales Tax Ordinance shall be paid by the retailer for the period from the date due to the date paid.

*Exemptions from Sales Tax.* The following shall be exempt from the Sales Tax: (1) All sales of automotive vehicles properly titled and registered to an address outside the City; (2) All sales of tangible personal property if all of the following conditions exist: (a) The sales are to those who reside or do business outside the City; (b) The articles purchased are to be delivered to the purchaser outside the City by common carrier or by the conveyance of the retailer or by mail; and (c) The articles purchased and delivered are used outside the City; (3) All sales of gasoline or motor fuel which are taxed under the provisions of Title 39, Article 27, C.R.S.; (4) All sales of goods manufactured in the City and sold by the manufacturer thereof directly to the ultimate consumer when delivery of such goods is made by common, contract or commercial carrier or by conveyance of the vendor or the purchaser to a point outside the City for use outside the City; (5) All sales to the United States or the State, or departments, institutions or political subdivisions thereof, and all sales to the City and any department thereof, provided that such purchases are supported by official government purchase orders or charged to the governmental entity's credit card account and are paid for by draft or warrant drawn on the governmental entity's bank account or such purchases are made pursuant to a written agreement with the governmental entity in which the purchaser is to make such purchases on behalf of the governmental entity; (6) All sales to charitable organizations of tangible personal property or taxable services to be used in the conduct of the organization's regular activities to foster its religious or other expressed charitable purpose, provided that the organization obtains from the City an exempt organization license pursuant to the City Sales Tax Ordinance and presents the license to the vendor at the time of the sale; (7) All sales which the City is prohibited from taxing under the Constitution or laws of the United States or the Colorado Constitution; (8) All sales and purchases of neat cattle, sheep, lambs, swine and goats; all sales and purchases of mares and stallions for breeding purposes; and all farm close-out sales; (9) All sales of drugs dispensed in accordance with a prescription, all sales of prescription drugs for animals (except prescription pet food), all sales of prosthetic devices and all sales of medical supplies; (10) All sales of cigarettes; (11) All charges for lodging services pursuant to a written lease for a period of thirty (30) consecutive days or more; (12) All sales of tangible personal property to a public utility doing business both within and without the City, for

use in such business operations outside the City, even though delivery is made in the City; (13) All sales of tangible personal property through a coin-operated device; provided, however, that the owner of such device shall pay a tax in the amount stated in the City Sales Tax Ordinance on the value of the tangible personal property sold in excess of ten cents (\$0.10) per item so vended in the coin-operated device unless the sale shall be otherwise exempt as provided in this Article; (14) All sales of farm machinery for use in farming operations and all sales of farm machinery parts for use in farming operations; provided, however, that this exemption for farm machinery parts shall not apply in the case of repairs performed or parts installed on farm machinery in the City. Trucks having a manufacturer's rated capacity of one (1) ton or less shall not be considered farm machinery for the purposes of this Section. Nothing herein contained shall be construed to limit any other exemption contained in the City Sales Tax Ordinance; (15) All sales of feed and feed supplements and drugs for livestock or poultry and all sales and purchases of seeds, plants and fertilizers when such sales are made for farm operations; (16) All sales of construction materials if such materials are picked up by the purchaser and if the purchaser of such materials presents to the vendor a building permit or other documentation acceptable to the City evidencing that a local sales or use tax has been paid or is required to be paid; (17) All sales of tangible personal property or taxable services which transaction was previously subjected to a sales or use tax lawfully imposed on the purchaser or user by another municipality in the State at a rate equal to or greater than the rate stated in the City Sales Tax Code and such tax was collected. If the rate of the sales tax paid to such municipality is less than the rate stated in the City Sales Tax Code, the difference between the tax due under the City Sales Tax Code and the tax paid previously shall be remitted to the Financial Officer; (18) All occasional sales (as defined in the City Sales Tax Code); (19) All sales of commercial packaging materials, and commercial shipping materials; (20) All sales of newsprint and printers' ink used to print newspapers and all sales and purchases of newspapers; (21) All sales of tangible personal property purchased in order to be sold at retail in the City either in its original form or as an ingredient of a manufactured or compounded product, in the regular course of business; (22) All sales of tangible personal property to a person engaged in the business of manufacturing or compounding for sale, profit or use of any product, which tangible personal property becomes an ingredient or component part of the product which is manufactured or compounded; (23) All sales of fuel for use in a continuing activity of producing tangible personal property or taxable services, including, but not limited to, processing, manufacturing, mining, refining, irrigation, telecommunication services and street and railroad transportation services; and (24) All sales of automotive vehicles and parts and accessories therefor when used or engaged in interstate commerce.

The sale of food is exempt from taxation under the City Sales Tax Ordinance as provided below: (1) No sales or use tax shall apply to the sale of food purchased with food stamps issued under the supplemental nutrition assistance program as defined in 7 U.S.C. § 2012(t), as amended; and (2) No sales or use tax shall apply to the sale of food purchased with funds provided by the special supplemental food program for women, infants and children under 42 U.S.C. § 1786, as amended.

Use Tax - General. The City's Use Tax is levied and required to be paid on the full purchase price paid for or acquisition costs of tangible personal property and taxable services brought into the City for the purpose of using, storing, distributing or consuming such property and services within the City. The use tax is levied upon the privilege of using, storing, distributing, or consuming in the City, personally or in connection with the operation of a business, tangible personal property or taxable services and is paid by either the retailer or the consumer.

*Remittance of Use Tax.* The Use Tax on construction materials and supplies and certain construction equipment is collected by the City at the time of application for a building permit. The Use Tax on automobiles purchased outside the City must be paid to the County Clerk at the time of licensing of the vehicle.

Every person who operates or maintains a business in the City, and who purchases or leases tangible personal property for use, storage, distribution or consumption in the City in connection with the business and taxable hereunder, and who has not paid the sales tax to a retailer required or authorized to collect the same, shall make a return and pay the tax due to the Financial Officer, on or before the twentieth day of each calendar month following the month in which such purchase or lease was consummated or such later date as is approved by the Financial Officer. The burden of proving that any person is exempt from paying the use tax shall be on such person under such reasonable requirements of proof as the Financial Officer may prescribe.

Every resident of the City who purchases or leases tangible personal property for use, storage, distribution or consumption in the City and taxable hereunder, and who has not paid the sales tax imposed thereon to a retailer required or authorized to collect the same, shall make a return and pay the tax due to the Financial Officer within thirty (30) days from the purchase or lease of such tangible personal property unless a reporting period greater than thirty (30) days is approved by the Financial Officer.

If any amount of use tax is not remitted on or before the date due, penalties and interest as set forth in the City Sales Tax Ordinance shall be paid by the taxpayer for the period from the date due to the date paid.

*Exemptions from Use Tax.* The use, storage, distribution or consumption in the City of the following are hereby exempted from the use tax: (1) Tangible personal property, the sale or use of which was previously subjected to a sales or use tax lawfully imposed on the purchaser or consumer by another statutory or home rule municipality in the State at a rate equal to or greater than the rate stated in the City Sales Tax Ordinance and such tax was collected. If the rate of the sales or use tax paid to such municipality is less than the rate stated in City Sales Tax Ordinance, the difference between the tax due under this Article and the tax paid previously shall be remitted to the Financial Officer; (2) Tangible personal property purchased in order to be sold at retail in the City either in its original form or as an ingredient of a manufactured or compounded product, in the regular course of business; (3) Gasoline or motor fuel upon which has accrued or has been paid the tax prescribed by Title 39, Article 27, C.R.S.; (4) Tangible personal property brought into the City by a nonresident for that person's own use, storage, distribution or consumption while temporarily in the City, and the tangible personal property of a resident if such property was purchased prior to becoming a resident of the City; (5) Tangible personal property used, stored, distributed or consumed by the United States or the State or departments, institutions or political subdivisions thereof and the City and any department thereof; (6) Tangible personal property purchased from a nonresident retailer by a resident common carrier, resident public utility or resident construction company which tangible personal property is stored in the City but not used or consumed in the City; (7) Tangible personal property of a person engaged in the business of manufacturing or compounding for sale, profit or use any product, which tangible personal property becomes an ingredient or component part of the product which is manufactured or compounded; (8) Fuel for use in a continuing activity of producing tangible personal property or taxable services, including, but not limited to, processing, manufacturing, mining, refining, irrigation, telecommunication services and street and railroad transportation services; (9) Tangible

personal property used, stored, distributed or consumed by charitable organizations in the conduct of the organization's regular activities to foster its religious or other express charitable purpose, provided that the organization obtains from the City an exempt organization license pursuant to City Sales Tax Ordinance and presents the license as required; (10) Neat cattle, sheep, lambs, swine and goats; and mares and stallions used for breeding purposes; (11) Automotive vehicles and parts and accessories therefor when used or engaged in interstate commerce; (12) Tangible personal property or services which the City is prohibited from taxing under the Constitution or laws of the United States or the Colorado Constitution; (13) Drugs dispensed in accordance with a prescription, prescription drugs for animals (excluding prescription pet food), prosthetic devices, and medical supplies; (14) The storage of construction materials and construction materials picked up by the purchaser if the purchaser of such materials presents to the vendor a building permit or other documentation acceptable to the City evidencing that a local sales or use tax has been paid or is required to be paid; (15) Automotive vehicles properly titled and registered to an address outside the City; (16) Goods manufactured in the City and sold by the manufacturer thereof directly to the ultimate consumer when delivery of such goods is made by common, contract or commercial carrier or by conveyance of the vendor or the purchaser to a point outside the City for use outside the City; (17) Cigarettes; (18) Farm machinery and farm machinery parts for use in farming operations; provided, however, that this exemption for farm machinery parts shall not apply to parts installed on farm machinery in the City. Trucks having a manufacturer's rated capacity of one (1) ton or less shall not be considered farm machinery for the purposes of this Section; (19) Feed and feed supplements and drugs for livestock or poultry and seeds, plants and fertilizers when used for farm operations; (20) Commercial packaging materials and commercial shipping materials; (21) Newsprint and printers' ink used to print newspapers; and (22) All other tangible personal property and taxable services that are exempt from the sales tax imposed pursuant to the City Sales Tax Ordinance.

*Sales Tax Rebate on Food.* Pursuant to the City Sales Tax Ordinance, upon yearly application to the City Financial Officer, a \$81 Sales Tax rebate will be available to all members of the applicant's household (up to 8 household members) who, prior to such application, has been a resident of the City or its growth management area during the year for which the rebate application is made and the household income meets certain low-income limits specified in the City Sales Tax Ordinance. The rebate amounts are paid from the General Fund. Over the past three years, the largest amount of these rebates was approximately \$648,000 in 2025.

*Use Tax Rebate for Manufacturing Equipment.* The City Sales Tax Ordinance also establishes a manufacturing use tax rebate program for qualifying manufacturers as defined in the City Sales Tax Ordinance. Application for the rebate must be made by June 30 of the year following the year in which the use taxes were paid. The rebate amounts are paid from the General Fund. Over the past three years, the largest amount of these rebates was approximately \$97,918 in 2024.

Penalties for Failure to Pay Sales Tax; Remedies. If any person fails, neglects or refuses to collect tax or to file a return and pay the tax as required by the City Sales Tax Ordinance, the Financial Officer shall make an estimate of the tax due based on available information and shall add thereto interest on such delinquent taxes at the rate of 1.5% per month from the date the return and tax was due. The Financial Officer shall serve upon the delinquent taxpayer written notice of such estimated taxes, penalty and interest. Such notice shall constitute a notice of determination, assessment and demand for payment and, which payment shall be due and payable within 21 days from the date the notice is mailed.

The Financial Officer may, at any time within three years of the date a tax is due, serve upon any taxpayer a written notice of audit notifying the taxpayer that the Financial Officer will be conducting an audit of the taxpayer's books and records to determine the exact amount of any tax, penalty, interest, collection costs and other charges due. Any tax deficiency must be paid within 21 days from the mailing of a notice of deficiency. Taxpayers may protest deficiency notices and request a hearing.

If any taxpayer has failed, neglected or refused to pay the tax imposed by the City Sales Tax Ordinance within the time specified for payment, the Financial Officer may assess a \$25 charge upon the issuance of each notice of determination, assessment and demand for payment in addition to the taxes, penalties and interest provided for elsewhere in this Article. This charge is imposed to compensate the City for its administrative costs to issue the notice. In addition, the City may include in any assessment against the taxpayer the collection costs the City incurs in collecting the taxes, penalties, interest and other charges owed under this Article, including, without limitation, the City's attorney fees.

Tax Constitutes Lien. The Sales and Use Tax, together with all penalties, interest, collection costs and other charges pertaining thereto, is a first and prior lien upon the goods, stock-in-trade and business fixtures in which the retailer has an ownership interest except for goods that have been purchased in the ordinary course of business by retail purchasers and such lien takes priority over other liens or claims of whatsoever kind or nature on such property.

The Sales and Use Tax imposed by the City Sales Tax Ordinance, together with all penalties, interest, charges and costs of collection pertaining thereto, is a first and prior lien on the real and personal property of the taxpayer other than the goods, stock-in-trade and business fixtures in which the taxpayer has an ownership interest, except as to preexisting liens or claims of a bona fide mortgagee, pledgee, judgment creditor or purchaser whose rights have attached prior to the filing of the notice of lien, on the property of the taxpayer. The Financial Officer may file a lien as provided in the City Sales Tax Ordinance which may be foreclosed and executed upon by the City in the district court of the county in which the encumbered property is located in the same manner as security agreements, mortgages and judgment liens are so foreclosed and executed upon under state law.

The full amount of unpaid use taxes arising from and required to be reported pursuant to specified provisions of the City Sales Tax Ordinance, together with interest, penalties, collection costs and other charges as herein provided, are a first and prior lien on the property of the taxpayer and take priority over all other liens of whatsoever kind and nature, except for liens for general taxes created by state law and preexisting liens or claims of a bona fide mortgagee, pledgee, judgment creditor or purchaser whose rights have attached prior to the filing of the notice of lien provided for in the City Sales Tax Ordinance. This lien may be foreclosed and executed upon as described in the prior paragraph. The City's Building Official shall not make a final inspection on or issue a certificate of occupancy for any construction project unless a person has paid or arranged with the Financial Officer to pay all taxes due under the City Sales Tax Ordinance on all fixtures, minerals and other construction materials and supplies or tangible personal property used in or connected with the construction, reconstruction, alteration, expansion, modification or improvement of any building, dwelling or other structure or improvement to real property in the City.

The Financial Officer may issue a warrant directed to any employee, agent or representative of the City or any sheriff of any county of the State, commanding such person to distrain, seize and sell any personal property in which the taxpayer has an ownership interest, except such property as is exempt from the execution and sale by any statute of the State, for the payment of tax due together with interest, penalties, collection costs and other charges thereon in the following circumstances:

Under certain conditions, the Financial Officer may apply to the Judge of the City’s Municipal Court for a warrant authorizing the Financial Officer to search for and seize property located within the City limits for the purpose of enforcing the collection of any tax deficiency owed under the City Sales Tax Ordinance.

In addition to other remedies provided in the City Sales Tax Ordinance, the Financial Officer may treat any such taxes, penalties, interest, collection costs and other charges due and unpaid under the City Sales Tax Ordinance as a debt due to the City from the taxpayer. If a taxpayer fails to pay the tax, or any portion thereof, or any penalty, interest, collection costs or other charges thereon, when due, the Financial Officer may recover at law the amount of such taxes, penalties, interest, collection costs and other charges in any court having jurisdiction. The Financial Officer may also send delinquent taxpayers to a collection agency.

The City has three revenue and licensing specialists, four auditors, a Senior Audit Manager, and a Director of Revenue and Sales Tax. The revenue and licensing staff members focused on collections make every effort to make sure all taxpayers remit any sales and use taxes due to the City. The audit staff conducts between 30-50 audits per year to confirm compliance with the City Sales Tax Ordinance.

History of Sales and Use Tax Collections. The following table sets forth a history of City Sales and Use Tax collections at a rate of 3.85% through 2023, 4.35% for 2024 and 2025. Not all of the Sales and Use Tax revenues depicted in the table below are available to pay Base Rentals under the Lease.

History of City Sales and Use Tax Collections(1)(2)

<u>Year</u>	<u>Sales Tax Collections</u>	<u>Percent Change</u>	<u>Use Tax Collections</u>	<u>Percent Change</u>	<u>Total Collections</u>	<u>Percent Change</u>
2020	\$115,661,061	--	\$20,020,218	--	\$135,681,279	--
2021	137,910,207	19.24%	20,990,056	4.84%	158,900,263	17.11%
2022	150,545,431	9.16	23,093,309	10.02	173,638,740	9.28
2023	155,361,332	3.20	25,548,979	1.97	178,910,311	3.04
2024 (3)	174,628,742	12.40%	25,344,807	7.63%	199,973,549	11.77
<u>2025</u>						

(1) Unaudited.

(2) Amounts paid to the Foothills redevelopment area and amounts subject to economic development rebate agreements are not included in this table.

(3) The City’s sales and use tax rate increased from 3.85% in 2023 to 4.35% in 2024.

Source: The City.

Sales and Use Tax Trends. [A short summary of current, past, and expected trends over the next two to three years will be inserted here. The following example is from the City’s 2023 COPs: The City Sales Tax continues to grow. In the last five years, the year-over-year trend is on a growth trajectory except for a modest contraction in 2020 due to the impact of COVID-19. The City showed signs of recovery from COVID-19 in 2021, and Sales Tax experienced strong growth coming out of the COVID-19 pandemic. Strong growth, driven by consumer spending, continued an upward trend in sales tax collections in 2022. The City expects sales tax to continue to increase, but at a more modest pace than seen in the past. Use tax receipts have historically been volatile and reflect the local community’s investment in new equipment and buildings. Over the past years, use tax collections have been steadily declining as the City has not seen any recent major economic expansion of the industry sectors that drive use tax.]

Actual sales tax revenue has been higher than budgeted in 4 of the last 5 years. In 2021, the City saw strong sales tax growth, which outpaced the budget amounts by 22.3%. Use tax was also higher than budgeted in 2021 by 16.6%. Through December of 2022, sales and use tax continued to grow and were 12.3% above budget for the year.

Monthly Collection Comparisons. The following tables present a comparison of monthly Sales Tax and Use Tax collections (based on a rate of 4.35%) for the 12-month periods ended [May 31], 2025 and 2026. The figures in the table are net of amounts paid to the Foothills redevelopment area and amounts subject to economic development rebate agreements. The figures in the following tables are presented on a cash basis (i.e., the figures are recorded in the month in which the revenue was received by the City, not the month in which the underlying sale was made).

Comparison of Monthly Sales Tax Collections

<u>Month</u>	<u>Twelve-Month Period</u> <u>Ending [May 31], 2025</u>		<u>Twelve Month Period</u> <u>Ending [May 31], 2026</u>		<u>Percent Change</u>	
	<u>Current</u> <u>Month</u>	<u>Cumulative</u>	<u>Current</u> <u>Month</u>	<u>Cumulative</u>	<u>Current</u> <u>Month</u>	<u>Cumulative</u>
June						
July						
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						

Source: City Finance Department.

Comparison of Monthly Use Tax Collections

<u>Month</u>	<u>Twelve-Month Period Ending [May 31], 2025</u>		<u>Twelve Month Period Ending [May 31], 2026</u>		<u>Percent Change</u>	
	<u>Current Month</u>	<u>Cumulative</u>	<u>Current Month</u>	<u>Cumulative</u>	<u>Current Month</u>	<u>Cumulative</u>
June						
July						
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						

Source: City Finance Department.

Principal Sales and Use Tax Generators. The following table sets forth the ten vendors that generated the largest amount of City Sales and Use Tax in 2025. Certain of the vendors listed below have multiple branch locations within the City. In addition, the “Car Tax” and “Building Permits” categories represent all tax collections the City received under those categories and do not represent collections from a single vendor. Because of the confidential nature of the gross sales of such entities, the vendors’ identities cannot be divulged under penalty of law. The City expects that the following Sales and Use Tax generators will remain substantially the same for 2026.

Ten Largest Sales and Use Tax Generators – 2025

<u>Type of Business</u>	<u>Type of Tax</u>	<u>Amount of Tax Collected (1)</u>	<u>Percent of Total Collections (2)</u>
Car Tax	Use Tax		
General Merchandise	Sales Tax		
Home Improvement	Sales Tax		
Grocery	Sales Tax		
Building Permits	Use Tax		
General Merchandise	Sales Tax		
General Merchandise	Sales Tax		
Utility	Sales Tax		
Utility	Sales Tax		
Grocery	Sales Tax		
<b>Total</b>			

(1) Unaudited.

(2) Based on total 2025 Sales and Use Tax collections of \$ \_\_\_\_\_ (unaudited).

Source: The City.

In 2025, restaurants as a group accounted for approximately \_\_\_\_% of total City Sales Tax collections, miscellaneous retailers as a group accounted for approximately \_\_\_\_% and grocery/convenience/liquor stores as a group accounted for approximately \_\_\_\_%. No other industry accounted for more than 10% of total City Sales Tax collections in 2025.

### **Budget Summaries and Comparisons**

Set forth in the following table is a comparison of the City’s General Fund budgets for fiscal years 2025, 2026 and 2027, as compared to actual, unaudited, results for the [five] month periods ending [May 31], 2025 and 2026.

The information in the table is presented in budgetary basis and is not intended to conform to Generally Accepted Accounting Principles (“GAAP”). The table does not include fund balance information; for a representation of fund balance, a portion of which is available for appropriation in each year, see the tables in “History of Revenues, Expenditures and Changes in Fund Balances” below.

Minimum Fund Balance Policy. It is the City’s policy to maintain a 45-day liquidity goal minimum unassigned fund balance in the General Fund. The minimum unassigned fund balance should be at least 12.5% of the subsequent year’s originally adopted budgeted expenditures and transfers out, excluding expenditures and transfers out for large and unusual one-time items. This liquidity goal is in addition to the 3% emergency reserve requirement of Article X, Section 20 of the Colorado Constitution (“TABOR”), as described in “CERTAIN LEGAL MATTERS--Constitutional Limitations.”

Budget To Actual Comparison - General Fund

	<u>2025 Final Budget</u>	<u>2025 Actual Thru 5/31/25(1)</u>	<u>2026 Final Budget</u>	<u>2026 Actual Thru 5/31/26(1)</u>	<u>2027 Budget</u>
<b>Revenues</b>					
Programs					
Taxes					
Licenses and permits					
Intergovernmental					
Fees and charges for services					
Fines and forfeitures					
Earnings on investments					
Miscellaneous revenue					
Proceeds from long-term debt					
Transfers					
Projects					
Intergovernmental					
Miscellaneous revenue					
Transfers					
Total Revenues					
<b>Expenditures</b>					
Programs					
Community services					
Info and employee services					
Executive, legislative and judicial					
Financial services					
Fire protection					
Museum operations					
Other					
Planning, dev. and transportation					
Police services					
Sustainability services					
Projects					
Community services					
Info and employee services					
Executive, legislative and judicial					
Financial services					
Planning, dev. and transportation					
Police services					
Sustainability services					
Total Expenditures					
Excess of revenues over (under) expenditures					
<b>Reconciliation to GAAP basis</b>					
Prior years' project expenses					
Prior years' project revenues					
Eliminated intrafund transfers-out					
Eliminated intrafund transfers-in					
Total reconciling items					
Net change in fund balances					
Fund balances--January 1					
Fund balances--December 31					

(1) Unaudited, interim financial information only.

Source: The City's 2025, 2026 and 2027 budgets and the City.

## **History of Revenues, Expenditures and Changes in Fund Balances**

The following table provides a comparative history of revenues, expenditures and changes in fund balance in the City's General Fund for fiscal years 2021 through 2025. The information in this table has been derived from the audited financial information presented in the City's Annual Comprehensive Financial Report ("ACFR") for 2021-2025. The information should be read together with the City's fiscal year 2024 basic financial statements (and accompanying notes) appearing in Appendix A. Financial statements for preceding years may be obtained from the sources noted in "INTRODUCTION--Additional Information."

Prospective investors should be aware that the Certificates are payable solely from the Trust Estate. Inclusion of the following material is for informational purposes only and does not imply that the Certificates constitute a general obligation of the City or a lien on any City revenues. *The General Fund is not pledged to pay debt service on the Certificates. The City has other obligations payable from legally available revenues. See "CITY DEBT STRUCTURE." In addition, the City may use legally available revenues in the General Fund to appropriate funds for the payment of other City obligations as described in "CERTAIN RISK FACTORS--Nonappropriation; Factors that May Cause Insufficiency of Expected Revenues."*

General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances

	Year Ended December 31,				<b>2025</b>
	2021	2022	2023	2024	
<b>Revenues</b>					
Taxes	\$163,653,009	\$174,552,492	\$178,337,289	\$189,056,611	
Licenses and permits	3,713,388	2,776,349	2,586,206	2,498,502	
Intergovernmental	18,472,649	20,852,311	28,808,753	28,659,233	
Fees and charges for services	11,759,749	11,266,625	11,260,803	13,085,220	
Fines and forfeitures	2,194,751	1,940,668	2,021,888	2,685,491	
Earnings on investments	(574,872)	(3,406,889)	6,039,190	4,142,705	
Miscellaneous	<u>3,876,661</u>	<u>2,150,675</u>	<u>1,370,065</u>	<u>1,989,224</u>	
Total Revenues	<u>203,095,335</u>	<u>210,132,231</u>	<u>230,424,194</u>	<u>242,116,986</u>	
<b>Expenditures</b>					
Current					
Police services	47,737,127	54,110,503	58,350,997	64,690,557	
Financial services	4,968,599	10,027,142	13,085,132	12,529,046	
Community services	17,340,383	17,608,890	19,236,640	19,648,164	
Planning, development & transportation	9,709,321	12,196,988	14,141,237	12,317,364	
Executive, legal and judicial	9,540,531	9,960,357	10,660,727	13,222,160	
Information and employee	16,871,712	20,311,574	23,608,028	24,382,259	
Sustainability services	7,018,235	7,269,592	7,175,210	10,177,427	
Other	1,758,052	2,273,302	2,776,523	1,607,263	
Intergovernmental					
Fire protection	30,987,586	33,879,327	35,850,145	38,727,013	
Capital outlay	2,538,636	3,160,932	17,952,169	7,980,659	
Debt Service					
Principal	--	87,389	751,485	1,022,796	
Interest and debt service costs	--	<u>1,797</u>	<u>28,731</u>	<u>59,128</u>	
Total Expenditures	<u>148,470,182</u>	<u>170,887,793</u>	<u>203,617,024</u>	<u>206,363,836</u>	
<b>Excess of revenues over expenditures</b>	<u>54,625,153</u>	<u>39,244,438</u>	<u>26,807,170</u>	<u>35,753,150</u>	
<b>Other Financing Sources (Uses)</b>					
Transfers in	5,000,779	2,514,400	2,446,684	5,268,240	
Transfers out (1)	(35,791,396)	(42,865,972)	(46,774,739)	(48,319,332)	
Debt Issued	--	--	8,690,894		
Leases Issued	--	--	--	450,416	
Subscriptions Issued	--	--	--	<u>1,187,962</u>	
Total Other Financing Sources (Uses)	<u>(30,790,617)</u>	<u>(40,351,572)</u>	<u>(35,637,161)</u>	<u>(41,412,714)</u>	
<b>Net change in fund balances (deficit)</b>	23,834,536	(1,107,134)	(8,829,991)	(5,659,564)	
<b>Fund balances-Beginning of year</b>	<u>63,432,977</u>	<u>87,267,513</u>	<u>86,160,379</u>	<u>77,330,388</u>	
<b>Fund balances-End of Year</b>	<u>\$87,267,513</u>	<u>\$86,160,379</u>	<u>\$77,330,388</u>	<u>\$71,670,824</u>	

(1) The City transfers funds out to various funds each year as required by law, accounting principles, or in its discretion. The largest transfers are to the transit services and transportation funds, internal service funds (such as the self-insurance and data and communication funds), the capital leasing corporation fund (for the payment of amounts due under certain lease agreements) and the capital projects fund.

Source: Derived from the City's ACFRs for the years ended December 31, 2021, through 2025.

## THE CITY

General. The City was founded in 1864 and incorporated as a statutory town on February 3, 1873. The City became a city of the second class on February 2, 1883, and existed in this form until September 16, 1913, when the City Charter was adopted by a majority of the electors of the City acting under the provisions of Article XX of the Constitution of the State. Pursuant to such provisions, the City is considered to have plenary powers in matters of local concern and broad powers to legislate in areas of mixed statewide and local concern, except as limited by State law and the provisions of the City Charter. On October 5, 1954, the present Charter was adopted authorizing a council-manager form of government.

The City had an estimated population of 172,321 as of December 2021 and is located approximately 65 miles north of Denver in north central Colorado just west of Interstate 25, the principal route between Denver, Colorado, and Cheyenne, Wyoming. The University is located in the City, and students and staff at the University are a significant factor in the City's economy. The City is the county seat of Larimer County (the "County"). Historically, the City was a trading center for the surrounding agricultural area, but in recent years the City has attracted a significant number of light industry and high technology businesses.

Basic municipal services provided by the City include parks, recreation, planning, police protection, public transportation ("TransFort"), water, wastewater, electricity, public works (including street maintenance), stormwater and municipal court. The City's water, wastewater, stormwater and electric utilities are operated as separate enterprises of the City but are all administered as parts of the City's Utility Services.

### Principal Officials

City Council. Under the provisions of the City Charter, the City is governed by a six-member Council and a Mayor who are elected by the voters. Members of the City Council are elected from six districts within the City and the Mayor is elected based on a city-wide vote. The present Mayor and members of the City Council are as follows:

<u>Name and Position</u>	<u>Principal Occupation</u>	<u>Term Expires</u>
Emily Francis, Mayor	Land Use/Housing Program Unit Manager	11/2027
Julie Pignataro, Mayor Pro Tem	Executive Director – Technology	11/2027
Chris Conway, Council Member	Teacher	11/2029
Josh Fudge, Council Member	Director of Performance, Budget, and Strategy	11/2029
Melanie Potyondy, Council Member	School Psychologist	11/2027
Amy Hoeven, Council Member	Community Advocate	11/2029
Anne Nelsen, Council Member	Architect	11/2027

All legislative powers of the City are vested in the City Council except as otherwise provided in the City Charter. The affirmative vote of the majority of the City Council members present is required for the enactment of any regularly enacted ordinance. The City Charter provides for voter referenda and initiatives, pursuant to which voters may require the City Council to submit ordinances and City Charter amendments to the voters. Under these provisions of the City Charter, any registered elector may commence a referendum proceeding on the ordinance authorizing the execution and delivery of the Certificates at any time within ten days after final passage of the ordinance, by filing a notice of protest.

The City Council appoints all boards and commissions, unless otherwise required by law, and also appoints the City Manager, the City Attorney and the Municipal Court Judge. The City Manager is the chief executive of the City and is responsible for the enforcement of the City's laws and ordinances. The City Manager also administers the operation of all the departments and divisions of the City, except that the City Attorney supervises the City's legal staff and the Municipal Judge supervises the operation of the Municipal Court. Agencies or officials reporting directly to the City Council include the City Manager, the City Attorney, the Municipal Court Judge and a number of boards and commissions, including the Energy Board, the Water Board and the Planning and Zoning Board.

The State Constitution reserves to the City certain powers, including the power to issue, refund, and liquidate all kinds of municipal obligations, the power to assess property in the City and the power to levy and collect property and sales and use taxes. However, such powers are subject to certain limitations as described in "LEGAL MATTERS--Certain Constitutional Limitations."

Administration. *Kelly DiMartino – City Manager.* Kelly DiMartino was appointed in June 2022 as the City Manager of the City, becoming the first female City Manager in the City's history. Ms. DiMartino's career with the City spans more than 25 years, beginning as the Communications and Public Involvement Coordinator, and including multiple roles in communications, technology, human resources, and the City Manager's office. Throughout her career, Ms. DiMartino has been committed to providing high quality services, enhancing community engagement, and fostering a culture of operational excellence and innovation. Ms. DiMartino holds a Bachelor's Degree in Marketing from Hastings College, and a Master's Degree in Business Administration from Colorado State University.

*Caleb Weitz – Chief Financial Officer.* Caleb Weitz has held his position as Chief Financial Officer of the City since April 2025. Prior to joining the City, Mr. Weitz served as the Director of Budget and Policy for the City of Greeley, Colorado. Before that role, Mr. Weitz spent thirteen years with the County of Loudoun in Northern Virginia in variety of roles: Assistant Director in the Office of Management and Budget, Chief of Staff in the Office of the County Administrator, and a Senior Legislative Aide to the Board of Supervisors. Mr. Weitz holds Master of Public Administration from George Mason University and a Bachelor of Arts in Political Science from Grove City College.

### **Employees; Labor Relations**

As of January 30, 2026, the City administration manages approximately 2,800 full-time, part-time, seasonal and contractual employees. The City recognizes a bargaining agent for only one group of employees, full-time sworn police officers of the City police department maintaining the rank of lieutenant and below, community service officers and dispatchers equivalent to the rank of lieutenant and below and police records and evidence employees equivalent to the rank of lieutenant and below. Charter provisions and State legal decisions limit the matters to which the City and its police union can agree in a collective bargaining agreement. Labor relations between the City and its employees may be described as free of significant dispute.

### **Pension Plans**

Except as explained below, the City's permanent, classified non-uniformed employees hired prior to January 1, 1999, are eligible to be members of the General Employees'

Retirement Plan, a single employer defined benefit plan. The City's current funding policy (which can be changed by the City Council in its discretion) is to contribute 10.5% of the compensation for active plan participants plus an annual supplemental contribution while the plan is underfunded, as defined in the policy. The City's contribution for 2024 was 72.7% of covered pay to the plan with a supplemental contribution of \$1,301,426. The City's contribution for 2025 (unaudited) was \_\_\_\_\_% of covered payroll with a supplemental contribution of \$1,277,197.16. As of December 31, 2025, the City's Net Pension Liability ("NPL") was \$ \_\_\_\_\_ million and the Plan had a funded ratio of \_\_\_\_\_% of a Total Pension Liability of \$ \_\_\_\_\_. See Note IV(B)(1) in the audited financial statement attached hereto as Appendix A and the Required Supplementary Information Other Than MD&A for a history of funding levels and more information regarding the Plan, including significant assumptions, funding policies and information about the Pension Trust Fund.

Employees hired after January 1, 1999, are only eligible to participate in a defined contribution money purchase pension plan created in accordance with Internal Revenue Code § 401(a). Contributions made by the City are not taxed until they are withdrawn. Employee contributions are made with pre-tax dollars, and the earnings on City and employee contributions are not taxed until withdrawn. For 2024, City and employee contributions to the plan were \$11,389,570 and \$6,133,178, respectively. For 2025, City and employee contributions to the plan were \$ \_\_\_\_\_ (unaudited) and \$ \_\_\_\_\_ (unaudited), respectively.

Police Services employees through the Collective Bargaining Unit (CBU) participate in a mandatory Retirement Health Savings Plan (RHS). The City does not have administrative involvement and does not perform the investment function of this plan, therefore it is not included in the City's financial statements. Employee contributions are made through pre-tax payroll deductions. The CBU RHS plan requires mandatory matching contributions by employer and employee as follows: 1.25% contribution to be made by all qualifying participants with less than 10 years of service, 1.5% for participants with 10-20 years of service, and 1.75% for participants with more than 20 years of service. For 2024, City and employee contributions to the plan were \$776,553 and \$439,513, respectively. For 2025, City and employee contributions to the plan were \$ \_\_\_\_\_ (unaudited) and \$ \_\_\_\_\_ (unaudited), respectively.

### **Services Provided by Other Entities**

Certain basic municipal services are provided within the City by public entities other than the City. These include the County, the Health District of Northern Larimer County, East Larimer County Water District, Fort Collins-Loveland Water District, South Fort Collins Sanitation District, Boxelder Sanitation District, Poudre River Public Library District and Poudre Fire Authority. The County provides additional recreation, law enforcement and social services.

Elementary schools, middle schools and high schools in the City are provided by both Poudre School District R-1 and Thompson School District No. R2-J, which are independent political subdivisions of the State, not under the control of the City.

The City and Loveland jointly own and operate the Northern Colorado Regional Airport. The City's government-wide financial statements reflect 50% equity ownership interest in the airport.

Certain other basic services are provided within the City by private entities. Natural gas service is provided by Xcel Energy. Trash collection is provided by private businesses.

## Climate Change

Changing weather patterns have impacted areas within the State, including the City. The impacts include increasing temperatures, more extreme weather patterns, longer periods of drought, and increased wildfires. Recent fires have been widespread and, in some cases, have occurred near the City. Colorado, the federal government and local firefighting agencies have dedicated significant resources for prevention, management and eradication of fires.

It is difficult to predict whether or how a changing climate will impact the City and its finances, but extreme weather and increased fire activity could impact the City's facilities. The City maintains casualty property insurance policies to insure against damage or destruction of its facilities. Extreme weather events could also damage or destroy private properties located in the City. Such damage or destruction could potentially impact the City's tax revenues.

The Fort Collins community has a long been a regional and national leader on climate action, dating back to 1999 when the City's first climate action plan was adopted. In 2015, City Council unanimously adopted the following accelerated climate action goals for the community:

- (a) 20 percent carbon emissions reduction below 2005 levels by 2020 (the City met this goal);
- (b) 80 percent carbon emissions reduction below 2005 levels by 2030; and
- (c) Carbon neutral by 2050.

In 2021, City Council adopted the joint update to the Climate Action Plan, Energy Policy, and Road to Zero Waste, called Our Climate Future ("OCF"). OCF articulates a commitment to mitigating and adapting to climate change with people-first systems approach, meaning that community members' voices and priorities are at the center of this work to help the City reach its 2030 goals and beyond. In addition, a portion of the City's parks and recreation, pollution control and transit sales tax is dedicated toward meeting the City's carbon reduction goals.

## CITY FINANCIAL INFORMATION

### Budget Process

Pursuant to the City Charter and the Municipal Code, the City budget is submitted by the City Manager to the City Council biannually. The proposed budget is required to provide a complete financial plan of all City funds for the ensuing budget term. In addition, the City Manager annually submits a five-year long-range capital program for the City's physical development.

Two public hearings are conducted on the proposed budget. After the public hearing, the City Council may adopt the budget with or without amendment. In amending the budget it may add or increase programs or amounts and may delete or decrease any programs or amounts. The City Council must adopt a budget by ordinance on or before November 30 of the year preceding the budget term. The ordinance approving the budget or appropriating funds for the ensuing budget year includes the property tax levy to be certified to the County no later than December 15 of each year for collection as required by law.

The City Charter provides that, upon recommendation by the City Manager, the City Council may make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of the supplemental appropriations, combined with previous appropriations for the same fiscal year, do not exceed the current estimate of actual and anticipated revenues and other funds to be received by the City during the fiscal year

### Financial Statements

Pursuant to Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the City's financial statements at the end of the fiscal year. The audited financial statements must be filed with the City Council within six months after the end of the fiscal year and with the state auditor 30 days thereafter. Failure to file an audit report may result in the withholding of the City's property tax revenues by the County treasurer pending compliance.

The City's audited basic financial statements, derived from the City's 2024 ACFR, are attached to this Official Statement as Appendix A. Those financial statements are the most current audited financial information available for the City.

### Risk Management

City Insurance Coverage. The City maintains a comprehensive insurance program covering automobile liability, general liability, police liability, and public official liability exposures as well as damage or destruction of property. The City self-insures for a portion of the program and purchases liability insurance through a risk retention group. The City also maintains workers' compensation insurance as required by law. See Note IV(A) in the audited financial statement attached hereto as Appendix A for a description of the City's risk management program for 2024.

Cybersecurity. The City relies on computer systems and technologies to conduct many of its operations. Despite security measures, policies and training, the City, like other public and private entities, may be vulnerable to cyber-attacks by third parties. Any such attack could

compromise systems and the information stored thereon. A cyber-attack could result in a disruption in the operations of the City and may adversely affect revenues.

While the City’s IT infrastructure is constantly under attack, most attacks are avoided all-together. The City has experienced successful infiltrations and compromise in the past. Thus far, the previous attacks have been isolated and remediated before impacting City operations. The City has cyber insurance coverage and is currently making tremendous improvements in implementing measures to better prepare both employees and infrastructure, and to mature its mitigation standards, as well as the adoption of world-class third-party 24/7 monitoring, detection and remediation solutions. No assurances can be given that these security measures will successfully prevent all cyber-attacks.

**Capital Improvement Program**

The information below was provided by the City’s Finance Department and reflects the potential spending on Capital Improvements by the City on various categories of Capital Improvements for the time periods shown below.

	<u>2026-2029 Capital Improvements<sup>(1)(2)</sup></u>				
	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>TOTAL</u>
General Capital Projects <sup>(3)</sup>					
0.25% Community Capital Improvement Program	\$11,078,000	\$11,404,000	\$11,689,000	\$12,281,000	\$12,588,000
Neighborhood Parkland <sup>(3)</sup>					
Conservation Trust <sup>(3)</sup>					
Electric and Telecommunications	15,122,137	23,348,850	29,942,193	27,297,616	29,132,615
Water	11,354,248	81,427,409	112,803,043	56,933,249	18,691,623
Wastewater	7,357,023	25,437,634	58,089,979	55,714,979	11,928,750
Stormwater	10,274,966	8,984,423	9,661,922	12,705,373	20,478,114
<b>TOTAL</b>					

<sup>(1)</sup> Projects of the Downtown Development Authority are not included in this table.

<sup>(2)</sup> Actual results will vary from the amounts projected, and the variances may be material.

<sup>(3)</sup> These categories have no adopted and dedicated budget for Capital Improvement. The amounts of spending shown for years 2026-2029 in the table above is an average of prior spending by the City on Capital Improvements within these categories.

## DEBT STRUCTURE

The following is a general discussion of the City's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations currently outstanding.

### Authority to Incur Debt

General. The City Charter provides that the City is authorized to issue (a) short-term notes, (b) general obligation bonds (which, except for general obligation water bonds, must be approved at an election and are subject to a limitation of 10% of the most recent assessed valuation of taxable property in the City), (c) revenue securities, (d) special or local improvement district securities, (e) tax increment securities, and (f) any other securities not in contravention of the City Charter.

Notwithstanding the foregoing, Article X, Section 20 of the State Constitution ("TABOR") requires prior voter approval of any multiple-fiscal year direct or indirect debt or other financial obligation, subject to certain exceptions. For example, an "enterprise" as defined in TABOR is not subject to these voter approval requirements. See "LEGAL MATTERS--Certain Constitutional Limitations."

Enterprises. On April 6, 1993, the registered electors of the City approved an amendment to the City Charter that permits the City Council by ordinance to create enterprises for the City's water, wastewater, stormwater and electrical utilities and to authorize such enterprises to issue their own revenue bonds without voter approval. On November 7, 2017, the City's registered electors approved another Charter amendment that permits the City Council by ordinance to authorize the Enterprise to issue revenue bonds without voter approval to fund the provision of telecommunication facilities and services.

The City Council serves as the board for each enterprise. Revenue bonds issued by an enterprise are treated as having the same obligor as revenue bonds of the City payable from the same sources and are subject to contractual restrictions on revenue pledges contained in prior City ordinances.

### Debt Structure of the City

The following table describes the long-term debt structure of the City as of December 31, 2025.

Combined Statement of Debt as of December 31, 2025

	<u>Amount Outstanding<sup>(1)(2)</sup></u>
<u>Light and Power Bonds</u>	
Debt Supported by Light and Power/Broadband revenue	\$173,800,000
<u>Water Revenue Bonds</u>	
Debt Supported by Water Fund revenue	150,318
<u>Sewer Revenue Bonds</u>	
Debt Supported by Sewer Fund revenue	6,665,500
<u>Tax Increment Revenue Bonds</u>	
Debt Supported by Downtown Development Authority property tax increment revenue	2,110,119
Debt Supported by Urban Renewal Authority property tax increment revenue	16,385,000
<u>Stormwater Revenue Bonds</u>	
Debt Supported by Stormwater Fund revenue	36,010,000
TOTAL	\$235,120,937

- (1) Does not include accumulated leave payable and capital lease obligations that are reported by the City as long-term debt in its financial statements.
- (2) The City has defeased certain bonds by placing the proceeds of refunding bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. The trust accounts' assets and the liability for the defeased bonds are not included in the City's financial statements.

**Other Obligations**

General. The City's policy is to utilize short-term borrowing only for capital, as opposed to operating, purposes, and the City has used short-term borrowing sparingly. In the past, the City's short-term borrowing has been by means of notes or lines of credit.

Lease-Purchase Agreements. On July 27, 2004, the City entered into an annually renewable lease agreement (the "2004 Lease") to finance the costs of a new police headquarters facility, the acquisition of open space land and the remodeling of a transportation materials warehouse. Base rental payable under the 2004 Lease supported the payment of certain certificates of participation. On October 18, 2012, the City entered into an annually renewable lease agreement with U.S. Bank Trust Company National Association (the "2012 Lease") to refund certain certificates of participation that supported payments from the 2004 Lease. Base rentals payable under the 2012 Lease support the payment of certain certificates of participation (assuming annual appropriations are made for that purpose). The certificates of participation related to the 2012 Lease are outstanding in the aggregate principal amount of \$1,905,000.

On August 9, 2017, the City entered into an annually renewable lease agreement with U.S. Bank Trust Company National Association (the "2017 Lease") to purchase 216 parking spaces within a newly-constructed 323 space parking garage. Base rentals payable under the 2017 Lease support the payment of certain certificates of participation (assuming annual appropriations are made for that purpose). The related certificates of participation are outstanding in the aggregate principal amount of \$1,850,000.

On March 21, 2019, the City entered into an annually renewable lease agreement with U.S. Bank Trust Company, National Association (the "2019 Lease") to finance a portion of

a highway interchange and a police training facility, entered into the First Amendment to Lease Purchase Agreement dated as of July 21, 2022 (the “First Amendment”), to finance certain irrigation improvements for a golf course and the construction of a fleet maintenance facility and entered into the Second Amendment to Lease to Purchase Agreement dated as of March 21, 2023 (the “Second Amendment”), to acquire real property and for miscellaneous additional projects that benefit the inhabitants of the City. Base Rentals payable under the Lease, as amended, support the payment of the 2019 Certificates, the 2022A Certificates and the 2023 Certificates (assuming annual appropriations are made to pay Base Rentals on the Certificates). The 2019 Certificates are outstanding in the aggregate principal amount of \$17,535,000, the 2022A Certificates are outstanding in the aggregate principal amount of \$6,275,000 and the 2023 Certificates are outstanding in the aggregate principal amount of \$5,780,000.

The following table sets forth the base rentals payable by the City under the 2012 Lease, the 2017 Lease, the 2019 Lease, the First Amendment to the 2019 Lease and the Second Amendment to the 2019 Lease. The base rentals shown below are also payable from any legally available revenues of the City.

Base Rentals Payable Pursuant to Other City Lease-Purchase Agreements(1)

	2012	2017	2019	2022A	2023	Total
	Base	Base	Base	Base	Base	Base
<u>Year</u>	<u>Rentals</u>	<u>Rentals</u>	<u>Rentals</u>	<u>Rentals</u>	<u>Rentals</u>	<u>Rentals</u>
2026	\$1,922,336	\$960,880	\$1,686,681	\$690,700	\$999,000	\$6,259,597
2027	--	958,188	1,689,431	696,200	998,500	4,342,319
2028	--	--	1,689,431	695,450	1,001,250	3,386,131
2029	--	--	1,686,681	693,700	997,000	3,377,381
2030	--	--	1,688,281	695,950	1,001,000	3,385,231
2031	--	--	1,687,881	696,950	997,750	3,382,581
2032	--	--	1,685,481	696,700	997,500	3,379,681
2033	--	--	1,689,681	700,200	--	2,389,881
2034	--	--	1,687,531	697,200	--	2,384,731
2035	--	--	1,689,181	697,950	--	2,387,131
2036	--	--	1,687,619	692,200	--	2,379,819
2037	--	--	1,689,650	691,600	--	2,381,250
2038	--	--	<u>1,688,138</u>	--	--	<u>1,688,138</u>
Total	\$1,922,336	\$1,919,068	\$21,945,667	\$8,344,800	\$6,992,000	\$41,123,871

(1) Totals may not add due to rounding.

Source: The Municipal Advisor

Other Leases. The City has also entered into long-term leases for various property and equipment. Since the leases are arrangements that either transfer the ownership of the assets to the City or provide options to purchase the assets at the completion of the agreement, they are treated as capital leases as defined by Statement of Financial Accounting Standards Board Release No. 13, “Accounting for Leases,” as amended and interpreted. As of December 31, 2025, the present value of future minimum lease payments under the City’s outstanding long-term capital lease obligations totaled \$\_\_\_\_\_. This amount does not include the annually renewable leases described in the preceding paragraphs.

Payments by the City under the leases of the facilities, property and equipment securing these obligations are subject to annual appropriation by the City Council.

**ECONOMIC AND DEMOGRAPHIC INFORMATION**

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the City. It is intended only to provide prospective investors with general information regarding the City’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

**Population**

The following table sets forth the respective populations of the City, Larimer County and the State for the time periods shown. Between 2010 and 2020, the City’s population increased 17.9% and Larimer County’s population increased 19.8%. The State’s population increased 14.8% during the same time period.

Year	<u>Population</u>					
	City of Fort Collins	Percent Change	Larimer County	Percent Change	Colorado	Percent Change
1980	65,092	--	149,184	--	2,889,735	--
1990	87,758	34.8%	186,136	24.8%	3,294,394	14.0%
2000	118,652	35.2	251,494	35.1	4,301,261	30.6
2010	143,986	21.4	299,630	19.1	5,029,196	16.9
2020	169,810	17.9	359,066	19.8	5,773,714	14.8
2021	169,441	--	362,836	--	5,813,551	--
2022	170,945	0.9%	368,062	1.4%	5,850,121	0.6%
2023	171,457	0.3	371,450	0.9	5,900,420	0.9
2024	172,442	0.6	374,387	0.8	5,956,729	1.0

Sources: United States Department of Commerce, Bureau of the Census (1980 to 2020 figures) and Colorado State Demography Office (2021 to 2024 figures, which is subject to periodic revisions).

**Income**

The following table sets forth annual per capita personal income levels for Larimer County, the State and the nation. Per capita personal income levels in Larimer County have consistently been lower than personal income levels in the State during the period shown.

Annual Per Capita Personal Income

<u>Year<sup>(1)</sup></u>	<u>Larimer County</u>	<u>Colorado</u>	<u>United States</u>
2019	\$56,225	\$61,278	\$55,567
2020	59,520	64,704	59,151
2021	64,885	71,928	64,692
2022	67,788	76,685	66,298
2023	71,359	80,169	70,002
2024	n/a	83,055	73,204

(1) Figures for Larimer County updated February 20, 2025. Figures for the State and the nation updated September 26, 2025. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

**Employment**

The following table presents information on employment within Larimer County, the State and the nation for the period indicated.

Labor Force and Percent Unemployed

<u>Year</u>	<u>Larimer County<sup>(1)</sup></u>		<u>Colorado<sup>(1)</sup></u>		<u>United States</u>
	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Percent Unemployed</u>
2020	193,235	6.1%	3,079,767	6.8%	8.1%
2021	199,215	5.0	3,146,263	5.5	5.3
2022	201,982	2.9	3,184,962	3.1	3.6
2023	206,039	3.1	3,231,187	3.3	3.6
2024	208,235	4.1	3,267,766	4.3	4.0
<u>Month of December</u>					
2024	207,206	4.2%	3,272,519	4.5%	4.1%
2025	204,490	3.4	3,242,279	3.6	4.4

(1) Figures for Larimer County and the State are not seasonally adjusted.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Labor Force Data and United States Department of Labor, Bureau of Labor Statistics.

The following table sets forth the number of individuals employed within selected Larimer County industries that are covered by unemployment insurance. In 2024, the largest employment sector in Larimer County was health care and social assistance (comprising approximately 16.2% of the county's work force), followed, in order, by educational services, accommodation and food services, retail trade, and manufacturing. For the twelve-month period ended December 31, 2024, total average employment in Larimer County increased 0.1% as compared to the twelve-month period ending December 31, 2023, and average weekly wages increased approximately 3.6% during the same period.

Average Number of Employees within Selected Industries – Larimer County

Industry	2020	2021	2022	2023	2024	2025 <sup>(2)</sup>
Accommodation and Food Services	15,251	17,191	18,794	18,892	19,168	18,520
Administrative and Waste Services	7,915	7,785	7,765	7,864	7,530	7,514
Agriculture, Forestry, Fishing, Hunting	946	926	906	899	900	912
Arts, Entertainment and Recreation	2,631	3,014	3,391	3,648	3,974	3,804
Construction	11,144	11,606	11,716	11,397	11,114	10,858
Educational Services	17,657	17,763	18,405	19,483	19,540	20,430
Finance and Insurance	3,371	3,445	3,635	3,615	3,563	3,633
Government	8,191	8,314	8,559	9,071	9,442	9,367
Health Care and Social Assistance	24,776	25,772	26,718	27,786	28,322	25,275
Information	3,228	2,952	2,820	2,649	2,609	2,452
Management of Companies/Enterprises	1,030	1,122	1,008	996	1,017	1,014
Manufacturing	13,973	14,547	15,016	15,176	14,721	14,381
Mining	487	448	407	438	495	405
Non-classifiable	31	27	29	56	33	6
Other Services	4,681	4,938	5,252	5,494	5,626	5,530
Professional and Technical Services	11,179	11,601	13,084	13,658	13,428	13,323
Real Estate, Rental and Leasing	3,123	3,278	3,306	3,166	3,126	3,036
Retail Trade	18,480	19,573	19,902	19,279	19,158	18,814
Transportation and Warehousing	3,700	4,184	4,091	4,267	4,303	4,110
Utilities	844	866	873	909	953	951
Wholesale Trade	5,152	5,329	5,873	6,015	5,917	5,791
Total <sup>(1)</sup>	<u>157,790</u>	<u>164,680</u>	<u>171,548</u>	<u>174,758</u>	<u>174,936</u>	<u>170,122</u>

- (1) Figures may not equal totals when added due to the rounding of averages or the inclusion in the total figure of employees that were not disclosed in individual classifications.  
(2) Figures are averaged through the second quarter of 2025.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

**Major Employers**

The following table sets forth a brief description of selected major employers located in the City’s geographic area. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the area.

Selected Major Employers in Northern Colorado

Employer	Industry/Service	Estimated Number of Employees <sup>(1)</sup>
Colorado State University	Higher education	8,664
University of Colorado Boulder	Higher education	6,267
JBS USA	Meat producer/exporter	6,000
BAE Systems Inc.	Space and mission systems	5,200
UCHealth <sup>(2)</sup>	Healthcare	4,861
St. Vrain Valley School District	Education	4,500
Boulder Valley School District	Education	3,750
Weld County School District 6 (Greeley-Evans)	Education	3,688
Poudre School District R1	Education	3,515
Boulder Community Health <sup>(3)</sup>	Healthcare	3,109

- (1) Figures are for the number of employees in the region, which includes Boulder, Larimer and Weld Counties; the City and County of Broomfield; and the Cities of Brighton and Westminster.
- (2) UCHealth includes Greeley Hospital, Longs Peak Hospital, Medical Center of the Rockies, and Poudre Valley Hospital.
- (3) Boulder Community Health includes Foothills Hospital.

Source: BizWest, *The Lists: Public-Sector Employers and Private-Sector Employers*, published July 2025

**Building Permits**

The following table sets forth the number of permits issued for construction in the City during the time period indicated.

History of Building Permits Issued in the City of Fort Collins

Year	New Single Family <sup>(1)</sup>		New Multi-Family		New Commercial <sup>(2)</sup>	
	Permits	Valuation	Units	Valuation	Permits	Valuation
2021	384	\$103,349,873	314	\$23,730,802	12	\$66,575,141
2022						
2023						
2024						
2025						
2026 <sup>(3)</sup>						

- (1) Includes single family detached and single family attached dwellings.
- (2) Includes hotels/motels; office/bank/professional; mercantile/retail/services; recreation; garage/service station; grocery/convenience store; and industrial construction.
- (3) Figures are for permits issued from January 1 through January 31, 2026.

Source: City of Fort Collins Building Services Department.

**Foreclosure Activity**

The following table sets forth the number of foreclosures filed in Larimer County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures that were filed and subsequently redeemed or withdrawn.

History of Foreclosures – Larimer County

<u>Year</u>	<u>Number of Foreclosures</u>	<u>Percent Change</u>
2021	56	--
2022	179	219.6%
2023	216	20.7
2024	204	(5.6)
2025	225	10.3
2026 <sup>(1)</sup>	19	--

(1) Figure is for foreclosures filed from January 1 through January 31, 2026.

Source: Public Trustee’s Office of Larimer County.

**Education**

Poudre School District R-1, which includes substantially the entire City, presently has 32 elementary schools, nine middle schools, two middle-high schools, seven high schools, two specialized schools, and eight charter schools. Total enrollment was 29,133 students for the 2025-26 school year, as estimated by the Colorado Department of Education.

The main campus of Colorado State University (the “University”) is located in the City. The University was established in 1870 as the “Colorado Agricultural College” on land owned by the United States Department of Agriculture, and, with the adoption of the State Constitution in 1876, became a State institution. The University has eight colleges: (1) Agricultural Sciences, (2) Business, (3) Walter Scott, Jr. College of Engineering, (4) Health and Human Sciences, (5) Liberal Arts, (6) Natural Sciences, (7) Veterinary Medicine and Biomedical Sciences and (8) Warner College of Natural Resources. The University offers academic programs enabling students to obtain undergraduate, graduate and doctoral degrees. The total fall 2025 student enrollment on the Fort Collins campus, including online students, was 34,412.

## TAX MATTERS

### General Matters

In the opinion of Butler Snow LLP, Special Counsel, under existing laws, regulations, published rulings and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Certificates (including any original issue discount properly allocable to the owner of a Certificate) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Tax Code and interest on the Certificates is not a specific preference item for purposes of the federal alternative minimum tax, except as such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations. Special Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Certificates is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Certificates.

The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Certificates. Failure to comply with such requirements could cause interest on the Certificates to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Certificates. The City has covenanted to comply with such requirements. Special Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Certificates. Special Counsel has also expressed no opinion regarding other tax consequences arising with respect to the Certificates under the laws of the State of Colorado or any other state or jurisdiction.

*The opinion of Special Counsel does not cover the treatment for federal or Colorado income tax purposes of any monies received in payment of or in respect to the Certificates subsequent to the occurrence of an Event of Indenture Default, an Event of Lease Default or an Event of Nonappropriation.*

The accrual or receipt of interest on the Certificates may otherwise affect the federal income tax liability of the owners of the Certificates. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Special Counsel has expressed no opinion regarding any such consequences. Purchasers of the Certificates, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers 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 Certificates.

### Original Issue Discount

The Certificates that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Certificates"), are being sold at an original issue discount. The difference between the initial public offering prices

of such Discount Certificates and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Certificate or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the Certificate in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Certificate (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Certificate that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Certificate, on days that are determined by reference to the maturity date of such Discount Certificate. The amount treated as original issue discount on such Discount Certificate for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Certificate (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Certificate at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Certificate during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Certificate the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Certificate is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Certificates should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Certificate. Subsequent purchasers of Discount Certificates that purchase such Discount Certificates for a price that is higher or lower than the “adjusted issue price” of the Discount Certificates at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

### **Original Issue Premium**

The Certificates that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Certificates”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Certificate over its stated redemption price at maturity constitutes premium on such Premium Certificate. A purchaser of a Premium Certificate must amortize any premium over such Premium Certificate’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Certificates callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Certificate is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal

income tax purposes upon a sale or disposition of such Premium Certificate prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Certificates should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Certificate.

### **Backup Withholding**

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Certificates is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Certificates that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Certificates from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Certificates or the market value thereof would be impacted thereby. Purchasers of the Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Special Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 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.

*Prospective purchasers of the Certificates are advised to consult their own tax advisors prior to any purchase of the Certificates as to the impact of the code upon their acquisition, holding or disposition of the Certificates.*



## LEGAL MATTERS

### Litigation

The City Attorney states that there are no pending lawsuits or claims that have been filed against the City that will materially and adversely affect the financial position of the City or its ability to enter into the Lease or to pay Base Rentals under the Lease as set forth therein. The City is, however, subject to certain pending and threatened litigation or administrative proceedings regarding various other matters arising in the ordinary course of the City's business. It is the opinion of the City Attorney that the pending litigation is either adequately covered by insurance or, to the extent not insured, the final settlement thereof, individually or in the aggregate, is not expected to materially adversely affect the City's financial position or its ability to perform its obligations under the Lease.

### 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 owned or leased by the public entity; operation and maintenance of any public water, gas, sanitation, electrical, power or swimming facility; a dangerous condition of any public buildings; the operation of any public water facility; and a dangerous condition of a public highway, road or street as provided in the Immunity Act. Immunity is also waived for peace officers who deprive any other person of individual rights under the conditions specified in State law. 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 City may not be held liable under the Immunity Act either directly or by indemnification for punitive or exemplary damages unless the City voluntarily pays such damages in accordance with State law.

The maximum amounts that may be recovered under the Immunity Act for injuries occurring on or after January 1, 2026, 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 \$505,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$1,421,000; except in such instance, no person may recover in excess of \$505,000. These amounts increase every four years pursuant to a formula based on the Denver-Aurora-Greeley Consumer Price Index. 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 and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include

suits filed pursuant to 42 U.S.C. § 1983 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 the 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.

### **Approval of Certain Legal Proceedings**

The approving opinion of Butler Snow LLP, as Special Counsel, will be delivered with the Certificates. A form of the Special Counsel opinion is attached to this Official Statement as Appendix E. Butler Snow LLP, Denver, Colorado, has also acted as Special Counsel to the City in connection with this Official Statement. Certain matters will be passed upon for the City by the City Attorney.

### **Certain Constitutional Limitations**

General. In 1992, Colorado voters approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or “TABOR”). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including school districts (“local governments”), but does not apply to “enterprises,” defined as government-owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the City, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government’s spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever (subject to certain exceptions such as the refinancing of obligations at a lower interest rate).

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for cities, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service on bonds can be paid without regard to any spending limits, assuming revenues are available to do so.

In 1997, the City received approval from its voters to collect and spend, for 1996 and each subsequent year, the full proceeds received pursuant to the City's property taxes and all other funds and revenue sources that exceed the TABOR revenue and spending limitations, provided such excess revenues are spent for one or more of the following purposes: public health and safety, including, but not limited to, environmental monitoring and mitigation; growth management; transportation services; and maintaining and repairing City facilities.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The City has set aside emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase-out requirements) to reduce or end subsidies to any program delegated for administration by the General Assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

### **Police Power**

The obligations of the City are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the federal constitution, including bankruptcy.

### **MUNICIPAL ADVISOR**

Hilltop Securities Inc., Denver, Colorado (the "Municipal Advisor") has served as Municipal Advisor to the City with respect to the Certificates. As the City's Municipal Advisor, the Municipal Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Certificates. In its role of Municipal Advisor to the City, the Municipal 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 the Official Statement and the appendices hereto.

### **INDEPENDENT AUDITORS**

The basic financial statements of the City for the fiscal year ended December 31, 2025, included in this Official Statement as Appendix A, have been audited by Plante & Moran, PLLC, certified public accountants, Detroit, Michigan, to the extent and for the period indicated in their report attached hereto.

The City will not obtain a consent letter from its auditor for the inclusion of the audit report in this Official Statement. Plante & Moran, PLLC, the City's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein,



**APPENDIX A**

**AUDITED BASIC FINANCIAL STATEMENTS OF THE  
CITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025**

**NOTE:** The audited basic financial statements of the City for the year ended December 31, 2025, have been excerpted from the City's Annual Comprehensive Financial Report for that year. Combining and individual fund financial statements, the introductory section and statistical tables for the year ended December 31, 2025, were purposely excluded from this Appendix A. Such statements provide supporting details and are not necessary for a fair presentation of the general purpose financial statement of the City.

**APPENDIX B**  
**CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES**

## APPENDIX C

### BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Certificates. The 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 certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, 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, 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](http://www.dtcc.com).

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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 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 Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all 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 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 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within an issue 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 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 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 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 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 City or the Trustee on 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 Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or 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 Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Certificate certificates are required to be printed and delivered.

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, Certificates will be printed and delivered to DTC.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.*

**APPENDIX D**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**APPENDIX E**  
**FORM OF OPINION OF SPECIAL COUNSEL**

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