



Ruby M. Sisson Memorial Library

Upper San Juan Library District

LIBRARY BOARD

Andrea Cox, President
Katie Cloudman, Vice President
David Hamilton, Treasurer
Marcie Taylor, Secretary
Sherry Spears
Gayle Dixon
Al Northup

811 San Juan St
Pagosa Springs, CO 81147

Barbara Brattin, Library Director

Regular Meeting of the Library Board of Trustees

Wednesday, May 20, 2026

4pm

Online via Zoom

<https://us02web.zoom.us/j/83398449146>

AGENDA

- I. ROLL CALL AND DETERMINATION OF QUORUM
- II. AGENDA APPROVAL
- III. PUBLIC COMMENTS
- IV. CONSENT AGENDA
 - a. Approval of the April 15, 2026 regular board meeting minutes
- V. REPORTS
 - a. Foundation/ Development Report (Katie Dobbins, Foundation Director)
 - b. April 30, 2026 Financial Report (David)
 - c. Director's Report
 - d. Construction Report
- VI. NEW BUSINESS
 - a. Joseph McLiney Certificate of Participation advisory services presentation
 - b. Hilltop Securities Certificate of Participation advisory services presentation
 - c. Certificate of Participation Advisory Agreement
- VII. UNFINISHED BUSINESS
 - a. Public Comment Policy 2nd reading
- VIII. LOOKING FORWARD
 - a. Return to in-person board meetings
Library Vision: Mountains of opportunity to inspire ideas, enrich lives, and create community.

Library Mission: Your Library serves as a welcoming portal for open and equal access to information for residents and visitors of the community. Resources are provided through materials, classes, and events for achieving lifelong learning goals in culture, education, and leisure.

GOOD OF THE ORDER:

NEXT MEETING: June 17, 2026, by Zoom, <https://us02web.zoom.us/j/83398449146>

ADJOURNMENT

UPPER SAN JUAN LIBRARY DISTRICT
BOARD OF TRUSTEES MEETING MINUTES

April 15, 2026

The meeting was called to order at 4:00pm by board president Andrea Cox. It was determined that a quorum was present. (All members were present.) The agenda and the minutes of the March 18, 2026 meeting were approved as written. Gayle Dixon /David Hamilton.

FOUNDATION REPORT: Director Katie Dobbins reported that the foundation has appointed Kim Moore as president. Last month the foundation completed seven grant applications as well as additional requests for contributions from potential donors.

FINANCIAL REPORT: Treasurer David Hamilton reported the financials are right on track. The library electric bill is high but that is to be expected with the construction project.

DIRECTOR'S REPORT: Director Barb is working on the need for additional dollars to support the library renovation. Taylor has updated the website with a "donate button" as well as a list of new materials added to the collection. The newly hired children's librarian will be arriving soon which will devote one and a half librarians to the children's department. The ESL classes have been very successful and the students are ready to take the U.S. Citizenship exam. Nicole will lead the group with further test preparation.

CONSTRUCTION REPORT: The library has received help with a grant application from the local Audubon Society. The crawl space water issue has been mitigated. A former board member who wishes to remain anonymous purchased (from our local appliance store) all necessary appliances for the updated library including two refrigerators, a microwave oven, two dishwashers and a stackable washer and dryer. This generous contribution totaled \$4,500.00. Ace Hardware contributed five benches for the garden area. A fountain was donated to the "reading garden", as well. Asking community members to donate to specific areas has been very successful. The workmanship of the construction has been excellent. The community overall has been very supportive of the library update project.

NEW BUSINESS: The library will not request to be on the ballot for the general election in November of 2026. **Motion:** indicate to the county clerk that the library will not be on the November 2026 ballot. Gayle/David. The motion passed.

Director Barb included the first draft of the Public Comment Policy for the library with this month's meeting packet. This useful tool should be put in place in the near future.

MOTION: To close the library on April 28 and 29, 2026 as the power will be turned off for construction needs. The staff will have the option of working from home. Al/Sherry

The motion passed as written.

UNFINISHED BUSINESS: None

LOOKING FORWARD: The next meeting of the library board of trustees will take place via Zoom on May 20, 2026.

The meeting was adjourned at 4:54 pm. Katie/Sherry

Respectfully submitted,

Marcie Taylor, Board Secretary

Jan-April 2026	2026	2025	2024	2023	2022
Property Tax	\$654,019	\$664,716	\$707,405	\$442,688	\$447,221
Other Income	\$32,875	\$33,609	\$26,446	\$14,766	\$7,047
Unanticipated Donation(s) *	\$0	\$0	\$0	\$0	\$0
Total Income	\$686,894	\$698,325	\$733,851	\$457,454	\$454,268
Capital & Fixed Expenses	\$18,930	\$45,469	\$19,233	\$13,621	\$12,833
Building Expenses	\$18,645	\$14,185	\$13,581	\$15,513	\$12,472
Office Expenses	\$27,786	\$30,702	\$12,278	\$22,685	\$14,889
Programs & Public Use Materials	\$35,400	\$34,796	\$34,864	\$32,400	\$29,491
Personnel & Benefits	\$185,856	\$177,100	\$136,924	\$127,609	\$119,024
Total Expenses	\$286,617	\$302,252	\$216,880	\$211,829	\$188,709
Net Ordinary Income	\$400,277	\$396,073	\$516,971	\$245,625	\$265,559
Reimburse from Foundation	\$0	-\$237,355			
HVAC Replacement					
Master Plan Expenses	\$0	\$54,083			\$2,500
Gift to Foundation					
Net Income	\$400,277	\$579,345	\$516,971	\$245,625	\$263,059
Cash on hand:	\$1,297,386	\$1,300,278	\$1,084,992	\$796,368	\$637,638

Ruby M. Sisson Memorial Library
Profit & Loss - Actuals vs Budget
January through April 2026

	<u>Jan - Apr 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Foundation Admin Fee Income	1,200.00	1,200.00	0.00	100.0%
Gifts/Donations (general)	589.00	9,000.00	-8,411.00	6.54%
Gifts/Donations (restricted)	0.00	5,000.00	-5,000.00	0.0%
Grants (general)				
Training Grants	750.00	1,500.00	-750.00	50.0%
Program Grants	14,000.00	24,000.00	-10,000.00	58.33%
Collection Grants	0.00	6,132.00	-6,132.00	0.0%
Total Grants (general)	<u>14,750.00</u>	<u>31,632.00</u>	<u>-16,882.00</u>	<u>46.63%</u>
INCOME - PROPERTY TAX				
2025 Abatement Rebate	0.00	4,257.00	-4,257.00	0.0%
Property Tax	632,377.60	912,320.00	-279,942.40	69.32%
Specific Ownership Tax	21,660.12	70,000.00	-48,339.88	30.94%
Misc Tax Income	0.00	20,000.00	-20,000.00	0.0%
Abatements	-18.27	-2,000.00	1,981.73	0.91%
Total INCOME - PROPERTY TAX	<u>654,019.45</u>	<u>1,004,577.00</u>	<u>-350,557.55</u>	<u>65.1%</u>
INCOME - REVENUE				
Book Sales - Taxable	95.76	600.00	-504.24	15.96%
Copies	3,409.52	10,000.00	-6,590.48	34.1%
Lost Books/ILL	312.95	800.00	-487.05	39.12%
Other Revenue (& library cards)	150.00	250.00	-100.00	60.0%
Use of Equipment	365.08	600.00	-234.92	60.85%
Total INCOME - REVENUE	<u>4,333.31</u>	<u>12,250.00</u>	<u>-7,916.69</u>	<u>35.37%</u>
Interest Income	12,002.57	40,000.00	-27,997.43	30.01%
Total Income	<u>686,894.33</u>	<u>1,103,659.00</u>	<u>-416,764.67</u>	<u>62.24%</u>
Gross Profit	686,894.33	1,103,659.00	-416,764.67	62.24%
Expense				
CAPITAL OUTLAY & FIXED EXPENSES				
FIXED EXPENSES				
Treasurer's Fees	18,930.35	26,829.39	-7,899.04	70.56%
Total FIXED EXPENSES	<u>18,930.35</u>	<u>26,829.39</u>	<u>-7,899.04</u>	<u>70.56%</u>
Total CAPITAL OUTLAY & FIXED EXPENSES	<u>18,930.35</u>	<u>26,829.39</u>	<u>-7,899.04</u>	<u>70.56%</u>
OPERATING EXPENSES				
BUILDING EXPENSES				
Alarm Monitoring	270.00	990.00	-720.00	27.27%

Ruby M. Sisson Memorial Library
Profit & Loss - Actuals vs Budget
January through April 2026

	<u>Jan - Apr 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Bldg Maintenance Costs	867.15	1,000.00	-132.85	86.72%
Janitorial Service	4,958.83	19,300.00	-14,341.17	25.69%
Janitorial Supplies	43.50	2,500.00	-2,456.50	1.74%
Landscape/Grounds Maint	61.98	500.00	-438.02	12.4%
Snow Removal	0.00	5,000.00	-5,000.00	0.0%
Trash	510.46	1,512.00	-1,001.54	33.76%
Utilities				
Electricity	8,061.58	8,200.00	-138.42	98.31%
Geothermal	3,058.76	10,833.00	-7,774.24	28.24%
Water & Sewer	812.74	6,300.00	-5,487.26	12.9%
Total Utilities	11,933.08	25,333.00	-13,399.92	47.11%
Window Cleaning	0.00	1,000.00	-1,000.00	0.0%
Total BUILDING EXPENSES	18,645.00	57,135.00	-38,490.00	32.63%
LIBRARY OFFICE EXPENSES				
Accounting & Budgeting	1,968.00	5,500.00	-3,532.00	35.78%
Auditing / Tax Return Prep	6,800.00	15,750.00	-8,950.00	43.18%
Collection & Credit Card Fees	337.43	330.00	7.43	102.25%
Equipment & Furniture < \$500	0.00	500.00	-500.00	0.0%
Eqmt & Computer Maint & Parts	0.00	1,250.00	-1,250.00	0.0%
Insurance Expense				
Insurance - Bonding	0.00	400.00	-400.00	0.0%
Insurance-Directors & Officers	0.00	2,700.00	-2,700.00	0.0%
Insurance - Liab/Contents/Bldg	0.00	9,560.00	-9,560.00	0.0%
Total Insurance Expense	0.00	12,660.00	-12,660.00	0.0%
Internet / ISP	1,143.84	3,114.00	-1,970.16	36.73%
Legal Services	50.00	500.00	-450.00	10.0%
Maint Agmts & Licenses				
Hardware Maint Agmts (Xerox)	830.51	3,000.00	-2,169.49	27.68%
Software Maint Agmts	8,638.00	13,600.00	-4,962.00	63.52%
Total Maint Agmts & Licenses	9,468.51	16,600.00	-7,131.49	57.04%
Office Supplies	1,569.53	3,500.00	-1,930.47	44.84%
Postage / PO Box	342.97	1,200.00	-857.03	28.58%
Sales Tax Expense	42.52	300.00	-257.48	14.17%
Storage	839.48	2,500.00	-1,660.52	33.58%
Telephone	875.65	2,610.00	-1,734.35	33.55%
SUBCONTRACTORS				

Ruby M. Sisson Memorial Library
Profit & Loss - Actuals vs Budget
January through April 2026

	<u>Jan - Apr 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
IT Consulting	4,348.00	14,000.00	-9,652.00	31.06%
Total SUBCONTRACTORS	<u>4,348.00</u>	<u>14,000.00</u>	<u>-9,652.00</u>	<u>31.06%</u>
Total LIBRARY OFFICE EXPENSES	27,785.93	80,314.00	-52,528.07	34.6%
PROGRAMS & PUBLIC USE EXPENSES				
PROGRAMS				
Adult Programs (LLL,PALS,ESL)	131.04	3,000.00	-2,868.96	4.37%
Children's Programs	192.04	2,500.00	-2,307.96	7.68%
Summer Reading Program	830.99	2,500.00	-1,669.01	33.24%
Teen Programs	276.66	1,000.00	-723.34	27.67%
Grant Funded Programs	3,379.55	24,000.00	-20,620.45	14.08%
Total PROGRAMS	<u>4,810.28</u>	<u>33,000.00</u>	<u>-28,189.72</u>	<u>14.58%</u>
PUBLIC RELATIONS				
Advertising - PR	530.00	2,000.00	-1,470.00	26.5%
Flowers	92.70	250.00	-157.30	37.08%
Printing	61.01	2,200.00	-2,138.99	2.77%
Volunteer Background Checks	73.35	400.00	-326.65	18.34%
Volunteer/Staff Expenses	357.05	700.00	-342.95	51.01%
Total PUBLIC RELATIONS	<u>1,114.11</u>	<u>5,550.00</u>	<u>-4,435.89</u>	<u>20.07%</u>
PUBLIC USE MATERIALS				
Courier Service (ILL)	0.00	7,500.00	-7,500.00	0.0%
Electronic Data Bases	180.03	13,500.00	-13,319.97	1.33%
Lost Items Expenses	84.93	150.00	-65.07	56.62%
Non-Print Material				
Audio Books	1,847.33	6,000.00	-4,152.67	30.79%
DVD/Video	1,339.67	4,000.00	-2,660.33	33.49%
Downloadable E-Books/Audio	8,000.00	17,000.00	-9,000.00	47.06%
Total Non-Print Material	<u>11,187.00</u>	<u>27,000.00</u>	<u>-15,813.00</u>	<u>41.43%</u>
Print Material				
Books	17,647.06	42,000.00	-24,352.94	42.02%
Subscriptions	296.96	2,400.00	-2,103.04	12.37%
Total Print Material	<u>17,944.02</u>	<u>44,400.00</u>	<u>-26,455.98</u>	<u>40.41%</u>
Grant Funded Collections	0.00	6,132.00	-6,132.00	0.0%
Total PUBLIC USE MATERIALS	<u>29,395.98</u>	<u>98,682.00</u>	<u>-69,286.02</u>	<u>29.79%</u>
Total PROGRAMS & PUBLIC USE EXPENSES	<u>35,320.37</u>	<u>137,232.00</u>	<u>-101,911.63</u>	<u>25.74%</u>
Total OPERATING EXPENSES	81,751.30	274,681.00	-192,929.70	29.76%
STAFF, BENEFITS & TRAINING				

Ruby M. Sisson Memorial Library
Profit & Loss - Actuals vs Budget
January through April 2026

	<u>Jan - Apr 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
STAFF EDUCATION				
Conferences/Workshops	1,076.52	1,800.00	-723.48	59.81%
Memberships	1,415.50	2,570.00	-1,154.50	55.08%
Travel/Food Expenses	1,683.63	5,000.00	-3,316.37	33.67%
Training Grant Expenses	0.00	1,500.00	-1,500.00	0.0%
Total STAFF EDUCATION	<u>4,175.65</u>	<u>10,870.00</u>	<u>-6,694.35</u>	<u>38.41%</u>
SALARIES & BENEFITS				
BENEFITS				
Mileage Reimbursement	532.04	1,250.00	-717.96	42.56%
Employee Assist Program (EAP)	0.00	3,521.00	-3,521.00	0.0%
Health Insurance Allowance	9,695.00	36,000.00	-26,305.00	26.93%
Social Security	9,898.90	33,320.16	-23,421.26	29.71%
Medicare	2,315.08	7,792.62	-5,477.54	29.71%
Retirement (CRA)	8,951.48	15,238.11	-6,286.63	58.74%
State Unemployment	323.39	1,612.27	-1,288.88	20.06%
Worker's Compensation Insurance	0.00	1,612.27	-1,612.27	0.0%
Total BENEFITS	<u>31,715.89</u>	<u>100,346.43</u>	<u>-68,630.54</u>	<u>31.61%</u>
Salaries & PTO				
SALARIES	124,100.77	533,421.97	-409,321.20	23.27%
Holiday Pay	7,070.29	0.00	7,070.29	100.0%
Paid Time Off (PTO)	17,461.23	0.00	17,461.23	100.0%
Total Salaries & PTO	<u>148,632.29</u>	<u>533,421.97</u>	<u>-384,789.68</u>	<u>27.86%</u>
Substitute Staff (subcontract)	1,332.23	4,000.00	-2,667.77	33.31%
Total SALARIES & BENEFITS	<u>181,680.41</u>	<u>637,768.40</u>	<u>-456,087.99</u>	<u>28.49%</u>
Total STAFF, BENEFITS & TRAINING	<u>185,856.06</u>	<u>648,638.40</u>	<u>-462,782.34</u>	<u>28.65%</u>
Total Expense	<u>286,537.71</u>	<u>950,148.79</u>	<u>-663,611.08</u>	<u>30.16%</u>
Net Ordinary Income	400,356.62	153,510.21	246,846.41	260.8%
Other Income/Expense				
Other Income				
Other Income (dividends,claims)	0.00	500.00	-500.00	0.0%
Total Other Income	<u>0.00</u>	<u>500.00</u>	<u>-500.00</u>	<u>0.0%</u>
Other Expense				
Suspense - Unknown	79.32	0.00	79.32	100.0%
Total Other Expense	<u>79.32</u>	<u>0.00</u>	<u>79.32</u>	<u>100.0%</u>
Net Other Income	<u>-79.32</u>	<u>500.00</u>	<u>-579.32</u>	<u>-15.86%</u>
Net Income	<u><u>400,277.30</u></u>	<u><u>154,010.21</u></u>	<u><u>246,267.09</u></u>	<u><u>259.9%</u></u>

Ruby Sisson Capital Improvement Fund
Profit & Loss Budget vs. Actual
January through April 2026

	<u>Jan - Apr 26</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Grants				
Federal Grants	0.00	25,000.00	-25,000.00	0.0%
State Grants	180,669.05	650,000.00	-469,330.95	27.8%
Foundation Grants	1,504,267.80	3,683,653.80	-2,179,386.00	40.84%
Total Grants	<u>1,684,936.85</u>	<u>4,358,653.80</u>	<u>-2,673,716.95</u>	<u>38.66%</u>
Donations & Gifts	3,457.89	500.00	2,957.89	691.58%
Interest Income	2,068.56	600.00	1,468.56	344.76%
Other Income	2,300.00	60,000.00	-57,700.00	3.83%
Total Income	<u>1,692,763.30</u>	<u>4,419,753.80</u>	<u>-2,726,990.50</u>	<u>38.3%</u>
Expense				
Credit Card/Square Fees	11.84			
Facilities Improvements				
Architect/Professional Fees	34,779.00	31,449.02	3,329.98	110.59%
Contractor Fees	1,469,488.80	3,844,168.50	-2,374,679.70	38.23%
Furnishings	18,410.41	150,000.00	-131,589.59	12.27%
Unanticipated building repairs	360.68	198,915.00	-198,554.32	0.18%
Total Facilities Improvements	<u>1,523,038.89</u>	<u>4,224,532.52</u>	<u>-2,701,493.63</u>	<u>36.05%</u>
Mechanical Improvements				
Solar Project	0.00	60,000.00	-60,000.00	0.0%
Unanticipated Improvements	0.00	18,000.00	-18,000.00	0.0%
Total Mechanical Improvements	<u>0.00</u>	<u>78,000.00</u>	<u>-78,000.00</u>	<u>0.0%</u>
Technology Improvements				
Computer Replacements	4,583.92	25,000.00	-20,416.08	18.34%
EV Charging	0.00	10,000.00	-10,000.00	0.0%
Total Technology Improvements	<u>4,583.92</u>	<u>35,000.00</u>	<u>-30,416.08</u>	<u>13.1%</u>
Total Expense	<u>1,527,634.65</u>	<u>4,337,532.52</u>	<u>-2,809,897.87</u>	<u>35.22%</u>
Net Ordinary Income	<u>165,128.65</u>	<u>82,221.28</u>	<u>82,907.37</u>	<u>200.83%</u>
Net Income	<u><u>165,128.65</u></u>	<u><u>82,221.28</u></u>	<u><u>82,907.37</u></u>	<u><u>200.83%</u></u>

Ruby M. Sisson Memorial Library

Balance Sheet

As of April 30, 2026

	<u>Apr 30, 26</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of the San Juans 1460	348,706.22
Colorado Trust	948,680.17
Total Checking/Savings	1,297,386.39
Accounts Receivable	
Accounts Receivable	206,330.38
Total Accounts Receivable	206,330.38
Other Current Assets	
Property Taxes Receivable	600,525.10
Total Other Current Assets	600,525.10
Total Current Assets	2,104,241.87
Fixed Assets	
Books (Inventory)	457,159.08
Buldings	1,498,755.00
Building Improvements	168,372.40
Furniture & Equipment	379,176.00
Land	362,254.00
Land Improvements	470,940.00
Accumulated Depreciation	-1,553,291.62
Total Fixed Assets	1,783,364.86
TOTAL ASSETS	3,887,606.73
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
*Accounts Payable	9,807.61
Total Accounts Payable	9,807.61
Credit Cards	
Commerce Bank 1756	5,070.36
Total Credit Cards	5,070.36
Other Current Liabilities	
Deferred Revenue	600,525.10
Payroll Current Liabilities	
Accrued Vacation/PTO	21,939.16
State Withheld & SUTA Payable	-1,195.51
Total Payroll Current Liabilities	20,743.65
Total Other Current Liabilities	621,268.75
Total Current Liabilities	636,146.72
Total Liabilities	636,146.72
Equity	
Offset for Long Term Liab	-21,939.16
INVESTMENTS IN FIXED ASSETS	1,783,364.86
LIMITED FOR EMERGENCIES (Tabor)	4,633.65

1:23 PM

05/13/26

Accrual Basis

Ruby M. Sisson Memorial Library

Balance Sheet

As of April 30, 2026

	<u>Apr 30, 26</u>
COMMITTED FOR IMP & OUTREACH	162,000.00
Opening Bal Equity	-292,591.68
Unrestricted Net Assets	1,215,715.00
Net Income	400,277.34
Total Equity	<u>3,251,460.01</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,887,606.73</u></u>

Ruby Sisson Capital Improvement Fund

Balance Sheet

As of April 30, 2026

	<u>Apr 30, 26</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of San Juans	257,565.28
Total Checking/Savings	<u>257,565.28</u>
Total Current Assets	<u>257,565.28</u>
TOTAL ASSETS	<u>257,565.28</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	11,607.70
Total Accounts Payable	<u>11,607.70</u>
Total Current Liabilities	<u>11,607.70</u>
Total Liabilities	11,607.70
Equity	
Retained Earnings	80,828.93
Net Income	165,128.65
Total Equity	<u>245,957.58</u>
TOTAL LIABILITIES & EQUITY	<u>257,565.28</u>

Director's Report May 2026

Our new children's librarian Saira is starting out strong, adding a weekly Baby Storytime to our children's programs and scheduling two more large one-time events, Super Mario Bingo and Preschool Pasta Art. She's also visited a number of local businesses to solicit donations for summer reading and two businesses have already come through. We are delighted to have enthusiastic Saira on our team.

Congratulations to Taylor for being accepted into this year's Colorado Association of Libraries (CAL) Leadership Institute cohort. We are so proud of this amazing achievement. Taylor will be interacting with the cohort mostly online with a few trips to other locations spread across the next twelve months. I know she will bring home some great ideas for how our library can grow.

The two days we closed for the electrical connections of the new and old buildings were productive. The electricians finished on time and we were able to open as promised on Thursday. Naturally, we paid the price when the delivery driver arrived with three days' worth of return items and items on hold. Luckily, we have a very cheerful staff, and we had a good time getting it all sorted out.

The Library Foundation has added three new members with rich backgrounds in fundraising. They have hit the ground running to raise the remaining \$1 million needed for construction.

Included in this month's packet is a brief overview of Certificates of Participation, a financial instrument available to special districts in Colorado and an option for us as we struggle to complete fundraising for the new building. Joseph McLiney is a consultant specialized in arranging for COPs. He recently worked with the Town of Pagosa on arranging funding for the sewer upgrades. He will be joining our meeting online to explain COPs and propose a COP for the library. Hilltop Securities is a similar firm that has arranged for a COP with Pagosa Medical Center. Both firms have provided their proposals for you to consider and both will be joining us to present their proposals and answer any questions you might have.

Construction Report May 2026

After inadvertently hitting a geothermal line under the parking lot, things have gone more smoothly. Grading of the new parking lot continues. Conduit is in place to bring the fiberoptic line across the alley and into our building. Trenching and conduit for the EV chargers will be part of the parking lot plan, as well.

The interior continues to come to life with colorful walls, cabinetry, and flooring. The children's room rubber flooring in patterns of color is especially cheerful. Late next month we will switch to service in the addition while they turn their attention to remodeling the old section. We expect to close for 10 or more days while we set up the new space and clear the old. Our new program room tables and service desk will arrive mid-May and be assembled during the transition period.



Certificates of Participation

Colorado Government Finance Officers Association

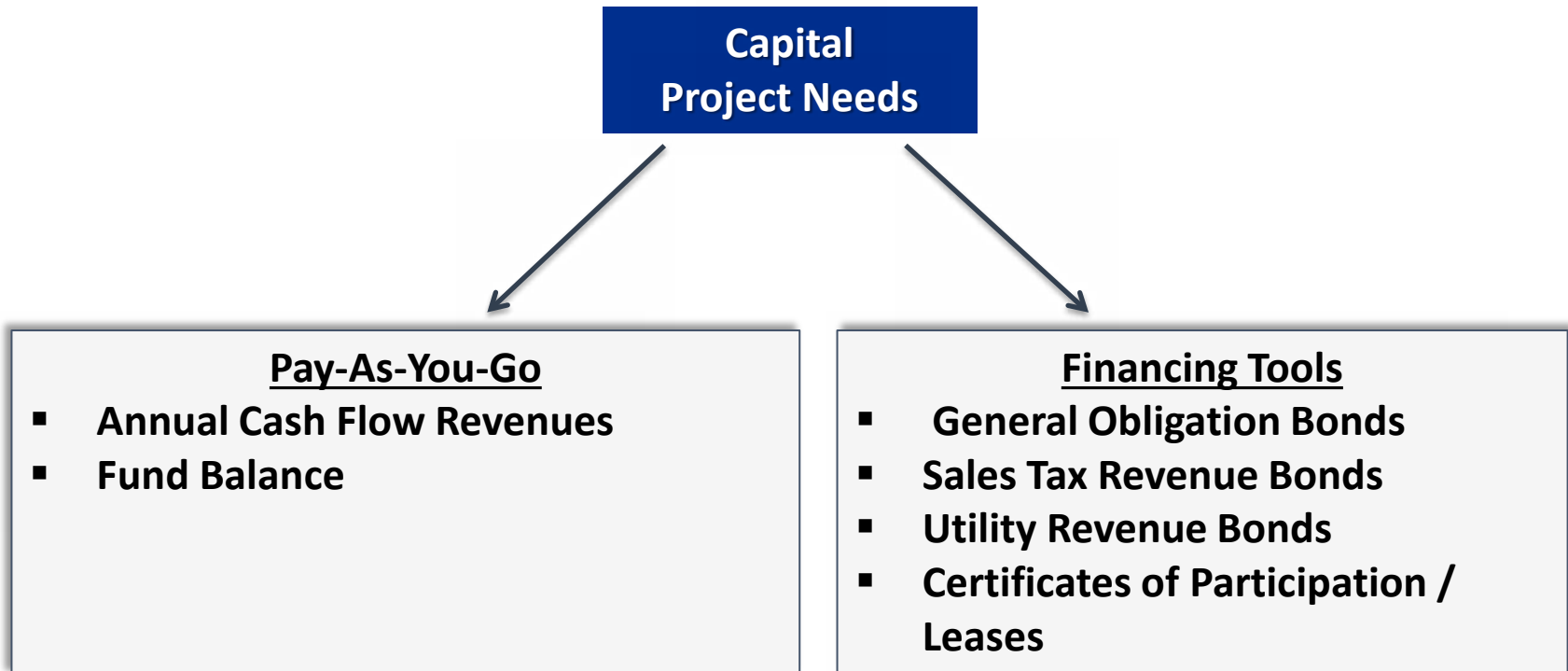
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May 22, 2024

Jason Simmons | Senior Managing Director
jason.simmons@HilltopSecurities.com



How Do You Pay for Capital Projects?

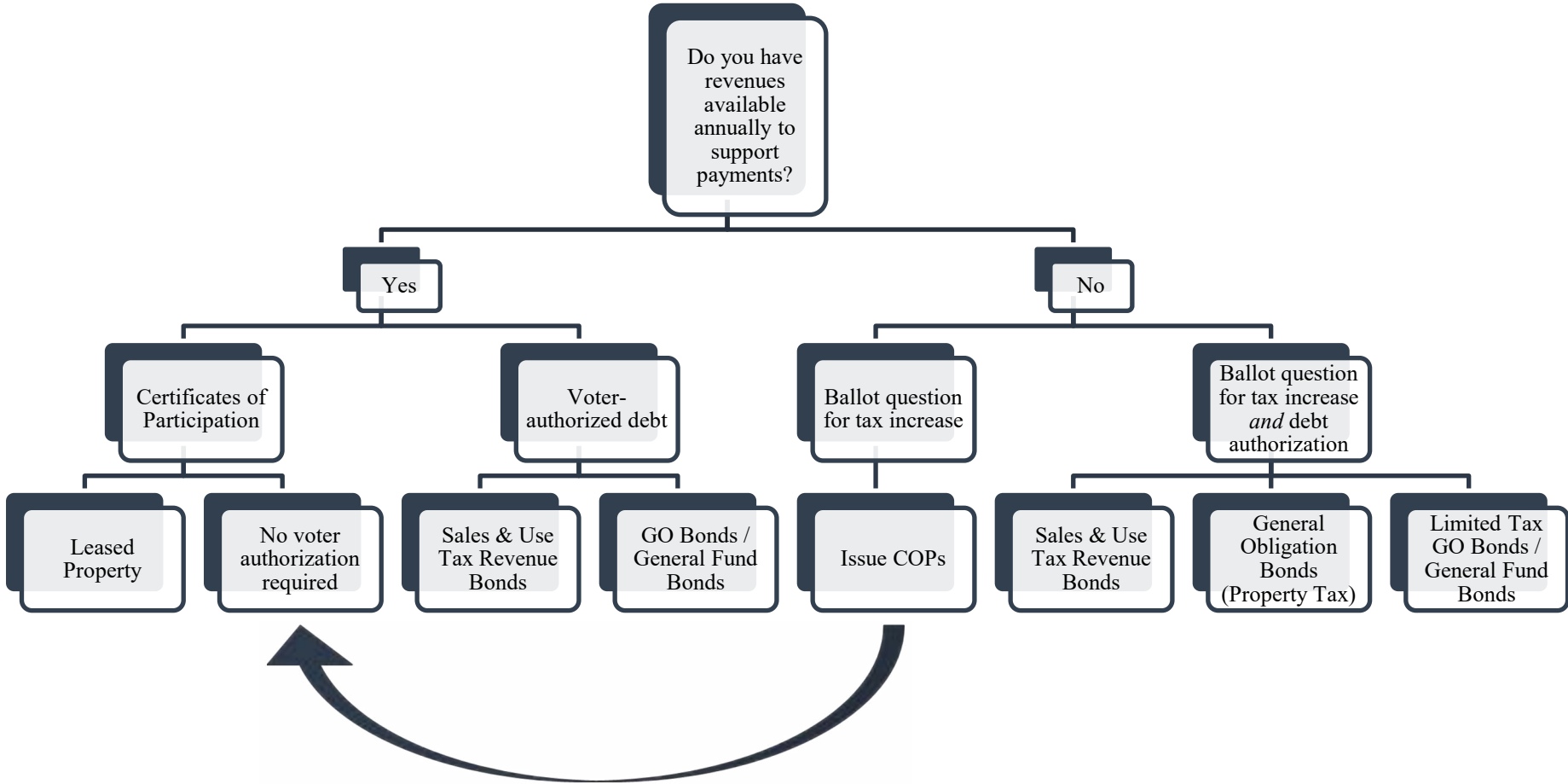


- What projects you decide to fund with cash versus a financing will depend on the type of project, available resources, and preferable financing mechanism.

Financing of Capital Projects



For Colorado Local Governments – General Governmental Purposes





Overview

- Certificates of Participation (COPs) are a form of lease-purchase financing.
- COPs are one of the most common financing methods used by Colorado local governments to construct public facilities and capital improvements (other than utility enterprises).
- There is no specific pledge of revenue from the issuer for payment of the COPs other than lease payments.
- COPs require an asset of the issuer to serve as the Leased Property and generally the value of that property needs to be in the range of the par amount of the COPs.
- Colorado Local Governments can issue COPs without requiring voter authorization.



Legal Structure

- In a COP transaction, the issuer enters into a lease for the identified property with a bank or a trustee.
- Lease payments are annually appropriated from any legally available funds by the issuer to pay off the COPs.
- The issuer may continue to use the leased property so long as lease payments are appropriated every year in the annual budget process. If payment is not appropriated for the coming year, the issuer would lose its right to occupy and utilize the leased facility until the end of the lease term.
- When the lease is paid off, the property is unencumbered and returned to the issuer's control.
 - The issuer maintains ownership of the leased property throughout the entire term of the financing.
- COPs and other annually-appropriated lease financings are not considered to be multi-year financial obligations under Colorado law.



Credit Details

Leased Property

- The leased property can be the project being financed or it can be a property already owned by the issuer but not related to the project.
 - If it is not the project being constructed, we typically try to identify an asset that has an insured value approximately equal to the amount being financed.
- Institutional investors have become much more lenient about what leased property they will accept, although it can impact rates.
 - Examples include open space or parks, recreation facilities, golf courses, etc.
 - Commercial banks are more concerned about the essentiality of the leased property

Credit Rating

- COPs typically have a rating one or two notches below the assumed general obligation bond rating.
 - This notching is a result of the annual appropriation nature of the credit.
 - A two notch difference is due to an asset that is deemed less essential by the rating agency (Moody's only).



MUNICIPAL ADVISORY AGREEMENT

President and Board of Trustees
c/o Barbara Brattin, Director
Upper San Juan Library District
811 San Juan Street
Pagosa Springs, CO 81147

Dear President and Board:

1. McLiney And Company, a division of SAMCO Capital Markets Inc., understands that your District, from time to time, will consider the issuance of debt or lease obligations and that in connection with the authorization, issuance, sale and delivery of such obligations you desire the McLiney And Company Municipal Advisory Team to perform professional services in the capacity of Municipal Advisors for your District.
2. We agree to provide all services related to the development and implementation of a debt and/or lease management plan. These services include, but are not limited to, the structuring of a debt model, the formulation of a debt program, the analysis and completion of refunding programs (if any), consultation regarding bond elections, consultation regarding bond ratings, consultation regarding the available types of financings, etc. The services also will include communicating and coordinating with other professionals involved in bond transactions and related services (e.g. bond counsel, rating agent, credit enhancement providers, verification agent, arbitrage rebate provider, etc.). The advice and assistance include servicing as a fiduciary to the Issuer and representing the Issuer's interest in the sale and distribution of any debt or lease obligations.
3. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover payment of any expenses associated with the issuance of the obligations or the expenses of any litigation, if such would occur.
4. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that the District is to pay a cash fee for such professional services in accordance with the fee schedule set forth on the following page. Such fee shall become due and payable simultaneously with the delivery of the bonds to the purchaser. It is understood that a miscellaneous expense will be added to the fee to cover reimbursables. This amount shall be capped at \$3,000.

FEE SCHEDULE

The following schedule is an estimate of fees due for Municipal Advisory work. The actual fee will be more or less based upon work performed.

Base Fee – Any issue							\$5,000
Plus \$12.50	per \$1,000 next	\$500,000	or	\$11,250	for	\$500,000	Bonds
Plus \$8.00	per \$1,000 next	\$500,000	or	\$15,250	for	\$1,000,000	Bonds
Plus \$5.50	per \$1,000 next	\$1,500,000	or	\$23,500	for	\$2,500,000	Bonds
Plus \$3.50	per \$1,000 next	\$2,500,000	or	\$32,250	for	\$5,000,000	Bonds
Plus \$2.00	per \$1,000 next	\$5,000,000	or	\$42,250	for	\$10,000,000	Bonds
Plus \$1.50	per \$1,000	thereafter					

Fees for Refunding Bonds, Revenue Bonds, Lease Purchases, Certificates of Participation, Neighborhood Improvement District Bonds or Bonds issued to State or Federal Agencies shall be computed from the above schedule, plus 25%. For any issue of Refunding Bonds and/or other Debt Instruments *involving Escrow Agreements*, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

Fees for special assessment bonds, (CIDs, TDDs, etc.) or Tax Increment Finance (TIF) bonds will be handled at a flat fee of 2% of the par amount of bonds issued.

McLiney And Company will bill the Issuer at Closing for each issue of obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the Bond Attorneys, preparation, printing and distribution of the Notice of Sale, Official Statement, Uniform Bid Form or Private Placement Memorandum, independent consultants, information meetings, if any, presentations to rating agencies and rating fees, if any, printing of Obligations, and all appropriate costs and expenses associated with the closing and delivery of the Obligations.

5. If appropriate, we will assist with the annual filing of all documents related to the Securities Exchange Commission Rule 15c2-12 (Continuing Disclosure). It is understood that we are not your agent for Continuing Disclosure because McLiney And Company cannot be assured of being informed on a timely manner of all material events that require filing during the year. It is further understood that any fees due us for our work in this capacity will be determined on a case-by-case basis.

6. This Agreement will commence on the date of acceptance and shall remain in effect until terminated or replaced with a subsequent agreement. This Agreement can be terminated at any time, with or without cause, with simple written notice.

Respectfully submitted,

By: G. Joseph McLiney
Senior Managing Director
McLiney And Company

ACCEPTANCE

Passed by Resolution and adopted by the Board on this the 20th day of May, 2026

President

Secretary

Statement of Qualifications for Municipal Advisory Services

Upper San Juan Library District

May 12, 2026

Upper San Juan Library District



CONTACT:

Jason Simmons, Senior Managing Director
jason.simmons@hilltopsecurities.com

Mattie Prodanovic, Senior Vice President
mattie.prodanovic@hilltopsecurities.com

8055 E. Tufts Avenue, Suite 350, Denver, CO 80237

8055 E. Tufts Avenue, Suite 350, Denver, CO 80237

Phone: 303.771.0217 Fax: 303.771.1633

Phone: 303.248.2518 Fax: 303.771.1633

May 12, 2026
Statement of Qualifications

Jason Simmons
Senior Managing Director
8055 E. Tufts Avenue, Suite 350
Denver, CO 80237
303.771.0217 Direct
Jason.simmons@hilltopsecurities.com

Mattie Prodanovic
Senior Vice President
8055 E. Tufts Avenue, Suite 350
Denver, CO 80237
303.248.2518 Direct
Mattie.Prodanovic@hilltopsecurities.com

May 12, 2026

Upper San Juan Library District
811 San Juan Street
Pagosa Springs CO 81147

To Whom it May Concern,

On behalf of Hilltop Securities Inc. (“HilltopSecurities”), we are pleased to submit our qualifications to serve as Municipal Advisor to the Upper San Juan Library District (Ruby M. Sisson Memorial Library) (the “District”). HilltopSecurities is a leading provider of Municipal Advisory services in the Rocky Mountain region and across the nation. ***The Denver-based HilltopSecurities team specializes in serving as traditional Municipal Advisors to Colorado governmental borrowers, and we are dedicated to providing superior client service to those who engage us in that capacity.***

Based on our commitment to the advisory role and our track record of advisory engagements, we believe HilltopSecurities is extremely well-suited to meet the District’s needs in this engagement. Several of the advantages we offer are:

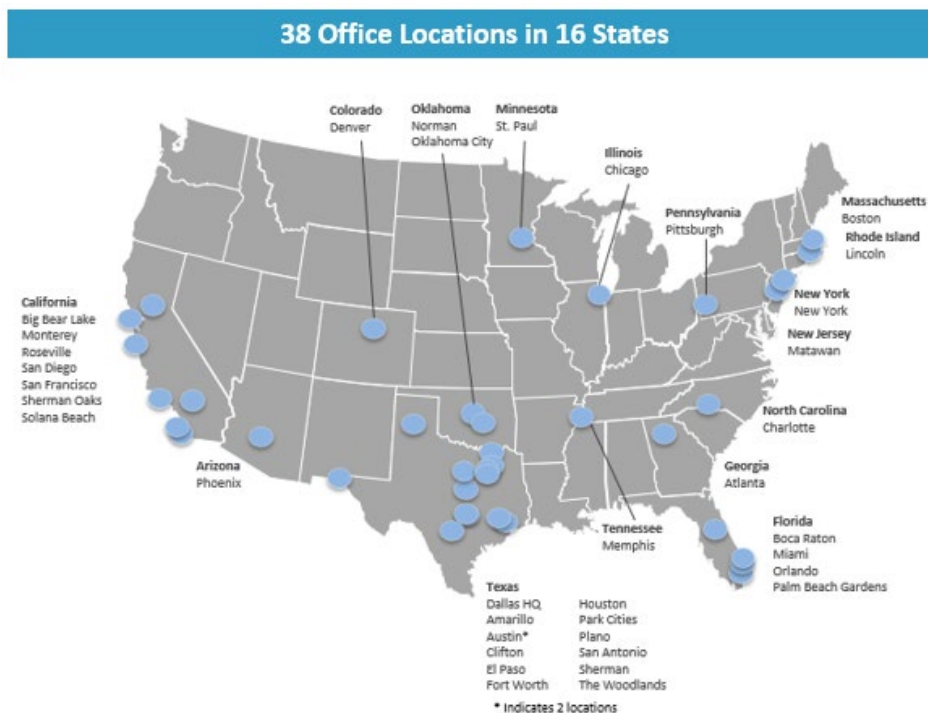
- **Top Colorado Municipal Advisory Professionals** – In 2025, HilltopSecurities ranked as the number one Municipal Advisor in the State of Colorado by par amount and number three by number of transactions. Over the last five years, HilltopSecurities ranked as the number one Municipal Advisor in the State of Colorado by par amount according to LSEG.
- **Strong Colorado Commitment** – Both of the core members of HilltopSecurities’ Municipal Advisory team are located in the firm’s Denver office. Our team has over 30 years of combined experience providing advisory services to Colorado governments. We represent cities, towns and counties across the State and are familiar with the issues faced by Colorado local governments.
- **Extensive Market Knowledge** – In our role as municipal advisor, we believe that maintaining a trading and underwriting desk is essential to advising the City properly about market conditions. Our active trading and underwriting desk provide real-time data and information critical to ensuring that our clients’ securities are priced and sold at the most competitive market levels.
- **Local Experience** – HilltopSecurities has worked with the Upper San Juan Health Services District on three financing transactions since 2016 including a \$2,300,000 Lease Purchase (Certificate of Participation) in 2022.

Firm Overview

HilltopSecurities is a full-service, diversified investment banking firm focused on one mission: to provide superior municipal advisory and related services to public entities nationwide. Previously under the name of FirstSouthwest, our firm began serving the financing needs of local municipalities in Texas when it was founded in 1946, and municipal advisory services have continued to be the firm’s primary business as it has grown into a national firm with demonstrated expertise in every sector of public finance.

On January 22, 2016, FirstSouthwest was merged into HilltopSecurities with another Texas-based firm, Southwest Securities, Inc., creating a stronger firm with complementary business lines and a shared history representing more than 112 years of industry experience.

HilltopSecurities is headquartered in Dallas, Texas, and maintains 38 offices in 16 states. Nationwide, HilltopSecurities currently employs approximately 780 people. Currently, HilltopSecurities has over 200 public finance professionals who are involved in providing municipal advisory services, which is the mainstay of our firm. The City will be covered by the advisory team members based in the firm's Denver office. Other areas of our firm, including swap advisory, arbitrage rebate compliance, asset management, and continuing disclosure services, are available to support our Denver-based advisory team in our engagement with the City. The map below illustrates our office locations throughout the United States.



National Municipal Advisory Experience

HilltopSecurities is a recognized leader in providing municipal advisory services throughout the nation. Our firm is currently contracted to provide municipal advisory services to approximately 1,450 public sector clients. For the period January 1, 2021 through December 31, 2025, HilltopSecurities has acted as municipal advisor on 3,371 transactions with a par volume of \$163.93 billion, which **ranks second by number of issues among all Municipal Advisors in the nation**, according to LSEG.

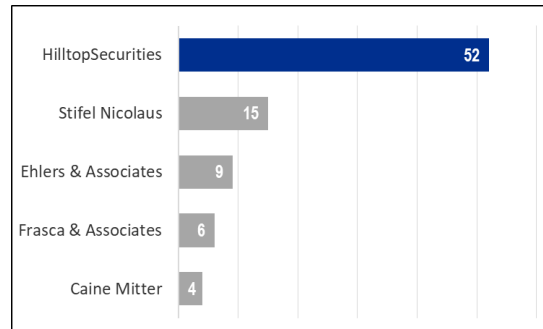
We are consistently ranked among the top two or three municipal advisors nationally in the rankings published by LSEG. HilltopSecurities offers the resources, experience, and market expertise of a national firm, while serving a broad cross-section of governmental borrowers in every region and market sector.

Colorado Municipal Advisory Experience

HilltopSecurities entered the Colorado market with locally based advisors in 2012 that specialize in providing municipal advisory services to public entities throughout Colorado, including many municipalities across the Front Range.

To demonstrate our leadership in providing advisory services to municipal borrowers in Colorado, we refer to the rankings provided by LSEG for cities and counties. As detailed in the table to the right, HilltopSecurities was the **number-one ranked municipal advisory firm for cities and counties in Colorado by the number of transactions for the period from January 1, 2021 through December 31, 2025**, totaling \$3.39 billion of par.

**Colorado Financial Advisory Rankings
for Cities and Counties
Number of Transactions
January 1, 2021 to December 31, 2025**



Source: LSEG.

As evidenced by the table, the HilltopSecurities team served as municipal advisor to more municipalities in Colorado than any other municipal advisory group over the last five years by a considerable margin. According to our internal records, the HilltopSecurities' Denver team served as Municipal Advisor on 23 transactions for cities, towns and counties in Colorado. We understand the objectives, constraints, and challenges faced by our municipal clients and will utilize that experience and historical knowledge in the engagement with the City.

Colorado Transactions and Municipal Clients

Our team works with different entities in Colorado including cities, counties, school districts, special districts and the State. As a result of our diverse client base, our team advises on several different types of transactions and is asked to address a variety of requests for our clients. Our scope of services may vary for different clients depending on the needed service level and anticipated tasks. As an example, we may assist with the review or drafting of financial policies or planning for a sales tax or debt election question in addition to providing municipal advisory services specific to a transaction. The table below summarizes the types of transactions that our team has advised on and method of sale used for those transactions for all types of issuers over the last five calendar years.

**HilltopSecurities' Colorado Financial Advisory Transaction Summary
January 1, 2021 to December 31, 2025**

Type of Credit	# of Transactions	Total Par Amount	Type of Sale ⁽¹⁾		
			Competitive	Negotiated	Direct Loan
General Obligation Bonds	22	\$3,896,970,000	4	18	0
Certificates of Participation	46	\$2,698,943,593	5	24	17
Revenue Bonds	14	\$1,020,895,529	0	7	7
Enterprise Revenue Bonds	35	\$1,988,546,276	19	10	6
Totals:	117	\$9,605,355,398	28	59	30

Source: HilltopSecurities internal data. Totals may not add to data from LSEG amounts represented elsewhere in the proposal

Our Approach to the Engagement

Based on our extensive and varied experience with public entities, HilltopSecurities provides a full-service approach to providing municipal advisory services that ensures every aspect of a client's needs is addressed. This includes reviewing financial policies, commenting on the impact of legislative changes, working as a moderator between rating agencies, and helping to develop and execute a new plan of finance. The following table summarizes our expected approach to providing municipal advisory services to the District.

Scope of Work	HilltopSecurities' Approach to an Engagement with the Town
Financing Evaluation	HilltopSecurities will work closely with the District to evaluate its debt capacity and financing needs to determine the most efficient financing options to achieve the District's objectives. This includes an evaluation of the District's capital plan and needs with the assistance of identifying the types of obligations available to the District.
Managing the Transaction	Once the District decides to move forward with a transaction based on the prior analysis, HilltopSecurities will take the lead role in managing the transaction process. This includes drafting a timetable of critical events, notifying the relevant finance team members, and coordinating calls amongst the finance team. We also gather cost of issuance estimates from all relevant parties, ensure all items needed for closing are accounted for, and bring in members of the finance team at the appropriate time.
Assembling the Finance Team	Depending upon the members of the finance team already in place and potential need to add or change team members such as an underwriter or lender, HilltopSecurities will work closely with the District to draft requests for proposals or quotes to identify firms for these roles. We assist in the review of the proposals or quotes received to ensure respondents meet minimum requirements and are involved in staff discussions to select the preferred firm or vendor.
Document Review	HilltopSecurities works closely with bond counsel in the early stages of a bond issuance to set up bond document review sessions. HilltopSecurities will also review each document to evaluate the factual contents and the structure of each document during a bond issuance.
COP Closing	HilltopSecurities coordinates with all parties to produce a closing memorandum that will contain instructions on the closing process including closing dates, funds being transferred and the use of bond proceeds. HilltopSecurities also organizes the closing call where the underwriter or purchaser will patch in the Depository Trust Company (DTC) to formally close the bond issuance.
Board Meetings	HilltopSecurities regularly presents and/or attends Board, Council or Commissioner Meetings for our clients. Some of those meetings are for informational purposes only, such as a study session when the District is evaluating potential financing needs. We are always available to present or be available during meetings to discuss financings either prior to or at the time of the presentation of an authorizing resolution.

Our Team

HilltopSecurities has assembled a team of professionals with deep and broad finance and technical expertise to provide municipal advisory services to the District. The HilltopSecurities team will be led by **Jason Simmons, Senior Managing Director** and **Mattie Prodanovic, Senior Vice President**.

HilltopSecurities Denver-Based Team	
<p>Jason Simmons Senior Managing Director 303.771.0217 Jason.Simmons@hilltopsecurities.com</p>	<p>Mattie Prodanovic Senior Vice President 303.248.2518 Mattie.Prodanovic@hilltopsecurities.com</p>

Jason Simmons brings a diverse background to the District, including experience with large and small issuers. Jason's municipal advisory clients have included the Cities of Boulder, Denver, Greeley, Steamboat Springs, and Westminster; the Towns of Castle Rock, Erie and Superior; Arapahoe, Larimer, and Montrose Counties; and the State of Colorado. Jason has worked on a broad range of financing structures for Colorado local governments including general obligation bonds, utility revenue bonds, sales and use tax revenue bonds and certificates of participation. He has served as municipal advisor for three separate transactions that were recognized by The Bond Buyer as regional finalist for the "Deal of the Year".

Jason has been in the securities industry since 1996 and joined the firm in 2012. He earned a Bachelor of Science in Business Administration from Colorado State University and a Master of Business Administration from the University of Colorado at Denver. Jason has earned the Chartered Financial Analyst designation. He is a registered representative of the Financial Industry Regulatory Authority (FINRA) with the Series 7, Series 50, Series 54, and Series 63.

Mattie Prodanovic has worked in Colorado public finance for ten years and works with all of the firm's Colorado clients. Mattie specializes in performing tax analysis for new debt or revenue initiatives for the firm's Colorado clients as well as indicative rating analysis for some of our clients that have not gone through the rating process before. Mattie has also developed cash flow models for some of our utility clients to assist in analyzing debt structuring options as well as potential rate increases for new projects. Recent municipal advisory clients include the Cities of Fort Collins and Pueblo; the Towns of Carbondale, Estes Park and Vail; Grand County; and several school districts throughout the State. Mattie was named one of The Bond Buyer's "Rising Stars" in 2023, primarily related to her work with Colorado school districts. Prior to joining the public finance industry, she worked as a Policy Fellow for the Mayor's Office in the City of Chicago. She earned a Bachelor of Arts in Economics from Cornell University and a Master of Public Policy (Certificate in Municipal Finance) from the University of Chicago. Mattie is a registered representative of FINRA with the Series 50, Series 52 and Series 63.

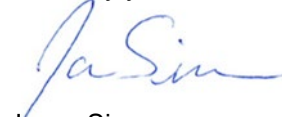
Why HilltopSecurities?

As demonstrated throughout our proposal, HilltopSecurities is the most qualified firm to continue to serve as the Municipal Advisor to the District due to the following three main factors.

- **Most Colorado Advisory Experience** – The HilltopSecurities team has the broadest and most advisory experience in Colorado with cities, towns and counties. This experience means that our team has likely worked directly with or discussed most financing options and projects available to Colorado local governments that the District may be considering.
- **Municipal Advisory Focus** – The Colorado-based team focuses on providing high quality Municipal Advisory services to Colorado local governments which results in a client service driven approach. We understand that debt issuance is not a frequent occurrence for of our clients nor is it the most important part of their day-to-day job, so we try to provide advice and analysis to ensure they have the knowledge to make the decisions in the best interest of the financing and the issuer.
- **Timely Market Knowledge** – Although we do not serve as underwriter for municipal transactions in Colorado, we do have an underwriting desk based in Dallas, Texas that provides real-time market data to our team and allows us to promptly advise our clients of current market dynamics and potential impacts for upcoming financings.

HilltopSecurities very much appreciates the opportunity to present our credentials to serve as Municipal Advisor to the District. Jason Simmons and Mattie Prodanovic will serve as the primary contacts for the engagement, and they are both authorized to make presentations on behalf of the firm. Should you have any questions or desire additional information, please do not hesitate to contact our team.

Sincerely yours,



Jason Simmons
Senior Managing Director



Mattie Prodanovic
Senior Vice President

MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by Hilltop Securities Inc. (“the Firm”) to disclose information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to potential clients pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to clients, which includes a duty of loyalty to clients in performing all municipal advisory activities for clients. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with client and to act in the client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate’s business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client’s business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client’s business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate’s business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client’s business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client’s business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of other clients. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to all its municipal advisory clients. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm’s ability to fulfill its regulatory duties to any specific client.

IV. Secondary Market Transactions in Client’s Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of its clients, and therefore the Firm could have interests in conflict with a client with respect to the value of the client’s securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire a municipal advisory client’s securities issued in an issue under a municipal advisory agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with the client in that it could create the incentive for the Firm to make recommendations to the client that could result in more advantageous pricing of the client’s bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm’s municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to any client under a municipal advisory agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of the firm’s municipal advisory clients, may be undertaken on behalf of, or as counterparty to, the client, personnel of the client, and current or potential investors in the securities of the client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of the Firm’s municipal advisory clients, such as when their buying or selling of the municipal advisory client’s securities may have an adverse effect on the market for municipal advisory client’s securities, and the interests of such other clients could create the incentive for the Firm to

make recommendations to the municipal advisory client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to its municipal advisory client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to its clients, or to advise clients to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by the client and the Firm of, among other things, the expected duration and complexity of the transaction and the scope of municipal services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to a client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's BrokerCheck webpage.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.
- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.
- On August 14, 2024, the Securities and Exchange Commission ("SEC") entered into a settlement order with Hilltop Securities Inc. ("Hilltop") to settle an administrative action finding that Hilltop failed to (1) maintain and preserve off-channel communications related to Hilltop's broker-dealer business, as well as related to recommendations made or proposed to be made and advice given or proposed to be given with respect to Hilltop's investment advisory business; and (2) reasonably supervise its personnel with a view to preventing or detecting certain of its personnel's aiding and abetting violations of certain provisions of the federal securities laws. Hilltop admitted to the facts in the settlement order, acknowledged its conduct violated the federal securities laws, and agreed to: (a) a cease-and-desist order, (b) a censure, (c) payment of a civil monetary penalty in the amount of \$1,600,000, and (d) certain undertakings related to the retention of electronic communications.

II. How to Access Form MA and Form MA-I Filings The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action by the firm's municipal advisory clients. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take you to the electronic version [MA Client Brochure](#).



Jason Simmons

Senior Managing Director
Public Finance

May ___, 2026

Mrs. Barbara Brattin
Library Director
Upper San Juan Library District
811 San Juan St.
Pagosa Springs, CO 81147

Dear Mrs. Brattin:

On behalf of Hilltop Securities Inc. (“HilltopSecurities”), we appreciate the opportunity to serve as Municipal Advisor to the Upper San Juan Library District (the “Issuer” or the “District”). This letter will confirm the basic terms of our engagement and is dated, and shall be effective as of, the date executed by the Issuer as set forth on the signature page hereof (the “Effective Date”).

Hilltop Securities will serve as Municipal Advisor to the Issuer and agrees to perform the Municipal Advisory Scope of Services outlined in Appendix A through the term of this agreement identified below. The term of this Agreement begins on the Effective Date and ends, unless terminated pursuant to the language below, on December 1, 2026 (the “Termination Date”). This Agreement may be terminated with or without cause by the Issuer or HilltopSecurities upon the giving of at least thirty (30) days’ prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due HilltopSecurities for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

In consideration of providing the requested services, HilltopSecurities shall receive fees as outlined in Appendix B. In any event regardless of the cause of action, HilltopSecurities’ total liability (including loss and expense) to the Issuer in the aggregate shall not exceed the gross amount of fees received by HilltopSecurities pursuant to this letter agreement. The limitations of liability set forth in this letter agreement are fundamental elements of the basis of the bargain between HilltopSecurities and the Issuer, and the pricing of the services set forth above reflect such limitations. This letter agreement shall be constrained and given effect on accord with the laws of the State of Colorado.

HilltopSecurities is providing its Municipal Advisor Disclosure Statement in Appendix C (the “Disclosure Statement”), current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest, if any, and of any legal or disciplinary events required to be disclosed pursuant to Municipal Securities Rulemaking Board Rule G-42. The Disclosure Statement also describes how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by HilltopSecurities with the Securities and Exchange Commission.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning an electronic copy.

Sincerely,

Jason Simmons
Senior Managing Director

**Upper San Juan Library District
Agreed and Accepted:**

By: _____

Title: _____

Name: _____

Date: _____

APPENDIX A
MUNICIPAL ADVISORY SCOPE OF SERVICES

This Appendix A sets out the scope of the Municipal Advisory Services to be performed by HilltopSecurities pursuant to the Agreement, subject to the limitations in scope set out in paragraph C of Section I of the Agreement, and with the understanding that:

1. Individual actions taken within this scope shall be consistent with any request or direction provided by an authorized representative of the Issuer or as HilltopSecurities determines to be necessary or appropriate in furtherance of any matter for which it serves as municipal advisor. However, not all listed activities will be appropriate, necessary or applicable to any particular matter subject to this Agreement.
2. For purposes of this Agreement, an issuance of municipal securities (an “issuance”) shall encompass any and all stages in the life of an issuance, from the pre-issuance planning stage to the repayment stage.

I. New Issuances of Municipal Securities. At the direction of or upon the request of the Issuer, HilltopSecurities shall provide advice to the Issuer on any new issuances, including reofferings of outstanding issuances that are treated for purposes of the federal securities laws and/or federal tax laws as new issuances, throughout the term of this Agreement. The activities to be performed by HilltopSecurities may include, depending on the specific circumstances of an issuance and any request or direction of the Issuer, one or more of the following:

Planning for New Issuance

1. ***Survey and Analysis.*** Surveying the financial resources of the Issuer in connection with its capacity to authorize, issue and service the contemplated issuance. This survey would be expected to include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, would include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the contemplated issuance, the survey would be expected to take into account any outstanding indebtedness payable from such revenues, additional revenues to be available from any proposed rate increases, and additional revenues resulting from improvements to be financed by the contemplated issuance, as projected by consulting engineers engaged by the Issuer.
2. ***Future Financings.*** In connection with the contemplated issuance, considering and analyzing future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, engaged by the Issuer.
3. ***Recommendations.*** Making recommendations to the Issuer on the contemplated issuance, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options for prepayment, security provisions, and such other provisions as may be appropriate.
4. ***Market Information.*** Advising the Issuer of HilltopSecurities' view of current bond market conditions, other related forthcoming bond issues and general information (including applicable economic data) which might normally be expected to influence

interest rates or bidding conditions relevant to setting an appropriate date and time for the sale of the issuance.

5. ***Elections.*** In the event it is necessary to hold an election to authorize the contemplated issuance, assisting in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to the Issuer's bond counsel.

Debt Management and Financial Implementation for New Issuance

1. ***Method of Sale.*** Evaluating the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:
 - a) If the issuance is to be executed as a direct bank loan with a commercial lender, HilltopSecurities will:
 1. Assist in the development and distribution of an RFP to commercial banking institutions; and
 2. Assist in the review, evaluation, and selection of a lender.
 - b) If the issuance is to be sold by a competitive sale:
 1. Coordinating the preparation of the notice of sale and bidding instructions, official bid form and such other documents as may be required and submitting all such documents to the Issuer for examination, approval and certification.
 2. Supervising the sale of the municipal securities;
 3. Disseminating information to prospective bidders, organizing such informational meetings as may be necessary, and facilitating prospective bidders' efforts in making timely submission of proper bids;
 4. Assisting the staff of the Issuer in coordinating the receipt of bids and the tabulation and comparison of submitted bids;
 5. Advising the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids; and
 6. Obtaining CUSIP numbers on behalf of the Issuer.
 - c) If the issuance is to be sold by negotiated sale:
 1. Assisting the issuer with an RFP process to select one or more investment banking firms, as sole underwriter or as managers of an underwriting syndicate, if necessary;

2. Cooperating with and assisting any selected sole or managing underwriter and its counsel, in the review of a bond purchase contract, an underwriters' agreement and other related documents;
 3. Providing a cost comparison to the then-current market of underwriters discount, expenses, interest rates and prices which are proposed by the underwriters;
 4. Advising the Issuer on the fairness of the price offered by the underwriters;
 5. Advising the Issuer in connection with any terms and conditions it may wish to establish with respect to order priorities and other similar matters relating to the underwriting of the new issuance;
 6. If the new issuance will have a retail order period, advising the Issuer on retail eligibility criteria and other features of the retail order period and reviewing information provided by the underwriters to the Issuer in connection with retail orders received; and
 7. At the request of the Issuer, reviewing required disclosures by underwriters to the Issuer relating to their role as underwriter, conflicts of interests, material terms and risks of the issuance, and any other matters, and providing any appropriate advice to the Issuer in connection with such disclosures.
- d) If the Debt Instruments are to be executed as a direct loan with the Colorado Water Resources and Power Development Authority, the Colorado Water Conservation Board, the U.S. Department of Agriculture, or the U.S. Environmental Protection Agency, HilltopSecurities will:
- i. Assist in the application process; and
 - ii. Assist in the development and execution of loan documents.
2. **Bond Counsel.** Maintaining liaison with bond counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the municipal securities.
 3. **Offering Documents.** Coordinate Disclosure or Underwriter's Counsel, as applicable to prepare any Official Statement as needed and such other documents as may be required and submit all such documents to the Issuer for examination, approval, and certification.
 4. **Credit Ratings.** Making recommendations to the Issuer on the advisability of obtaining one or more credit ratings for the issuance and, when directed by the Issuer, coordinating the preparation of such information as may be appropriate for submission to any rating agency. In those cases where the advisability of personal presentation of information to a rating agency may be indicated, HilltopSecurities will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be approved or directed by the Issuer.
 5. **Trustee, Paying Agent, Registrar, Professionals and Other Transaction Participants.** Upon request, providing advice to the Issuer in the selection of a trustee and/or paying agent/registrar, legal, accounting or other professionals, and other transaction participants relating to any issuance.

6. **Financial Publications.** When appropriate, advising financial publications of the forthcoming sale of the municipal securities and providing them with all pertinent information.
7. **Consultants.** After consulting with and receiving directions from the Issuer, arranging for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the issuance.
8. **Auditors.** In the event formal verification by an independent auditor of any calculations incident to the issuance is required, making arrangements for such services.
9. **Issuer Meetings.** Attending meetings of the governing body of the Issuer, its staff, representatives or committees as requested when HilltopSecurities may be of assistance or service and matters within the scope of this engagement are to be discussed.
10. **Printing.** To the extent authorized by the Issuer, coordinating all work incident to printing or final production, physical or electronic, of the offering documents.
11. **Delivery of the Municipal Securities.** As soon as a bid for the purchase of a competitive issuance is accepted by the Issuer or the bond purchase contract for a negotiated issuance is signed by the Issuer, coordinating the efforts of all concerned to the end that the municipal securities may be delivered and paid for as expeditiously as possible and assisting the Issuer in the preparation or verification of final closing figures incident to the delivery of the municipal securities.
12. **Debt Service Schedule.** After the closing of the sale and delivery of the issuance, delivering to the Issuer a schedule of annual debt service requirements for the issuance.
13. **Continuing Disclosure.** Providing guidance to the Issuer with regard to its continuing disclosure undertakings for its new issuances in coordination with Disclosure Counsel.

II. Baseline Advice on Outstanding Issuances of Municipal Securities. HilltopSecurities shall provide baseline on-going advice to the Issuer on any outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. **Exercising Calls.** Providing advice and assistance to the Issuer with regard to exercising any calls of outstanding municipal securities unrelated to a refunding of such securities.
2. **Refundings and Tender Offers.** Providing advice to the Issuer with regard to opportunities for refundings of outstanding issuances or to make tender offers for outstanding issuances, whether by means of a new issuance, bank loans, or other funds of the Issuer, but not including serving as advisor in connection with the specific transaction through which such refunding or tender offer is effected. Transaction-based advice in connection with a specific new issuance of bonds to effectuate any such refunding or tender offer would be provided within the scope of Municipal Advisory Services for new issuances described in Section I above.
3. **Continuing Disclosure.** Providing guidance in coordination with Disclosure Counsel to the Issuer with regard to continuing disclosure undertakings for outstanding issuances; processes, policies and procedures to comply with continuing disclosure undertakings; and coordination of continuing disclosure obligations arising from different continuing

disclosure undertakings for its various issuances. However, the preparation of continuing disclosure documents, other than in the capacity of dissemination agent under a continuing disclosure undertaking, would be provided within the scope of other services described in Section V. below.

III. Particularized Services on Outstanding Issuances of Municipal Securities.

HilltopSecurities may provide to the Issuer certain additional advisory or related services in connection with particular outstanding issuances or matters affecting multiple outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. ***Other Post-Sale Services.*** Reviewing the transaction features and documentation of outstanding issuances with legal counsel for the Issuer, bond counsel, auditors and other experts and consultants retained by the Issuer and assisting in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters, or other services related to one or more outstanding issuances as may be agreed to by the Issuer and HilltopSecurities.
2. ***Brokerage of Municipal Escrow Investments.*** At the request of the Issuer, brokering the purchase of municipal escrow investments in connection with a refunding of an outstanding issuance, together with any recommendations by HilltopSecurities (but not by Hilltop Securities Asset Management, LLC as an investment adviser) with respect to such brokerage.

IV. Services as Independent Registered Municipal Advisor (“IRMA”). At the written request of the Issuer, HilltopSecurities shall, as the Issuer’s IRMA, review and provide advice to the Issuer in connection with any recommendations, proposals, ideas or matters suggested or otherwise communicated by a third party to the Issuer with respect to the same aspects of the issuance of municipal securities or municipal financial products that are within the scope of Municipal Advisory Services. There are no aspects of the issuance of municipal securities or municipal financial products that are outside the scope of Municipal Advisory Services set forth in this Appendix.

V. Other Consulting Services. HilltopSecurities agrees to make available to the Issuer other consulting, when so requested by the Issuer and subject to a separate task order agreement by Issuer and HilltopSecurities regarding the specific requirements and scope of services with respect to such services, which requirements shall be made part of the scope of Municipal Advisory Services and included in this Appendix as an amendment or addendum, which services may include, without limitation:

1. ***Capital Improvement Programs.*** Providing advice and assistance in the development of any capital improvement programs of the Issuer.
2. ***Long-Range Planning.*** Providing advice and assistance in the development of other long-range financing plans of the Issuer.

* * * * *

Amendments to this Appendix A may be effected by replacement of this Appendix A with a new version hereof or by the addition of an addendum to this Appendix A, and this Appendix A, as it may have been amended, shall be dated and effective as of the most recent of the date set forth in any such amendment or the date set forth in any addendum to this Appendix A.

APPENDIX B
FORM AND BASIS OF COMPENSATION

This Appendix B sets out the form and basis of compensation to HilltopSecurities for the Municipal Advisory Services provided under this Agreement as set forth in Appendix A; provided that the compensation arrangements set forth in this Appendix B shall also apply to any additional services hereafter added to the scope of the Municipal Advisory Services, unless otherwise provided in the amendment to the Agreement relating to such change in scope of Municipal Advisory Services.

Transaction Fee Guidelines. The fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section I of Appendix A hereto for each new issuance of municipal securities will not exceed those contained in our fee schedule as listed below:

For the issuance of Certificates of Participation in the approximate amount of \$1,500,000 either through the issuance of publicly offered securities or through a direct bank plan HilltopSecurities proposes a fee of \$35,000 to be paid only upon closing from the proceeds of the financing.

APPENDIX C MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities investment options for their

cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may

be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one

branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.

- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of 1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.
- On August 14, 2024, the Securities and Exchange Commission ("SEC") entered into a settlement order with Hilltop Securities Inc. ("Hilltop") to settle an administrative action finding that Hilltop failed to (1) maintain and preserve off-channel communications related to Hilltop's broker-dealer business, as well as related to recommendations made or proposed to be made and advice given or proposed to be given with respect to Hilltop's investment advisory business; and (2) reasonably supervise its personnel with a view to preventing or detecting certain of its personnel's aiding and abetting violations of certain provisions of the federal securities laws. Hilltop admitted to the facts in the settlement order, acknowledged its conduct violated the federal securities laws, and agreed to: (a) a cease-and-desist order, (b) a censure, (c) payment of a civil monetary penalty in the amount of \$1,600,000, and (d) certain undertakings related to the retention of electronic communications.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version [MA Client Brochure](#).

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.



Ruby M. Sisson Memorial Library

Upper San Juan Library District

PUBLIC COMMENT POLICY

2nd Reading May 20, 2026

PURPOSE

The Library Board of Trustee meetings are open to the public and the Board encourages public comment in a fair, consistent and informative manner. The purpose of the public comment policy is to define boundaries for comments made to the Board to make it equitable for the public and to not unduly disrupt the Board meeting.

BACKGROUND

The Board recognizes the importance of remaining open to the receipt of public comment on issues of concern to the District. Comments from the public very often prove invaluable as the Board deliberates upon specific matters and general issues which come before it in the course of business. However, in certain circumstances, uncontrolled or ill-timed public comment has the potential to interfere with the conduct of the public's business and can give rise to an unfair or unequal exchange of information. As a result, it is necessary to establish a consistent method for receiving public comment which provides for adequate access by the public and does not give rise to unfair circumstances of public comment.

ORAL COMMENTS:

- The Board will provide approximately fifteen (15) minutes for public comment at or near the beginning of each board meeting.
- Each speaker must be recognized by President as having the exclusive right to be heard.
- Each speaker must identify their name and city of residence.
- Comments are limited to three (3) minutes per speaker.
- Speakers must address the entire Board, not an individual board member.
- Discussion between speaker and audience will not be allowed.
- Speakers will be civil in their language and presentation.
- There shall be a maximum of three (3) participants on the same subject. It is recommended that if there are several people who wish to speak on the same subject that they choose one speaker to speak for all.
- Speakers may not give their time to another person, allowing them to exceed the 3 minute time limit.
- The Board has the right to expand public comment period to up to thirty (30) minutes.
- Individuals who request to speak but cannot due to time constraints will be carried to the next regular meeting of the Board of Trustees.

For clarification, any Board member may ask the speaker questions. The time used by a Board member to ask a question or the response to his/her questions, will not be counted against the citizens three minute time allotment.

Public comment is not intended to require the Board to answer any impromptu questions. Actions on items brought up during the Public Comment Period will be at the discretion of the Board of Trustees.

WRITTEN COMMENTS:

- The Board welcomes written comments at any time.
- Response may be in writing or addressed at next scheduled board meeting.