

**CITY OF COMMERCE CITY, COLORADO
SALES AND USE TAX REVENUE BONDS
SERIES 2014**

BOND PURCHASE AGREEMENT

March [__], 2014

City Council
City of Commerce City, Colorado
7887 E. 60th Avenue
Commerce City, Colorado 80022

Ladies and Gentlemen:

The City of Commerce City, Colorado (the “City”) proposes to issue \$[_____] aggregate principal amount of its Sales and Use Tax Revenue Bonds, Series 2014 (the “Bonds”) pursuant to an ordinance adopted by the City Council of the City (the “City Council”) on March 17, 2014 (the “Bond Ordinance”). This Bond Purchase Agreement (the “Agreement”) states the terms and conditions upon which the City will sell to and Stifel, Nicolaus & Company, Incorporated (the “Purchaser”), will purchase all of the Bonds from the City and supersedes any prior agreement between the City and the Purchaser with respect to the Bonds. If this Agreement is accepted by the City, the Purchaser intends to make a distribution of the Bonds by offering the Bonds for sale to investors and other securities dealers at such prices as the Purchaser in its sole discretion shall determine; provided however, that prior to the delivery of the Bonds, the Purchaser shall notify the City in writing of the initial offering price of the Bonds to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of each maturity of the Bonds were sold. Capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings given to such terms in the Bond Ordinance.

The City has previously caused to be prepared a Preliminary Official Statement concerning the Bonds dated March [__], 2014 which is deemed final as of its date (the “Preliminary Official Statement”) for purposes of allowing the Purchaser to comply with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), except for the information specifically permitted to be omitted by the Rule. The City authorizes and ratifies the distribution of the Preliminary Official Statement to any potential customers (as defined in the Rule) until the Final Official Statement (defined below) is available.

A Final Official Statement to be dated as of the date of its delivery to the Purchaser

(the "Final Official Statement") is hereby approved in substantially the form of the Preliminary Official Statement with such changes as may be approved by the Mayor or the Director of Finance of the City, whose execution thereof shall be conclusive evidence of such approval. The Final Official Statement, together with any and all supplements and amendments which may be approved by the City and the Purchaser, is referred to herein as the "Official Statement." The City authorizes and approves the use of the Official Statement in connection with the offering of the Bonds. Within seven business days of the date of this Agreement, the City will make available to the Purchaser from the financial printer sufficient copies of the Final Official Statement for purposes of allowing the Purchaser to comply with the Rule. Additional copies of the Final Official Statement may be obtained from the financial printer at the expense of the Purchaser. The expense of preparing, printing and/or posting the Preliminary Official Statement, the Official Statement and any attorneys' fees will be an expense of the authorization, sale and delivery of the Bonds.

ARTICLE I

Terms of Bonds

The Bonds shall mature, bear interest and shall be subject to redemption as described in the Sale Certificate authorized by the Bond Ordinance (the "Sale Certificate") attached hereto as **Exhibit A** and incorporated herein by reference. The terms of the Bonds shall be as described more fully in the Bond Ordinance and in the Sale Certificate.

ARTICLE II

Sale, Purchase and Delivery of the Bonds

Section 2.1. Sale. Upon the terms and subject to the conditions stated in this Agreement, the City agrees to issue and sell to the Purchaser, and the Purchaser agrees to purchase from the City, at the Closing (as defined below), all but not less than all of the Bonds maturing, bearing interest, and subject to redemption as provided in the Bond Ordinance and the Sale Certificate at a purchase price of \$[_____] (which is equal to the par amount of the Bonds of \$[_____] plus an original issue premium of \$[_____] less underwriter's compensation of \$[_____]).

Section 2.2. Closing. In this Agreement, the term "Closing" means the consummation of the issuance and sale of the Bonds by the City and the purchase of the Bonds by the Purchaser. The Closing is currently scheduled to occur at the offices of Butler Snow LLP, Denver, Colorado, at 9:00 a.m. on April [___], 2014 (the "Closing Date"), and may occur at such different place or time as may be agreed to by the City and the Purchaser. At the Closing, the City will cause the Registrar to authenticate and deliver the Bonds in definitive form to The Depository Trust Company ("DTC") for the account of the Purchaser against receipt by the City of the full amount of the purchase price.

ARTICLE III

Conditions of Sale and Purchase

The obligations of the City to sell and of the Purchasers to purchase the Bonds shall be subject to the satisfaction of each of the following conditions:

Section 3.1. Legal Opinions. As of the Closing, the City and the Purchaser shall receive (a) the approving opinion of Butler Snow LLP, Denver, Colorado as Bond Counsel, dated the day of Closing, as to the validity of the Bonds and the exclusion of interest thereon from gross income and alternative minimum taxable income, subject only to such qualifications and exceptions as, in the Purchaser's reasonable judgment, will not materially adversely affect the market value of the Bonds, and (b) the letter of Butler Snow LLP, Denver, Colorado, as Special Counsel, as to the Official Statement in a form satisfactory to the City.

Section 3.2. Bond Ordinance and Other Instruments. As of the Closing, the Bond Ordinance, the Sale Certificate, this Agreement, the Registrar and Paying Agent Agreement between the City and [U.S. Bank National Association], Denver, Colorado (the "Registrar Agreement"), the Continuing Disclosure Certificate by the City (the "Continuing Disclosure Undertaking") and any other instruments and agreements contemplated thereby shall be in full force and effect and shall not have been materially modified or changed except as may have been agreed to in writing by the Purchaser.

Section 3.3. No Litigation. As of the Closing, there shall not have been entered or issued by any court, administrative agency, or other governmental body of any jurisdiction, and there shall not have been commenced or threatened in writing any proceeding in any court, administrative agency, or other governmental body of any jurisdiction which could reasonably be expected to lead to the entry or issuance of any judgment, order, decree, injunction, or other adjudication having the purpose or effect, actual or threatened, of prohibiting the issuance, sale or delivery of the Bonds by the City, the distribution of the Bonds by the Purchaser, or the performance by the City of any of its obligations as provided in the Bonds, the Bond Ordinance, the Sale Certificate, the Registrar Agreement, the Continuing Disclosure Undertaking or this Agreement.

Section 3.4. Certificates of the City. As of the Closing, the City shall deliver to the Purchaser a certificate signed by duly authorized officials of the City relating to due organization, absence of litigation and due authorization and delivery of the Bonds, the Bond Ordinance, the Sale Certificate, the Registrar Agreement, the Continuing Disclosure Undertaking and this Agreement in a form satisfactory to the Purchaser. In addition, as of the Closing, the City shall deliver to the Purchaser, in form and substance satisfactory to the Purchaser, a certificate executed by one or more officers of the City, to the effect that the Official Statement, as then amended or supplemented, to the best of their knowledge, neither contains an untrue statement of any material fact nor omits to state any material fact necessary to make the statements made in the Official Statement, in light of the circumstances in which they are made, not misleading.

Section 3.5 Other Documents. As of the Closing, the City and the Purchaser shall receive, in form and substance satisfactory to the City and the Purchaser, (a) the Official Statement executed on behalf of the City by the Mayor of the City, (b) an executed copy of the Bond Ordinance, (c) an copy of the Sale Certificate executed on behalf of the City by the City Manager or Director of Finance of the City, (d) an executed copy of the Registrar Agreement, (e) an executed copy of the Continuing Disclosure Undertaking, and (f) such additional certificates or other documents as the City or the Purchaser may reasonably require to provide evidence of the satisfaction of all the conditions stated in this Article or elsewhere in this Agreement upon the obligations of the City and the Purchaser.

Section. 3.6. Dodd-Frank Representation. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the City and the Purchaser, (ii) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the City, (iii) the Purchaser has not assumed (individually or collectively) a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not any Purchaser, or any affiliate of the Purchaser, has advised or is currently advising the City on other matters) or any other obligation to the City except the obligations expressly set forth in this Agreement and (iv) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

ARTICLE IV

Expenses

Expenses will be incurred to make arrangements for the sale of the Bonds before their delivery and receipt of proceeds by the City. Unless the obligation of the Purchaser to purchase the Bonds is terminated pursuant to Article V, expenses incurred in connection with the authorization, sale and delivery of the Bonds will be borne by the City, including:

- Fees and expenses of Bond Counsel;
- Fees and expenses of Special Counsel relating to the Official Statement;
- Printing and/or Posting of the Preliminary Official Statement and the Official Statement
- Registrar and Paying Agent Fees;
- CUSIP and other registration fees;
- Rating Agency fees; and
- Bond Insurance fees.

The payment of these expenses will be included as an itemized cost of the issuance of the Bonds and will be paid out of the proceeds of the sale of the Bonds or other legally available funds of the City. All other out-of-pocket expenses will be borne by the Purchaser.

If the obligation of the Purchaser is terminated pursuant to Article V, such termination shall occur without either party incurring any liability to the other party.

Neither the City nor any elected or appointed officer or agent of the City shall be subjected to any pecuniary liability in connection with any agreement, covenant or undertaking by the Purchaser in connection with the issuance, sale and delivery of the Bonds or with respect to any action taken or omitted to be taken with respect to the issuance, sale, or delivery of the Bonds by such officer or agent in good faith.

ARTICLE V

Termination

Section 5.1. The Purchaser shall have the right to terminate its obligation to purchase the Bonds by giving notice to the City if any of the following conditions is not fulfilled:

(a) At the Closing, (i) the Bond Ordinance, the Sale Certificate, the Official Statement, the Registrar Agreement, the Continuing Disclosure Undertaking and this Agreement shall be in full force and effect, and shall not have been materially amended, modified or supplemented since the date hereof except as may have been agreed to in writing by the Purchaser, and (ii) the City shall perform or have performed all of its obligations required to be performed prior to or simultaneously with the Closing, under or specified in the Bond Ordinance, the Sale Certificate and this Agreement.

(b) The Bonds shall have been duly authorized, executed and authenticated in accordance with the provisions of the Bond Ordinance and the Sale Certificate.

(c) At the Closing Date, the City shall have taken in connection with the issuance of the Bonds and with the transactions contemplated thereby and by this Agreement, all such action as, in the opinion of Bond Counsel, shall be necessary and appropriate to the rendering of Bond Counsel's unqualified opinion.

Section 5.2. The Purchaser shall have the right to terminate its obligation to purchase the Bonds at or before Closing, by giving notice to the City if between the date hereof and the Closing, the market price or marketability of the Bonds, at the initial offering prices set forth in the Bond Ordinance and the Sale Certificate, shall have been materially adversely affected in the judgment of the Purchaser (evidenced by a written notice to the City terminating the obligation of the Purchaser to accept delivery of and pay for the Bonds), by reason of any of the following:

(a) Legislation enacted by, proposed, or introduced in Congress or recommended for passage by the President of the United States, or a statement of a member of Congress, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation or official statement (final, temporary or proposed) issued or made by or on behalf of the Treasury Department

of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by the holders of the Bonds.

(b) Legislation enacted by, proposed, or introduced in Congress or recommended for passage by the President of the United States, or a statement of a member of Congress, or a decision rendered by a court established under Article III of the Constitution of the United States, or an order, ruling, regulation or official statement (final, temporary or proposed) issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds are not exempt from registration or qualification under, or other requirements of, the Securities Act of 1933, the Securities Exchange Act of 1934, or the Trust Indenture Act of 1939, all as amended, or that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities laws as amended and then in effect.

(c) The occurrence or escalation of any national emergency or calamity having a material adverse effect on the effective operation of the government of or the financial community in the United States.

(d) The declaration of a general banking moratorium by federal, New York, or Colorado authorities, or the general suspension of trading on any national securities exchange.

(e) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including without limitation those relating to the extension of credit by, or to the net capital requirements of, the Purchaser.

(f) Any event occurring, or information becoming known, which, in the reasonable judgment of the Purchaser, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, to the extent that the Official Statement cannot be supplemented or amended prior to the Closing.

ARTICLE VI

Acceptance of Agreement

The submission to the City of this Agreement, executed by the Purchaser, constitutes an offer of the Purchaser to purchase the Bonds upon the terms and conditions stated in this Agreement. The offer by the Purchaser must be accepted by the City no later than midnight, March [__], 2014, by the execution of this Agreement by an authorized officer of the City. If not delivered in person, this Agreement after execution by the City may be delivered to the Purchaser by first-class mail, provided that the Purchaser is advised by telephone or facsimile communication immediately after the mailing. This Agreement shall not be binding on either party until acceptance shall have been made by the City in the manner stated in this paragraph. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument.

It is our pleasure to present this offer to purchase the Bonds from the City.

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Title: Managing Director

After due consideration, this Bond Purchase Agreement is hereby accepted by the City
this March [____], 2014.

CITY OF COMMERCE CITY, COLORADO

By: _____
Finance Director

Time of Acceptance: _____, p.m..

EXHIBIT A

(Attach Sale Certificate)