



Ruby M. Sisson Memorial Library

Upper San Juan Library District

Library Board:
Andrea Cox, President
Katie Cloudman, Vice President
David Hamilton, Treasurer
Marie Taylor, Secretary
Sherry Spears
Gayle Dixon
Al Northrup

811 San Juan Street, Pagosa Springs, CO 81147 • 970-264-2209 • pagosalibrary.org

Barbara Brattin, Library Director

Special Meeting of the Library Board of Trustees
July 22, 2026
10 am
811 San Juan St, Pagosa Springs, CO

AGENDA

- I. ROLL CALL AND DETERMINATION OF QUORUM
- II. AGENDA APPROVAL
- III. PUBLIC COMMENTS
- IV. NEW BUSINESS
 - a. Resolution 2026-1 authorizing the execution and delivery of a Site Lease, a Lease Purchase Agreement, and related documents of the district, approving the forms of related documents, and providing for other matters relating thereto.

GOOD OF THE ORDER:

NEXT MEETING: August 19, 2026, hybrid, in person

ADJOURNMENT

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.

UPPER SAN JUAN LIBRARY DISTRICT

RESOLUTION 2026-1

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UPPER SAN JUAN LIBRARY DISTRICT, AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE LEASE, A LEASE PURCHASE AGREEMENT, AND RELATED DOCUMENTS BY THE DISTRICT; APPROVING THE FORMS OF RELATED DOCUMENTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, the Upper San Juan Library District (the “District”), in the County of Archuleta and the State of Colorado, is a duly and regularly created, organized and existing library district, existing as such under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, the Board of Trustees of the District (the “Board”) has the power, pursuant to Section 24-90-109(1)(h), Colorado Revised Statutes, to lease, purchase or erect any appropriate building for library purposes and acquire such other property as may be needed therefor;

WHEREAS, it is necessary and in the best interests of the inhabitants of the District that the District build, repair, rebuild, and rehabilitate the Ruby M. Sisson Memorial Library owned by the District (the “Project”);

WHEREAS, for the purpose of financing a portion of the Project, the District will enter into a Site Lease (the “Site Lease”) and a Lease Purchase Agreement (the “Lease Purchase Agreement”) with the Bank of the San Juans, a Division of Glacier Bank (the “Bank”);

WHEREAS, the District owns, in fee title, certain sites and the premises, buildings and improvements located thereon (the “Leased Property”), as further described in the Site Lease and the Lease Purchase Agreement;

WHEREAS, in order to implement the Project, the Board has determined that it is in the best interest of the District and its inhabitants that the District lease the Leased Property to the Bank pursuant to the Site Lease, and lease back the Bank’s interest in the Leased Property pursuant to the terms of the Lease Purchase Agreement; and

WHEREAS, pursuant to Lease Purchase Agreement, and subject to the right of the District to annually terminate Lease Purchase Agreement and other limitations as therein provided, the District will pay certain Rent and Additional Rent (as such terms are defined in Lease Purchase Agreement) in consideration for the right of the District to use the Leased Property; and

WHEREAS, the District’s obligation under the Lease Purchase Agreement to pay Rent and Additional Rent shall be from year to year only; shall constitute currently budgeted expenditures of the District; shall not constitute a mandatory charge or requirement in any

ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional, statutory limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the District in any ensuing fiscal year beyond any fiscal year during which the Lease Purchase Agreement shall be in effect; and

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, Colorado Revised Statutes, as amended (the “Supplemental Act”), provides that a public entity, including the District, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act; and

WHEREAS, there has been presented to the Board and are on file at the District offices the following: (i) the proposed form of the Site Lease; and (ii) the proposed form of the Lease Purchase Agreement.

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease Purchase Agreement and the Site Lease.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UPPER SAN JUAN LIBRARY DISTRICT, IN THE COUNTY OF ARCHULETA AND THE STATE OF COLORADO:

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Board or the officers, agents or employees of the Board or the District relating to the Site Lease, the Lease Purchase Agreement, and the implementation of the Project is hereby ratified, approved and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution and the laws of the State of Colorado that the implementation of the Project, including the payment of the costs of issuance in connection therewith, and financing the costs thereof pursuant to the terms set forth in the Site Lease and the Lease Purchase Agreement are necessary, convenient, and in furtherance of the District’s purposes and are in the best interests of the District and the inhabitants of the District and the Board hereby authorizes and approves the same.

Section 3. Supplemental Act; Parameters. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Lease Purchase Agreement and the Site Lease and in connection therewith delegates to any member of the Board, the President and the Secretary the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease Purchase Agreement and the Site Lease, and to execute a sale certificate (the “Sale Certificate”) setting forth such determinations, including without limitation, the term of the Site Lease, the rental amount to be paid by the Bank pursuant to the Site Lease, the term of the Lease Purchase Agreement and the rent amount to be paid by the District pursuant to the Lease Purchase Agreement, subject to the following parameters and restrictions:

- (a) the term under Site Lease shall end no later than August 1, 2046;

(b) the term under the Lease Purchase Agreement shall end no later than August 1, 2036

(c) the maximum annual repayment cost of Rent payable by the District under the Lease Purchase Agreement shall not exceed \$134,000, and the total repayment cost shall not exceed \$1,330,000;

(d) the total aggregate principal amount of the Rent payable by the District under the Lease Purchase Agreement shall not exceed \$1,055,000;

(e) the maximum net effective interest rate on the interest component of the Rent shall not exceed 4.50%.

The delegation set forth in this Section 3 shall be effective for one year following the date of adoption of this resolution.

Section 4. Approval of Documents. The Site Lease and the Lease Purchase Agreement, in substantially the forms presented to the Board and on file with the District, are in all respects approved, authorized and confirmed, and the President and the Secretary are hereby authorized and directed for and on behalf of the District to execute and deliver the Site Lease and the Lease Purchase Agreement in substantially the forms and with substantially the same contents as presented to the Board, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this resolution.

Section 5. Authorization to Execute Collateral Documents. The President, Secretary, and other appropriate officials or agents of the Board or the District, are hereby authorized and directed to execute and deliver for and on behalf of the District any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they may deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this Resolution. The execution of any instrument by the aforementioned officers or members of the Board shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms hereof and thereof.

Section 6. No General Obligation Debt. No provision of this Resolution, the Site Lease, the Lease Purchase Agreement, or any related document shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year direct or indirect District debt or other financial obligation whatsoever of the District within the meaning of any constitutional or statutory provision, nor a mandatory charge or requirement against the District in any ensuing fiscal year beyond the then current fiscal year. The District shall not have any obligation to make any payment with respect to the Lease except in connection with the payment of the Rent and Additional Rent, which payments may be terminated by the District in accordance with the provisions of the Lease Purchase Agreement. No provision of the Lease Purchase Agreement shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The Lease Purchase

Agreement shall not directly or indirectly obligate the District to make any payments beyond those budgeted and appropriated for the District's then current fiscal year.

Section 7. Reasonableness of Rent. The Board hereby determines and declares that the Rent due under the Lease Purchase Agreement, in the maximum amounts authorized pursuant to Section 3 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the District under an economic compulsion to renew the Lease Purchase Agreement or to exercise its option to purchase the Bank's leasehold interest in the Leased Property pursuant to the Lease Purchase Agreement. The Board hereby determines and declares that the period during which the District has an option to purchase the Bank's leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease Purchase Agreement) does not exceed the useful life of the Leased Property. The Board hereby further determines that the amount of rental payments to be received by the District from the Bank pursuant to the Site Lease, in an amount not less than the amount set forth in Section 3 hereof, is reasonable consideration for the leasing of the Leased Property to the Bank for the term of the Site Lease as provided therein.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Rent or any other amount due pursuant to the Lease. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise.

Section 9. Electronic Signatures. In the event the President, the Secretary, or other employee or official of the District that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Resolution (collectively, the "Authorized Documents") is not able to be physically present to manually sign any such Authorized Document, such individual or individuals are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

Section 10. Severability. If any one or more sections, sentences, clauses or parts of this resolution shall for any reason be held invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this resolution, but shall be confined in its operation to the specific sections, sentences, clauses or parts of this resolution so held unconstitutional or invalid, and the inapplicability and invalidity of any section, sentence, clause or part of this resolution in any one or more instances shall not affect or prejudice in any way the applicability and validity of this resolution in any other instances.

Section 11. Repealer. All bylaws, orders, and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, or resolution, or part thereof, heretofore repealed.

Section 12. Interpretation. This resolution shall be so interpreted and construed as to effectuate its general purpose.

Section 13. Effective Date. This resolution shall be in full force and effect upon its passage and adoption.

ADOPTED AND APPROVED this July 22, 2026.

Andrea Cox, President
Upper San Juan Library District

ATTEST:

Marcie Taylor, Secretary
Upper San Juan Library District

STATE OF COLORADO)
)
COUNTY OF ARCHULETA) SS. CERTIFICATE OF SECRETARY
)
UPPER SAN JUAN LIBRARY DISTRICT)

I, Marcie Taylor, the duly qualified and acting Secretary of the Upper San Juan Library District (the “District”), in the County of Archuleta and State of Colorado, do hereby certify:

(1) The foregoing pages are a true and correct copy of a resolution (the “Resolution”) introduced at a special meeting of the Board of Trustees of the District (the “Board”) on July 22, 2026.

(2) The Resolution was duly moved and seconded and the Resolution was adopted at the special meeting of July 22, 2026, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Andrea Cox, President				
Katie Cloudman, Vice President				
Marcie Taylor, Secretary				
David Hamilton, Treasurer				
Gayle Dixon, Trustee				
Al Northrup, Trustee				
Sherry Spears, Trustee				

(3) The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

(4) The Resolution was approved and authenticated by the signature of the President of the Board, attested by the Secretary and recorded in the minutes of the Board.

(5) Notice of the special meeting of July 22, 2026, in the form attached hereto as Exhibit A was posted at [the District Offices] not less than 24 hours prior to the meeting in accordance with law.

(6) There are no bylaws, rules or regulations of the Board which prevent the immediate adoption of the Resolution set forth in the foregoing proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this July 22, 2026.

Secretary

EXHIBIT A

(Attach Notice of Meeting)

After Recordation, please return to:

Scott W. Shaver
Stradling Yocca Carlson & Rauth LLP
2301 Blake Street, Suite 100
Denver, CO 80205

SITE LEASE AGREEMENT

SITE LEASE AGREEMENT (together with any amendments hereto made in accordance herewith, this “Site Lease”), made as of [Closing Date], 2026 (the “Dated Date”), between the UPPER SAN JUAN LIBRARY DISTRICT, ARCHULETA COUNTY, COLORADO, as lessor hereunder having its main office and place of business at 811 San Juan Street, Pagosa Springs, Colorado 81147 (the “District”), and the BANK OF THE SAN JUANS, A DIVISION OF GLACIER BANK, as lessee hereunder, having an office and place of business at 1710 Main Avenue, Durango, Colorado 81301 (the “Lender”).

RECITALS:

A. The District is the owner of certain land described in Exhibit A attached hereto and made a part hereof (the “Land”), and the premises, buildings and improvements situated or to be situated on the Land as described in Exhibit A attached hereto (collectively, the “Leased Property”).

B. The Lender desires to lease the Leased Property from the District pursuant to this Site Lease.

C. Immediately after the lease of the Leased Property under this Site Lease, the District will sublease the Leased Property from the Lender under that certain Lease Purchase Agreement dated as of the Dated Date (the “Lease”), by and between the Lender, as sublessor, and the District, as sublessee.

D. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I REPRESENTATIONS AND WARRANTIES

Section 1.1 Representations and Warranties of the District. The District represents and warrants to the Lender:

- (a) The District has good and merchantable fee simple title to the Land;
- (b) Except to the extent reflected in the title insurance policy to be delivered to the Lender in accordance with the Lease, to the best knowledge of the District, the Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or would

interfere materially with the use of or operations being conducted on the Leased Property;

(c) All taxes, assessments or impositions of any kind with respect to the Land, except current taxes, have been paid in full; and

(d) The Land is properly zoned or approved for the uses thereof contemplated by the Lease.

Section 1.2 Reference to Lease Representations and Warranties. Reference is made to the representations and warranties made by the District and the Lender in Article 2 of the Lease. Those representations and warranties are incorporated herein and will have the same force and effect as if they were fully set forth in this Site Lease.

ARTICLE II LEASE OF PROPERTY

The District hereby demises and leases to the Lender and the Lender hereby accepts and leases from the District for the sum of \$[____], as and for all rent due hereunder, and other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, the Leased Property, for a term commencing on the Dated Date and ending on the date the term of this Site Lease is terminated in accordance with Section 3.1 hereof. The District hereby acknowledges that the rent paid by the Lender hereunder shall be used to effectuate the Project, in accordance with the terms of the Lease. The Board hereby determines that such amount is reasonable consideration for the leasing of the Leased Property to the Lender for the lease term as provided herein.

ARTICLE III TERMINATION

Section 3.1 Termination. Subject to the other provisions of this Site Lease, this Site Lease shall terminate upon the occurrence of the earliest of any one of the following events:

(a) The payment by the District of all Rent owing to the Lender under the Lease.

(b) The exercise by the District of its option to prepay the Lease by payment of the scheduled After Payment Termination Value and other sums due in accordance with the terms and conditions of the Lease as set forth in Section 4.05 thereof.

(c) The termination of the Lease Term upon the occurrence of an Event of Nonappropriation pursuant to Section 4.6 of the Lease or the occurrence of an Event of Default by the District under Article X of the Lease and the receipt by the Lender of amounts from the New Sublease (as defined in Section 3.2 below) sufficient to:

(1) Reimburse the Lender for all reasonable administrative costs and expenses, including reasonable attorneys' fees, incurred by the Lender as a result of the Event of Default and the termination of the Lease and the sublease of the Leased Property by the Lender,

including without limitation costs and expenses incurred by the Lender pursuant to Sections 6.6, 6.7 and 6.8 hereof (the “Administrative Costs”); and

- (2) Reimburse the Lender for all reasonable capital costs and expenses incurred by the Lender with respect to making the Leased Property suitable for sublease for commercial or other lawful purposes; and
- (3) Pay to the Lender the After Payment Termination Value and other sums due in accordance with the terms and conditions of the Lease.

(d) August 1, 20[].

Notwithstanding the foregoing, if the Lender has subleased the Leased Property pursuant to a New Sublease and has received payment of the Administrative Costs and of the amounts referred to in numbered paragraphs (2) and (3) of Subsection 3.1(c) above (the “Reimbursement Amount”), this Site Lease shall nevertheless continue for such period of time as is contemplated in the New Sublease.

Section 3.2 New Subleases. In the event that the Lease is terminated based on an Event of Default or an Event of Non-Appropriation prior to the payment to the Lender of the After Payment Termination Value, the Lender shall be free to sublease the Leased Property to a third party on commercially reasonable terms for any purpose authorized by applicable zoning laws and permitted by the restrictions applicable to the Land, including restrictions on use imposed by any land use code (a “New Sublease”), provided that such New Sublease shall not extend beyond the date this Site Lease would otherwise terminate pursuant to Section 3.1(d) hereof, without the prior written consent of the District.

Use of the Leased Property by the Lender or any subsidiary or affiliate of the Lender, other than for the purpose of assuming control, making necessary changes in the Leased Property, and the initial subleasing thereof, shall be treated as a New Sublease thereof on a monthly basis at the Fair Market Rental Value of the Leased Property. The “Fair Market Rental Value” of the Leased Property means what a landlord under no compulsion to lease the Leased Property and a tenant under no compulsion to lease the Leased Property would determine as fair rent at the time of the occupancy of the Leased Property by the Lender, or its subsidiary or affiliate, taking into consideration the uses permitted, the quality, size, design and location of the Leased Property, the duration of the occupancy by the Lender, or its subsidiary or affiliate, and the rent for comparable buildings located in the vicinity of the Leased Property. Any such use by the Lender or a subsidiary or affiliate shall terminate within sixty days after recovery by the Lender of its Administrative Costs and the Reimbursement Amount.

Section 3.3 Use of New Sublease Rentals. The Lender shall apply any rentals under a New Sublease first to recover any Administrative Costs. Thereafter, the Lender shall be entitled to interest on the outstanding Reimbursement Amount at the Applicable Rate. Any amounts received by the Lender pursuant to this Section after payment of the Administrative Costs and interest on the Reimbursement Amount shall be credited to the payment of the Reimbursement Amount. To the extent that the Lender receives an amount in excess of the Reimbursement

Amount, whether as a result of its sublease of the Leased Property or its assignment or sale of its rights hereunder, any such excess shall be remitted by the Lender to the District.

Section 3.4 Reports. In the event that the Lease Term is terminated by the District because of an Event of Nonappropriation pursuant to Section 4.06 of the Lease or terminated by the Lender as a result of the occurrence of an Event of Default by the District thereunder, the Lender shall keep complete and accurate records regarding any New Sublease of the Leased Property and shall, within sixty days after the end of each Fiscal Year of the District, deliver a written report to the District showing: (a) all amounts received by the Lender from any New Sublease of all or any part of the Leased Property; (b) a statement of Administrative Costs incurred by the Lender during the same period; (c) a statement of any capital costs and expenses incurred in accordance with Subsection 3.1(c) above, (d) an analysis as to whether the Lender has received the Reimbursement Amount, with all supporting calculations; and (e) the date, if any, in the next Fiscal Year of the District on which the Lender expects to receive the Reimbursement Amount. The District shall have the right, at its own expense, to examine the Lender's records insofar as they relate to the Leased Property, and to contest the amount of Administrative Costs assessed, the costs and expenses incurred in accordance with Subsection 3.1(c), and/or the Lender's calculation of the Reimbursement Amount. Such examination shall be made at the Lender's offices during normal business hours.

ARTICLE IV EASEMENT, USE

Section 4.1 Granting Easements. Upon the request of the Lender, and subject to the terms of the Lease, the District shall promptly grant such licenses, rights of way or easements in the Land and in such form and content as are determined by the Lender to be reasonably necessary:

- (a) To maintain the Leased Property; and
- (b) To exercise the Lender's rights and obligations under the Lease and this Site Lease including, but not limited to, its rights to exercise its remedies under the Lease and its rights in the event of termination of the Lease.

Section 4.2 Quiet Use and Enjoyment. Subject to the terms of the Lease, the District hereby covenants to provide the Lender during the term of this Site Lease with quiet use and enjoyment of the Leased Property, and the Lender shall during such term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the District.

Section 4.3 Owner in Fee. The District represents that it is the owner in fee of the Leased Property. The Lender acknowledges that it is obtaining only a leasehold interest in the Leased Property pursuant to this Site Lease, and that the District shall retain possession of the Leased Property pursuant to the Lease and continue to utilize the Leased Property for District purposes (assuming no Event of Default or Event of Nonappropriation has occurred and is continuing).

ARTICLE V
USE OF LEASED PROPERTY; SURRENDER, ASSIGNMENT

Section 5.1 Use of Leased Property. The Lender agrees to use the Leased Property solely for the purpose of leasing the Leased Property pursuant to the Lease unless the Lease Term is terminated by the District because of an Event of Nonappropriation or is terminated by the Lender as a result of an Event of Default by the District, in which event the Lender may enter into a New Sublease of the Leased Property.

Section 5.2 Surrender of Leased Property. The Lender agrees that upon the termination of this Site Lease it will surrender the Leased Property to the District free and clear of all liens and encumbrances, except Permitted Encumbrances (other than this Site Lease), and all right, title and interest of the Lender or any sublessee or assignee in and to the Leased Property, including any and all improvements and fixtures which shall at the time be situated thereon or attached thereto, shall vest in the District. The Lender and any sublessee or assignee shall execute and deliver, upon request by the District, any instrument of transfer, conveyance or release necessary or appropriate to confirm the vesting of such right, title and interest in the District. If the Leased Property has been subleased by the Lender pursuant to a New Sublease, upon termination of this Site Lease any New Sublease, by the terms thereof, shall also terminate.

ARTICLE VI
COMPLIANCE WITH REQUIREMENTS; OTHER COVENANTS

Section 6.1 Further Assurances and Corrective Instruments. The District and the Lender agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property or for otherwise carrying out the intention hereof.

Section 6.2 Use, Compliance with Laws, Waste. The Lender or its sublessee or assignee shall use the Leased Property only in a careful, safe and proper manner in compliance with all applicable federal, State, county and municipal laws, ordinances, resolutions, rules or regulations, and in a manner that would not reasonably give rise to liability pursuant to any environmental laws. The Lender or its sublessee or assignee shall not commit any waste or nuisance on the Leased Property.

Section 6.3 Inspection, Access, Records. The District shall have the right at reasonable business hours (or at any hour if necessary in an emergency) to enter upon the Leased Property for the purposes of inspecting the Leased Property or performing obligations of the Lender or its sublessee or assignee under this Site Lease which the Lender or its sublessee or assignee neglects to perform and which the District elects to undertake, provided however that during the term of the Lease, Lender shall have no obligation or responsibility to ensure that the Leased Premises are maintained in a safe condition. The District agrees that, after an Event of Nonappropriation or an Event of Default under the Lease, and if this Site Lease has not been terminated pursuant to Section 3.1 hereof, the Lender or any sublessee or assignee shall have full rights of ingress and egress to the Leased Property, and the District hereby agrees to execute and deliver any licenses, easements or rights-of-way that may be reasonably necessary to confirm such rights. The District

agrees that the Lender and its duly authorized agents shall have the right at all reasonable times to examine the books, records, reports and other papers of the District with respect to the Leased Property. The Lender or its sublessee or assignee agree that the District and its duly authorized agents shall have the right at all reasonable times to examine the books, records, reports and other papers of the Lender or its sublessee or assignee with respect to the Leased Property. The District may, at its own cost, not more frequently than once in any twelve-month period, cause an audit to be made of the books, records, reports and other papers of the Lender or its sublessee or assignee with respect to the Leased Property.

Section 6.4 Compliance with Environmental Laws. Any person who subleases the Leased Property pursuant to a New Sublease shall covenant that its use and operation of the Leased Property, and all activities conducted on the Leased Property during the term of the New Sublease, shall be in compliance with, and conducted in a manner so as not to give rise to liability under, any applicable environmental law. Further, any sublessee under a New Sublease shall covenant that, in the event the District reasonably believes (i) the sublessee is conducting or has conducted activities on the Leased Property which are or were in violation of applicable environmental laws, or (ii) the sublessee's use or operation of the Leased Property has resulted or may result in environmental conditions on or emanating from the Leased Property which could give rise to liability under applicable environmental laws, such sublessee shall promptly undertake all appropriate response actions necessary to come into compliance with and mitigate any potential liability arising under applicable environmental laws.

Section 6.5 Restrictions on Mortgage or Sale of Land. Except as provided in the Lease and except for Permitted Encumbrances, the District and the Lender and any sublessee or assignee of the Lender agree that neither the District, the Lender, nor any sublessee or assignee of the Lender will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.

Section 6.6 Taxes, Utilities. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the payment of taxes and utility charges shall be governed by the Lease. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, the Lender or its sublessee or assignee shall promptly pay or cause to be paid when due all taxes and assessments which may be imposed on the Leased Property and all costs or charges for utility service supplied to the Leased Property.

Section 6.7 Maintenance. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the maintenance of the Leased Property shall be governed by the Lease. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, the Lender or its sublessee or assignee shall maintain the Leased Property in good condition, provided that on the date of such an Event of Nonappropriation or an Event of Default, the Leased Property was in good condition.

Section 6.8 Insurance. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the provisions of the Lease shall govern with respect to the maintenance of insurance with respect to the Leased Property. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, the Lender or its sublessee or assignee shall obtain and keep in force, at its own expense (i) comprehensive general public

liability insurance against claims for personal injury, death or property damage occurring on the Leased Property in an amount not less than \$1,000,000, and (ii) fire and extended coverage insurance in an amount not less than the replacement cost of the Leased Property (excluding foundations). All such insurance shall name the District, the Lender, and any sublessee or assignee as insureds. Proceeds of such fire and extended coverage insurance shall be payable to the District, the Lender, and any sublessee or assignee as their respective interests may appear. All such insurance policies shall provide that the insurance company shall not cancel such insurance without first giving at least 30 days' advance written notice to the District and the Lender and any sublessee of any portion of the Leased Property. Each insurance policy required by this Section shall contain a waiver of subrogation by the issuer of such policy with respect to the District, the Lender, and any sublessee or assignee, and their officers, agents and employees, while acting within the scope of their employment. Each such insurance policy may have a deductible clause in an amount not to exceed \$250,000.

Section 6.9 Advances by the District. In the event that the Lender or its sublessee or assignee shall fail to make any payments required by, or perform any of its obligations under Sections 6.6, 6.7 or 6.8 hereof, the District may (but shall be under no obligation to) make such payments or perform any of such obligations; and any payments so made or costs or expenses so incurred by the District, together with interest thereon at the Applicable Rate per annum, shall be reimbursed to the District by any sublessee or assignee, or by the Lender from any proceeds of subleasing of the Leased Property or any portion thereof or sale or assignment of its interest in this Site Lease.

Notwithstanding any other provision of this Site Lease, any obligations of the Lender to make payments pursuant to Sections 6.6, 6.7 or 6.8 hereof shall be limited to any proceeds of subleasing of the Leased Property or any portion thereof or sale or assignment of its leasehold interest in this Site Lease.

ARTICLE VII MISCELLANEOUS

Section 7.1 Definitions. All capitalized terms not otherwise defined in this Site Lease shall have the meanings set forth therein in the Lease.

Section 7.2 Damage, Destruction, Condemnation. The provisions of Article VI of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the term of this Site Lease.

Section 7.3 Severability. If any term or provisions of this Site Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Site Lease or the application of such term or provision to persons or to circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 7.4 Doctrine of Merger. The Doctrine of Merger shall not apply.

Section 7.5 Notices and Demands. Any notice, demand or other communication under this Site Lease by either party to the other shall be sufficiently given or delivered if dispatched by registered or certified mail, postage prepaid and return receipt requested or delivered personally and, in the case of either the District or the Lender, at the address for such party set forth in the Lease.

Section 7.6 Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Lender and the District and their respective successors and assigns. In the event that the Lender subleases all or any portion of the Leased Property or sells or assigns its leasehold interest in the Leased Property and this Site Lease, the Lender shall require its sublessee or assignee to consent in writing to, and to undertake compliance with, all provisions of this Site Lease.

Section 7.7 Counterparts. This Site Lease may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 7.8 Amendments, Changes and Modifications. This Site Lease may not be effectively amended, changed, modified or altered without the prior written consent of the District and the Lender.

Section 7.9 Assignment. Neither party may assign its rights and obligations under this Site Lease without the prior written consent of the other party, which consent shall not be unreasonably withheld.

Section 7.10 Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties hereto have executed this Site Lease Agreement as of this ____ day of August, 2026.

UPPER SAN JUAN LIBRARY DISTRICT,
ARCHULETA COUNTY, COLORADO,
as Lessor

By: _____
President,
Board of Trustees

(SEAL)

ATTEST:

By: _____
Secretary

Address of Lessor:

811 San Juan Street
Pagosa Springs, Colorado 81147

BANK OF THE SAN JUANS, A
DIVISION OF GLACIER BANK, as Lessee

By: _____
Senior Vice President

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of August, 2026, by
Andrea Cox, President of the Board of Trustees, UPPER SAN JUAN LIBRARY DISTRICT,
ARCHULETA COUNTY, COLORADO.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of August, 2026, by
Marcie Taylor, Secretary of the Board of Trustees of the UPPER SAN JUAN LIBRARY
DISTRICT, ARCHULETA COUNTY, COLORADO.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of August, 2026, by Eric Jones as Senior Vice President of the Bank of the San Juans, a Division of Glacier Bank.

WITNESS my hand and official seal.

(SEAL)

Notary Public, State of Colorado

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

The Land that is subject to the Site Lease is as set forth in the following legal description:

LEGAL DESCRIPTION:

DESCRIPTION OF PREMISES, BUILDINGS AND IMPROVEMENTS CONSTITUTING THE LEASED PROPERTY:

Ruby M. Sisson Memorial Library
811 San Juan Street
Pagosa Springs, Colorado 81147

LEASE PURCHASE AGREEMENT

LEASE PURCHASE AGREEMENT (this “Lease”), made as of [Closing Date], 2026 (the “Dated Date”) between the BANK OF THE SAN JUANS, A DIVISION OF GLACIER BANK, having an office and place of business at 1710 Main Avenue, Durango, Colorado 81301 (the “Lender”), as sublessor, and UPPER SAN JUAN LIBRARY DISTRICT, ARCHULETA COUNTY, COLORADO, as sublessee hereunder, having its main office and place of business at 811 San Juan Street, Pagosa Springs, Colorado 81147 (the “District”).

RECITALS:

A. The District is a duly and regularly created, organized and existing library district, existing as such under and by virtue of the Constitution and laws of the State of Colorado.

B. The Board of Trustees of the District (the “Board”) has the power pursuant to Section 24-90-109(1)(h), Colorado Revised Statutes, to lease, purchase or erect any appropriate building for library purposes and acquire such other property as may be needed therefor.

C. The Board has determined that for the functions or operations of the District, it is necessary that the District build, repair, rebuild, and rehabilitate the Ruby M. Sisson Memorial Library owned by the District (the “Project”); and

D. In order to facilitate the financing of the costs of the Project, the District has entered into that certain Site Lease Agreement, dated the date hereof (the “Site Lease”) between the District, as lessor, and the Lender, as lessee, whereby the Lender has acquired a leasehold interest in certain real property of the District (the “Land”) and the premises, buildings and improvements situated or to be situated on the Land as described in Exhibit B attached hereto (collectively, the “Leased Property”).

E. The District owns, in fee title, the Leased Property.

F. The District desires to sublease the Leased Property from the Lender pursuant to this Lease.

G. In consideration for the sublease of the Leased Property under this Lease, the District agrees to pay the Lender certain annually appropriated rental payments (“Rent”), subject to annual Board review and appropriation, at such times and in such amounts set forth herein and otherwise in accordance with the terms hereof, and Rent shall be comprised of principal and/or interest components as set forth herein.

H. It is the intention of the parties to this Lease that the obligation of the District hereunder to pay Rent shall apply only to the current fiscal year in which such Rent is due and payable hereunder; shall constitute currently budgeted expenditures of the District; shall not constitute a mandatory charge or requirement in any ensuing fiscal year; and shall constitute neither a general obligation, nor a direct or indirect multiple-fiscal year financial obligation or other indebtedness of the District within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of

the District in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect, and should the District fail, for any reason, to appropriate funds to pay Rent or any other obligations arising hereunder for any ensuing fiscal year, such event of non-appropriation shall not result in the imposition of any obligations whatsoever on the District hereunder.

I. It is the further intention of the parties to this Lease that neither this Lease nor the Site Lease shall directly or indirectly obligate the District to make any payments beyond those appropriated for any fiscal year during which this Lease and the Site Lease shall be in effect.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms Generally. In addition to the words and terms elsewhere defined in this Lease, including the Recitals hereto, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Additional Rent” means the cost of all taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repairs, and replacements with respect to the Leased Property and all other charges (together with all interest and penalties that may accrue thereon in the event that the District shall fail to pay the same, as specifically set forth in this Lease) which the District agrees to assume or pay as Additional Rent under this Lease.

“After Payment Termination Value” has the meaning given that term in Section 4.05 hereto.

“Applicable Rate” means the rate per annum set forth in Exhibit A hereto, representing the embedded rate per annum used to determine the interest portion of Rent.

“Authorized District Representative” means (i) the President of the Board of Trustees, (ii) the Library Director; (iii) the Secretary of the Board of Trustees, or (iv) such other person duly authorized to act on behalf of the District, who shall be designated by written certification of the President furnished to the Lender and containing the specimen signature of such other person.

“Board” means the Board of Trustees of the District.

“Business Day” means any day other than a Saturday, a Sunday, a day on which banking institutions or governmental offices are authorized by law to close for general banking purposes in Denver, Colorado or a day on which the principal office of the Lender or the District is unable to open or be open for reasons not related to its financial condition.

“Certification” or “Certificate” means a written certification required or permitted by the provisions of this Lease or the Site Lease, signed and delivered to the Lender or other proper person or persons.

“Dated Date” means the date set forth in Exhibit A hereto.

“Default” means default by the District in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Lease or the Site Lease, exclusive of any notice or period of grace required to constitute a default an “Event of Default” as described in Section 10.01 of this Lease.

“Determination of Taxability” means that the District has violated its tax covenant in Section 11.04 hereof or in the Tax Compliance Certificate and, as a result thereof, there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest component of the Base Rentals is includable for Federal income tax purposes in the gross income of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

“District” means the Upper San Juan Library District, Archuleta County, Colorado.

“Event of Default” means an Event of Default described in Section 10.01 of this Lease, which has not been cured or waived in accordance with the terms hereof.

“Event of Nonappropriation” has the meaning given that term in Section 4.06 hereof.

“Exhibit A” means Exhibit A attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Exhibit B” means Exhibit B attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Exhibit C” means Exhibit C attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Federal Securities” means only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States and which are not callable prior to their scheduled maturities by the issuer thereof (or an ownership interest in any of the foregoing).

“Fiscal Year” means the District’s fiscal year, and shall initially mean the 12-month period commencing on the first day of January in each year and ending on the thirty first day of December in the following calendar year.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments,

agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the District or the Lender.

“Hazardous Materials” means, without limitation, any substance, material or waste, including radon gas, asbestos, petroleum and petroleum products (including crude oil), that is or becomes designated, classified or regulated as “toxic” or “hazardous” or a “pollutant,” or that is or becomes similarly designated, classified or regulated, under any federal, state or local law, regulation or resolution, but does not include any such substance that is a customary and ordinary cleaning or office product used on the Leased Property by the District or an agent of the District, or any customary or ordinary product for use by the District in the ordinary course in the exercise of its powers and in furtherance of its purposes under applicable laws.

“Independent Counsel” means any attorney who (i) is duly admitted to practice law before the highest court of the State of Colorado, (ii) is not an officer or an employee of the Lender or the District, (iii) is engaged by the District at its sole expense and (iv) is acceptable to the Lender.

“Independent Engineer” means a person who is not an employee, or a firm comprised of persons who are not employees, of the District, engaged by the District at the sole expense of the District and satisfactory to the Lender, and qualified to provide engineering advice concerning the construction, use and operations of structures and improvements of similar kind and nature to the Leased Property.

“Initial Term” has the meaning given to such term in Section 3.02 hereof.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time and the rules and regulations from time to time promulgated thereunder.

“Interest Payment Date” means each February 1 and August 1 during the Lease Term, commencing February 1, 20[27].

“Land” has the meaning given to such term in the Recitals hereto. A legal description of the Land is set forth in Exhibit B.

“Lease” means this Lease Purchase Agreement, as the same may be amended from time to time pursuant to Section 12.07 hereof.

“Lease Term” means, together, the Initial Term and each Renewal Term, comprising the period during which this Lease is in effect, as specified in Section 3.02 hereof.

“Leased Property” means the Leased Property described in Exhibit B hereto.

“Lender” means the Bank of the San Juans, a Division of Glacier Bank, and its successors and assigns.

“Net Proceeds,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses (including attorney’s fees and any

extraordinary expenses of the District or the Lender) incurred in the collection of such gross proceeds.

“Notice Address” means, with respect to the Lender, the Lender’s address set forth in Section 12.05 hereof and, with respect to the District, the District’s address set forth in Exhibit A hereto, and, in either case, such further or different address as an authorized officer or representative of the Lender may designate to the District or an Authorized District Representative may designate to the Lender, as the case may be.

“Opinion of Counsel” means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the District or the Lender.

“Permitted Encumbrances” means, as of any particular time, (i) the Site Lease, this Lease, and the liens and encumbrances relating to the Leased Property on the Dated Date, set forth in Exhibit C hereto, (ii) any utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions to the leasehold interest demised herein, arising after the Dated Date, that will not materially interfere with or impair the use of or operations being conducted on the Leased Property, (iii) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on the leasehold interest demised herein, arising after the Dated Date, as normally exist with respect to properties similar in character to the Leased Property and as do not in the aggregate materially impair the property affected thereby for the purposes for which it was acquired or is held by the District and (iv) any other encumbrances or defects to the leasehold interest demised herein approved in writing by the Lender at its sole discretion.

“President” means the President of the Board of Trustees of the District.

“Principal Payment Date” August 1 during the Lease Term, commencing August 1, 20[27].

“Project” means the provision of funds to build, repair, rebuild, and rehabilitate parking lots at several properties owned by the District.

“Purchase Option Price” means the amount payable on any date, at the option of the District, to prepay Rent, terminate the Lease Term and purchase the Lender’s leasehold interest in the Leased Property, as provided herein.

“Renewal Term” has the meaning given to such term in Section 3.02 hereof.

“Rent” has the meaning given to such term in the Recitals hereto.

“Resolution” means the resolution duly adopted by the Board authorizing the execution and delivery of the Site Lease and this Lease, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

“Schedule I” means Schedule I attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Secretary” means the Secretary of the Board, or his or her successor in function.

“Servicer” means the Lender, and its successors or assigns as Servicer hereunder.

“Site Lease” has the meaning given to that term in the Recitals to this Lease, as the same may be amended from time to time in accordance with its terms.

“State” means the State of Colorado.

“Superintendent” means the Superintendent of the District, or his or her successor in function.

“Tax Certificate” means the Tax Certificate, dated as of the Dated Date and executed by the District, as the same may be amended from time to time in accordance with its terms.

Section 1.02 Additional Provisions as to Interpretation.

The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Lease as a whole rather than to any particular section or subdivision hereof.

References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties by the District. The District makes the following representations and warranties:

(a) The District is a duly and regularly created, organized and existing library district, existing as such under and by virtue of the Constitution and laws of the State of Colorado. The District is authorized by statute and otherwise to enter into the transactions contemplated by this Lease and to carry out the obligations of the District hereunder. The execution, delivery and performance of this Lease have been duly authorized and approved.

(b) The District has fee simple title to the Land.

(c) The District has the full right, power and authority (i) to adopt the Resolution, (ii) to execute and deliver, and to perform any obligations under, and to accept the benefits conferred to the District under this Lease, (iii) to undertake and complete the Project and to use and operate the Leased Property, and (iv) to carry out and consummate all other transactions contemplated by the Resolution, the Site Lease and this Lease, and the District has complied and is in compliance with all provisions of applicable law in all matters relating to such transactions.

(d) The District (i) has duly adopted the Resolution, and the Resolution remains in full force and effect and has not been amended, modified, waived, rescinded, cancelled, revoked,

terminated or determined to be invalid in whole or in part, and (ii) has duly executed and delivered the Site Lease and this Lease.

(e) The Resolution, the Site Lease, and this Lease constitute valid and binding obligations, under applicable law, of the District and, assuming due authorization, execution and delivery of the Site Lease and the Lease by the Lender, are enforceable against the District in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally.

(f) No event of default has occurred and is continuing, and there has not occurred nor is there continuing any event or condition which with the passage of time or giving of notice or both would constitute an event of default under, any indenture, mortgage, note, lease agreement or other agreement or instrument to which the District is a party or by which it is bound, and the District has not committed any violation that is continuing, and the District has not taken any action or allowed any action or inaction or is aware of any condition affecting the District which in any of such instances with the passage of time or giving of notice or both would constitute a violation of, any provision of the Colorado Constitution or any existing law, rule, regulation, resolution, judgment, order or decree to which the District is subject.

(g) Neither the adoption of the Resolution nor the execution and delivery of, or performance by the District of its obligations under, or acceptance by the District of the benefits conferred by, the Site Lease or this Lease or the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof or thereof conflicts with, or constitutes on the part of the District a violation of, or a breach of or default under (i) any indenture, mortgage, note, lease agreement or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the Colorado Constitution or (iii) any existing law, rule, regulation, resolution, judgment, order or decree to which the District is subject.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the District or, to the best knowledge of the District, threatened, which in any way questions the existence of the District or the powers of the District referred to in paragraph (b) above, or the validity of the Resolution or any other proceeding taken by the District in connection with the execution and delivery of the Site Lease or this Lease, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated hereby or thereby, or which, in any way, could adversely affect the validity or enforceability of the Resolution, the Site Lease or this Lease, or, to the best knowledge of the District, which in any way questions the excludability from gross income of the recipients thereof of the interest portion of the Rent for federal income tax purposes.

(i) The Leased Property and the Project will not be used in a manner that causes that portion of the Lease payments or any interest thereon designated as tax-exempt to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code.

(j) The District is not relying on any warranty of the Lender, either express or implied, as to the title or condition of the Leased Property or that it will be suitable to the District's needs

and recognizes that the Lender is not obligated to operate or maintain the Leased Property or to expend any funds thereon, except as provided in the Site Lease.

(k) To the best of the District's knowledge, no bankruptcy proceedings, liquidation proceedings or dissolution proceedings are pending or threatened against the District; and no such proceedings have been commenced or are expected to be commenced by the District.

Section 2.02 Representations and Warranties by the Lender. The Lender makes the following representations and warranties:

(a) The Lender is a registered trade name of Glacier Bank, a banking corporation, duly organized and validly existing under the laws of the state of Montana.

(b) The Lender is an "accredited investor," as defined in Rule 501(A)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended (an "Institutional Accredited Investor") or (b) a "qualified institutional buyer," as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (a "Qualified Institutional Buyer").

(c) Neither the execution and delivery of the Site Lease or this Lease, nor the covenants, agreements or obligations of the Lender under the Site Lease or this Lease constitute a material default (or an event which, with notice or the lapse of time, or both, would constitute a material default) under any contract, agreement or other instrument or document to which the Lender is a party or by which the Lender or its property is bound.

(d) The Lender possesses all requisite authority, power, licenses, permits and franchises to conduct all business contemplated in the Site Lease or this Lease to be conducted by it, to execute and deliver the Site Lease or this Lease and to observe and perform its covenants, agreements and obligations under the Site Lease and this Lease.

(e) The execution and delivery of the Site Lease and this Lease by the Lender and the observance and performance by the Lender of its covenants, agreements and obligations under the Site Lease and this Lease do not require the consent or approval of any governmental authority which has not been obtained.

(f) The Lender has duly authorized by proper action its execution, delivery, observance and performance of the Site Lease and this Lease.

(g) Assuming the due authorization, execution and delivery thereof by the District, this Lease and all instruments and documents contemplated in this Lease, including without limitation, the Site Lease, which are executed and delivered by the Lender constitute and will constitute legal, valid, binding and enforceable obligations or representations, as the case may be, of the Lender, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally.

(h) Neither the Site Lease or this Lease, nor the covenants, agreements or obligations of the Lender under the Site Lease or this Lease contravene the Lender's charter documents, or violate in any material respect any statute, rule, regulation or other law, or any court or administrative order, applicable to the Lender.

(i) The Lender acknowledges and recognizes that this Lease will be terminated in the event that funds are not specifically budgeted and appropriated by the Board to continue paying Rent during the next occurring Fiscal Year, and any succeeding Fiscal Years during the term of this Lease; and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the Board.

ARTICLE III

LEASE OF THE LEASED PROPERTY

Section 3.01 Demise of the Leased Property. The Lender hereby demises and leases to the District, and the District hereby accepts and leases from the Lender, the Leased Property, according to the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term. The Lender and the District acknowledge that (i) the District owns fee title to the Leased Property, subject only to Permitted Encumbrances, (ii) the District has leased the Leased Property to the Lender under the Site Lease, and (iii) this Lease constitutes a sublease of the Leased Property from the Lender, as sublessor, to the District, as sublessee.

Section 3.02 Term. The Lease Term shall commence on the Dated Date. The initial Lease Term shall be terminated on December 31, 2026 (the “Initial Term”). The Lease Term may be extended at the option of the District, for additional one-year terms commencing on the day immediately following the end of the Initial Term; *provided, however*, the Lease Term may be continued, solely at the option of the District, for no more than [10] additional terms, each ending on and not later than the next December 31 following the end of the Initial Term or the then-current Renewal Term, as the case may be, but not later than the final expiration date set forth in Exhibit A hereto (each additional one-year term after the Initial Term being referred to herein as a “Renewal Term”). The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Initial Term. Any appropriation of amounts due hereunder shall be deemed a determination by District to exercise its option to renew the Lease for the next ensuing Renewal Term. Notwithstanding the foregoing, this Lease will terminate upon the occurrence of the earliest of the following events:

(a) Termination hereof by the District because of an Event of Nonappropriation pursuant to Section 4.06 hereof.

(b) The exercise by the District of its option to prepay this Lease in whole pursuant to Article XI hereof.

(c) The occurrence of an Event of Default and termination of this Lease by the Lender pursuant to Article X hereof.

(d) The payment by the District of all Rent and other amounts required to be paid by the District hereunder.

ARTICLE IV

RENT, PREPAYMENT; NONAPPROPRIATION

Section 4.01 Rent. During the Lease Term, in consideration for the use and occupancy of the Leased Property, the District agrees to pay and shall pay as Rent, except as provided in Section 4.06 hereof and except to the extent the Rent may be prepaid under Sections 4.05 and 11.01 hereof, on the following terms:

(a) The District shall pay to the Servicer in immediately available funds the amounts set forth as the Rental Schedule in Schedule I hereto on the respective Payment Dates therein set forth, said amounts to represent payment of principal and interest thereon as designated in said Schedule I; and

(b) The District shall pay such amounts, if any, as and when the same may become payable under Sections 6.02 or 6.03 hereof, subject to appropriation by the Board; and

(c) The District shall pay into any fund designated by the Servicer or to the United States (with respect to any rebate obligations) moneys in the amount determined by the Servicer to be necessary to comply with the District's obligations under Section 7.10(b) hereof.

Section 4.02 Place of Payment of Rent. The parties acknowledge and agree that the Rent provided for in Section 4.01 hereof shall be paid to the Servicer, at its principal corporate office located at 1710 Main Avenue, Durango, Colorado 81301, or in accordance with written instructions for wire transfer of funds to the Servicer for the account of the Lender, for deposit in the accounts held by the Servicer for the benefit of the Lender.

Section 4.03 Net Lease. This is a net lease, and the Lender shall not be required to make any expenditures whatsoever in connection with this Lease or the Leased Property. The obligations of the District to make the payments of Rent required in Section 4.01 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, except as provided in Section 4.06 hereof; and the District (i) will not, subject to the provisions of Sections 4.05 and 4.06 hereof, suspend or discontinue any payments of Rent provided for in Section 4.01 hereof, and shall not withhold any payment of Rent or other payment required hereunder pending resolution of any dispute or assert any right of set-off or counterclaim against its obligation to make such payment of Rent or other payments required under this Lease; (ii) will perform and observe all of its other agreements contained in this Lease; and (iii) except as provided in Sections 4.06 and 11.01 hereof or under Article III herein, will not terminate the Lease Term for any cause including, without limiting the generality of each of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of the Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release the Lender from the performance of any of

the agreements on its part contained in this Lease; and in the event the Lender should fail to perform any such agreement on its part, the District may institute such action against the Lender as the District may deem necessary to compel the performance of such agreement or to recover damages therefor, so long as no judgment or court order sought or obtained in such action shall result in the termination hereof or interfere with the prompt and full payment of the Rent as contemplated hereby.

Section 4.04 Interest on Unpaid Rent. In the event the District shall fail to make any payment of Rent required to be paid under Section 4.01 and an Event of Default under Section 10.01(a) hereof results, the item or installment so in Default shall continue as an obligation of the District until the amount in Default shall have been paid to the extent of funds appropriated therefor, and the District agrees to pay interest on any Rent in Default at the rate borne by the Lease to the extent of funds appropriated therefor.

Section 4.05 Prepayment of Rent. The District may prepay Rent under this Lease, in whole or in part, at any time after August 1, 20[] upon payment of the principal amount so prepaid plus accrued interest to the prepayment date.

The District shall provide written notice of any such prepayment to the Lender not less than 30 days prior to the prepayment date.

Whenever in this Lease reference is made to prepayment of all Rent or payment of an amount sufficient to prepay all Rent to become due, the amount required to effect such prepayment of the principal amount shall be deemed to be the After Payment Termination Value set forth in Schedule I hereto.

Upon the District exercising its option to prepay the Rent in whole under this Lease, the provisions of Article XI hereof shall apply.

Section 4.06 Renewal of Lease; Nonappropriation. This Lease shall terminate at the end of the Initial Term, subject to the District's right to renew this Lease for Renewal Terms as set forth in Section 3.02 hereof. In the event that the Board fails to appropriate money sufficient for the continued performance of this Lease by the District in respect of any next succeeding Fiscal Year (an "Event of Nonappropriation"), and the District shall not cure the Event of Nonappropriation by the last day of the then-current Renewal Term, this Lease shall automatically terminate and the District shall give the Lender written notice of an Event of Nonappropriation and pay to the Lender any Rent and other amounts which are due and have not been paid at or before the end of the then current Renewal Term. In the event of non-renewal of this Lease as provided in this Section, the District shall deliver possession of the Leased Property to the Lender within thirty (30) days after the end of the then current Renewal Term.

Upon termination of this Lease as provided in this Section, the District shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, but if the District has not delivered possession of the Leased Property to the Lender upon the termination of this Lease, the termination shall nevertheless be effective, but the District shall be responsible for the payment of damages in an amount equal to the amount of the Rent thereafter coming due during the current Fiscal Year under Section 4.01 hereof which is attributable to the

number of days during which the District fails to surrender possession of the Leased Property, subject to appropriation by the Board.

Section 4.07 Payments to Constitute Currently Budgeted Expenditures; Certain Findings. The District and the Lender acknowledge and agree that the Rent due hereunder shall constitute currently budgeted and appropriated expenditures of the District and may be paid from any legally available funds. The District's obligations under this Lease shall be subject to the District's annual right to terminate this Lease, and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the District within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of article XI of the Constitution of the State. Neither this Lease nor the Site Lease shall directly or indirectly obligate the District to make any payments beyond those duly budgeted and appropriated for the District's then current Fiscal Year. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of District moneys, nor shall any provision of this Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys.

The District hereby determines that the Rent due hereunder during the Lease Term represents the fair value of the use of the Leased Property. The District hereby determines that the Rent does not exceed a reasonable amount so as to place the District under an economic compulsion to renew this Lease. In making such determinations, the District has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed, the benefit to the citizens and inhabitants of the District, and the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and the Site Lease.

ARTICLE V

USE, MAINTENANCE, CHARGES AND INSURANCE

Section 5.01 Use of Leased Property. The District covenants that throughout the term hereof, it will use and operate the Leased Property as public property in furtherance of its essential governmental functions, as further provided herein, and in compliance with all laws, regulations applicable thereto.

Section 5.02 Quiet Enjoyment. The District acknowledges that it is now in possession of the Leased Property. The Lender agrees that the District upon paying the Rent and performing the covenants herein agreed by it to be performed and any subtenant claiming under the District shall and may peaceably and quietly have, hold, and enjoy the said Leased Property for the term specified. The Lender or its agents shall have the right at all reasonable times during the Lease Term to enter the Leased Property, subject to compliance with all security requirements, for the purpose of examining or inspecting the Leased Property, and upon two days prior notice by electronic means. Nothing in this Section shall imply any duty upon the part of the Lender to

examine the Leased Property, to ensure the safe condition of the Leased Property, or to do or pay for any work which under any provision of this Lease the District is required to perform, and the performance thereof by the Lender shall not constitute a waiver of the District's default in failing to perform the same.

Section 5.03 Maintenance of Leased Property by District. The District agrees that during the Lease Term it will keep the Leased Property, including all appurtenances thereto, in good repair and good operating condition at its own cost.

Section 5.04 Alterations. The District shall have the privilege of remodeling or making alterations, additions, modifications and improvements to the Leased Property from time to time as the District, in its discretion, may deem to be desirable for its uses and purposes, provided that such alterations, additions, modifications and improvements shall not in any way damage the Leased Property or materially adversely affect the value of the Leased Property. The cost of such alterations, additions, modifications and improvements shall be paid by the District, and the same shall be the property of the District and be included under the terms of this Lease as and shall become part of the Leased Property.

Section 5.05 Liens. The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, charge, lien, encumbrance or claim, except the respective rights of the Lender and the District as herein provided and Permitted Encumbrances, to be established or remain on or against the Leased Property, including any mechanics' liens for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements; provided, however, that if the District shall first notify the Lender of its intention so to do, the District may in good faith contest any mechanics' or other liens filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom if the District delivers to the Lender an opinion of Independent Counsel stating that by nonpayment of any such items the rights or interest of the Lender will not be materially endangered and the Leased Property or any part thereof will not be subject to loss or forfeiture, otherwise the District shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lender will cooperate promptly and fully with the District in any such contest. Except as expressly provided in this Section, the District will promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, charge, lien, encumbrance or claim if the same shall arise at any time and shall reimburse the Lender for any expense incurred by the Lender in order to discharge or remove any such mortgage, pledge, charge, lien, encumbrances or claim. Nothing herein shall be deemed to require District to deal with statutory claims other than in the manner prescribed by statute.

Section 5.06 Certification as to Alterations. The District agrees that it will file with the Lender, from time to time upon written request of the Lender, a Certification of the Authorized District Representative setting forth a description of any additions, remodeling, modifications or improvements which have become a part of the Leased Property, which have been made during the Fiscal Year next preceding the filing of such Certification.

Section 5.07 Taxes, Other Governmental Charges and Other Charges. The District is tax-exempt and does not expect that any taxes, special assessments or governmental charges will

be levied against the Leased Property. However, the District agrees that it will pay, as the same respectively become due, all taxes, special assessments, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property or any furnishings, equipment or other property installed or brought by the District therein or thereon, including sales, use and other excise taxes, and all claims for rent, royalties, labor, materials, supplies, utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property.

The District may, at its expense and in its own name and behalf or in the name and behalf of the Lender, in good faith contest any such taxes, payments in lieu of taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, payments in lieu of taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom if the District delivers to the Lender an opinion of Independent Counsel stating that by nonpayment of any such items the rights or interest of the Lender in the Leased Property will not be materially endangered and the Leased Property or any part thereof will not be subject to loss or forfeiture, otherwise such taxes, payments in lieu of taxes, assessments or charges shall be paid promptly. The Lender will cooperate with the District in permitting the District to conduct any such contest.

Section 5.08 Insurance.

(a) Property and Liability Insurance. Upon the execution and delivery of this Lease, the District shall, at its own expense, cause casualty and property insurance to be carried and maintained with respect to the Leased Property in an amount equal to the greater of the Outstanding amount of the Rent obligations under this Lease or the estimated replacement cost of the Leased Property. Such insurance policy or policies may have a deductible clause in an amount deemed reasonable by the Board. The District may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, as long as such blanket insurance policies comply with the requirements hereof. If the District shall insure against similar risks by self-insurance, the District may, at its election provide for property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the District shall elect to self-insure, the District Representative shall annually furnish to the Lender a certification of the adequacy of the District's reserves. The Lender shall be named additional insured and loss payee on any property insurance with respect to the Leased Property.

Upon the execution and delivery of this Lease, the District shall, at its own expense, cause public liability insurance to be carried and maintained with respect to the activities to be undertaken by and on behalf of the District in connection with the use of the Leased Property, in an amount not less than the limitations provided in the Colorado Governmental Immunity Act (Article 10, Title 24, Colorado Revised Statutes, as heretofore or hereafter amended). Such insurance may contain deductibles and exclusions deemed reasonable by the Board. The public liability insurance required by this Section may be by blanket insurance policy or policies. If the District shall insure against similar risks by self-insurance, the District, at its election may provide for public liability insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the District shall elect to self-insure, the District Representative shall

annually furnish to the Lender a certification of the adequacy of the District's reserves. The Lender shall be named as additional insured on any public liability insurance.

Any property damage insurance policy required by this Section shall be so written or endorsed as to make payments over \$20,000 under such insurance policy payable to the District and the Lender. Claims under that amount shall be payable directly to the District. Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel the policy without first giving written notice thereof to the District and the Lender at least 30 days in advance of such cancellation.

The District shall provide certificates of insurance or other appropriate evidence of self-insurance to the Lender, with appropriate endorsements attached demonstrating that the Lender has been named as an additional insured or loss payee and that the 30-day required notice of cancellation provision is in effect. A certificate of insurance from the District or the District's insurance agent will be acceptable evidence of insurance. Certificates evidencing all insurance policies issued pursuant to this Section shall be deposited with the Lender.

(b) Additional Provisions Respecting Insurance. Any insurance policy issued pursuant to Article V hereof shall be so written or endorsed as to make losses, if any, payable to the District and the Lender as their respective interests may appear. All such policies shall be obtained from companies authorized to conduct insurance business in the State of Colorado. Each insurance policy procured in accordance with this Section 5.08 shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the Lender at least thirty days in advance of such cancellation, and the District shall deliver to the Lender duplicate copies of certificates of insurance pertaining to each such policy of insurance procured by the District and agrees to keep such duplicate copies of certificates up to date.

Should the Leased Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, the District agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the Lease, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by the Lender, and to maintain such insurance for the term of the Lease.

(c) Indemnity. The District shall, to the extent permitted by applicable law, indemnify the Lender for, from and against any loss, damage or expense incurred, paid or suffered by the Lender as a result of a suit or claim of a nature covered by the insurance required herein, and in any such action, the District shall assert on the Lender's behalf the defense that the District, and not the Lender, is the sole "landowner" of the Leased Property within the meaning of C.R.S. § 13-21-115.

Section 5.09 Title Insurance. In connection with the execution and delivery of this Lease, the Lender shall receive a standard leasehold title insurance policy, issued to the Lender, insuring the Lender's leasehold interest in the Leased Property pursuant to the Site Lease, subject only to Permitted Encumbrances, in an aggregate amount not less than \$[_____]. Such commitment for such policy shall be delivered to the Lender concurrently with delivery of this Lease and the policy shall be delivered to the Lender as soon as practicable thereafter.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01 Damage, Destruction and Condemnation. If, during the Lease Term,

- (a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or
- (b) title to, or the temporary or permanent use of, the Leased Property or the estate of the District or the Lender in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or
- (c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property becomes apparent; or
- (d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto.

then the District shall be obligated to continue to pay Rent and Additional Rent (subject to nonappropriation provisions hereof).

Section 6.02 Obligation to Repair and Replace the Leased Property. The District and the Lender, to the extent Net Proceeds are within their respective control, shall cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards, to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the District, upon receipt of requisitions and written approval for payment by the Lender, each such requisition stating with respect to each payment to be made:

- (a) the requisition number;
- (b) the name and address of the person, firm or entity to whom payment is due;
- (c) the amount to be paid; and
- (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The District and the Lender shall agree to cooperate and use their best reasonable efforts to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. The Lender may rely conclusively upon any such requisition received and shall have no obligation to make an independent

investigation in connection therewith. If there is a balance of any Net Proceeds allocable to the Leased Property remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the District, to:

- (a) add to, modify or alter the Leased Property or add new components thereto,
or
- (b) prepay the Rent with a corresponding adjustment in the amount payable under **Schedule I** to this Lease or
- (c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the District, subject to the Site Lease and this Lease and shall be included as part of the Leased Property under this Lease.

Section 6.03 Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under this Lease, the District may elect to:

- (a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rent, to the extent amounts for Additional Rent which have been specifically appropriated by the District are available for payment of such cost, any cost in excess of the amount of the Net Proceeds allocable to the Leased Property, and the District agrees that, if by reason of any such insufficiency of the Net Proceeds allocable to the Leased Property, the District shall make any payments pursuant to the provisions of this paragraph, the District shall not be entitled to any reimbursement therefor from the Lender, nor shall the District be entitled to any diminution of the Rent, for which a specific appropriation has been effected by the District for such purpose; or

- (b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with this Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the District shall, subject to the limitations of Article IV hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Lender by the District); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price; or

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

The above referenced election shall be made by the District within 30 days of the occurrence of an event specified above. It is hereby declared to be the District's present intention that, if an event described above should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the District would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the District must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the District.

ARTICLE VII

SPECIAL COVENANTS

Section 7.01 No Warranty of Condition or Suitability; Indemnification. The design and construction of the improvements on the Leased Property have been undertaken solely by the District. The Lender has not made and does not make any representation or warranty whatsoever, either express or implied, as to the merchantability, condition, fitness, design, operation, workmanship, performance, capability or capacity of the Leased Property; as to the suitability for operation of the Leased Property; or as to the condition of the Leased Property or that it will be suitable for the District's purposes or needs. The District assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Leased Property, for any repair, maintenance or operating costs of any part of the Leased Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the District or to third parties, and whether such property damage be to the District's property or the property of others, which is proximately caused by the negligent conduct of the District, its officers, employees, agents and sublessees of the District. The Lender and its officers, employees and agents shall have no liability for any claims or damages arising out of or as the result of (a) the entering into of the Site Lease or this Lease, (b) any injury, actual or claimed, of whatsoever kind or character, to property or persons, occurring or allegedly occurring in, on or about the Leased Property during the Lease Term or otherwise arising during the Lease Term, (c) the breach of any covenant by the District herein or any material misrepresentation by the District contained herein and/or (d) any negligence or willful misconduct of the District, its officers, employees and agents.

Section 7.02 District to Maintain its Existence or Assure Assumption of Obligations. The District agrees that during the Lease Term it will maintain its existence or assure the assumption of its obligations under this Lease by any public body succeeding to its powers.

Section 7.03 Granting Easements. If the District is not then in default, the Lender at the request of the District from time to time shall grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Land, or may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the Lender agrees that it shall execute and deliver any instrument necessary or appropriate to grant or release any such easement, licenses, right-of-way or other right or privilege upon receipt of: (a) a copy of the instrument of grant or release; and

(b) a written application signed by the Authorized District Representative requesting such instrument, and certifying that (i) such grant or release is not detrimental to the proper use or operation of the Leased Property, and (ii) such grant or release will not impair the character or productive capacity, or fair market value of the Leased Property. The Lender will not grant or release any easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Leased Property, without the prior written consent of the District. No release or grant effected under the provisions of this Section shall entitle the District to any abatement of the Rent payable under Section 4.01 hereof, except that any moneys payable to the Lender pursuant to this Section shall be paid to the Servicer and credited against subsequent Rent due or to become due hereunder. Neither the District nor the Lender will grant any easement without the prior written consent of the other party.

Section 7.04 Reports. The District agrees to obtain and to furnish to the Lender such reports concerning the repair, maintenance and condition of the Leased Property as the Lender may from time to time reasonably request, including, but not limited to (1) annual budgets within fifteen (15) days of approval by the Board; and (2) audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and audited by a firm of independent certified public accountants, within 270 days of the end of the Fiscal Year.

Section 7.05 District to Maintain Machinery and Movable Equipment. The District agrees that during the Lease Term it will provide and maintain all machinery, personal property and movable equipment necessary in the judgment of the District to permit the full use, operation and occupancy of the Leased Property, and the Lender shall be under no obligation to provide or maintain any such equipment. The District may from time to time, for that purpose and at its own expense, install additional movable personal property, equipment and machinery on the Leased Property which shall remain the sole property of the District and not be subject to this Lease. Nothing contained in the preceding provisions of this Section shall prevent the District from purchasing, after delivery hereof, movable personal property, equipment, furniture or fixtures, notwithstanding that such movable personal property may be subject to a purchase money security interest, as security for the unpaid portion of the purchase price thereof.

Section 7.06 Compliance with Laws and Regulations. The District will comply with all applicable laws, regulations, and orders of the United States of America, the State and agencies and political subdivisions thereof and each department or agency thereof, applicable to this Lease and the Leased Property. The District shall have the right to contest by appropriate procedures the adoption, validity or applicability of any laws, regulations, and orders referred to in this Section and to delay compliance therewith, without violating the provisions of this Section, if (a) the Lender shall consent to such delay in writing, or (b) a court of competent jurisdiction shall so order or determine, or (c) in the opinion of Independent Counsel furnished to the Lender, the procedures taken by the District to contest the validity or applicability of any such law, regulation, or order are appropriate and have the effect of staying the finality and enforceability thereof against the District.

Section 7.07 Further Assurances. The District will execute or cause to be executed any and all further instruments that may reasonably be requested by the Lender and be authorized by law to evidence the transaction contemplated by this Lease and the Site Lease, and the Lender's

rights provided or intended to be provided hereby or thereby, or to vest in the Lender or any participant with or assignee of the Lender or any agent of either the right to receive and apply the payments of Rent required hereunder, and will cause this Lease (or short form lease) and the Site Lease and any supplemental instruments to be filed, registered or recorded in the real estate records of the District in which the Land is located, and shall pay or cause to be paid all expenses incidental to the preparation, execution, acknowledgment, filing, registering and recording of this Lease and the Site Lease.

Section 7.08 Participations. The District hereby acknowledges the right of the Lender to create and sell participations or other interests in this Lease, and to assign its rights hereunder to any purchasers of such participations or other interests; *provided, however*, that no assignment of rights or sale of participations herein by the Lender may occur without prior written notice to the District that discloses the name and address of the assignee, and any such assignment of rights or sale of participations may only be made to: (i) an affiliate of the Lender, (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act. The District agrees to cooperate with the Lender in the creation and sale of any such participations or other interests herein and to execute such instruments and documents as are reasonably requested by the Lender to accomplish such creation and sale or to evidence the succession of any servicer to the rights of the Lender hereunder.

Section 7.09 Notices as to Hazardous Materials. The District agrees promptly:

- (i) to transmit to the Lender copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability, or cost greater than \$1,000;
- (ii) to observe and comply with any and all applicable laws, Resolutions, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court, or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment, or other disposal of such Hazardous Material; and
- (iii) to pay or otherwise dispose of any lawfully due and owing fine, charge, or imposition relating thereto which, if unpaid, would constitute a lien upon Leased Property or any part thereof.

Section 7.10 Tax Covenants. It is the intention of the parties hereto that the interest component of the Rent payable under Section 4.01(a) and designated in Schedule I hereof will be excludable from gross income of the recipients thereof for federal income tax purposes.

(a) The District covenants that it will not take any action or omit to take any action with respect to this Lease, the proceeds of the Site Lease or this Lease, any other funds of the District or any facilities financed or refinanced with the proceeds of the Site Lease or this Lease (except for the possible exercise of the District’s right to terminate this Lease as provided herein)

if such action or omission (i) would cause the designated interest component of the Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code, or (ii) would cause the designated interest component of the Rent to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Internal Revenue Code, or (iii) would cause the designated interest component of the Rent to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the District's right to terminate this Lease as provided herein, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full of the Lease, until the date on which all obligations of the District in fulfilling the above covenant under the Internal Revenue Code and Colorado law have been met

(b) The District hereby acknowledges and confirms its obligations under Section 148(f) of the Internal Revenue Code. Specifically, the District agrees to comply with the rebate requirements imposed under said Section 148(f) and regulations thereunder, including (if applicable) the requirement to make or cause to be made annual calculations of the amount subject to rebate thereunder (at least once every year and upon termination of this Lease), and to maintain or cause to be maintained records of such determinations until six years after the termination hereof, and the requirement to make all required rebates to the United States of America not later than 30 days after the end of the fifth year and no later than each fifth anniversary thereof, to and until the date which is 30 days after the termination hereof. In construing the District's obligations hereunder, all terms used in this paragraph shall have the meanings provided in said Section 148(f) and regulations thereunder. Notwithstanding any other provision of this paragraph, no requirement shall be imposed hereunder if an Opinion of Counsel is rendered, by nationally recognized bond counsel engaged by the District subject to the prior written consent of the Lender or engaged by the Lender, at the expense of the District, and acceptable to the Lender and the District, to the effect that the failure to impose such requirement will not adversely affect the excludability of such designated interest component from gross income for federal income tax purposes. The District agrees to make all required rebate payments to the United States, as and when required, and such payments shall constitute Additional Rent under Section 4.01 hereof.

(c) The District shall comply with the Tax Certificate.

(d) The District hereby determines that neither the District nor any entity subordinate thereto reasonably anticipates issuing more than \$10,000,000 face amount of tax-exempt governmental bonds (including bonds issued on behalf of a 501(c)(3) organization, but not other private activity bonds) or any other similar obligations during the calendar year 2026, which obligations are taken into account in determining if the District can designate the Lease as a qualified tax-exempt obligation as provided in the following sentence. The District hereby designates this Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code.

(e) The District shall be the registrar for this Lease. The Lender shall be the initial "Registered Owner" of the rights to receive Rent hereunder. If the Lender assigns and transfers its rights to receive the Rent hereunder, it shall so notify the District of such assignment or transfer and the District shall note on the registration records for this Lease the name and address of the assignee or transferee.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND SELLING

Section 8.01 Assignment and Subleasing by District. This Lease may be assigned in whole or in part, and the Leased Property may be subleased as a whole or in part, by the District, upon prior written consent of the Lender, only upon the conditions that:

(a) No assignment (other than pursuant to this section hereof) or subletting shall relieve the District from primary liability for any of its obligations hereunder, and in the event of any such assignment or subletting the District shall continue to remain primarily liable for the payment of the Rent specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and

(b) Any assignment or sublease from the District must retain for the District such rights and interests as will permit it to perform its obligations under this Lease, and any assignee from the District shall assume the obligations of the District hereunder to the extent of the interest assigned; and

(c) In the opinion of nationally recognized bond counsel engaged by the District or engaged by the Lender, at the expense of the District, and in either case acceptable to the Lender and the District, such assignment or sublease shall not adversely affect the excludability of the interest component of the Rent payable under Section 4.01(a) from gross income for federal income tax purposes.

Section 8.02 Assignment by the Lender. The Lender may only assign its rights and interest in, and pledge any moneys receivable under or pursuant to this Lease to: (i) an affiliate of the Lender, (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act. No assignment or pledge of any moneys receivable under or pursuant to this Lease shall be effective unless and until prior written notice that discloses the name and address of the assignee has been delivered to the District.

Section 8.03 Restrictions on Transfer and Encumbrances of Leased Property by the District. The District agrees that, except as otherwise provided in this Lease, it will not sell, assign, transfer, convey or otherwise dispose of the Leased Property or any portion thereof during the Lease Term without the prior written consent of the Lender, which consent shall not be unreasonably withheld, and which consent may be reasonably conditioned upon receipt by the Lender of an opinion of nationally recognized bond counsel engaged by the District or engaged by the Lender, at the expense of the District, and in either case acceptable to the Lender and the District, that such sale shall not adversely affect the validity and enforceability of this Lease or adversely affect the excludability of the interest portion of Rent designated in Schedule I from gross income for federal tax purposes. The District further agrees that it will not, to the extent permitted by law, create or suffer to be created any debt, lien or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the rents, revenues and receipts derived

from the sale, lease or other disposition of the Leased Property other than the Permitted Encumbrances and other than as provided in Section 8.01 hereof.

ARTICLE IX

ACQUISITION OF THE PROJECT

Section 9.01 Agreement to Undertake the Project. The District shall cause the Project to be undertaken as provided in this Article IX. Title to any upgrades or improvements which constitute part of the Project and which are not located on the Leased Property shall be held by the District and will not be subject to the Site Lease or this Lease. Title to the Leased Property shall also be held by the District, but shall be subject to the Site Lease and this Lease.

Section 9.02 Deposit of Moneys to Effect the Project. On the Dated Date, moneys which are to be used to finance the Project shall be deposited by the Lender with the District.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. The following shall be “Events of Default” under this Lease and the term “Event of Default” shall mean, whenever used in this Lease, any one or more of the following events:

(a) If the District fails to pay the Rent required to be paid under Section 4.01 hereof or Additional Rent when due; or

(b) Failure by the District to materially comply with the terms of the Site Lease;

(c) Failure by the District to vacate or surrender possession of the Leased Property by the thirty-first day of the Fiscal Year in respect of which an Event of Nonappropriation has occurred;

(d) Failure by the District to carry any insurance required under Section 5.08, and failure to cure within 10 days after written notice given to the District by the Lender, specifying such failure and requesting that it be remedied;

or

(e) If the District shall default in the due and punctual performance of any of the other covenants, conditions, agreements and provisions contained in this Lease or in any instrument supplemental hereto on the part of the District to be performed, and such Default shall have continued for a period of thirty days after written notice, specifying such Default and requiring the same to be remedied, shall have been given to the District by the Servicer or the Lender; or

(f) The filing by the District of a voluntary petition in bankruptcy, or failure by the District to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of the District to carry on its essential functions, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of any applicable federal bankruptcy law.

The provisions of paragraph (e) of this Section are subject to the following limitations: If by reason of force majeure the District is unable in whole or in part to carry out its agreements on its part contained herein, the District shall not be deemed in default during the continuance of such disability. The term "force majeure" as used herein includes the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes, storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; fuel shortage; unavailability of materials; or any other cause or event not reasonably within the control of the District. The provisions of paragraph (e) of this Section are subject to the further limitation that if the Default can be remedied but not within a period of 30 days after notice and if the District has taken all action reasonably possible to remedy such default within such 30 day period and if such default does not create a risk of forfeiture of the Leased Property, the default shall not become an Event of Default for so long as the District shall diligently proceed to remedy such Default and in accordance with any directions or limitations of time made by the Lender. The District agrees, however, to use good faith and reasonable efforts to remedy with all reasonable dispatch any cause or causes preventing the District from carrying out its agreements.

Section 10.02 Remedies on Default. Whenever any Event of Default referred to in Section 10.01 hereof shall have happened and be continuing, the Lender or a receiver may (i) enter the Leased Property and take possession of the Leased Property without terminating this Lease, holding the District liable for the difference in the net income derived from such possession and the rents and other amounts payable by the District hereunder during the then-current Renewal Term, or (ii) terminate the Lease Term and give notice to the District to vacate the Leased Property within 30 days from the date of such notice and if the District does not timely vacate pursue Judgment for Possession and a Writ of Restitution under C.R.S. § 13-40-101 et seq. or take any other judicial action as Lender deems necessary to take possession of the Lease Property, and proceed to use its best efforts to again lease the Leased Property or sell the Lender's leasehold interest in the Leased Property in accordance with applicable law, but holding the District liable for all Rent and other payments otherwise due under this Lease during the then-current Renewal Term, or (iii) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the District under this Lease. Notwithstanding the foregoing or any other provision of this Lease, the maximum amount of contractual payments or damages that the Lender may recover from the District under this Lease is limited to the amount duly budgeted and appropriated by the District for the payment of Rent in the Fiscal Year in which the Event of Default occurs.

Any amounts collected pursuant to action taken under this Section shall be applied first to advances and expenses as provided in Section 10.05 hereof, and next to the payment or prepayment of Rent (principal and interest), and any excess to the District.

Whenever any Event of Default shall occur, the Lender may take any action at law or in equity which may appear necessary or desirable to collect the payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the District under this Lease.

Upon termination of this Lease as provided in this Section, the District shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, except that if the District has not delivered possession of the Leased Property to the Lender by June 30 in the year in which an Event of Nonappropriation has occurred, the Lender shall be entitled to recover from the District, to the extent permitted by applicable law, an amount equal to the amount of the Rent thereafter coming due during the current Fiscal Year under Section 4.01 hereof which is attributable to the number of days after June 30 during which the District fails to surrender possession of the Leased Property, which amount is hereby determined and stipulated to be just compensation for the occupancy or use of the Leased Property for any such period.

The provisions of this Section 10.02 and the exercise of any remedy by the Lender or a receiver pursuant to this Section 10.02 are expressly subject to the provisions of Sections 4.06 and 11.03 hereof.

Section 10.03 Remedies Cumulative, Delay Not to Constitute Waiver. No remedy conferred upon or reserved to the Lender or a receiver by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender or a receiver to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to a particular breach so waived and shall not be deemed to waive any other breach hereunder. In case the Lender shall have proceeded to enforce any right under this Lease and such proceedings shall have been determined adversely to the Lender, the Lender shall be restored to its former position and rights hereunder and all rights, remedies and powers of the Lender shall continue as if no such proceedings had been taken.

Section 10.04 [Reserved].

Section 10.05 Advances. In the event the District shall fail to maintain or repair, rebuild or restore any of the Leased Property, or shall fail to maintain any insurance as required by the provisions of this Lease, or to do any other thing or make any other payment required to be done or made by any other provision of this Lease, the Lender, in its sole discretion, may do or cause to be done any such thing or make or cause to be made any such payment at the expense or as an advance for the account of the District, and the District shall pay to the Lender, upon demand, and

subject to appropriation by the Board, all costs and expenses so incurred and advances so made, with interest at a rate equal to the rate borne by the Lease.

Section 10.06 Waiver of Appraisement, Valuation, Etc. In the event the District should default under any of the provisions of this Lease, the District agrees and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Lender, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE XI

OPTION TO PREPAY; DEFEASANCE; RELEASE AND SUBSTITUTION OF LEASED PROPERTY

Section 11.01 Option to Prepay Lease; Defeasance. This Lease may be prepaid, in whole or in part at any time after August 1, 20[], as provided in Section 4.05.

This Lease shall be considered to be paid in full within the meaning and with the effect expressed in the preceding paragraph if there shall have been deposited in trust or with the Lender either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, concurrently deposited in trust or with the Lender, shall be sufficient to pay the amount set forth in the second paragraph of Section 4.05 hereof.

In the event the District has prepaid the Lease in whole as described in this Section or in the event that this Lease shall be deemed to have been paid in full any Net Proceeds of insurance or condemnation shall be paid to the District, notwithstanding any provision of Sections 6.01 and 6.02 hereof, and the Lender will deliver to the District the documents referred to in Section 11.02 hereof.

The mutual agreements contained in this Section 11.01 are independent of, and constitute an agreement separate and distinct from, any and all provisions of this Lease and shall be unaffected by any fact or circumstance which might impair or be alleged to impair the validity of any other provisions.

Section 11.02 Release of Leased Property. Upon any prepayment in whole of this Lease, or if the Lease is deemed to be paid in full in accordance with the provisions of Section 11.01 hereof, or upon the expiration of all Renewal Terms available hereunder and if full payment or prepayment of all Rent has been made or provided for in accordance with the provisions hereof and any other conditions precedent to the termination of the Lease Term have been fulfilled and all payments other than Rent payable hereunder shall have been paid, the Site Lease and this Lease shall terminate and the Leased Property shall be released from the provisions thereof. Thereupon, the Lender shall deliver or cause to be delivered to the District such documents as the District may reasonably require releasing the Leased Property from the provisions of the Site Lease and this Lease, subject to the following: (i) Permitted Encumbrances, other than this Lease or the Site Lease; (ii) those liens and encumbrances created by the District or to the creation or suffering of

which the District consented; and (iii) those liens and encumbrances resulting from the failure of the District to perform or observe any of the agreements on its part contained in this Lease.

Section 11.03. Substitution of Leased Property. So long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing, the District may, upon prior written consent of the Lender, substitute any improved or unimproved real estate (collectively, the “Replacement Property”), for any Leased Property then subject to the Site Lease and this Lease, upon receipt by the Lender of a written request of the District Representative requesting such release and substitution, provided that:

- (a) the District shall provide evidence satisfactory to the Lender that such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the District as the Leased Property proposed to be released;
- (b) the District shall provide evidence satisfactory to the Lender that the fair market value of the Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from this Lease or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the due and owing under this Lease;
- (c) the execution and delivery of such supplements and amendments to the Site Lease, as applicable and this Lease and any other documents necessary to subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture; and
- (d) an opinion of nationally recognized bond counsel that such substitution shall not impact the tax-exempt status of the Lease.

The Lender shall cooperate with the District in implementing the District’s rights to release and substitute property pursuant to this Section 11.03 and shall execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Surrender of Leased Property. In the event the District should default under this Lease and the Lease Term is terminated or in the event of a termination of this Lease pursuant to Section 4.06 hereof, the District agrees to surrender possession of the Leased Property peaceably and promptly to the Lender in as good condition as prevailed at the time it was put in full possession thereof; loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence and acts of God excepted.

Section 12.02 Amounts Remaining. It is agreed by the parties hereto that any amounts remaining on deposit with the Lender or the Servicer for the account of the District hereunder upon termination of the Lease Term, as provided in this Lease, after payment in full of all Rent and all other amounts required to be paid hereunder, shall belong to and be paid to the District as overpayment of rents.

Section 12.03 [Reserved].

Section 12.04 Doctrine of Merger. The Doctrine of Merger shall not apply.

Section 12.05 Notices. All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

- A. To the Lender - Bank of the San Juans,
A division of Glacier Bank
1710 Main Avenue
Durango, Colorado 80202
Email: ejones@banksanjuans.com
- B. To the District - Upper San Juan Library District
811 San Juan Street
Pagosa Springs, Colorado 81147
Attention: [Library Director]

The District or the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 12.06 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Lender, the District and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01, 8.02 and 8.03 hereof.

Section 12.07 Amendments, Changes and Modifications. Except as otherwise provided in this Lease, this Lease may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the District and the Lender.

Section 12.08 Governing Law. This Lease shall be interpreted and enforced in accordance with and governed by the laws of the State of Colorado.

Section 12.09 Counterparts. This Lease may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Lease.

Section 12.10 Severability. In case any section or provision of this Lease, or in case any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under the Lease, or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Lease or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under this Lease, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability or any application thereof affect any legal and valid and operable application therefor from time to time, and each such section,

provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent from time to time permitted by law.

Section 12.11 Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

IN WITNESS WHEREOF, the Lender and the District have caused this Lease to be executed in their respective names and attested by duly authorized officers all as of the date first above written.

BANK OF THE SAN JUANS, A DIVISION OF
GLACIER BANK
as Sublessor

By: _____
Senior Vice President

UPPER SAN JUAN LIBRARY DISTRICT,
ARCHULETA COUNTY, COLORADO,
as Sublessee

By: _____
President, Board of Trustees

(SEAL)

ATTEST:

By: _____
Secretary

STATE OF COLORADO

)

) ss.

COUNTY OF ARCHULETA

)

The foregoing instrument was acknowledged before me this _____ day of August, 2026,
by Eric Jones, as Senior Vice President of the Bank of the San Juans, a Division of Glacier Bank.

WITNESS my hand and official seal.

(SEAL)

Notary Public, State of Colorado

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this _____ day of August, 2026,
by Andrea Cox, President of the Board of Trustees, Upper San Juan Library District, Archuleta
County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this _____ day of August, 2026,
by Marcie Taylor, Secretary of the Board of Trustees of Upper San Juan Library District, Archuleta
County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

SCHEDULE I

Rental Schedule

Payment Date	Rent Principal Component	Rent Interest Component	Total Rent	Fiscal Year Rent	After Payment Termination Value
08/01/2027					
02/01/2028					
08/01/2028					
02/01/2029					
08/01/2029					
02/01/2030					
08/01/2030					
02/01/2031					
08/01/2031					
02/01/2032					
08/01/2032					
02/01/2033					
08/01/2033					
02/01/2034					
08/01/2034					
02/01/2035					
08/01/2035					
02/01/2036					
08/01/2036					
TOTAL					

EXHIBIT A

GENERAL TERMS

1. Name of Sublessee: Upper San Juan Library District, Archuleta County, Colorado
2. Notice Address of District: 811 San Juan Street
Pagosa Springs, Colorado 81147
3. Dated Date of this Lease: [Closing Date], 2026
4. Final Expiration Date: August 1, 20[___].
5. Principal Payment Dates: annually on August 1, commencing August 1, 20[___].
6. Interest Payment Dates: semi-annually on February 1 and August 1, commencing February 1, 20[___].
7. Applicable Rate: [___]%. [The Applicable Rate will increase to [___]%, and the Interest Component of all subsequent payments of Rent will be recalculated in the event of a Determination of Taxability. Interest is calculated based on a 30/360 calculation.]

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

The Land that is subject to the Lease is as set forth in the following legal description (the “Land”):

LEGAL DESCRIPTION:

**DESCRIPTION OF PREMISES, BUILDINGS AND IMPROVEMENTS CONSTITUTING
THE LEASED PROPERTY:**

Ruby M. Sisson Memorial Library
811 San Juan Street
Pagosa Springs, Colorado 81147

EXHIBIT C

PERMITTED ENCUMBRANCES ON THE DATED DATE