



NOTICE OF REGULAR BOARD MEETING OF
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT
d/b/a PAGOSA SPRINGS MEDICAL CENTER

Tuesday, April 27, 2021, at 5:30 PM

**DUE TO COVID-19, IN-PERSON PRESENCE IN THE BOARD ROOM IS
LIMITED TO THE BOARD OF DIRECTORS, CLERK TO THE BOARD, CEO,
CNO/COO, CAO, CFO AND COS**

**ALL OTHERS (PUBLIC OR OTHER PSMC EMPLOYEES)
MAY ATTEND VIA ZOOM**

Please use this link to join the meeting: <https://us02web.zoom.us/j/85395501309>
or telephone (346) 248-7799 or (669) 900-6833
Zoom Meeting ID: **853 9550 1309**

Pursuant to the provisions of the Supplemental Public Securities Act, one or more members of the Board of Directors of the Upper San Juan Health Service District may participate in this meeting and may vote on the matters below through the use of a conference telephone or other telecommunications device.

At this meeting, a final determination will be made on the issuance of general obligation limited tax refunding bonds.

AGENDA (*REVISED*)

1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD

- a) Confirmation of quorum
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest
- c) Approval of the Agenda (and changes, if any)

2) PUBLIC COMMENT (This is an opportunity for the public to make comment and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Heather Thomas, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.)

3) PRESENTATION: **REFUNDING (REFINANCING) THE 2006 BONDS FOR SAVINGS**

Bond team: Jason Simmons, Hilltop Securities (municipal/financial advisor)
David Lucas, Sherman & Howard (bond counsel)
David Greher, Collins Cockrell & Cole (USJHSD counsel for special projects)

4) DECISION AGENDA

- a) **Consideration of Resolution 2021-04** authorizing the refunding of the Upper San Juan Health Service District's Limited Tax General Obligation Bonds, Series 2006, and the issuance of the Upper San Juan Health Service District's Limited Tax General Obligation Refunding Bonds, Series 2021 in a maximum principal amount of \$8,705,000 and a maturity date **no** later than December 31, 2037 as such refunding and issuance is in the best interests of the District in order to achieve savings; and approving related documents (Paying Agent and Registrar Agreement, Escrow Agreement, Custodial Agreement and Bond Purchase Agreement).
- b) **Consideration of Resolution 2021-05** regarding the election of the Board's officer position for Treasurer/Secretary.

5) REPORTS

- a) **Oral Reports** (may be accompanied by a written report)
 - i) ~~Chair Report~~ ~~Chair Greg Schulte~~
 - ii) CEO Report Dr. Rhonda Webb
 - iii) ~~Executive Committee~~ ~~Chair Schulte and V.Chair Mees~~
 - iv) Foundation Committee Dir. Mees, Dir. Dr. Pruitt and CEO R.Webb
 - v) ~~Facilities Committee~~ ~~Dir. Mees, Dir. Daniels, and COO K.Douglas~~
 - vi) ~~Strategic Planning Committee~~ ~~Dir. Schulte, Dir. Cox and CEO R.Webb~~
 - vii) Finance Committee & Report Dir. Ziegler, Dir. Alfred and CFO C.Keplinger
- b) **Written Reports** (*no oral report unless the Board has questions*)
 - i) Operations Report COO-CNO, Kathee Douglas
 - ii) Medical Staff Report Chief of Staff, Dr. Ralph Battels

6) CONSENT AGENDA (The Consent Agenda is intended to allow Board approval, by a single motion, of matters that are considered routine. There will be no separate discussion of Consent Agenda matters unless requested.)

- a) Approval of Board Member absences:
 - i) Regular meeting of 04/27/2021
- b) Approval of Minutes for the following meeting(s):
 - i) Regular Meeting of: 03/23/2021
 - ii) Work Session of: 04/13/2021
- c) Approval of Medical Staff report recommendations for new or renewal of provider privileges.

7) OTHER BUSINESS

8) ADJOURN

**UPPER SAN JUAN HEALTH SERVICE DISTRICT
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2021**

BOND RESOLUTION

USJHSD RESOLUTION 2021-04

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF UPPER SAN JUAN HEALTH SERVICE DISTRICT, IN THE COUNTIES OF ARCHULETA, HINSDALE AND MINERAL, STATE OF COLORADO:

Section 1. Definitions. The terms in this section are defined for all purposes of this Resolution and of any resolution amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication herein otherwise requires, and shall have meanings herein specified:

“Act” means Title 32, Article 1, C.R.S.

“Board” means the Board of Directors for Upper San Juan Health Service District, Archuleta, Hinsdale and Mineral Counties, Colorado.

“Bond Fund” means the “2021 Bond Fund,” which is created in Section 20 hereof.

“Bond Insurer” means the issuer of any Policy, and its successors.

“Bond Year” means a year commencing on December 2 and ending on December 1 of the following year; provided, however, the first bond year shall commence on the date of issuance of the Bonds and end on December 1, 2021.

“Bonds” means the “Upper San Juan Health Service District Limited Tax General Obligation Refunding Bonds, Series 2021” authorized by this Resolution.

“Business Day” means a day of the year, other than (i) a Saturday, Sunday, or legal holiday; (ii) a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed; and (iii) a day on which the New York Stock Exchange is closed.

“Combined Maximum Annual Principal and Interest Requirements” shall be the largest sum of principal and interest coming due on the Outstanding Bonds, any other Outstanding Parity Obligations and, for purposes of the covenant contained in Section 26A(2), the proposed Parity Obligations, in any Fiscal Year during the period extending from the date of the calculation to the final principal payment date of the Bonds; provided, if any Outstanding or proposed Parity Obligation has 20% or more of the original principal amount thereof payable in any one fiscal year, such Outstanding or proposed Parity Obligation may be treated for purposes of this calculation as if the principal amount of such indebtedness were amortized over the greater of the stated term of such Outstanding or proposed Parity Obligation or 20 years and as if the interest rate were determined by a Consultant based on present market conditions with a certificate filed with the Paying Agent. In addition: (i) if interest on any Outstanding Parity Obligation is payable pursuant to a variable interest rate formula or is otherwise incapable of determination, such Outstanding Parity Obligation shall be assumed to bear interest at a fixed rate equal to the average of the daily interest rate on such Outstanding Parity Obligation during the twelve months preceding the calculation or during such time the Outstanding Parity Obligation has been Outstanding, if less than twelve months; and (ii) with respect to proposed Parity

Obligations payable pursuant to a variable interest rate formula, interest on such proposed Parity Obligation shall be deemed to have borne interest at a fixed rate equal to the average daily interest rate such proposed Parity Pledged Obligation would have borne according to the applicable rate formula had it been Outstanding for the preceding twelve month period.

“Consultant” means a firm which is not, and no member, stockholder, director, officer or employee of which is, an officer or employee of the District and which is a professional management consultant, selected by the District, having the skill and experience necessary to render the particular report or make the particular recommendation.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the District and UMB Bank, n.a., as dissemination Agent.

“County Assessor” means, collectively, the Assessors for Archuleta, Hinsdale and Mineral Counties, Colorado.

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

“Custodial Agreement” means the Custodial Agreement between the District and the Custodian.

“Custodian” means UMB Bank, n.a., and its permitted successors and assigns.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Election” means the election held within the District on May 2, 2006.

“Escrow Agent” means UMB Bank, n.a., and its permitted successors and assigns.

“Escrow Agreement” means the Escrow Agreement between the District and the Escrow Agent related to the refunding of the Refunded Bonds.

“Federal Securities” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the twelve months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year.

“Independent Accountant” means any registered or certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State of Colorado, appointed and paid by the District, who (i) is, in fact, independent and not under the domination of the District, (ii) does not have any substantial interest, direct or indirect, with the District, and (iii) is not connected with the

District as an officer or employee of the District, but who may be regularly retained to make annual or similar audits of the books or records of the District.

“Insurance Agreement” means any agreement(s) between the Bond Insurer and the District relating to the Policy and the Surety Policy, as applicable.

“Insured Bank” means a bank which is a member of the Federal Deposit Insurance Corporation.

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or Federal Securities or obligations having a rating in one of the two highest rating categories assigned by any nationally recognized rating agency, the principal of and interest on which will be in an amount), and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Bonds which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Paying Agent or any other trustee authorized to act in such capacity.

“Letter of Representations” means the blanket issuer letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“Limited Mill Levy” means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property in the District each year in an amount equal to 3.884 mills; provided that such Limited Mill Levy does not include any taxes levied pursuant to any election conducted after the Election unless specifically pledged for such purposes.

“Official Statement” means the Official Statement prepared in connection with the offering of the Bonds.

“Outstanding” means, when used with reference to the Bonds and any other designated securities and as of any particular date, all of the Bonds or any such other securities payable from the Pledged Revenue, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(i) Except any Bond or other security canceled by the District, by the Paying Agent or otherwise on the District’s behalf, at or before such date;

(ii) Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay such are on deposit with the Paying Agent or the paying agent for such other security;

(iii) Except any Bond or other security for the payment or the redemption of which an Irrevocable Deposit shall have heretofore been made with a trust bank in escrow or in trust for that purpose, as provided in Section 29 hereof or similar provision of a resolution or agreement governing such other security; and

(iv) Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Section 9 hereof or similar provision of a resolution or agreement governing such other security.

“Parity Obligations” means bonds or obligations that have a lien on the Pledged Revenue that is on parity with the lien thereon of the Bonds.

“Paying Agent” means UMB Bank, n.a., and its permitted successors and assigns.

“Paying Agent and Registrar Agreement” means the Paying Agent and Registrar Agreement between the District and the Paying Agent and Registrar.

“Person” includes an individual, association, company or limited liability company or similar organization, corporation, partnership, limited liability partnership or similar organization, joint venture or a government or an agency or a political subdivision thereof.

“Pledged Revenue” means the moneys derived by the District from the following sources, less collection expense:

- (i) the Limited Mill Levy; and
- (ii) the Specific Ownership Tax.

“Pledged Revenue Fund” means the “Pledged Revenue Fund” which is created pursuant to Section 19 hereof.

“Policy” means any municipal bond insurance policy, financial guaranty, or similar instrument issued by a municipal bond insurance company, insuring or guaranteeing the payment of the principal of and interest on the Bonds, which Policy shall constitute an assurance of payment as described in §11-57-207(2), C.R.S.

“Preliminary Official Statement” means the Preliminary Official Statement prepared in connection with the offering of the Bonds.

“President” means the Chairman of the Board of Directors and President of the District.

“Purchase Contract” means the Bond Purchase Agreement between the District and the Purchaser.

“Purchaser” means Stifel, Nicolaus & Company, Incorporated, Denver, Colorado.

“Rebate Fund” means the “2021 Rebate Fund,” created in Section 21 hereof.

“Refunded Bonds” means all outstanding aggregate principal amount of the District’s Limited Tax General Obligation Bonds (Additionally Secured by Net Medical Center Revenue), Series 2006.

“Refunding Project” means the refunding of the Refunded Bonds.

“Registrar” means UMB Bank, n.a., and its permitted successors and assigns.

“Regular Record Date” means the fifteenth day of the calendar month (whether or not a Business Day) next preceding each regularly scheduled principal and interest payment date of the Bonds.

“Reserve Fund” means the “2021 Reserve Fund,” which is created in Section 22 hereof.

“Reserve Requirement” means the dollar amount set forth in the Sale Certificate, which shall not exceed the least of: (i) 10% of the proceeds (as determined pursuant to the Tax Code) of the Bonds; (ii) one hundred percent (100%) of the maximum annual debt service on the Bonds (determined on a Bond Year basis and taking any mandatory sinking fund redemptions described in the Sale Certificate into account); or (iii) one hundred twenty-five percent (125%) of average annual debt service on the Bonds (determined on a Bond Year basis and taking any mandatory sinking fund redemptions described in the Sale Certificate into account).

“Sale Certificate” means a certificate executed by any member of the Board dated on or before the date of delivery of the Bonds, setting forth (i) the rates of interest on the Bonds, (ii) the conditions on which and the prices at which the Bonds may be called for redemption; (iii) the existence and amount of any reserve fund; (iv) the price at which the Bonds will be sold; (v) the aggregate principal amount of the Bonds and denominations of the Bonds; (vi) the amount of principal of the Bonds maturing on each date; (vii) the dates on which principal and interest will be paid and the first interest payment date, all subject to the parameters and restrictions contained in this Resolution; and (viii) whether the securities will be secured by an assurance of payment as described in Section 11-57-207(2), C.R.S., and, if so, the terms of any Insurance Agreement.

“Secretary” means the Secretary of the District, or his or her successor.

“Special Record Date” means a special date fixed to determine the names and addresses of registered owners of the Bonds for purposes of paying principal and interest on a special principal and interest payment date, all as further provided in Section 5B hereof.

“Specific Ownership Tax” means the specific ownership tax which is collected by each county and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of the imposition of the Limited Mill Levy.

“State” means the State of Colorado.

“Subordinate Obligations” means bonds or obligations which have a lien on the Pledged Revenue that is subordinate and junior to the lien thereon of the Bonds.

“Supplemental Act” means the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

“Surety Policy” means the debt service reserve fund surety policy issued by the Bond Insurer, if any, for deposit into the Reserve Fund.

“Tax Code” means the Internal Revenue Code of 1986, as amended to the date of issuance of the Bonds.

“Term Bonds” means Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

“Treasurer” means the Treasurer of the District.

Section 2. Recitals.

A. The District is a quasi-municipal corporation and political subdivision of the State duly organized and existing under the laws of the State of Colorado, including the Act.

B. The members of the Board have been duly elected or appointed and qualified.

C. The Board has previously determined, and hereby determines, that it is in the best interests of the District and the taxpayers thereof that the District undertake the Refunding Project.

D. The Board hereby determines that it is in the best interest of the District and its inhabitants to finance the Refunding Project, the payment of the premiums for the Policy and the Surety Policy, and the costs of issuing the Bonds, with the proceeds of the Bonds.

E. Article X, Section 20 of the Colorado Constitution permits refunding obligations to be issued without voter approval if the interest rate on the refunding obligations is lower than the interest rate on the refunded obligations. The interest rate on the Bonds shall be lower than the interest rate on the Refunded Bonds. Furthermore, the original principal amount of the Bonds shall not exceed the remaining outstanding aggregate principal amount of the Refunded Bonds.

F. Part 13 of the Act permits the District to undertake the Refunding Project to reduce interest costs or affect other economies.

G. Section 25A of the Second Amended and Restated Bond Resolution 2016-9, which authorized the issuance of the District’s Health Care Services Enterprise Refunding Revenue Bonds, Series 2016A (Tax-Exempt), permits the issuance of the Bonds for the purpose of refunding the Refunded Bonds.

H. The District hereby determines to finance the Refunding Project, the payment of the premiums for the Policy and the Surety Policy, and the costs of issuing the Bonds, by the issuance of the Bonds in an aggregate principal amount not to exceed \$8,705,000.

I. The Board has determined, and does hereby determine, that the limitations of the Act imposed upon the issuance of the Bonds have been met and that the Refunding Project serves a valid governmental purpose and is necessary, expedient and in the best interests of the District and its taxpayers.

J. None of the members of the Board have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof except to the extent that any such conflict of interest has been disclosed to the Board and to the Secretary of State, pursuant to Section 32-1-902(3) of the Act or except to the extent such person has abstained from taking official action thereon.

K. The Bonds are exempt from the debt limitation established by Section 32-1-1101(6), C.R.S., and the registration requirements under the Colorado Municipal Bond Supervision Act, Part 1 of Article 59 of Title 11, C.R.S., due to the fact that the Bonds, which will represent the only outstanding general obligation indebtedness of the District, do not at the time of their issuance exceed the greater of \$2,000,000 or 50% of the valuation for assessment of the taxable property in the District.

L. The Bonds shall be issued pursuant to the provisions of the Act, the Supplemental Act, and all other laws thereunto enabling.

M. There are on file in the District offices the proposed forms of the following documents: (i) the Purchase Contract; (ii) the Preliminary Official Statement; (iii) the Letter of Representations; (iv) the Custodial Agreement; (v) the Escrow Agreement; (vi) the Continuing Disclosure Agreement; (vii) the Paying Agent and Registrar Agreement; and (viii) the Insurance Agreement, if any.

N. It is necessary to provide for the form and details of the Bonds, the payment of the Bonds and other provisions relating to the authorization and issuance of the Bonds.

Section 3. Ratification. All action heretofore taken (not inconsistent with the express provisions of this Resolution) by the Board and the officers and agents of the District directed toward the Refunding Project and toward the authorization, sale and issuance of the Bonds to the Purchaser as herein authorized be, and the same hereby is, ratified, approved and confirmed.

Section 4. Authorization of Bonds; Delegation.

A. In accordance with the Constitution and laws of the State and the provisions of this Resolution, and for the purpose of defraying the cost of the Refunding Project, the District hereby authorizes to be issued its “Upper San Juan Health Service District Limited Tax General Obligation Refunding Bonds, Series 2021”, in the aggregate principal amount provided in the Sale Certificate, subject to the parameters and restrictions contained in this Resolution.

B. Section 11-57-204 of 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. The Board hereby elects to apply all of the Supplemental Act to the Bonds.

C. Any member of the Board is hereby independently authorized and directed to execute and deliver the Sale Certificate and the Purchase Contract and to make and approve the final determinations contained therein, subject to the parameters and restrictions of this Resolution.

Section 5. Bond Details.

A. Basic Details. The Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest) initially registered in the name of Cede & Co. as nominee for DTC, as Depository for the Bonds. The Bonds shall be dated as of their date of delivery, and shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond may be issued for more than one maturity and interest rate). The Bonds shall be numbered in such manner as the Registrar may determine.

The Bonds shall mature, be payable, bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable to the registered owners of the Bonds from their date to maturity or prior redemption, be subject to redemption, and be sold, all as provided in the Sale Certificate; provided that: (i) the first optional redemption date of the Bonds shall not be later than December 1, 2031; (ii) the redemption price on the Bonds shall not exceed 103%; (iii) the Bonds shall mature no later than December 1, 2037; (iv) the net effective interest rate on the Bonds shall not exceed 3%; (v) the aggregate principal amount of the Bonds shall not exceed \$8,705,000; (vi) the purchase price of the Bonds shall not be less than 100% of the original principal amount of the Bonds; and (vii) the maximum annual repayment cost of the Bonds shall not exceed \$685,000. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date set forth in the Sale Certificate.

B. Payment - Regular and Special Record Dates. The principal of the Bonds shall be payable to the registered owner of each Bond upon maturity thereof or redemption prior to maturity and upon presentation and surrender at the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, it shall continue to draw interest at the interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof at his or her address as it last appears on the registration records kept by the Registrar on

the Regular Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date and the date for the payment of such interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date for the payment of such interest shall be given by the Paying Agent to the registered owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Paying Agent; provided, however, that the District shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Resolution. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

Section 6. Prior Redemption.

A. Optional Redemption. Certain of the Bonds will be subject to redemption prior to maturity as provided in the Sale Certificate.

B. Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts, and at the prices set forth in the Sale Certificate.

Not more than forty-five days nor less than thirty days prior to each such sinking fund payment date, the Registrar shall proceed to select for redemption (in such manner as the Registrar may determine) from the applicable Term Bonds, Term Bonds in the amount subject to sinking fund redemption on the next December 1, and to call the Term Bonds indicated above (or any Bond or Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the District.

At its option, to be exercised on or before the forty-fifth day next preceding each such sinking fund redemption date, the District may (a) deliver to the Registrar for cancellation Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Bonds of the maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the District on such sinking fund redemption date and the principal amount of Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The District will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be

availed with respect to such sinking fund payment. Failure of the District to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph B.

C. Notice of Redemption. The District shall give written instructions concerning any optional prior redemption of Bonds to the Registrar at least 45 days prior to the redemption date; provided, however, that the Registrar may waive this requirement if instructions are given in time for notice to be given to the registered owners of the Bonds. Notice identifying the Bonds or portions thereof to be redeemed shall be given by the Registrar by first class mail, postage prepaid, or electronic means if then permitted not more than 60 nor less than 30 days prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by the Registrar. Failure to give such notice by mailing to any registered owner of any Bond, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Actual receipt of mailed notice by the registered owner of any Bond shall not be a condition precedent to the redemption of such Bond or any other Bond. The principal amount so redeemed will be payable upon presentation and surrender of the Bond at the Paying Agent, and accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if so agreed to by the registered owner and the Paying Agent). All Bonds so called for redemption will cease to bear interest and shall be deemed to be no longer Outstanding after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any securities depository holding the Bonds but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

D. Redemption in Part. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or integral multiples thereof, and the Registrar shall, without charge to the registered owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 7. Uniform Commercial Code. Subject to the provisions made or necessarily implied herein, the holder or holders of the Bonds shall possess all rights enjoyed by the holders of investment securities under the provisions of the Uniform Commercial Code – Investment Securities.

Section 8. Execution.

A. Method of Execution. The Bonds shall be executed in the name of and on behalf of the District and signed by the manual or facsimile signature of the President, sealed with a manual or facsimile impression of the seal of the District and attested by the manual or facsimile signature of the Secretary. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the District (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery of the Bonds or before the issuance of the Bonds upon transfer or exchange, any or all of the Persons whose facsimile signatures appear on the Bonds shall have ceased to fill their respective offices. The President and Secretary may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds. At the time of the execution of the signature certificate, the President and Secretary may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds.

B. Certificate of Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer or representative of the Registrar, but it shall not be necessary that the same officer or representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Resolution, the Registrar shall be deemed to have assented to the provisions of this Resolution.

Section 9. Provisions Relating to Registration, Transfer, Replacement and Cancellation of and Registration Records for the Bonds.

A. Registration Records - Transfer - Authentication. Records for the registration and transfer of the Bonds shall be kept by the Registrar, which is hereby appointed by the District as registrar (*i.e.*, transfer agent) for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the principal office of the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the registered owner requesting such exchange or transfer.

In the event any registered owner fails to provide a correct taxpayer identification number to the Registrar, the Registrar may make a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with

Section 3406 of the Tax Code, such amount may be deducted by the Registrar from amounts otherwise payable to such registered owner hereunder or under the Bonds.

B. Times When Transfer Not Required. The Registrar shall not be required to transfer or exchange (i) all or any portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days before the day of the mailing by the Registrar of notice calling any Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption, except for the unredeemed portion of Bonds redeemed in part.

C. Payment - Registered Owner. The person in whose name the Bonds shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and, subject to Sections 36 and 41B hereof, for all other purposes except as may otherwise be provided with respect to payment of interest as is provided in Section 5B hereof; and payment of or on account of either principal or interest on the Bonds shall be made only to or upon the written order of the registered owner thereof or his or her legal representative, but such registration may be changed upon transfer of the Bonds in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon the Bonds to the extent of the sum or sums so paid.

D. Replacement Bonds. If the Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond of a like aggregate principal amount and of the same tenor and maturity. If the Bonds shall have matured, the Registrar may direct the Paying Agent to pay such Bonds in lieu of replacement. Upon the issuance of any replacement Bond under this Section, the Registrar may require the payment by the registered owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Registrar) connected therewith.

E. Cancellation of Bonds. When the Bonds shall be surrendered to the Registrar upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, the Bonds shall be promptly canceled by the Paying Agent or Registrar.

F. Book Entry. Notwithstanding any other provision of this Resolution, the Bonds shall initially be evidenced by one Bond for each maturity and interest rate in which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing for that maturity and interest rate. Such initially delivered Bonds shall be registered in the name of "Cede & Co." as nominee for DTC, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of DTC or its nominee, which successor must be both a "clearing corporation" as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of DTC or a successor or new depository under clause (1) or this clause (2) of this paragraph F, or a determination by the District that DTC or such successor or new depository is no longer able to carry out its functions and the designation by the District of another depository institution acceptable to the District and to the depository then holding the Bonds, which new depository institution must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of DTC or such successor or new depository; or

(3) upon the resignation of DTC or a successor or new depository under clause (1) or clause (2) of this paragraph F, or a determination of the District that (i) DTC or such successor or new depository is no longer able to carry out its functions, and the failure by the District, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions or (ii) continuation of the requirement that all of the Outstanding Bonds be registered in the registration records kept by the Registrar in the name of the Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

In the case of a transfer to a successor of DTC or its nominee as referred to in clause (1) above or designation of a new depository pursuant to clause (2) above, upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity and interest rate of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) above and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (3)(i) above, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of paragraph A of this Section, registered in the names of such persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

The District, the Registrar and the Paying Agent shall be entitled to treat the registered owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the District, the Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by DTC or any successor or new depository named pursuant to clauses (1) or (2) above.

The District, the Registrar and the Paying Agent shall endeavor to cooperate with DTC or any successor or new depository named pursuant to clause (1) or (2) above in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

Section 10. Successor Registrar or Paying Agent. The Registrar or Paying Agent may resign at any time on 30 days' prior written notice to the District. The District may remove said Registrar or Paying Agent upon 30 days' prior written notice to the Registrar and/or Paying Agent, as the case may be. If the Registrar or Paying Agent initially appointed hereunder shall resign, the District may appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders equity (*e.g.*, capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the District shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder. Written notice of any name change of the Paying Agent or the resignation or removal of the Paying Agent shall be provided by the District.

Section 11. Special, Limited Tax Obligations. The Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenue and the Bond Fund, which are irrevocably so pledged; the registered owner thereof may not look to any general or other fund for the payment of the principal of or interest on the Bonds, except the designated special funds pledged therefor. The payment of the Bonds shall not be secured by an encumbrance, mortgage, or other pledge of property of the District, except for the Pledged Revenue. No property of the District, subject to said exception, shall be liable to be forfeited or taken in payment of the Bonds.

Section 12. Forms of Bonds, Statement of Insurance, Certificate of Authentication, Assignment and Prepayment Panel. The Bonds, Registrar's Certificate of Authentication, Form of Assignment and the Prepayment Panel shall be in substantially the form set forth on the following page. In addition, the Bonds may contain a legend regarding any Policy, in the form provided by the Bond Insurer.

(Form of Bonds)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTIES OF ARCHULETA, HINSDALE AND MINERAL

No. R- _____ \$ _____

UPPER SAN JUAN HEALTH SERVICE DISTRICT
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND
SERIES 2021

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED AS OF</u>	<u>CUSIP</u>
_____ %	December 1, _____	May __, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

Upper San Juan Health Service District (the “District”) in the Counties of Archuleta, Hinsdale and Mineral, and the State of Colorado for value received, hereby promises to pay from the special funds and accounts hereafter designated, but not otherwise, to the registered owner named above, or registered assigns, on the maturity date specified above (unless called for earlier redemption), the principal amount specified above, and in like manner to pay interest on such principal amount at the interest rate per annum specified above, payable semiannually on June 1 and December 1 each year, commencing on December 1, 2021, until such principal amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. This Bond is one of an authorized series issued pursuant to a resolution of the District adopted on

April 27, 2021 (the “Bond Resolution”). All terms not otherwise defined herein have the same meanings as ascribed to them in the Bond Resolution.

This Bond bears interest, matures, is payable, is subject to prior redemption and is transferable as provided in the Bond Resolution and Sale Certificate. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Bond Resolution. The principal of this bond is payable upon presentation and surrender hereof to the principal office of the Paying Agent. Interest on this Bond will be paid on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), by check or draft mailed to the person in whose name this Bond is registered in the registration records of the District maintained by the Registrar at the principal office and at the address appearing thereon at the close of business on the Regular Record Date.

The Bonds of which this Bond is one are all of like date, tenor, and effect except as to number, principal amount, interest rate, date of maturity, and optional prior redemption, and are issued by the District, for the purpose of financing the Refunding Project, under the authority of and in full conformity with the Act, the Constitution and laws of the State of Colorado, and pursuant to the duly adopted Bond Resolution, which recital shall be conclusive evidence of the validity of the Bonds and the regularity of their issuance. The Bonds are also issued pursuant to Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”). Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

The principal of and interest on this Bond are payable only from the proceeds of the Pledged Revenue, all as more particularly set forth in the Bond Resolution. This Bond constitutes an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien.

It is further hereby recited, certified, and warranted that all the requirements of law have been complied with fully by the proper officers of the District in issuing this Bond.

Reference is made to the Bond Resolution for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the receipt and disposition of the Pledged Revenue, the nature and extent of the security, the terms and conditions under which additional bonds payable from the Pledged Revenue may be issued, the rights, duties and obligations of the District, the rights of the owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the ability to amend the Bond Resolution; and by the acceptance of this Bond the owner hereof assents to all provisions of the Bond Resolution. The principal of and the interest on this Bond shall be paid, and this Bond is transferable, free from and without regard to any equities between the District and the original or any intermediate owner hereof or any setoffs or cross-claims.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the certificate of authentication hereon shall have been manually signed by the Registrar.

FOR PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE DISTRICT HAS DESIGNATED THIS BOND AS A QUALIFIED TAX-EXEMPT OBLIGATION.

IN TESTIMONY WHEREOF, the Board of Directors for Upper San Juan Health Service District has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual or facsimile impression of the seal of the District, and attested by the manual or facsimile signature of the Secretary of the District, all as of the date specified above.

UPPER SAN JUAN HEALTH SERVICE
DISTRICT

(Manual or Facsimile Signature)
Chairman of the Board of Directors
And President of the District

(SEAL OR FACSIMILE)

ATTESTED:

(Manual or Facsimile Signature)
Secretary

(End of Form of Bonds)

(Statement of Insurance)

[TO BE PROVIDED BY THE BOND INSURER]

(End of Statement of Insurance)

(Form of Registrar's Certificate of Authentication)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the Bonds described in the within-mentioned resolution, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

UMB BANK, N.A
as Registrar

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

ASSIGNMENT

For value received, _____ hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records of the Registrar, with full power of substitution in the premises.

Signature

Dated: _____

Signature Guaranteed:

Name and address of transferee:

Social Security Number or other tax
identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 C.F.R. § 240.17 Ad-15(a)(2).

EXCHANGE OR TRANSFER FEES MAY BE CHARGED BY THE REGISTRAR.

(End of Form of Assignment)

(Form of Principal Prepayment Panel)

PRINCIPAL PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the Bond Resolution authorizing the issuance of this Bond.

<u>Date of</u> <u>Prepayment</u>	<u>Principal</u> <u>Prepaid</u>	<u>Signature of Authorized</u> <u>Representative of the Depository</u>

(End of Form of Principal Prepayment Panel)

Section 13. Period of Project's Usefulness. It is hereby determined and recited that the period of usefulness of the facilities to be refinanced with the proceeds of the Bonds (*i.e.*, the Refunding Project) is not less than 17 years from the date of the Bonds.

Section 14. Sale and Delivery of Bonds and Initial Registration. Subject to the terms hereof, the District hereby agrees to sell the Bonds to the Purchaser. The Registrar shall initially register the Bonds in the name of Cede & Co., as nominee for DTC, or as otherwise directed by the Purchaser. When the Bonds have been duly executed, authenticated, registered and sold, the District shall deliver or cause to be delivered the Bonds to the Purchaser on receipt of the agreed purchase price.

Section 15. Disposition of Bond Proceeds. The net proceeds received from the sale of the Bonds (*i.e.*, the proceeds of the Bonds remaining after the payment of the Purchaser's underwriting discount and the premiums for the Policy and the Surety Policy) shall be applied in the following manner:

A. Escrow Deposit. First, there shall be deposited into the Escrow Account an amount sufficient to effect the Refunding Project.

B. Reserve Fund Deposit. Second, to the extent the Reserve Fund is not funded with a Surety Policy, there shall be deposited into the Reserve Fund an amount equal to the Reserve Requirement.

C. Disposition of Remaining Funds. Any remaining moneys shall be delivered to the District and be applied by the District to the payment of the costs of issuing the Bonds.

Section 16. Use of Proceeds. Except as otherwise specifically provided herein, the net proceeds derived from the sale of the Bonds shall be used and paid solely for the purpose of the Refunding Project and the costs of issuance of the Bonds. The validity of the Bonds is not dependent on nor affected by the validity or regularity of any proceedings related to the completion of the Refunding Project.

Section 17. Purchaser Not Responsible. The Purchaser of the Bonds, and any subsequent owner of any Bonds, shall in no manner be responsible for the application or disposal by the District or by any officer, employee or other agent of the District of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

Section 18. Flow of Funds. Upon issuance of the Bonds, the Pledged Revenue shall be applied by the District, in each Fiscal Year, in the following order of priority. For purposes of the following, when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other.

FIRST: To the credit of the Bond Fund, the amounts required by Section 20 hereof entitled "Bond Fund," and to the credit of any other similar fund or account established for the payment of the principal of, premium if any, and interest on any Parity Obligations, the amounts required by the resolution or other enactment authorizing issuance of such Parity Obligations;

SECOND: To the credit of the Rebate Fund, the amounts required by Section 21 hereof entitled “Rebate Fund,” and to the credit of any other rebate fund or similar fund or account for Parity Obligations;

THIRD: To the credit of the Reserve Fund, the amounts required by Section 22 hereof entitled “Reserve Fund,” and to the credit of any other similar fund or account established for the payment of the principal of, premium if any, and interest on any Parity Obligations, the amounts required by the resolution or other enactment authorizing issuance of such Parity Obligations;

FOURTH: To the credit of any other fund or account established for the payment of the principal of, premium if any, and interest on Subordinate Obligations, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the resolution or other enactment authorizing issuance of the Subordinate Obligations; and

FIFTH: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth above.

Section 19. Pledged Revenue Fund.

A. Payments Into the Pledged Revenue Fund. For so long as the Bonds remain Outstanding, the District shall promptly credit, or cause to be credited, directly to the Pledged Revenue Fund hereby created and held by the District (the “Pledged Revenue Fund”), all Pledged Revenue received by the District.

B. Transfer of Amounts in Pledged Revenue Fund. Funds held in the Pledged Revenue Fund shall be applied, in each Fiscal Year, as required and in the order of priority set forth in Section 18 hereof.

C. Covenant to Maintain Pledged Revenue Fund. The District shall maintain the Pledged Revenue Fund separate and distinct from all other funds and shall credit, or cause to be credited, Pledged Revenue therein as required by this Section 19.

Section 20. Bond Fund. There is hereby created an account to be known as the “2021 Bond Fund” to be held by the Custodian pursuant to the Custodial Agreement.

A. Payments Into the Bond Fund. No later than the fifth Business Day of each month, commencing with the fifth Business Day of the first month following the date of issuance of the Bonds, the District shall transfer to the Paying Agent for credit to the Bond Fund all Pledged Revenue then held in the Pledged Revenue Fund until an amount is accumulated therein in the current Fiscal Year which, together with amounts then on deposit in the Bond Fund, is sufficient to pay the principal of, premium, if any, and interest coming due on the Bonds in the current Fiscal Year.

B. Termination Upon Deposits to Maturity. No payment need be made into the Bond Fund if the amounts in the Bond Fund totals a sum at least equal to the entire amount of

the Outstanding Bonds, both as to principal and interest to their final maturities, and both accrued and not accrued, or to any redemption date on which the District shall have irrevocably exercised its option to redeem the Bonds then Outstanding and thereafter maturing, in which case, moneys in the Bond Fund in an amount at least equal to such principal and interest requirements shall be used solely to pay such amounts as the same accrue and any moneys in excess thereof in the Bond Fund shall be used in any lawful manner determined by the District.

Section 21. Rebate Fund. There is hereby created an account to be known as the “2021 Rebate Fund” to be held by the District. The District shall credit to the Rebate Fund Pledged Revenue or other available monies amounts, as necessary to comply with Section 148 of the Tax Code and the regulations promulgated thereunder. The District shall apply such funds, if any, in the Rebate Fund to the extent necessary to comply with the District’s covenants under Section 28F hereof to make payments to the United States. Payments into similar rebate accounts for Parity Obligations shall be made concurrently (but not necessarily simultaneously) with payments into the Rebate Fund. Moneys in the Rebate Fund shall not be subject to the lien created by this Resolution.

Section 22. Reserve Fund. There is hereby created an account known as the “2021 Reserve Fund” to be held by the Custodian. The Reserve Fund shall be funded in the amount of the Reserve Requirement and shall thereafter be accumulated and maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the principal of and interest on the Bonds resulting from any failure to credit to the Bond Fund sufficient funds to pay said principal and interest as the same become due. No later than the fifth Business Day preceding each interest payment date for the Bonds, the District shall, pursuant to the Custodial Agreement, cause the Custodian to transfer from the Reserve Fund to the Bond Fund (or process an appropriate draw under the Surety Policy or any Substitute Surety Policy (as defined below)), an amount sufficient, together with amounts then on deposit in the Bond Fund, to make the next principal and/or interest payment then due on the Bonds. In the event the amounts transferred from the Reserve Fund (or transferred by the Bond Insurer pursuant to the Surety Policy or any Substitute Surety Policy), when credited with the amounts then on deposit in the Bond Fund, are insufficient to pay in full the next principal and/or interest payment then due on the Bonds, the District (or the Bond Insurer pursuant to the Surety Policy or another insurer pursuant to any Substitute Surety Policy) shall nevertheless transfer all amounts available from the Reserve Fund to the Paying Agent for credit to the Bond Fund.

The District may initially fund the Reserve Fund to the Reserve Requirement with a Surety Policy, which, if issued, will be transferred to and held by the Custodian. The District may substitute cash for the Surety Policy at any time or substitute the Surety Policy with another debt service reserve insurance policy (a “Substitute Surety Policy”) provided by the Bond Insurer or another insurer at any time, provided such Substitute Surety Policy carries a rating in one of the two highest rating categories from a nationally recognized rating agency.

Following any draw on the Reserve Fund or the Surety Policy or any Substitute Surety Policy, any drawn amounts, or the repayment to the Bond Insurer or another insurer for any draw on the Surety Policy or any Substitute Surety Policy, as applicable, shall be replenished in accordance with Section 18 hereof. Such amounts shall be promptly transferred by the District to the Custodian or the Bond Insurer or another insurer, as applicable.

The District may also apply the funds on deposit in the Reserve Fund to any defeasance or payment in full of the Bonds.

Section 23. General Administration of Funds. The funds and accounts designated in Sections 19 through 22, inclusive, of this Resolution shall be administered as follows:

A. **Investment of Money.** Any moneys in any fund designated in Sections 19 through 22 of this Resolution may be invested in any legal investment permitted by law. The obligations so purchased as an investment of moneys in said fund shall be deemed at all times to be part of said fund, and the interest accruing thereon and any profit realized therefrom shall be credited to the fund, and any loss resulting from each investment shall be charged to the fund. The Treasurer of the District shall present for redemption or sale on the prevailing market any obligations so purchased as an investment of moneys in the fund whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such fund.

B. **Deposits of Moneys.** The moneys and investments comprising the Bond Fund, the Reserve Fund, and the Rebate Fund shall be maintained in a special fund and irrevocable trust account which is accounted for separately from other funds and securities on deposit with it. Each payment shall be made into the proper bank account and credited to the proper fund not later than the last day designated; provided that when the designated date is a Saturday, Sunday or a legal holiday, then such payment shall be made on the next preceding Business Day. Nothing herein shall prevent the establishment of one such bank account or more (or consolidation with any existing bank account), for all of the funds held under the Bond Fund, the Reserve Fund, and the Rebate Fund. Moneys shall be deposited with the Paying Agent for the Bonds at least three days prior to each interest payment date and each maturity or mandatory redemption date herein designated in amounts sufficient to pay the principal of and interest then becoming due on the Outstanding Bonds.

Section 24. Tax Levy. For the purpose of paying the principal of, premium if any, and interest on the Bonds and any Parity Obligations, there shall be levied by the Board on all of the taxable property in the District, in addition to all other taxes, the Limited Mill Levy. The District shall continue to impose, administer and enforce collection of the Limited Mill Levy in accordance with this Resolution and state law, without reduction in the rate of the Limited Mill Levy as set forth herein until the Bonds are no longer Outstanding. Nothing herein shall be construed to require a levy of ad valorem property tax for payment of the Bonds in excess of the Limited Mill Levy.

The foregoing provisions of this Resolution are hereby declared to be the certificate of the Board to the County Assessor showing the aggregate amount of taxes to be levied for the purpose stated in this Section 24 by the Board from time to time, as required by law, for the purpose of paying the principal of the bonded indebtedness and the interest thereon as the same shall hereafter accrue.

It shall be the duty of the Board annually at the time and in the manner provided by law for levying other taxes, if such action shall be necessary to effectuate the provisions of this Resolution, to ratify and carry out the provisions hereof with reference to the levy of taxes; and

the Board shall require the officers of the District to levy and extend such taxes on property within the District, in the manner provided by law for the purpose of creating a fund for the payment of the principal of the Bonds and the interest accruing thereon.

Section 25. Lien on Pledged Revenue. The Bonds shall constitute limited tax obligations of the District as provided herein. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien, subject to Permitted Liens.

The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds as provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Resolution. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the District, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the Bonds and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the District, except for any general obligation indebtedness of the District currently outstanding or any general obligation indebtedness issued on a parity with the Bonds. The lien of such pledge shall be valid, binding, and enforceable as against all Persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such Persons have notice of such liens.

Section 26. Additional Bonds and Other Obligations.

A. Limitations Upon Issuance of Parity Obligations. Subject to Section 27 below, nothing in this Resolution shall be construed in such a manner as to prevent the issuance by the District of additional bonds or other obligations payable from the Pledged Revenue and constituting a lien upon the Pledged Revenue on a parity with, but not prior or superior to, the lien of the Bonds nor to prevent the issuance of bonds or other obligations refunding all or a part of the Bonds, provided, however, that before any such additional Parity Obligations are issued:

(1) the District shall then be current in the accumulations and payments required to be made in the Pledged Revenue Fund pursuant to Section 19 hereof and the Bond Fund pursuant to Section 20 hereof; and

(2) a written certificate of the President or the Treasurer (which shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver the proposed Parity Obligations) demonstrating that the Pledged Revenue for each of the two Fiscal Years immediately preceding the date of issuance of such additional Parity Obligations shall have been sufficient to pay an amount representing at least one hundred fifty percent (150%) of the Combined Maximum Annual Principal and Interest Requirements on the Outstanding Bonds, any other Outstanding Parity Obligations, and the Parity Obligations proposed to be issued (excluding any reserves therefor).

B. Subordinate Obligations Permitted. Nothing herein contained shall be construed in such a manner as to prevent the issuance by the District of additional bonds or other obligations payable from all or any part of the Pledged Revenue and constituting a lien upon the Pledged Revenue subordinate, inferior and junior to the lien of the Bonds.

C. Superior Obligations Prohibited. Nothing herein contained shall be construed so as to permit the District to issue bonds or other obligations payable from the Pledged Revenue or any portion thereof having a lien thereon prior and superior to the lien of the Bonds.

D. Other Obligations Permitted. Nothing herein contained shall be construed in such manner as to prevent the issuance by the District of additional bonds or other obligations: (i) approved by the District's electorate and payable from a general obligation mill levy pledge other than the Limited Mill Levy; (ii) or payable from revenues derived from sources other than the Limited Mill Levy, including any medical center revenue of the District.

Section 27. Refunding Bonds. The provisions of Section 26 hereof are subject to the following exceptions:

A. Privilege of Issuing Refunding Obligations. If at any time after any of the Bonds shall have been issued and remain Outstanding, the District shall find it desirable to refund any Outstanding bonds or other Outstanding obligations payable from the Pledged Revenue, or any portion thereof, said bonds or other obligations, or any part thereof, may be refunded (but only with the written consent of the registered owner or owners thereof, unless the bonds or other obligations at the time of their required surrender for payment (i) shall then mature or (ii) shall then be callable for prior prepayment or redemption at the District's option (or monies are escrowed until the applicable redemption date), regardless of whether the priority of the lien for the payment of the refunding obligations on the Pledged Revenue, or any portion thereof, is changed, subject to the provisions of paragraph C of Section 26 and paragraphs B, and C of this Section).

B. Refunding Part of an Issue. The refunding bonds or other obligations so issued shall enjoy complete equality of lien with the portion of any bonds or other obligations of the same issue which is not refunded, if any there be; and the registered owner or owners of such refunding bonds or such other refunding obligations shall be subrogated to all of the rights and privileges enjoyed by the registered owner or owners of the bonds or other obligations of the same issue refunded thereby.

C. Limitations Upon Issuance of any Refunding Obligations. Any refunding bonds or other refunding obligations payable from the Pledged Revenue, or any portion thereof, shall be issued with such details as the District may by resolution provide, subject to the inclusion of any such rights and privileges designated in paragraph B of this Section, but without any impairment of any contractual obligations imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding obligations of any one or more issues (including but not necessarily limited to the Bonds); provided, however, such refunding bonds or other refunding obligations may not be issued, unless:

(1) the refunding bonds or other refunding obligations do not increase any aggregate annual principal and interest obligations evidenced by such refunding obligations and by the Outstanding obligations not refunded on and prior to the last maturity date of such unrefunded obligations, or

(2) the refunding bonds or other refunding obligations are issued in compliance with Section 26 hereof, or

(3) the lien on the Pledged Revenue for the payment of the refunding obligations is subordinate to each such lien for the payment of any obligations not refunded.

Section 28. Protective Covenants. The District hereby covenants and agrees with the registered owners of the Bonds that:

A. Refunding Project Completion. The District, with the net proceeds derived from the sale of the Bonds, agrees to cause the completion of the Refunding Project in accordance with the terms of the Escrow Agreement.

B. Payment of Bonds. The District will promptly pay the principal of and the interest on the Bonds at the place, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof. Such principal and interest are payable solely from the Pledged Revenue, and nothing in the Bonds or in this Resolution shall be construed as obligating the District to pay the principal of or interest on the Bonds from, and the registered owner thereof may not look to, any general or other fund except the revenue which is pledged under the provisions of this Resolution.

C. Audits. The District agrees that it will have the District's books and records audited annually by an Independent Accountant as soon as practicable after the close of each Fiscal Year of the District, and in any event within 240 days after the end of each Fiscal Year of the District.

D. Other Liens. Other than as permitted by this Resolution, on the date of issuance of the Bonds there are no liens or encumbrances of any nature whatsoever on or against the Pledged Revenue that would diminish the security for payment of the Bonds.

E. District's Existence. The District will maintain its corporate identity and existence unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the District and is obligated by law to levy, collect, receive and distribute the Pledged Revenue in place of the District, without affecting to any substantial degree the privileges and rights of the registered owners of the Bonds.

F. Tax Covenant. The District covenants for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Bonds to lose its

exclusion from Colorado taxable income or Colorado alternative minimum taxable income under Colorado laws in effect on the date of delivery of the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met.

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 2021, which obligations are taken into account in determining if the District can designate the Bonds as a qualified tax exempt obligation as provided in the following sentence. For the purpose of Section 265(b)(3)(B) of the Tax Code, the District hereby designates the Bonds as qualified tax-exempt obligations.

G. Defense of Validity Covenant. The District hereby covenants for the benefit of the registered owners of the Bonds that it shall, to the extent permitted by law, use commercially reasonable efforts to defend the validity and legality of the Pledged Revenue and this Resolution, and all amendments thereto against all claims, suits and proceedings which would diminish or impair the Pledged Revenue.

H. Defense of Lien. In the event any ad valorem taxes derived from the Limited Mill Levy are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

Section 29. Defeasance. When all principal of and interest on the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of this Resolution. Any Bond shall, prior to maturity or prior redemption thereof, be deemed to be paid and no longer Outstanding when the District has placed in escrow and in trust with a commercial bank or trust company located within or without the State of Colorado and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which all or a portion of such amount may initially be invested) to meet all requirements of principal and interest as the same become due to its payment or designated prepayment date as of which the District shall have exercised or obligated itself to exercise its option to call such Bond. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank or trust company at the time of the creation of the escrow or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule. Federal Securities within the meaning of this Section shall include only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and which are not callable prior to maturity by the issuer of such obligations.

In the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Policy, the Bonds shall remain Outstanding for all purposes under

this Resolution and shall not be considered to be defeased or otherwise satisfied and shall not be considered paid by the District, and the assignment and pledge of the Pledged Revenue and all covenants, agreements and other obligations of the District to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

Section 30. Direction to Take Authorizing Action. Any member of the Board is hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution including without limiting the generality of the foregoing: the original or additional printing of the Bonds in such quantities as may be convenient, the procuring of bond insurance, if any, qualification of the Bonds for registration with a securities depository, the execution of such certificates as may reasonably be required by the Purchaser, including without limitation certificates relating to the execution of the Bonds, the assessed valuation and indebtedness of the District, the rate of taxes levied against taxable property within the District, the delivery of the Bonds, the expectations of the District with respect to the investment of the proceeds of the Bonds, the receipt of the purchase price and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes, and the District's undertaking to provide continuing financial and other disclosure in accordance with the Continuing Disclosure Agreement.

Any member of the Board is hereby independently authorized and directed to execute and deliver the Sale Certificate and to determine and approve the final determinations contained therein for the Bonds.

Section 31. Approvals, Authorizations, and Amendments. The Paying Agent and Registrar Agreement, the Purchase Contract, the Escrow Agreement, the Custodial Agreement, the Continuing Disclosure Agreement, and the Insurance Agreement, if any, are hereby approved. The District shall enter into and perform its obligations under the Paying Agent and Registrar Agreement, the Purchase Contract, the Escrow Agreement, the Custodial Agreement, the Continuing Disclosure Agreement, in the forms of each of such documents on file with the District, with only such changes therein as are not inconsistent herewith or, with respect to the Purchase Contract, with such changes as may be approved by any member of the Board and subject to the parameters and restrictions contained in this Resolution. The Insurance Agreement is also hereby approved in the form provided by the Bond Insurer, with only such changes therein as are not inconsistent herewith.

Any Board member is hereby authorized and directed to execute the Paying Agent and Registrar Agreement, the Purchase Contract, the Escrow Agreement, the Custodial Agreement, the Continuing Disclosure Agreement, the Sale Certificate (subject to the parameters contained in Section 5A hereof), and the Insurance Agreement, if any. Any member of the Board is hereby authorized to attest and to affix the seal of the District to the Resolution, Paying Agent and Registrar Agreement, the Purchase Contract, the Escrow Agreement, the Custodial Agreement, the Continuing Disclosure Agreement, the Sale Certificate, and the Insurance Agreement, if any, as applicable, and any member of the Board is further authorized to execute, attest, seal and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the Bonds. Such documents

are to be executed in substantially the forms hereinabove approved, 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. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

The proper officers of the District are hereby authorized and directed to prepare and furnish to bond counsel certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any instrument by the appropriate officers of the District herein authorized shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms hereof.

Section 32. Delegated Powers. The officers of the District and members of the Board be, and they are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including, without limiting the generality of the foregoing, the execution of such documents, agreements and certificates as may reasonably be required by the Purchaser.

Section 33. Events of Default. Each of the following events is hereby declared an "event of default":

A. Failure to Impose Limited Mill Levy. The District fails or refuses to impose the Limited Mill Levy or to apply the Pledged Revenue as required by this Resolution.

B. Default of Any Other Provision. If the District shall default in the due and punctual performance of its covenants, agreements and provisions contained in the Bonds or in this Resolution on its part to be performed other than with respect to payment of principal or interest on the Bonds, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the registered owners of not less than 25% in principal amount of the Outstanding Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an event of default hereunder.

Section 34. Remedies of Defaults. Upon the happening and continuance of any of the events of default as provided in Section 33 of this Resolution, the registered owners of the Bonds, or a trustee or trustees therefor, may proceed against the District, and the agents, officers and employees of the District to protect and enforce the rights of the registered owners of Bonds under this Resolution by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for specific performance of any covenant or agreement contained herein or for an award or execution of any power herein granted for the

enforcement of any power, legal or equitable remedy as such registered owner may deem most effectual to protect and enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the registered owners, or to require the District to act as if it were the trustee of an express trust, or any combination of such remedies. Notwithstanding anything herein to the contrary, acceleration of the Bonds and consequential and punitive damages shall not be available remedies for an event of default, nor shall the District be deemed to have waived the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. The failure of such registered owners so to proceed shall not relieve the District or any of its officers, agents or employees of any liability for failure to perform any duty. Each right or privilege of such registered owners (or trustee thereof) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of the registered owners shall not be deemed a waiver of any other right or privilege thereof.

Anything in this Resolution to the contrary notwithstanding, so long as the Bond Insurer is not in default of its obligations under the Policy, upon the occurrence and continuance of an event of default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the registered owners of the Bonds or the Paying Agent, if any, for the benefit of the registered owners of the Bonds.

Section 35. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 33 of this Resolution, the District, in addition, will do and perform all commercially reasonable and proper acts on behalf of and for the registered owners of the Bonds to protect and preserve the security created for the payment of the principal of and interest on the Bonds promptly as the same become due. All proceeds derived from the Pledged Revenue, so long as the Bonds, either as to principal or interest, are Outstanding and unpaid, shall be paid into the Bond Fund and used for the purposes therein provided. In the event the Board fails or refuses to proceed as in this Section provided, the registered owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, after demand in writing, may proceed to protect and enforce the rights of the registered owners as hereinabove provided.

Section 36. Special Provisions relating to the Bond Insurer. The provisions of the Insurance Agreement, if any, are hereby incorporated herein by reference to the same extent as if set forth below.

Section 37. Bond Insurer as Third Party Beneficiary. To the extent this Resolution confers upon or gives or grants to the Bond Insurer any right, remedy or claim, the Bond Insurer, so long as the Bond Insurer is not in default of its obligations under the Policy, is recognized as a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 38. Bond Insurer Control Rights. So long as the Bond Insurer is not in default of its obligations under the Policy, and notwithstanding anything in this Resolution to the contrary, the Bond Insurer shall be deemed to be the registered owner of all of the Bonds for purposes of: (i) exercising all remedies and taking action or for any other purpose following an event of default; and (ii) granting consent, direction or approval or taking any action permitted by or required under this Resolution to be granted or taken by the registered owners of the Bonds.

Section 39. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 40. Repealer Clause. All bylaws, orders and resolutions of the District, or parts thereof, inconsistent with this resolution or with any of the documents hereby approved, are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any resolution or part of any resolution heretofore repealed.

Section 41. Amendment. This Resolution may be amended or supplemented by resolution adopted by the Board in accordance with the laws of the State of Colorado, as follows:

A. the Board without the consent of or notice to the registered owners of the Bonds may adopt a resolution supplemental hereto (which supplemental resolution shall thereafter form a part hereof) for any one or more or all of the following purposes:

(1) To add to the covenants and agreements in this Resolution contained other covenants and agreements thereafter to be observed for the protection or benefit of the registered owners of the Bonds;

(2) To cure any ambiguity, to cure, correct or supplement any defect or inconsistent provision contained in this Resolution, or to make any provisions with respect to matters arising under this Resolution or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the owners of the Bonds;

(3) To subject to this Resolution additional revenues, properties or collateral; or

(4) In connection with the issuance of additional Parity Obligations.

The District hereby covenants that notwithstanding any other provision of this Resolution, in determining whether the rights of the registered owners of the Bonds will be adversely affected by any action taken pursuant to the terms and provisions hereof, the District shall consider the effect on the registered owners as if there were no municipal bond insurance policy.

B. Except as provided in paragraph A of this Section, this Resolution may be amended without receipt by the District of any additional consideration but with the written consent of either the Bond Insurer, so long as the Bond Insurer is not in default of its obligations under the Policy, acting alone, or the registered owners of at least a majority of the principal amount of the Bonds then Outstanding (not including Bonds which may be held for the account of the District). No resolution adopted without the written consent of the registered owners of all Outstanding Bonds adversely affected thereby shall have the effect of permitting:

(1) An extension of maturity of any Bond; or

- (2) A reduction in the principal amount or interest rate of any Bond; or
- (3) The creation of a lien upon Pledged Revenue ranking prior to the lien or pledge created by this Resolution; or
- (4) A reduction of the principal amount of Bonds required for consent to such amendatory resolution; or
- (5) The establishment of priorities as between the Bonds issued and Outstanding under the provisions of this Resolution; or
- (6) The modification of or otherwise affecting the rights of the owners of less than all of the Outstanding Bonds.

Section 42. Approval of Preliminary Official Statement and Authorization of Final Official Statement. The distribution and use of the Preliminary Official Statement prepared in connection with the Bonds, is hereby ratified, approved and confirmed. The Purchaser is authorized to prepare or cause to be prepared, and the President is authorized and directed to approve, on behalf of the District, a final Official Statement for use in connection with the offering and sale of the Bonds. The execution of a final Official Statement by the President shall be conclusively deemed to evidence the approval of the form and contents thereof by the District.

Section 43. Resolution Irrepealable. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, canceled and discharged as therein provided, or there has been defeasance as provided in Section 29 hereof. The District will not repeal or amend this Resolution in any manner which would diminish the Pledged Revenue.

Section 44. 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 principal of and interest on the Bonds. 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. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bonds specifically waives any such recourse.

Section 45. Limitations on Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the Bonds shall be commenced more than thirty days after the authorization of the Bonds.

Section 46. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Resolution, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Registrar and Paying Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same

force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

Section 47. Execution. This Resolution, immediately upon its final passage, shall be recorded in the resolution book of the District kept for that purpose, and be there authenticated by the signatures of the President and the Secretary.

Section 48. Effective Date. This Resolution shall be in full force and effect upon its adoption.

PASSED, ADOPTED, SIGNED AND APPROVED this April 27, 2021.

Chairman of the Board of Directors and
President of the District

(SEAL)

Attest:

Secretary

STATE OF COLORADO)
)
 COUNTIES OF ARCHULETA,)
 HINSDALE AND MINERAL)SS.
)
 UPPER SAN JUAN HEALTH)
 HEALTH SERVICE DISTRICT)

I, Mark Ziegler, the Interim Secretary of the Board of Directors (the “Board”) of the Upper San Juan Health Service District (the “District”), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution (the “Resolution”) passed and adopted by the Board at a regular meeting of the Board held on April 27, 2021.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the regular meeting of April 27, 2021, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Greg Schulte, Chairman				
Matt Mees, Vice-Chairman				
Mark Ziegler, Interim Secretary/Treasurer				
Dr. Jim Pruitt				
Karin L. Daniels				
Jason Cox				
Kate Alfred				

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

4. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

5. Notice of the regular meeting of April 27, 2021 in the form attached hereto as Exhibit A was posted on the District’s website, at least 24 hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said District affixed this April 27, 2021.

(SEAL)

Interim Secretary

EXHIBIT A

(Attach Form of Notice of Meeting)

PAYING AGENT AND REGISTRAR AGREEMENT

In consideration of the mutual promises and covenants and subject to the terms, conditions, and covenants hereinafter recited, Upper San Juan Health Service District (the “District”), hereby appoints UMB Bank, n.a., in Denver, Colorado (the “Bank”), and the Bank accepts such appointment, as Paying Agent (the “Paying Agent”) for the District’s Limited Tax General Obligation Refunding Bonds, Series 2021, issued in the aggregate principal amount of \$_____ (the “Bonds”). The District also appoints the Bank, and the Bank accepts such appointment, as the authenticating registrar (the “Bond Registrar”) for the Bonds.

Section 1. Except as may be otherwise provided herein, the Bank shall perform those functions and duties required or permitted to be performed by the Bond Registrar and/or Paying Agent as provided in the resolution authorizing the issuance of the Bonds adopted on April 27, 2021, by the governing body of the District (the “Bond Resolution”), and shall be subject to the provisions and limitations thereof. Such Bond Resolution is incorporated herein by reference.

Section 2. The Bank shall act as agent of the District for the limited purpose of being Bond Registrar and Paying Agent for the Bonds. The Bank, its officers, directors, and employees, may become the owner or owners of, or acquire any interest in, the Bonds with the same rights that it or they would have if it were not the Paying Agent or Bond Registrar hereunder; may engage or be interested in any financial or other transactions with the District or any agents thereof; and may act on behalf of, or as depositary, trustee, or agent for, any committee or body of owners of Bonds or other obligations of the District or any agents thereof, as freely as if it were not the Paying Agent or Bond Registrar hereunder.

Section 3. The Bank understands and acknowledges that, by reason of the execution hereof, it has assumed a role of agent with respect to the disbursements of funds received from the District for the purpose of paying the principal of, premium if any, and interest due on the Bonds. The Bank shall receive and disburse such funds solely in accordance with the terms and provisions hereof, and shall remit to the District the funds not necessary for the purpose of making the aforesaid payments on the Bonds after any particular Due Date, as defined in Section 5 hereof.

Section 4. If this Agreement is executed on or prior to the date of the issuance of the Bonds, the Bank shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions of the Bond Resolution. The District shall provide the Bank with an initial registry of the Bondholders within a reasonable time prior to delivery of the Bonds. If this Agreement is entered into subsequent to the issuance of the Bonds, the District shall furnish the Bank with the existing registration books as soon as practicable after the execution hereof and the Bank shall thereafter maintain the registration books in accordance with the Bond Resolution. The District shall be permitted to review the registration books at any time during the regular business hours of the Bank and, upon written request to the Bank, shall be provided a copy of the list of registered owners of the Bonds. Upon expiration or other termination of this Agreement, the Bank shall promptly return such registration books to the District if so requested. The District will furnish or cause to be furnished to the Bank an original or certified copy of all documents relating to the Bonds which are requested by the Bank.

Section 5. The Bank shall make payments of principal, premium if any, and interest on the Bonds on each date established for payment thereof (the “Due Date”). Prior to a Due Date, the District shall furnish funds to the Bank in amounts sufficient to pay all amounts due. Such funds may be internally transferred by the Bank, in its capacity as Custodian under the Custodial Agreement dated May __, 2021 (the “Custodial Agreement”), between the District and the Bank, to the Bank, in its capacity as Paying Agent hereunder, to the extent funds are held in the “Bond Fund” established pursuant to the Custodial Agreement. Such funds shall be used by the Bank solely for the purpose of paying the principal of, premium if any, and interest on the Bonds in accordance with their terms and the provisions of the Bond Resolution. The Bank shall have no duty to collect, or notify the District of, amounts due on the Bonds. The Bank shall have no duty to make any payments prior to any Due Date or until funds necessary to cover all payments due on the Due Date have been deposited with it. The Bank shall not be required to advance its own funds for any payments in connection with the Bonds.

The District shall use its best efforts to notify the Bank of the optional redemption of Bonds, in whole or in part, at least fifty (50) days prior to the date of such optional redemption.

The District shall use its best efforts to notify the Bank of an advance refunding of the Bonds, in whole or in part, on the date on which proceeds are placed in escrow and in trust for the purpose of effecting such refunding.

Section 6. The Bank shall not be obligated to segregate the funds held as Paying Agent unless otherwise required by law, and shall not be liable for payment of interest (other than interest on the Bonds) on any funds held in its capacity as Paying Agent.

Section 7. The Bank will register, exchange, or transfer (collectively “transfer”) the Bonds in the manner provided in the Bond Resolution. The Bank reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Chicago Stock Exchange, the New York Stock Exchange, or the NYSE Market LLC by a bank or trust company or firm approved by it. The Bank also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

Section 8. The Bank may issue new or duplicate Bonds in lieu of or on account of Bonds represented to have been lost, mutilated, destroyed, or stolen in the manner set forth in the Bond Resolution.

Section 9. The District shall furnish the Bank with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance with this Agreement and from time to time shall renew such supply upon the request of the Bank. Blank Bonds shall be signed by authorized officers of the District and shall bear the seal of the District, or shall bear, to the extent permitted by law, the facsimile signature of such officers and the facsimile of said seal.

Section 10. In the event the District receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Bank of such notice or order and give a copy thereof to the Bank.

Section 11. The Bank shall be entitled to payments from the District of its fees and reasonable expenses for acting as Paying Agent and Bond Registrar in accordance with the fee schedule attached hereto as Exhibit A, and such fees and expenses shall be paid notwithstanding that the Bonds have been refunded or otherwise refinanced at the time the payment is due.

Section 12. The Bank shall have no duty to disseminate or disclose information about the District or the Bonds pursuant to any statute, rule or regulation of the United States government, any of its agencies, or any statute, rule or regulation enacted by the State of Colorado or any of its political subdivisions.

Section 13. Within one year after the final maturity date of the Bonds, the Bank shall present a final statement and shall return any unclaimed funds to the District without liability for interest thereon. All cancelled Bonds and blank, unused certificates retained by the Bank shall be destroyed in accordance with the customary procedures of the Bank and applicable retention laws. The final statement shall include a list of any unpaid Bonds and any outstanding or unclaimed interest checks. The District shall release the Bank from any further liability or responsibility for payment.

Section 14. This Agreement shall terminate upon delivery of the final statement under Section 13; however, either party may terminate the Agreement prior to that time upon thirty (30) days written notice, provided that any such termination must be in accordance with any restrictions set forth in the Bond Resolution, and such termination shall not become effective until a successor paying agent and registrar has been appointed by the District or the District has lawfully assumed such responsibilities. If the District fails to appoint a successor within ninety (90) days of a resignation notice date, the Bank may petition a court of competent jurisdiction for appointment of a successor. The Bank shall turn over all funds, books, and reports to the District or the successor paying agent and registrar, as the case may be, within a reasonable time after the effective date of the termination notice. In case of resignation, the Bank shall pay for all costs and expenses relating thereto, including costs of giving notices and costs of forwarding or returning funds, Bonds, or other documents.

Section 15. In any circumstances not covered specifically by this Agreement, the Bank shall act in accordance with federal and state banking laws and in accordance with its normal procedures in such matters.

Section 16. The terms and conditions of this Agreement may be amended only by written agreement between the District and the Bank adopted in the same manner as this Agreement.

Section 17. The Paying Agent shall not be personally liable for any act taken or omitted by it hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Paying Agent shall also be fully protected in relying upon any written notice, instruction, direction, certificate, or document which in good faith it believes to be genuine.

Section 18. All moneys held by the Paying Agent hereunder will be held uninvested and no interest will be paid thereon.

Section 19. Notices and directions to the Paying Agent from the District, or from other persons authorized to give such notices or directions as expressly set forth in this Agreement, shall be in writing and signed by an officer of the District or any other authorized representative identified in writing by the District, and shall not be deemed to be given until actually received by the Paying Agent. The Paying Agent shall not be responsible or liable for the authenticity or accuracy of notices or directions properly given hereunder if the written form and execution thereof on its face purports to satisfy the requirements applicable thereto as set forth in this Agreement, as determined by the Paying Agent in good faith without additional information or investigation.

Section 20. Any notices which the Paying Agent is required or desires to give hereunder to the District shall be in writing and may be given by mailing the same to such address as the District may indicate by written notification to the Paying Agent, by United States certified or registered mail, postage prepaid. For all purposes hereof any notice so mailed shall be as effectual as though served upon the person to whom it was mailed at the time it is deposited in the United States mail by the Paying Agent, whether or not such person thereafter actually receives such notice. Whenever under the terms hereof the time for the Paying Agent's giving a notice or performing an act falls upon a Saturday, Sunday, or holiday, such time shall be extended to the next business day.

Section 21. If the Paying Agent believes it to be reasonable to consult with counsel concerning any of its duties in connection with this Agreement, or in case the Paying Agent becomes involved in litigation as a result of being Paying Agent hereunder or of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorney's fees shall be paid by the District, but in no event shall such payment be made from the assets held hereunder for the payment of the Bonds.

Section 22. This Agreement shall be binding upon and shall inure to the benefit of the District and the Paying Agent and their respective successors and assigns. Any bank into which the Paying Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, unless the District disapproves in writing, be the successor agent without the execution of any document or the performance of any further act. In the event the District disapproves of the successor agent resulting from any of the events described above, the District shall promptly appoint another person or entity as Paying Agent, subject to the terms of the Bond Resolution.

Section 23. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 24. This Agreement is executed in Colorado and shall be construed and enforced in accordance with the internal laws of Colorado without regard to choice of law analysis.

Section 25. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 26. This Agreement shall be dated as of the issuance date of the Bonds.

[the remainder of this page is left blank intentionally]

IN WITNESS WHEREOF, Upper San Juan Health Service District has caused this Paying Agent and Registrar Agreement to be signed, sealed, and attested in its corporate name by authorized officers of the District, and UMB Bank, n.a., in Denver, Colorado, has caused this Paying Agent and Registrar Agreement to be signed in its corporate name by an authorized officer.

(S E A L)

**UPPER SAN JUAN HEALTH SERVICE
DISTRICT**

President

ATTEST:

Secretary or Assistant Secretary

UMB BANK, N.A.
as Paying Agent and Bond Registrar

Authorized Signatory

EXHIBIT A

to

PAYING AGENT AND REGISTRAR AGREEMENT

(Attach Bank Fee Schedule)

ESCROW AGREEMENT

This Escrow Agreement (the “Agreement”), dated as of May __, 2021, is by and between Upper San Juan Health Service District, a quasi-municipal corporation duly organized under the constitution and laws of the State of Colorado (the “District”), and UMB Bank, n.a., in Denver, Colorado, a national banking association duly organized and existing under the laws of the United States, being a member of the Federal Deposit Insurance Corporation, having full and complete trust powers, and having an office and place of business in the City and County of Denver and State of Colorado (the “Escrow Agent”).

WITNESSETH:

WHEREAS, the District has heretofore authorized, issued, and delivered its Limited Tax General Obligation Bonds (Additionally Secured by Net Medical Center Revenue), Series 2006, originally issued in the aggregate principal amount of \$9,470,000 and currently outstanding in the aggregate principal amount of \$8,705,000 (the “Refunded Bonds”); and

WHEREAS, pursuant to a resolution adopted and approved on April 27, 2021, by the governing body of the District (the “Authorizing Document”), the provisions of which are incorporated herein by reference, the District has authorized the issuance of its Limited Tax General Obligation Refunding Bonds, Series 2021, in an aggregate principal amount of \$_____ (the “Refunding Bonds”), part of the net proceeds derived from the issuance thereof to be deposited by the District in a special trust account therein created and authorized, to be used to refund and pay the Refunded Bonds; and

WHEREAS, the District shall apply the available proceeds of the Refunding Bonds, after payment of certain costs and expenses incurred by the District as a result of the refunding, together with such other legally available moneys of the District as may be necessary (the “Escrow Supplement”), to the payment in full of the principal of, premium if any, and interest on the Refunded Bonds in the manner and at the times hereinafter set forth;

NOW THEREFORE, IT IS AGREED: That in consideration of the mutual covenants herein contained and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration duly paid by, or on behalf of, the District to the Escrow Agent at or before the execution and delivery of this Agreement, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of, premium if any, and interest on the Refunded Bonds, according to the schedule set forth herein, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns, as follows:

Section 1. Funding and Use of Escrow Account. The District shall deposit with the Escrow Agent in a special fund and irrevocable trust account, designated as the “Upper San Juan Health Service District Refunding Escrow Account, 2021” (the “Escrow Account”), the amount of \$_____, being the total available proceeds of the Refunding Bonds after payment of the costs and expenses of the refunding procedure, plus any Escrow Supplement, which amount will be at all times at least sufficient to pay the principal of, premium if any, and interest on the Refunded Bonds in accordance with the following schedule:

(a) The Refunded Bonds maturing in the year 2021 shall be paid and retired at their respective maturity date according to their original terms;

(b) The Refunded Bonds maturing or coming due as a result of mandatory sinking fund redemption in the years 2026 and thereafter shall be called for redemption prior to their respective maturities or mandatory sinking fund redemption dates and shall be paid on the date and at the price set forth below:

Prior Redemption Date	Price
June 1, 2021	Par and accrued interest, without redemption premium

(c) Interest becoming due on the Refunded Bonds shall be paid from the Escrow Account on the proper interest payment date according to their original terms, until the Refunded Bonds come due in accordance with the above schedule.

Prior to any date of prior redemption of the Refunded Bonds pursuant to the above schedule, the Escrow Agent shall mail a written notice of call and redemption to the owners of the Refunded Bonds in the time and manner required by the documents pertaining to the issuance of the Refunded Bonds.

At the time of actual execution of this Agreement, the Escrow Agent shall secure the cash balance in the Escrow Account in the manner set forth herein. Such cash is irrevocably pledged and placed in escrow and in trust for the payment of the principal of, premium if any, and interest on the Refunded Bonds.

Section 2. Trust Account. At all times the Escrow Agent shall hold said special deposit in a special fund and irrevocable trust account which is accounted for separately from other funds and securities on deposit with it and shall never at any time use, loan, or borrow the same in any way. Nothing herein contained shall be construed as requiring the Escrow Agent to keep on hand the identical moneys, or any part thereof, received for the Escrow Account, but moneys of an equal amount. Monies in the Escrow Account shall remain uninvested.

Section 3. Termination of Escrow Account. The Escrow Agent shall maintain the Escrow Account until the date upon which the Refunded Bonds are fully redeemed and paid, as to principal, premium if any, and interest, whereupon the Escrow Agent shall redeem any obligations remaining in the Escrow Account and shall remit to the District all moneys, if any, then remaining in the Escrow Account.

Section 4. Collateralization. The Escrow Agent shall fully collateralize the moneys in the Escrow Account in an amount at all times at least equal to the total unexpended amount of said moneys.

Section 5. Status of Funds. In the event of the Escrow Agent's failure to account for any funds or securities received by it for the District's account, and if for any reason such funds or securities cannot be identified, the Escrow Agent shall be liable for any losses occasioned thereby. The funds received by the Escrow Agent shall not be considered as a banking

deposit by the District. The funds so received by the Escrow Agent as escrow agent and trustee shall not be subject to checks drawn or withdrawals made by the District.

Section 6. Paying Agent for Refunded Bonds. The paying agent for the Refunded Bonds is UMB Bank, n.a. The Escrow Agent shall forward or transfer to the appropriate paying agent for the Refunded Bonds sums which shall be sufficient for the payment of the principal of, premium if any, and interest becoming due on the Refunded Bonds on June 1, 2021. The amount so forwarded or transferred shall be in sufficient time to permit such payment on time without default. Such forwarding shall be the duty of the Escrow Agent and such payment shall be the duty of the appropriate paying agent. It shall not be necessary for the District to take any affirmative action whatsoever as a condition precedent to the duty of the Escrow Agent to forward or transfer such funds to the proper paying agent at the necessary times.

Section 7. Notice of Insufficient Funds. The Escrow Agent shall immediately notify the District by certified or registered, first class United States mail, postage prepaid, whenever, for any reason, it learns that the funds on hand in the Escrow Account will be insufficient to pay the principal of, premium if any, and interest on the Refunded Bonds on June 1, 2021.

Section 8. Escrow Agent Responsibilities. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or non-performance by the District or any paying agent of any of the District's or paying agent's obligations, or to protect any of the District's rights under any bond documents or any of the District's other contracts with or franchises or privileges from any state, county, municipality, or other governmental agency, or with any corporation or individual; and the Escrow Agent shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligations imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Refunding Bonds or the Refunded Bonds or any proceedings taken in connection therewith, but they are made solely by the District.

Section 9. Inurement. This Agreement shall be binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. Any bank into which the Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, unless the District disapproves in writing, be the successor agent without the execution of any document or the performance of any further act. In the event the District disapproves of the successor agent resulting from any of the events described above, the District shall promptly appoint any state or national bank or savings and loan association within the State of Colorado which is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and which has trust powers to be the successor agent, whereupon such successor agent shall immediately succeed to the respective agreements and covenants hereunder.

Section 10. Agreement Intended To Be Irrevocable; Amendments. This Agreement is entered into for the benefit of the registered owners of the Refunded Bonds, and is

intended by the parties to be irrevocable; provided that this Agreement may be amended in writing signed by the District and the Escrow Agent, but only to correct ambiguities, strengthen bondholder protection, or sever a clause deemed to be illegal. The District hereby agrees for the benefit of the registered owners of the Refunded Bonds that it will not avail itself of any statutory or other right it may have to terminate or cancel this Agreement.

Section 11. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

IN WITNESS WHEREOF, Upper San Juan Health Service District has caused this Escrow Agreement to be signed, sealed, and attested in its corporate name by authorized officers of the District, and UMB Bank, n.a., in Denver, Colorado, has caused this Escrow Agreement to be signed in its corporate name by an authorized officer.

(S E A L)

**UPPER SAN JUAN HEALTH SERVICE
DISTRICT**

President

ATTESTED:

Secretary or Assistant Secretary

UMB BANK, N.A.

Authorized Signatory

CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”), dated May __, 2021, is by and between Upper San Juan Health Service District, a quasi-municipal corporation duly organized under the constitution and laws of the State of Colorado (the “District”), and UMB Bank, n.a., Denver, Colorado, a national banking association duly organized and existing under the laws of the United States, being a member of the Federal Deposit Insurance Corporation, having full and complete trust powers, and having an office and place of business in the City and County of Denver and State of Colorado, as custodian (the “Custodian”).

RECITALS

WHEREAS, as of the date hereof, the District has issued its Limited Tax General Obligation Refunding Bonds, Series 2021 (the “2021 Bonds”), pursuant to a resolution approved by the Board of Directors of the District on April 27, 2021 (the “Bond Resolution”); and

WHEREAS, pursuant to the Bond Resolution, the District has established the “Bond Fund” to be held by the Custodian; and

WHEREAS, pursuant to the Bond Resolution, the District is to transfer Pledged Revenue (as defined in the Bond Resolution) to the Custodian for deposit into the Bond Fund on the dates and in the amounts set forth in Section 20 of the Bond Resolution; and

WHEREAS, pursuant to this Agreement and the Paying and Registrar Agreement between the District and UMB Bank, n.a. (the “Paying Agent”), the Custodian is required to transfer amounts in the Bond Fund to the Paying Agent for use in paying the principal of, principal, premium if any, and interest on the Bonds on each date established for payment thereof; and

WHEREAS, the Custodian is willing to act as custodian to hold and invest the monies in the Bond Fund as provided herein and in the Bond Resolution, and to transfer, to the extent of available monies, such amounts to the Paying Agent as are necessary to pay the principal of, premium if any, and interest on the Bonds on each date established for payment thereof, as provided by the Bond Resolution.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

SECTION 1. Deposits to the Bond Fund.

A. There is hereby established and there shall be maintained with the Custodian the Bond Fund (referred to in the Bond Resolution as the “2021 Bond Fund”). The Custodian shall establish and maintain the Bond Fund and the Bond Fund shall constitute a trust fund for the benefit of the holders of the 2021 Bonds. The monies in the Bond Fund shall be invested and disbursed only for the purposes and uses hereinafter authorized.

B. The District shall transfer Pledged Revenue to the Bond Fund at the times and in the amounts required by Section 20 of the Bond Resolution.

C. The Custodian shall hold the monies in the Bond Fund, and any income derived therefrom, solely to pay the principal of, principal, premium if any, and interest on the Bonds.

D. On each date established for payment of the principal of, principal, premium if any, and interest on the Bonds pursuant to the Bond Resolution, the Custodian shall, to the extent of available monies, transfer monies in the Bond Fund to the Paying Agent in an amount sufficient to make the required payment.

E. The Custodian shall provide monthly reports regarding the balance in the Bond Fund as of the previous month end to the District by the tenth business day of each month.

SECTION 2. Investments. The Custodian shall invest amounts in the Bond Fund only at the written direction of the District. In the event the District fails to provide written directions concerning investment of moneys held by the Custodian, the Custodian may invest in money market mutual funds. The Custodian may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees, and it is specifically provided herein that the Custodian may purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Custodian may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share. The Custodian is specifically authorized to implement its automated cash management system to invest cash and to charge its normal cash management fees, which may be deducted from earned income on investments. Interest earned from the investment or reinvestment of moneys credited to the Bond Fund shall be credited to the Bond Fund. The District agrees that amounts in the Bond Fund shall be invested only in investments which are legal investments for the District under Colorado law which shall mature or be subject to redemption at the option of the holder on or prior to the date when the proceeds thereof must be available for the prompt payment of the principal of, redemption premium, if any, and interest on the 2021 Bonds, as the same become due. The Custodian shall not be responsible for any losses resulting from the investment of amounts in the Bond Fund, or for obtaining any specific yield or percentage of earnings on such investment.

SECTION 3. Termination; Amendments. This Agreement shall remain in full force and effect so long as required by the Bond Resolution. This Agreement may be amended by written agreement between the District (approved by the Board of Directors) and the Custodian. [____], as bond insurer for the 2021 Bonds (the “Bond Insurer”) shall be provided with notice of any proposed amendment to this Agreement. No Amendment shall be effective unless the Bond Insurer has consented, in writing, to same, such consent not unreasonably withheld.

SECTION 4. Resignation or Replacement. The Custodian may resign at any time on 30 days’ prior written notice to the District. The District may remove the Custodian upon 30 days’ prior written notice to the Custodian. No resignation or removal of the Custodian shall take effect until a successor has been appointed; provided, that if no successor is appointed by the end of 90 days, the Custodian may petition a court of competent jurisdiction to appoint a successor. If

the Custodian initially appointed shall resign, or if the District shall remove the Custodian, the District shall appoint a successor Custodian. Every such successor Custodian shall be a bank or trust company located in and in good standing in the United States and having a shareowners' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000. The successor Custodian shall be acceptable to the Bond Insurer.

SECTION 5. Time of Essence. Time is of the essence in the performance of the obligations from time to time imposed upon the Custodian by this Agreement.

SECTION 6. Successors.

A. Whenever in this Agreement the District or the Custodian is named or is referred to, such provision is deemed to include any successor of the District or the Custodian, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Custodian to a successor. Any corporation or association into which the Custodian may be merged or converted or with which the Custodian may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Custodian may be a party or any corporation or association to which the Custodian may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Custodian without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

B. All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the District or the Custodian contained in this Agreement:

(1) Shall bind and inure to the benefit of any such successor, and

(2) Shall bind and inure to the benefit of any officer, board, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law and relevant right, power, or duty of the District or the Custodian, respectively, or of its successor.

SECTION 7. Reliance by the Custodian. The Custodian may conclusively rely and shall be protected in acting upon any written notice, facsimile, request, waiver, consent, certificate, receipt, opinion of counsel, authorization, power of attorney, or other paper or document which the Custodian in good faith believes to be genuine and what it purports to be.

The Custodian shall be entitled to conclusively rely upon and may act upon advice of counsel (who may or may not be counsel for the District) on all matters and shall be without liability for any action reasonably taken or omitted pursuant to such advice.

SECTION 8. Indemnification. To the extent permitted by law and exclusively form Pledged Revenue, the District hereby agrees to indemnify and hold harmless the Custodian from any and all cost, expense, damage, claim and liability (including without limitation attorneys' fees and expenses) incurred by or asserted against the Custodian, except such as results from the Custodian's own negligence or willful misconduct.

SECTION 9. General Responsibilities of the Custodian. The Custodian will be responsible for only those duties stated in this Custodial Agreement or expressly contained in

instructions given to and accepted by the Custodian by the District pursuant to the provisions of this Custodial Agreement.

No provision of this Agreement shall require the Custodian to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

SECTION 10. Prior Obligations. Nothing in this agreement affects the rights, duties or obligations of either the District or the Custodian pursuant to any other agreement to which the District and the Custodian are parties.

SECTION 11. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement.

SECTION 12. Notices. Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the District: Upper San Juan Health Service District
Attn: Chairman of the Board of Directors
189 North Pagosa Blvd.
Pagosa Springs, Colorado 81147

If to the Custodian: UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attn: Corporate Trust & Escrow Services

If to the Bond Insurer: _____

or such other address as either party may, by written notice to the other party, hereafter specify. Any notice shall be deemed to be given upon mailing.

SECTION 13. Custodial Fee. As consideration for all services to be performed by the Custodian under this Agreement, the District agrees to pay to the Custodian an annual administrative fee of \$ _____ billed annually in arrears.

SECTION 14. Electronic Storage. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed

documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

SECTION 15. Counterparts. This document may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. In addition, the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SECTION 16. Governing Law. This Agreement shall be governed by the internal laws of the State of Colorado without regard to choice of law analysis.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

(S E A L)

**UPPER SAN JUAN HEALTH SERVICE
DISTRICT**

President

ATTESTED:

Secretary or Assistant Secretary

UMB BANK, N.A.

Authorized Signatory

**[\$[Principal Amount]
Upper San Juan Health Service District
Limited Tax General Obligation Refunding Bonds, Series 2021**

BOND PURCHASE AGREEMENT

Board of Directors
Upper San Juan Health Service District
189 North Pagosa Blvd.
Pagosa Springs, Colorado 81147

May 18, 2021

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, Denver, Colorado (the “Underwriter”), offers to enter into the following agreement (the “Agreement”) with Upper San Juan Health Service District (the “District”), with respect to the purchase by the Underwriter of \$[Principal Amount] aggregate principal amount of the District’s Limited Tax General Obligation Refunding Bonds, Series 2021 (the “Bonds”), which, upon the acceptance of this offer by the Board of Directors of the District (the “Board”), will be binding upon the District and upon the Underwriter, subject to the conditions set forth herein. This offer is made subject to the District’s acceptance hereof by execution of this Agreement and its delivery to the undersigned at or prior to 10:00 p.m. on the date first above written. Unless otherwise indicated, capitalized terms used herein which are not defined shall have the meanings given in the Official Statement or the Bond Resolution (as defined in the Official Statement).

The term “Official Statement” means the offering memorandum, offering circular, prospectus, or other similar document, including any addendum thereto, authorized by the Board as the official sales document(s) to be used by the Underwriter to offer the Bonds to others. The term “Preliminary Official Statement” means the Preliminary Official Statement dated May 7, 2021.

The Underwriter is obligated under Rule G-23 of the Municipal Securities Rulemaking Board (the “MSRB”) to disclose to the District the following information, which the Board, for and on behalf of the District, acknowledges and agrees to by signing this Agreement:

- (i) The bond purchase contemplated by this Agreement will be an arm’s length, commercial transaction between the District and the Underwriter.
- (ii) The Underwriter is not acting as a municipal advisor, financial advisor or fiduciary with respect to the District.
- (iii) The Underwriter has not assumed any fiduciary responsibility to the District with respect to the underwriting of the Bonds and the District has consulted and will continue to

consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate.

In addition, the Board, for and on behalf of the District, acknowledges that MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors, while recognizing that the Underwriter has financial and other interests that differ from the interests of the District. The Underwriter hereby discloses to the District that the Underwriter is not required by federal law to act in the District's best interests without regard to the Underwriter's own financial or other interests. The Underwriter does have a duty to purchase securities from the District at a fair and reasonable price, but the Underwriter must balance that duty with its duty to sell the Bonds to investors at prices that are also fair and reasonable. The Underwriter will review the Official Statement for the Bonds in accordance with and as part of its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Section 1. Certain Representations, Warranties, and Covenants of the District. The Board, for and on behalf of the District, represents, warrants, and covenants to the Underwriter, both at the time of the District's acceptance hereof and at the time of the Closing (hereinafter defined), that:

(a) The Bonds are limited tax general obligations of the District secured by and payable from the Pledged Revenue.

(b) The District is duly organized and existing as a quasi-municipal corporation and political subdivision of the State of Colorado, and the Board, as the governing body of the District, is duly authorized by all applicable laws, rules, and regulations to consummate all transactions contemplated by (i) this Agreement, (ii) the Bonds, (iii) the Bond Resolution, (iv) the Letter of Representations provided by the District to the Depository Trust Company, New York, New York, (v) the Continuing Disclosure Agreement, (vi) the Paying Agent and Registrar Agreement, (vi) the Custodial Agreement, and (viii) the Escrow Agreement (collectively, the foregoing documents are referred to herein as the "Financing Documents") and any and all other agreements, orders, acts, and resolutions relating thereto, and to the best of the Board's knowledge have duly authorized all necessary action to be taken by the District for the adoption and execution of the above instruments and the consummation of the transactions contemplated thereby.

(c) Prior to the date hereof, the District has furnished to the Underwriter the Preliminary Official Statement. The Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading, subject to the condition that while information in the Preliminary Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness, or fairness, the District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and since the date of the Preliminary Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the District and no material adverse changes in the general affairs of the District or in its financial condition as shown in the Preliminary Official Statement, other than as disclosed in or contemplated by the Official Statement.

(d) There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, or body pending with which the District has been served with actual notice or, to the best of the Board's knowledge, threatened, against or affecting the District or affecting the Pledged Revenue.

(e) To the best of the Board's knowledge, the execution and delivery of the Financing Documents, and the other instruments and agreements contemplated thereby, and compliance with the provisions thereof, will not conflict with or constitute a breach of or a default under any existing law, rule, regulation, decree, order, agreement, indenture, mortgage, lease, or any other agreement or instrument to which the District is subject or by which it is bound.

(f) The terms, conditions, and issuance of the Bonds are in compliance in all material respects with the Service Plan, including any amendments thereto.

(g) Any certificate signed by an official of the District and delivered to the Underwriter shall be deemed to be a representation and warranty by the District to the Underwriter as to the statements made therein.

(h) The District will provide to the Underwriter such information regarding the District's current financial condition and ongoing operations as the Underwriter may reasonably request.

(i) The District will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution, or which would cause the interest on the Bonds to be includible in gross income for federal income tax purposes.

Section 2. Agreement to Purchase.

(a) Subject to the terms and conditions and upon the representations and warranties herein set forth, the Underwriter hereby agrees to purchase from the District for offering to others, in accordance with the terms of the limited offering of the Bonds described in the Official Statement, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the Bonds, at the purchase price of \$[____], consisting of the par amount of the Bonds of \$[Principal Amount].00, plus original issue premium of \$[____], less Underwriter's discount of \$[____]). The Bonds will mature, bear interest, be subject to redemption and be sold at the price indicated in Exhibit A hereto. The terms of the Bonds shall be as described more fully in the Bond Resolution.

(b) The Underwriter hereby agrees to make a bona fide limited offering of the Bonds at not in excess of the initial offering price (which may be expressed in terms of yield) set forth on the inside cover page of the Official Statement and in Exhibit A hereto.

(c) The Board, for and on behalf of the District, hereby authorizes the use by the Underwriter of the Official Statement in connection with the sale of the Bonds and the Board,

for and on behalf of the District, consents to the use by the Underwriter, prior to the date of this Agreement, of the Preliminary Official Statement.

Section 3. Closing. Delivery of and payment for the Bonds shall be made at the offices of bond counsel, Sherman & Howard L.L.C., 633 Seventeenth Street, Denver, Colorado 80202, at 9:00 a.m. on May 26, 2021, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Underwriter (such delivery and payment is hereinafter called the “Closing”). Delivery of the Bonds shall be made to the Underwriter against payment by the Underwriter of the purchase price of the Bonds as set forth in Section 2(a) hereof, in immediately available funds to or upon the order of the District. The Bonds shall be delivered in definitive form to the Trustee, as a FAST closing agent on behalf of The Depository Trust Company (“DTC”).

Section 4. Expenses. The Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the District hereunder. The District agrees to pay from the net proceeds of the Bonds reasonable expenses incurred in connection with: the preparation, printing and issuance of the Bonds; the preparation and printing of the Preliminary Official Statement and the Official Statement; the fees and expenses of any counsel required by the terms hereof or otherwise to render an opinion in connection with the Financing Documents; the fees and expenses of bond counsel, the District’s general counsel, and Underwriter’s counsel, the District’s accountant’s and other consultants’ fees; fees of the Trustee and paying agent; and all other expenses incurred by the Underwriter in connection with its purchase, offering and distribution of the Bonds. In the event this Agreement shall terminate without the Bonds being issued, the District will, nevertheless, pay or cause to be paid, any amounts owing specified above for which it is contractually liable.

Section 5. Conditions to Underwriter’s Obligations.

(a) The obligations of the Underwriter hereunder are subject to the performance by the District of its obligations to be performed hereunder at or prior to Closing, to the accuracy of the representations and warranties of the District herein as of the date hereof and as of the time of Closing, and in the Underwriter’s discretion are subject to the following further conditions, all of which must occur at or prior to Closing (note that the legal opinions described below may be subject to customary qualifications and limitations as are agreed to by the Underwriter prior to the issuance of the Bonds):

(i) *Executed Documents.* The Underwriter shall receive executed copies of the Financing Documents.

(ii) *Financing Documents.* The Financing Documents and any other instruments and agreements contemplated thereby shall be in full force and effect and shall not have been modified or changed except as may have been agreed to in writing by the Underwriter.

(iii) *Additional Resolutions, Rules or Regulations.* The District shall have adopted and there shall be in full force and effect such additional resolutions, rules,

or regulations as shall, in the opinion of the general counsel for the District, and of bond counsel, be necessary in connection with the transactions contemplated hereby.

(iv) *Opinion of Bond Counsel.* The Underwriter shall receive the approving opinion of Sherman & Howard L.L.C., as Bond Counsel, in a form and in substance satisfactory to the Underwriter, dated the day of Closing and addressed to the District and the Underwriter (or with a reliance letter to the Underwriter), in substantially the form appended to the Preliminary Official Statement.

(v) *Supplemental Opinion of Bond Counsel.* The Underwriter shall receive an opinion of Sherman & Howard L.L.C., as Bond Counsel, in form and in substance satisfactory to the Underwriter, dated the day of Closing and addressed to the District and the Underwriter (or with a reliance letter to the Underwriter), stating: (A) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”); (B) it is not necessary in connection with the offering and sale of the Bonds to qualify the Bond Resolution under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”); (C) the statements contained in the Official Statement under the captions “INTRODUCTION – Security for the Bonds” and “- The Bonds; Prior Redemption,” “THE BONDS,” “SECURITY FOR THE BONDS,” and Appendix E, insofar as such statements purport to summarize certain provisions of the Bonds and the Bond Resolution, present accurate summaries of such provisions; and (D) the information contained in the italicized first paragraph on the cover page of the Official Statement and under the captions “INTRODUCTION – Tax Status,” and “TAX MATTERS” presents an accurate summary of the matters discussed therein.

(vi) *Special Counsel Letter.* The Underwriter shall receive an opinion of Sherman & Howard L.L.C., as Disclosure Counsel to the District, in form and in substance satisfactory to the Underwriter, dated the day of Closing and addressed to the District and the Underwriter (or with a reliance letter to the Underwriter), stating, in substance, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with this matter that cause them to believe that the Preliminary Official Statement as of its date or the Official Statement as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, nor do we express any belief with respect to any financial and statistical data and forecasts, projections, estimates, assumptions and expressions of opinion, and information concerning the Specimen Financial Guaranty Insurance Policy contained in Appendix F thereto, and information concerning The Depository Trust Company and the book-entry system for the Bonds contained or incorporated by reference in the Preliminary Official Statement or the Official Statement and its Appendices, which we expressly exclude from the scope of this paragraph.

(vii) *Opinion of District Counsel.* The Underwriter shall receive an opinion of Collins Cockrel & Cole, P.C., Denver, Colorado, as general counsel to the District, in a form and in substance satisfactory to the Underwriter, dated the day of Closing and addressed to the District and the Underwriter, concerning: (A) the due organization of the District; (B) to the knowledge of the District's counsel, the absence of litigation involving the District not disclosed in the Official Statement; (C) the adoption, as applicable, and due execution and delivery of the Financing Documents; (D) the qualification of the members of the Board to serve in such capacity; (E) whether the issuance of the Bonds or entering into the Financing Documents will constitute a violation of any judgment, order or decree, or a breach of any contract to which the District is a party; (F) the District is in substantial compliance with the Service Plan and entering into the Financing Documents and issuing the Bonds does not create a material modification thereto; and (G) a statement to the effect that the sections of the Official Statement entitled "INTRODUCTION – The District," "THE DISTRICT," "DISTRICT FINANCIAL INFORMATION – Budget and Appropriation Procedure," and "LEGAL MATTERS – No Litigation Involving the District," but excluding financial information contained therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and such other matters as may be reasonably requested by the Underwriter or Bond Counsel.

(viii) *District Certificate.* The Underwriter shall receive a certificate or certificates dated the day of Closing, in a form satisfactory to the Underwriter, signed by the appropriate officials of the District, which is or are expected to state in substance, among other things, that: (A) there is no litigation pending or, to the District's knowledge, threatened seeking to restrain or to enjoin the issuance or delivery of the Bonds, the levy, imposition or collection of the Pledged Revenue, or in any manner questioning the authority and proceedings for the issuance of the Bonds or the levy, imposition or collection of the Pledged Revenue, or affecting the validity of the Bonds or the levy, imposition or collection of the Pledged Revenue; (B) neither the corporate existence of the District, the present boundaries thereof, nor the rights of the Board and the District's officers to hold their respective positions is being contested or challenged; (C) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked, or rescinded; (D) none of the Bonds have been issued prior to the date of Closing; (E) so far as is known, nothing exists to hinder or prevent the District from issuing the Bonds; (F) the representations and warranties of the District contained in this Agreement are true and correct in all material respects as of the date of Closing, and the District has complied with all agreements and covenants and satisfied all conditions required to be complied with or satisfied on or prior to the issuance of the Bonds as contemplated by the Financing Documents; (G) the Preliminary Official Statement, as of its date, and the Official Statement as of its date and as of the day of Closing, is complete and accurate in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (H) there has been no material adverse change in the ability of the District to pay debt service on the Bonds or the financial condition of the District from the date of the Official Statement to the date of such

certificate; and (I) such other representations as the Underwriter or Bond Counsel may reasonably request.

(ix) *Continuing Disclosure Agreement.* The District and the Trustee shall have executed the Continuing Disclosure Agreement in substantially the form attached to the Official Statement as Appendix C.

(x) *Bond Registrar and Paying Agent Certificate.* The Underwriter shall receive a certificate of the Bond Registrar and Paying Agent, dated the day of Closing, as to, among other things, the powers and authority of the Bond Registrar and Paying Agent, the acceptance of the duties of the Paying Agent and Registrar under the Bond Resolution and the Paying Agent and Registrar Agreement, and the authentication of the Bonds by the Bond Registrar.

(xi) *Registration Exemption.* The Underwriter shall receive evidence of the exemption of the Bonds from the registration requirements of the Colorado Municipal Bond Supervision Act.

(xii) *Rating.* The Underwriter shall have received evidence that the Bonds carry an insured rating of ___ by Moody's Investors Service, based on the issuance of the Policy by the Bond Insurer, and an underlying rating of ___ from Moody's Investors Service.

(xiii) *Insurance.* The Underwriter shall have received evidence that the Insurer has issued the Policy.

(xiv) *Additional Requirements.* The Underwriter shall receive such additional certificates and other documents as the Underwriter may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby.

(b) The opinions and certificates and other evidence referred to above shall be dated as of the Closing, and, unless otherwise stated above, shall be in form and substance satisfactory to the Underwriter in its reasonable discretion. All opinions referred to above shall be addressed to the Underwriter, or appropriate reliance letters shall be provided to the Underwriter.

Section 6. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(d) The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Securities, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public (each such term being used as defined below) for purposes of this section. Further, for the purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

Section 7. Cancellation of the Agreement. The Underwriter shall have the right to cancel this Agreement by notification to the Board if, at any time subsequent to the date of this Agreement and at or prior to Closing:

(a) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced in, by amendment or otherwise, or be passed by, the House of Representatives or the Senate, or recommended by the President of the United States of America to the Congress of the United States of America for passage, or be enacted by the Congress of the United States of America, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States of America, shall be rendered, or a ruling, official statement, or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the District or by any similar body or upon interest received on obligations of the general character of the Bonds which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale thereof.

(b) Any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency in the State, or a decision by any court of competent jurisdiction shall be rendered which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale thereof.

(c) A stop order, ruling, regulation, or official statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be proposed, issued, or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal or state securities laws, the Securities Act, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act.

(d) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or from other requirements of the Securities Act or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act.

(e) Any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement, as then amended or supplemented, includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under

which they were made, not misleading, and, in either such event, the District refuses to permit the Official Statement to be supplemented or amended to supply such statement or information, or the effect of the Official Statement as so supplemented or amended is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market price for or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities by any governmental authority or by any national securities exchange.

(g) Any national securities exchange or any governmental authority shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter.

(h) A general banking moratorium shall have been established by federal, New York, or Colorado authorities.

(i) Trading in any securities of the District's shall have been suspended on any national securities exchange; or any proceeding shall be pending or threatened against the District by the Securities and Exchange Commission.

(j) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have been instigated or escalated, or any other event relating to the operation of government or the financial community shall have occurred which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale thereof.

Section 8. Preliminary Official Statement and Official Statement.

(a) The District shall provide and shall cause its accountants and advisors to provide such information, access to records, and other cooperation as the Underwriter may reasonably request in connection with the preparation of the Preliminary Official Statement and Official Statement for use in connection with the distribution of the Bonds by the Underwriter. The District ratifies and/or authorizes the use of the Preliminary Official Statement and the Official Statement by the Underwriter and others in connection with the distribution of the Bonds, and if requested by the Underwriter, shall cause the Official Statement to be executed on behalf of the District by one of its authorized officials.

(b) The Underwriter represents that the offering of the Bonds is subject to continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The District represents that it will enter into the Continuing Disclosure Agreement in order to assist the Underwriter in complying with the Rule.

(c) The District hereby agrees to deliver to the Underwriter, within the earlier of: (i) seven (7) business days after the date of acceptance hereof by the District or (ii) one day

prior to Closing, sufficient copies of the final version of the Official Statement as may be reasonably requested by the Underwriter. The Underwriter has determined that such delivery date is in sufficient time to permit the Official Statement to accompany any confirmation that requests payment from any customer of the Underwriter.

Section 9. Miscellaneous.

(a) Any notice or other communication to be given to the District under this Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Agreement shall be in writing addressed to the Underwriter and may be given by delivering the same at the office of the Underwriter, 1401 Lawrence Street, Suite 900, Denver, Colorado 80202.

(b) This Agreement is made solely for the benefit of the District and the Underwriter and the Underwriter's respective successors or assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. This Agreement shall not be assignable by the District. A person or other legal entity shall not be deemed to be the successor or assign of the Underwriter solely by reason of having purchased a Bond or Bonds.

(c) All the representations, warranties, and agreements of the District in this Agreement shall remain operative and in full force and effect and shall survive delivery of and payment for the Bonds, regardless of any investigation made by or on behalf of the Underwriter.

(d) If the District shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter shall be cancelled or otherwise terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except that the agreements relating to the payment of expenses in Section 4 hereof shall survive any termination of this Agreement.

(e) The provisions hereof contain all of the terms of the agreement between the District and the Underwriter concerning the sale and purchase of the Bonds, and this Agreement supersedes any other agreements or understandings between the District and the Underwriter concerning such matters. No addition, amendment, alteration, modification, or deletion hereto shall be made except by written amendment signed by the District and the Underwriter.

(f) This Agreement arises out of transactions in the State of Colorado, and shall be governed, interpreted, and construed in accordance with the laws of the State of Colorado.

(g) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(h) Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

If the foregoing is acceptable to the District, please sign below and this Agreement will become a binding contract between the District and the Underwriter.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Authorized Signatory

Date: May 18, 2021.

Time: _____

The form of this Agreement was approved by resolution adopted on April 27, 2021.

**UPPER SAN JUAN HEALTH SERVICE
DISTRICT**

By: _____
Authorized Signatory

Date: May 18, 2021.

Time: _____

EXHIBIT A
to
BOND PURCHASE AGREEMENT

(Attach Final Pricing Information)

EXHIBIT B**FORM OF ISSUE PRICE CERTIFICATE**

[\$[Principal Amount]
Upper San Juan Health Service District
Limited Tax General Obligation Refunding Bonds, Series 2021

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below in connection with the issuance on the date hereof by Upper San Juan Health Service District (the “District”) of its Limited Tax General Obligation Refunding Bonds, Series 2021 (the “Bonds”).

1. **Sale of the Bonds.** A bona fide public offering was made for all of the Bonds on the Sale Date at the Prices shown on the cover page of the Official Statement for the Bonds. For each Maturity of the Bonds, the first price at which at least ten percent of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I hereto.

2. **Other Matters.** Representations as to reserve funds, yield and average maturity to be included here, as applicable, at time of closing.

3. **Defined Terms.**

(a) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Issue Price Certificate are limited to factual matters only. Nothing in this Issue Price Certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the District with respect to certain of the representations set forth in the Tax Compliance Certificate to which this Issue Price Certificate is attached and with respect to compliance with the federal income tax rules affecting the Bonds, and by Sherman & Howard L.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from

gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

DATED: May 26, 2021.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By _____
Name _____
Title _____

**SCHEDULE I
TO ISSUE PRICE CERTIFICATE**

MATURITY SCHEDULE

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	10% Test Met

**UPPER SAN JUAN HEALTH SERVICES DISTRICT
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2021-05
April 27, 2021**

WHEREAS, Section 8.d of the Bylaws and Board Policy No. 2 provide that the Board of Directors shall elect from its membership a Chair, Vice-Chair, Secretary and Treasurer, who shall be the officers of the Board of Directors and of the District and may, from time to time, appoint an acting officer in the absence of any individual officer;

WHEREAS, there is a vacancy for the office of Treasurer/Secretary due to the resignation of former board member Dr. King Campbell;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors elects, pursuant to Section 8.d of the Bylaws and Board Policy No. 2, Director _____ to serve as Treasurer/Secretary until the next election of officers at the regular meeting of the Board in May of 2022.

Greg Schulte, as Chairman of the Board of Directors of USJHSD

**Finance Committee & CFO Report for the
USJHSD Board Meeting on April 20, 2021**

This report provides a summary of the discussions of the Board's Finance Committee that met on April 20, 2021.

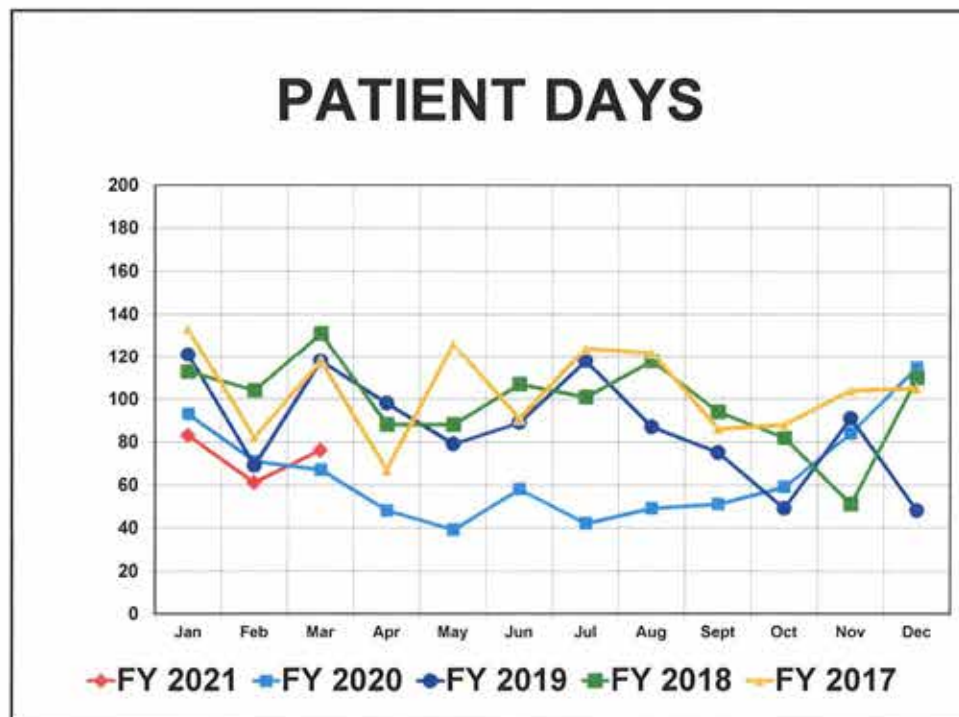
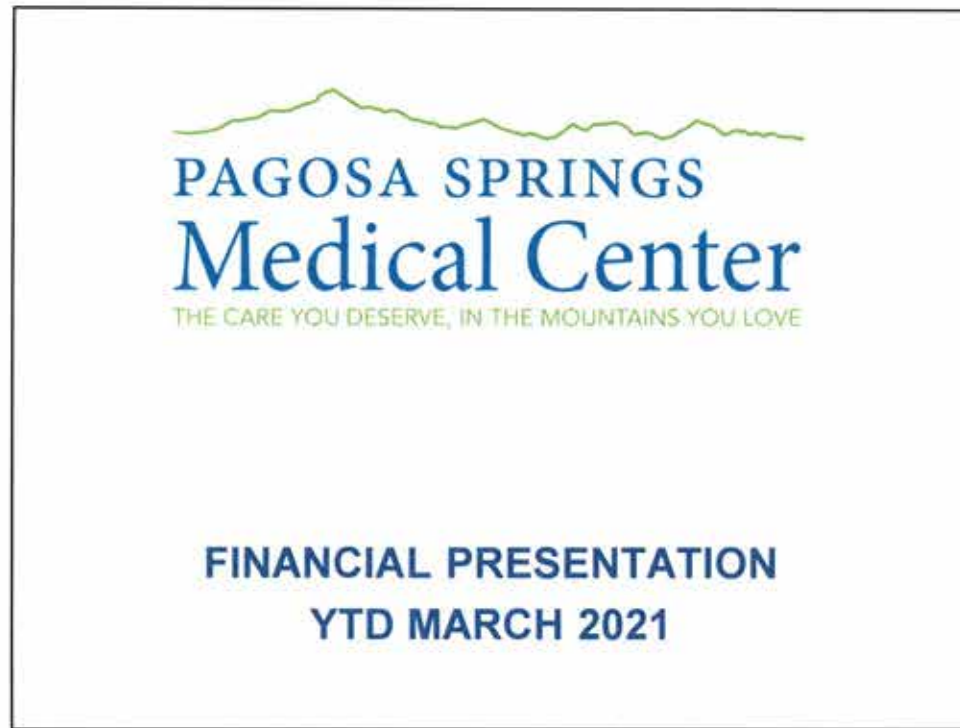
1) **March Financials:**

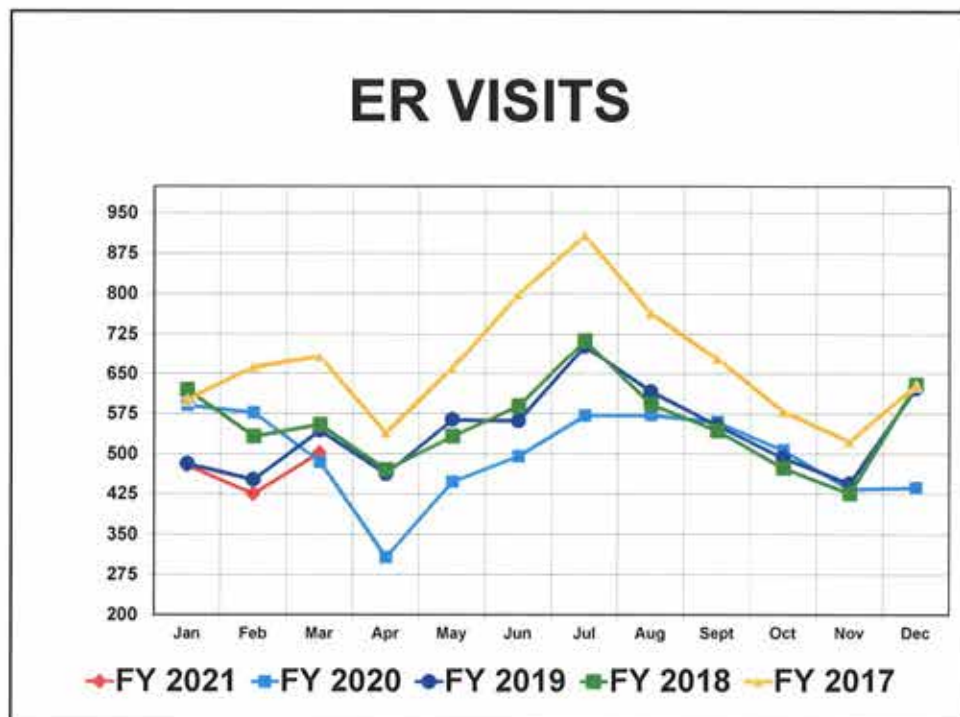
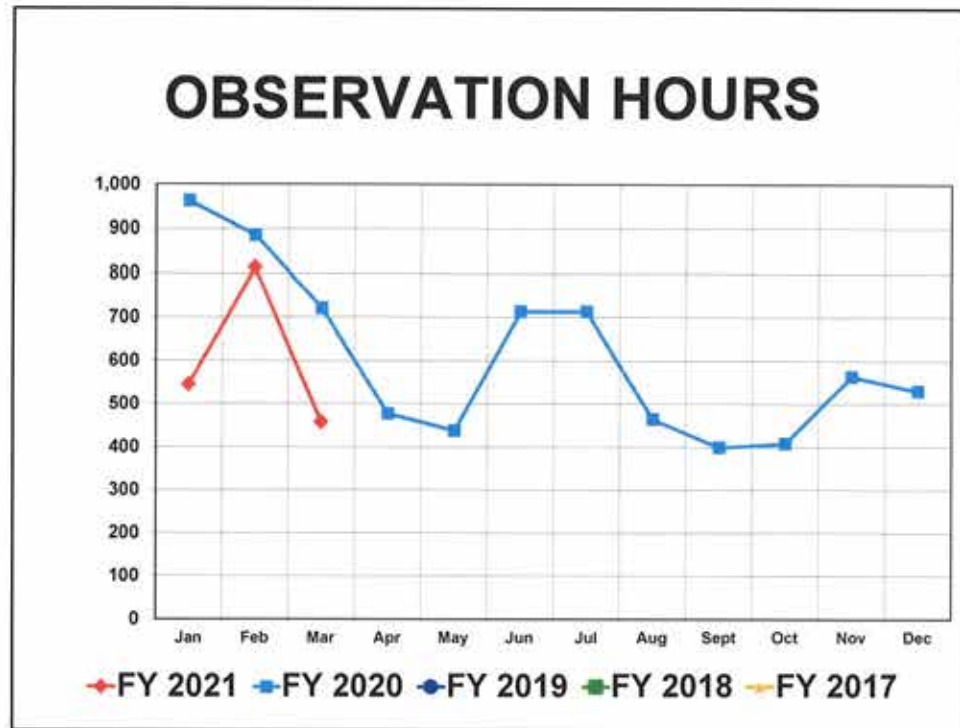
- a) **Bottom line:** The Finance Committee reviewed the March financials. March was a good month for PSMC and the end result is that PSMC is in a better position than budget year-to-date and compared to last year at the end of the first quarter.
- b) **Income Statement:**
 - i) Total gross patient revenue was four thousand dollars shy of \$6,000,000 – a strong month for us.
 - ii) PSMC was able to apply \$101,863 of CARES Act stimulus funding (line 28.5) for qualifying COVID expenses (PSMC cannot recognize a dollar of stimulus funding for each dollar of COVID expense – instead, PSMC recognizes about 61 cents of stimulus revenue for each dollar of PSMC COVID expense because PSMC is required to recognize stimulus at the Medicare rate).
 - iii) PSMC had expenses in excess of budget although a number of them are timing issues (e.g. supplies ordered quarterly). There was an increase in benefits expense in order to provide additional COVID leave, as required by Colorado law, for employees who are sick/quarantined/isolated.
- c) **Balance Sheet:**
 - i) The PPP loan is still on the Balance Sheet as a liability as PSMC's PPP award is in the audit process and has not been forgiven as of this date.

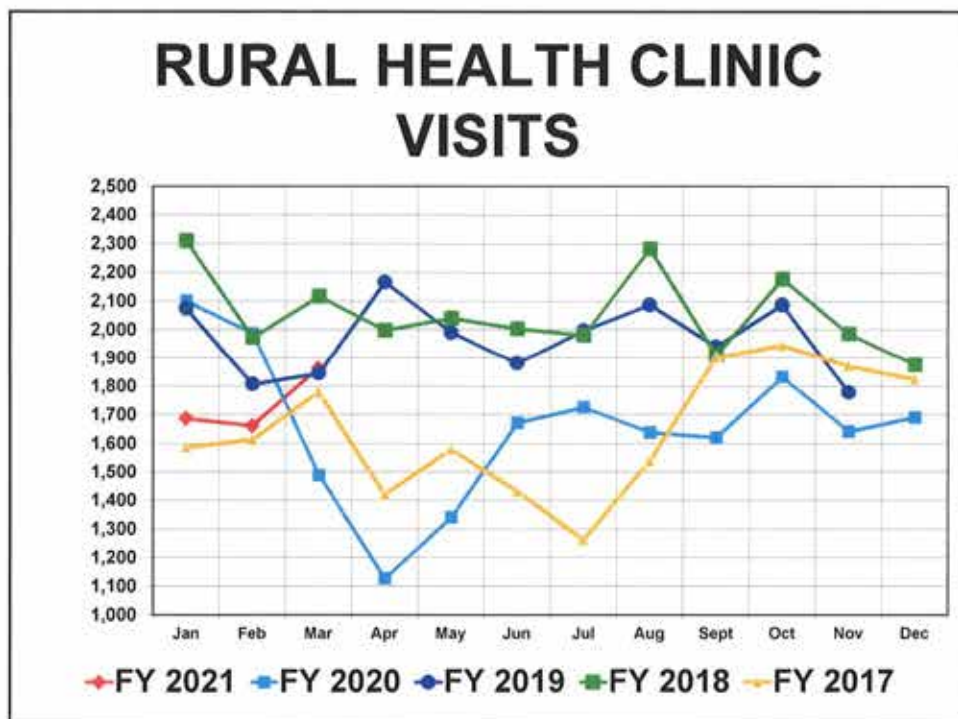
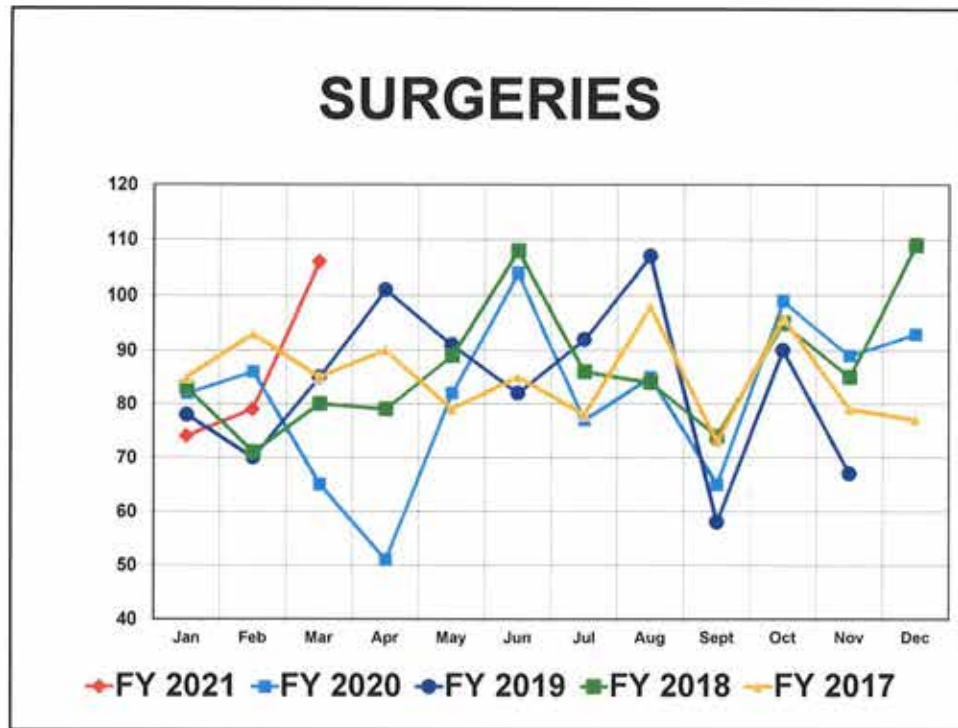
2) **Refunding 2006 Bonds:** The Finance Committee discussed that the refunding of the bonds is proceeding on schedule and the bond team will be present (via Zoom) at the Board meeting to go over the process and the resolution. The Finance Committee had no issues with the status of re

3) **Finance Committee Recommendations:** The Finance Committee made the following recommendations to the Board of Directors:

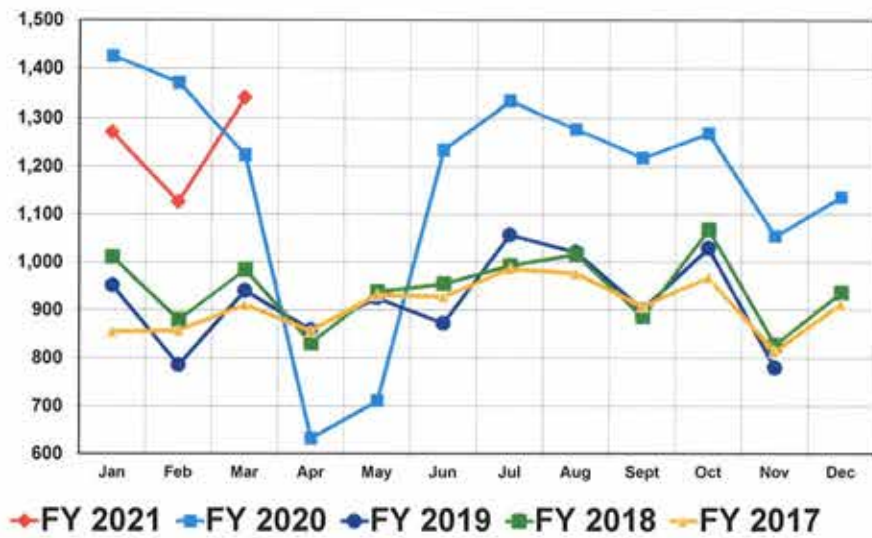
- a. For the Board to accept the March 2021 financials as presented.







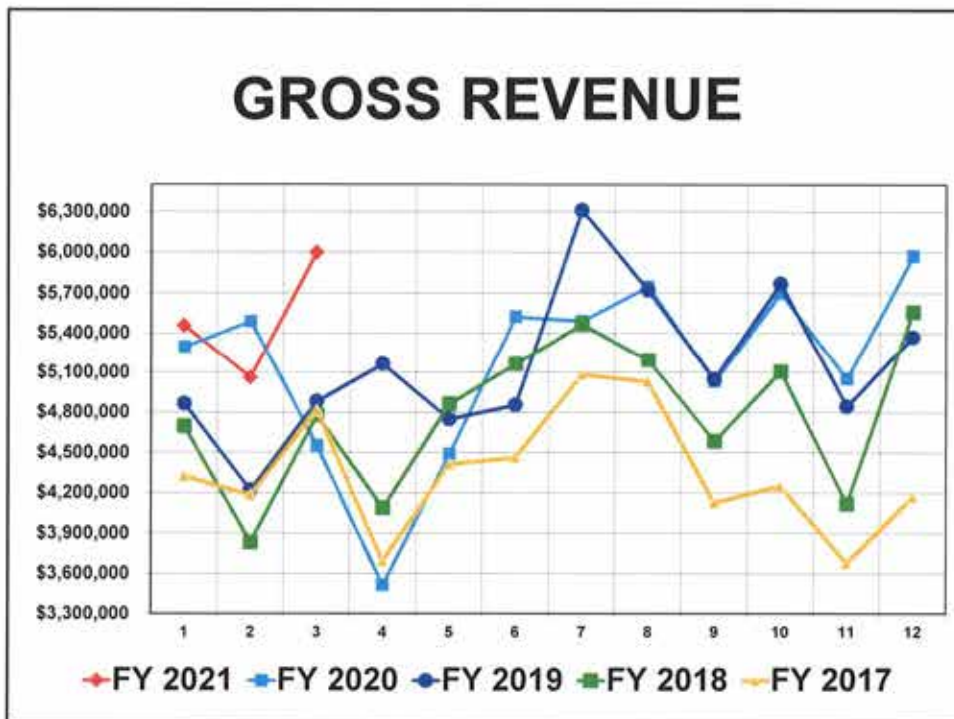
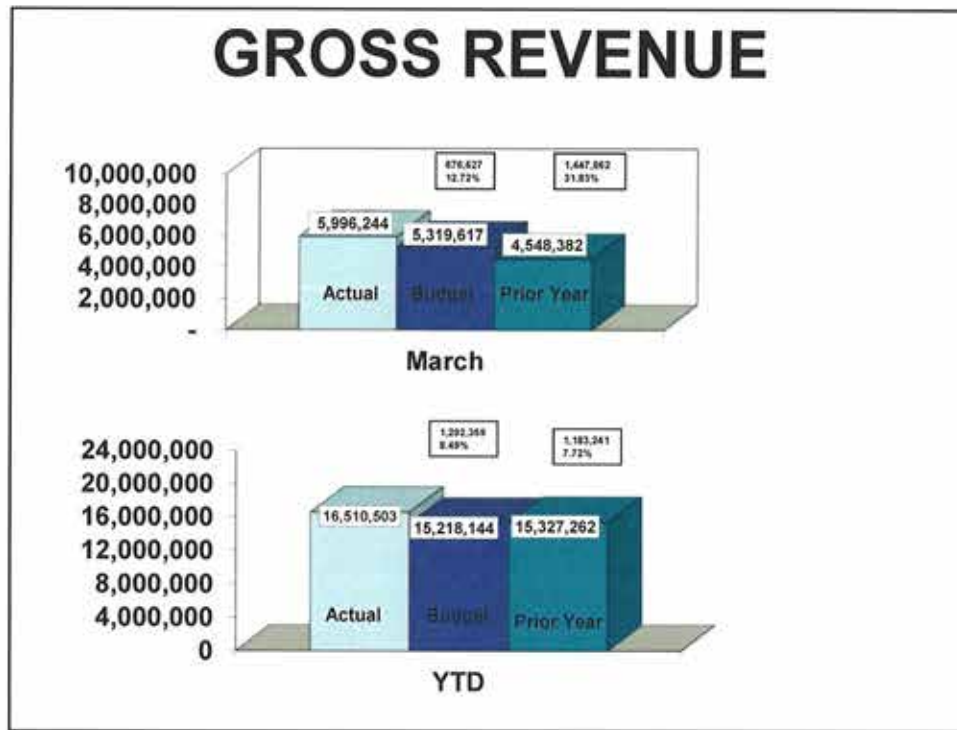
RADIOLOGY EXAMS

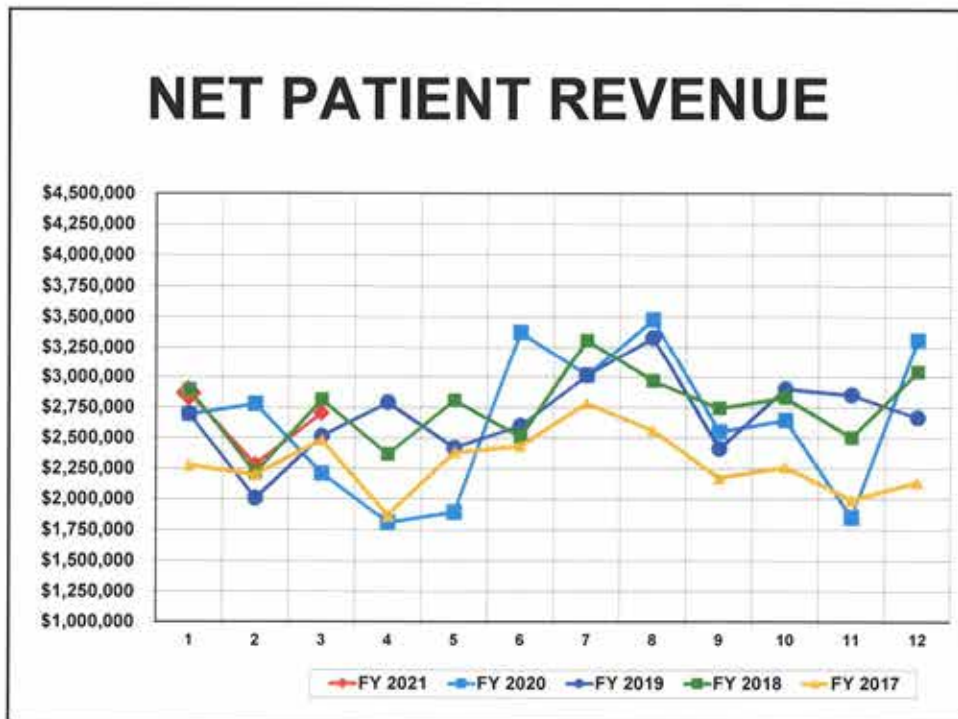
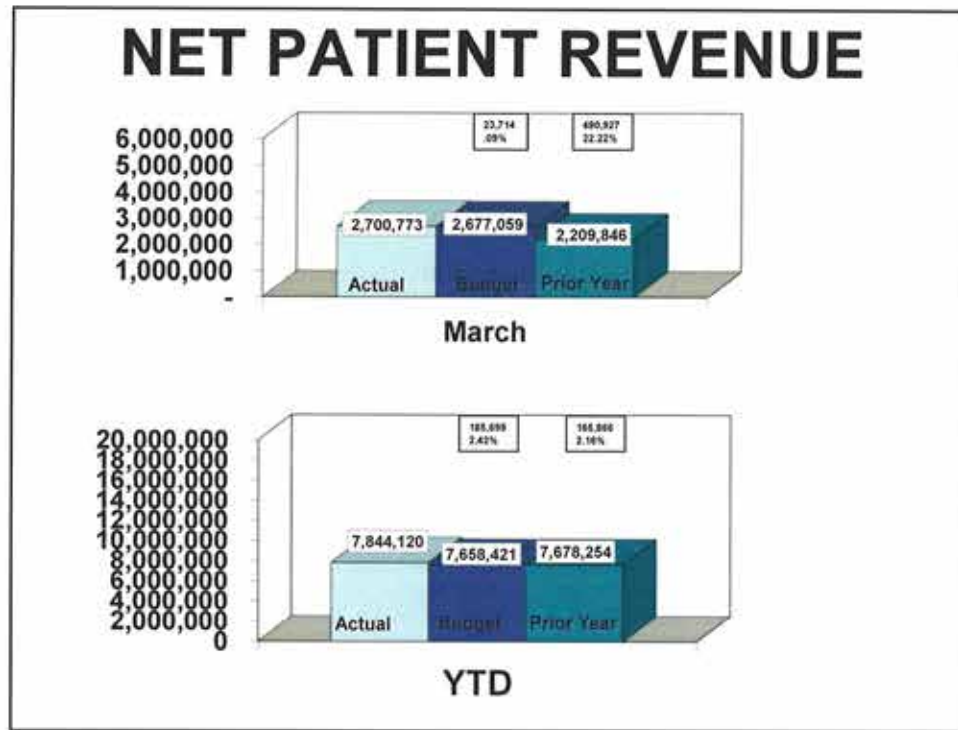


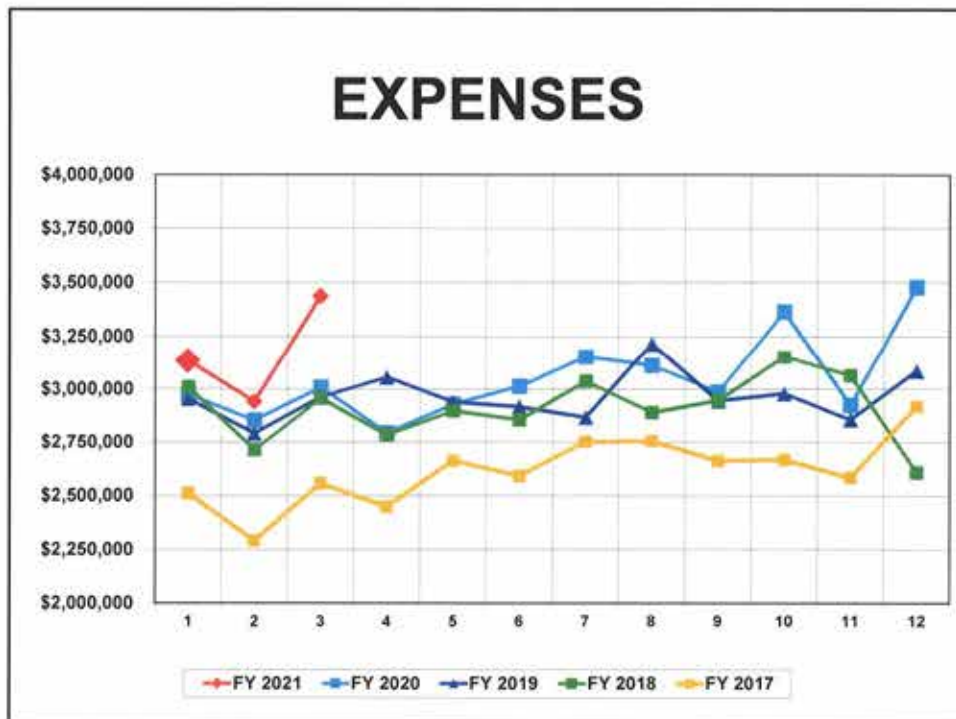
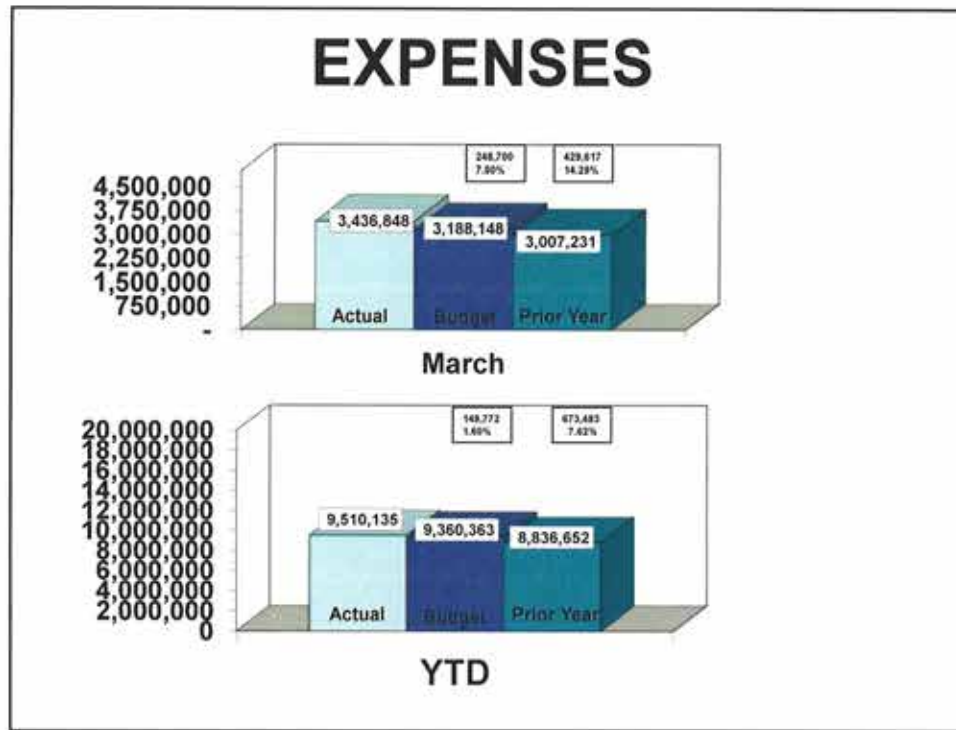
Summary of Financials

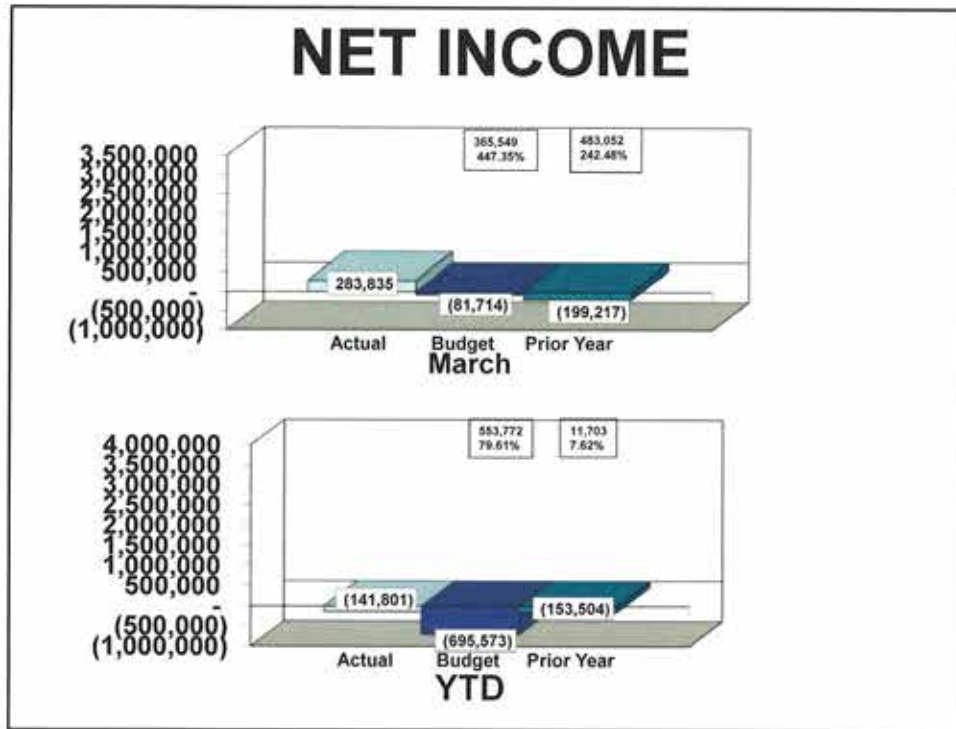
February

Gross Revenue	\$ 5,059,461	
Net Revenue	\$ 2,280,206	
Expenses	\$ 2,939,862	
Grants, 340B and Tax Revenue	\$ 199,192	
Grants and 340B and Stimulus	\$ 139,575	
Tax Revenue	\$ 59,617	
Net Income	\$ -480,464	





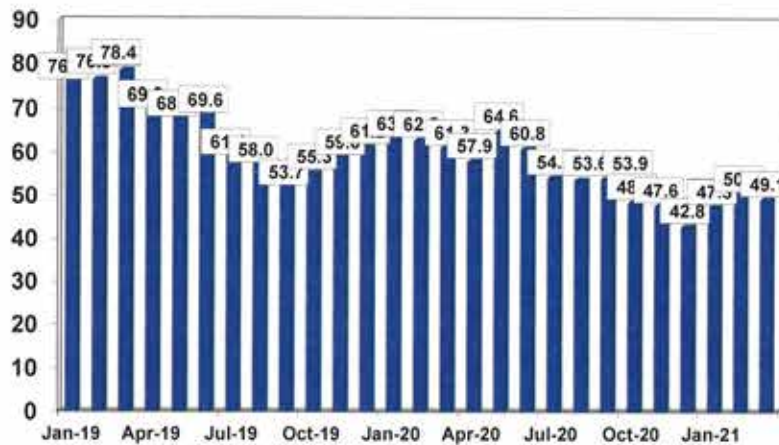




Summary of Financials

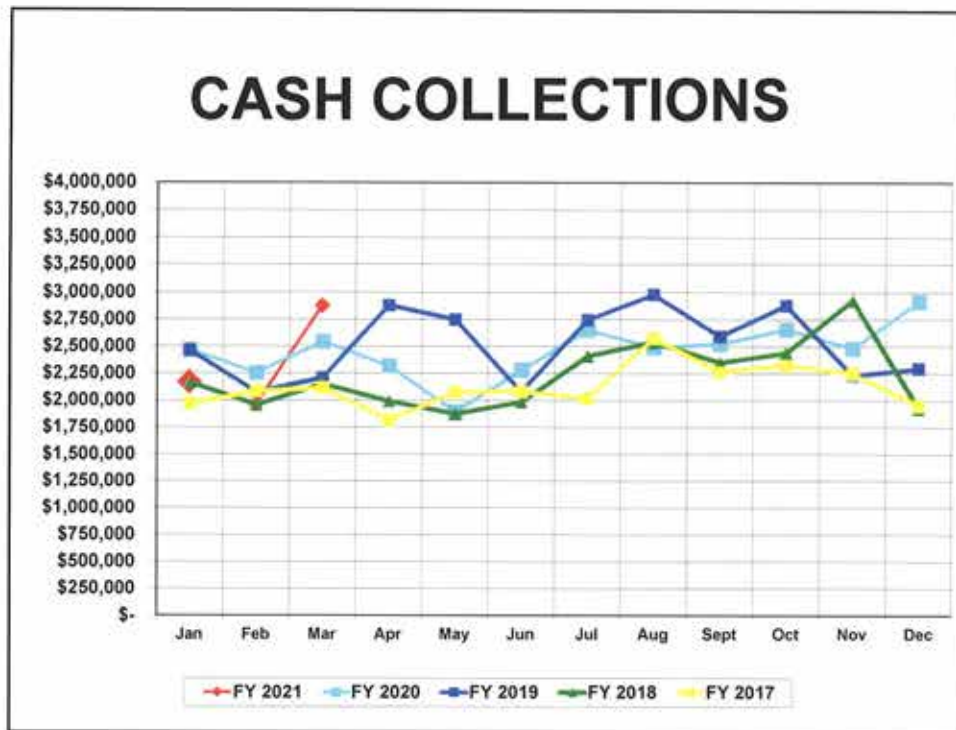
	March
Gross Revenue	\$ 5,996,244
Net Revenue	\$ 2,700,773
Expenses	\$ 3,436,848
Grants, 340B and Tax Revenue	\$ 1,019,910
Grants and 340B and Stimulus	\$ 604,298
Tax Revenue	\$ 415,612
Net Income	\$ 283,835

GROSS DAYS IN ACCOUNTS RECEIVABLE



DAYS CASH ON HAND





Pagosa Springs Medical Center

Income Statement - - - March 31, 2021

Page 1

		Current Month				Year-to-Date			
		2021	Budget	Difference	Variance	2021	Budget	Difference	Variance
Revenue									
7	Total In-patient Revenue	408,585	417,501	(8,916)	-2%	1,306,354	1,194,369	111,985	9%
17	Total Out-patient Revenue	5,094,694	4,489,241	605,453	13%	13,860,100	12,842,638	1,017,462	8%
18	Professional Fees	492,965	412,875	80,090	19%	1,344,049	1,181,137	162,912	14%
20	Total Patient Revenue	5,996,244	5,319,617	676,627	13%	16,510,503	15,218,144	1,292,359	8%
21	Revenue Deductions & Bad Debt								
22	Contractual Allowances	3,293,732	2,597,301	696,431	27%	8,678,758	7,430,255	1,248,503	17%
23	Charity	94,777	9,403	85,374	908%	288,876	26,899	261,977	974%
24	Bad Debt	116,969	206,503	(89,534)	-43%	328,770	590,755	(261,985)	-44%
25	Provider Fee & Other	(210,007)	(170,649)	(39,358)	23%	(630,021)	(488,186)	(141,835)	29%
26	Total Revenue Deductions & Bad Debt	3,295,471	2,642,558	652,913	25%	8,666,383	7,559,723	1,106,660	15%
27	Total Net Patient Revenue	2,700,773	2,677,059	23,714	1%	7,844,120	7,658,421	185,699	2%
28	Grants	344,101	33,501	310,600	927%	503,855	78,746	425,109	540%
28.5	HSS Stimulus Other Revenue	101,863	-	101,863		101,863	113,650	(11,787)	-10%
29	Other Operating Income - Misc	158,334	260,494	(102,160)	-39%	431,759	495,753	(63,994)	-13%
30	Total Net Revenues	3,305,071	2,971,054	334,017	11%	8,881,597	8,346,570	535,027	6%
31	Operating Expenses								
32	Salary & Wages	1,722,976	1,661,525	61,451	4%	4,956,400	4,885,006	71,394	1%
33	Benefits	368,347	290,428	77,919	27%	878,805	862,630	16,175	2%
35	Professional Fees/Contract Labor	30,473	29,814	659	2%	86,984	87,727	(743)	-1%
36	Purchased Services	154,382	159,470	(5,088)	-3%	458,513	469,321	(10,808)	-2%
37	Supplies	626,264	517,370	108,894	21%	1,481,255	1,520,955	(39,700)	-3%
38	Rent & Leases	36,113	14,395	21,718	151%	104,257	40,968	63,289	154%
39	Repairs & Maintenance	41,528	47,480	(5,952)	-13%	136,275	142,149	(5,874)	-4%
40	Utilities	33,792	33,707	85	0%	138,700	110,075	28,625	26%
41	Insurance	29,614	25,960	3,654	14%	88,733	76,322	12,411	16%
42	Depreciation & Amortization	147,773	162,291	(14,518)	-9%	449,622	478,009	(28,387)	-6%
43	Interest	84,093	84,333	(240)	0%	252,630	247,646	4,984	2%
44	Other	161,493	161,375	118	0%	477,961	439,555	38,406	9%
45	Total Operating Expenses	3,436,848	3,188,148	248,700	8%	9,510,135	9,360,363	149,772	2%
46	Operating Revenue Less Expenses	(131,777)	(217,094)	85,317	-39%	(628,538)	(1,013,793)	385,255	-38%
47	Non-Operating Income								
48	Tax Revenue	415,612	116,040	299,572	258%	486,737	272,760	213,977	78%
49	Donations	-	19,340	(19,340)	-100%	-	45,460	(45,460)	-100%
50	Total Non-Operating Income	415,612	135,380	280,232	207%	486,737	318,220	168,517	53%
51	Total Revenue Less Total Expenses	\$ 283,835	\$ (81,714)	\$ 365,549	-447%	\$ (141,801)	\$ (695,573)	\$ 553,772	-80%

Pagosa Springs Medical Center

Income Statement Comparison - - - March 31, 2021

Page 2

	2021	Current Month		Variance	2021	Year-to-Date		Variance
		2020	Difference			2020	Difference	
Revenue								
2								
7 Total In-patient Revenue	408,585	424,099	(15,514)	-4%	1,306,354	1,350,548	(44,194)	-3%
17 Total Out-patient Revenue	5,094,694	3,756,664	1,338,030	36%	13,860,100	12,589,573	1,270,527	10%
18 Professional Fees	492,965	367,619	125,346	34%	1,344,049	1,387,141	(43,092)	-3%
20 Total Patient Revenue	5,996,244	4,548,382	1,447,862	32%	16,510,503	15,327,262	1,183,241	8%
21 Revenue Deductions & Bad Debt								
22 Contractual Allowances	3,293,732	2,369,401	924,331	39%	8,678,758	7,807,562	871,196	11%
23 Charity	94,777	(19,086)	113,863	-597%	288,876	(44,731)	333,607	-746%
24 Bad Debt	116,969	235,432	(118,463)	-50%	328,770	626,715	(297,945)	-48%
25 Provider Fee & Other	(210,007)	(247,211)	37,204	-15%	(630,021)	(740,538)	110,517	-15%
26 Total Revenue Deductions & Bad Debt	3,295,471	2,338,536	956,935	41%	8,666,383	7,649,008	1,017,375	13%
27 Total Net Patient Revenue	2,700,773	2,209,846	490,927	22%	7,844,120	7,678,254	165,866	2%
28 Grants	344,101	1,100	343,001	31182%	503,855	3,159	500,696	15850%
28.5 HSS Stimulus Other Revenue	101,863	-	101,863		101,863	-	101,863	
29 Other Operating Income - Misc	158,334	212,488	(54,154)	-25%	431,759	524,677	(92,918)	-18%
30 Total Net Revenues	3,305,071	2,423,434	881,637	36%	8,881,597	8,206,090	675,507	8%
31 Operating Expenses								
32 Salary & Wages	1,722,976	1,534,160	188,816	12%	4,956,400	4,720,914	235,486	5%
33 Benefits	368,347	317,847	50,500	16%	878,805	693,044	185,761	27%
35 Professional Fees/Contract Labor	30,473	21,830	8,643	40%	86,984	83,368	3,616	4%
36 Purchased Services	154,382	144,644	9,738	7%	458,513	462,965	(4,452)	-1%
37 Supplies	626,264	494,123	132,141	27%	1,481,255	1,357,532	123,723	9%
38 Rent & Leases	36,113	35,967	146	0%	104,257	112,139	(7,882)	-7%
39 Repairs & Maintenance	41,528	52,333	(10,805)	-21%	136,275	145,891	(9,616)	-7%
40 Utilities	33,792	34,520	(728)	-2%	138,700	105,812	32,888	31%
41 Insurance	29,614	24,240	5,374	22%	88,733	76,249	12,484	16%
42 Depreciation & Amortization	147,773	147,742	31	0%	449,622	444,558	5,064	1%
43 Interest	84,093	86,876	(2,783)	-3%	252,630	266,384	(13,754)	-5%
44 Other	161,493	112,949	48,544	43%	477,961	367,796	110,165	30%
45 Total Operating Expenses	3,436,848	3,007,231	429,617	14%	9,510,135	8,836,652	673,483	8%
46 Operating Revenue Less Expenses	(131,777)	(583,797)	452,020	-77%	(628,538)	(630,562)	2,024	0%
47 Non-Operating Income								
48 Tax Revenue	415,612	384,580	31,032	8%	486,737	477,058	9,679	2%
49 Donations	-	-	-		-	-	-	
50 Total Non-Operating Income	415,612	384,580	31,032	8%	486,737	477,058	9,679	2%
51 Total Revenue Less Total Expenses	\$ 283,835	\$ (199,217)	\$ 483,052	-242%	\$ (141,801)	\$ (153,504)	11,703	-8%

Pagosa Springs Medical Center

Balance Sheet - - - March 31, 2021

Page 3

	Assets	Current Month	Prior Month	Liabilities	Current Month	Prior Month
1						
2	Current Assets			Current Liabilities		
3	Cash					
4	Operating	\$ 3,217,240	\$ 2,091,613	Accts Payable - System	\$ 891,713	\$ 450,515
5	Debt Svc. Res. 2016 Bonds	878,731	878,731	Accrued Expenses	1,005,129	979,212
6	Bond Funds - 2016 Bonds	4	4	Cost Report Settlement Res	(873,704)	(1,170,880)
7	Bond Funds - 2006	1,956,176	1,556,197	Wages & Benefits Payable	1,604,750	1,335,219
8	Capital Escrow	-	-	Deferred Revenue	1,888	1,888
9	COVID PPP	3,740,044	3,740,044	COVID PPP Short Term Loan	3,740,044	3,740,044
10	Relief Fund Cash Restricted	3,456,627	3,558,490	Relief Fund Liability	3,456,627	3,558,490
11	Medicare Accelerated Pmt	4,224,952	4,224,952	Medicare Accelerated Pmt Liab	4,224,952	4,224,952
12	Total Cash	17,473,774	16,050,031	Current Portion of LT Debt-Lease	170,752	170,455
13				Current Portion of LT Debt-2006	335,000	335,000
14	Accounts Receivable			Current Portion of LT Debt-2016	330,000	330,000
15	Patient Revenue - Net	3,956,034	4,025,591	Total Current Liabilities	14,887,151	13,954,895
16	Other Receivables	317,489	402,230			
17	Total Accounts Receivable	4,273,523	4,427,821	Long-Term Liabilities		
18				Leases Payable	-	5,401
19	Inventory	1,663,478	1,657,940	Equipment Lease (Wells Fargo)	18,007	26,973
20				Bond Premium (Net) - 2006	215,760	216,872
21	Total Current Assets	23,410,775	22,135,792	Bond Premium (Net) - 2016	127,870	128,295
22				Bonds Payable - 2006	8,370,000	8,370,000
23	Fixed Assets			Bonds Payable - 2016	9,590,000	9,590,000
24	Property Plant & Equip (Net)	7,062,863	7,211,947	Total Long-Term Liabilities	18,321,637	18,337,541
25	Electronic Health Record (Net)	-	-			
26	Clinic Expansion	13,377,405	13,377,405	Net Assets		
27	Work In Progress	1,682,033	1,672,181	Un-Restricted	13,155,858	13,155,858
28	Land	101,000	101,000	Current Year Net Income/Loss	(141,801)	(425,636)
29	Total Fixed Assets	22,223,301	22,362,533	Total Un-Restricted	13,014,057	12,730,222
30						
31	Other Assets			Restricted		
32	Prepays & Other Assets	588,769	524,333	Total Net Assets	13,014,057	12,730,222
33	Total Other Assets	588,769	524,333			
	Total Assets	\$ 46,222,845	\$ 45,022,658	Total Liabilities & Net Assets	\$ 46,222,845	\$ 45,022,658

Pagosa Springs Medical Center

Monthly Trends

Page 4

Activity	Mar-20 31	Apr-20 30	May-20 31	Jun-20 30	Jul-20 31	Aug-20 31	Sep-20 30	Oct-20 31	Nov-20 30	Dec-20 31	Jan-21 31	Feb-21 28	Mar-21 31	YTD Total
2 In-Patient Admissions	31	17	17	21	15	20	21	18	34	42	34	22	27	83
3 In-Patient Days	67	48	39	58	42	49	51	56	84	115	83	61	76	220
4 Avg Stay Days (In-patients)	2.2	2.8	2.3	2.8	2.8	2.5	2.4	3.1	2.5	2.7	2.4	2.8	2.8	2.7
5 Swing Bed Admissions	0	0	0	0	0	0	0	1	0	0	0	0	0	-
6 Swing Bed Days	0	0	0	0	0	0	0	3	0	0	0	0	0	-
7 Avg Length of Stay (Swing)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
8 Average Daily Census	2.2	1.6	1.3	1.9	1.4	1.6	1.7	1.9	2.8	3.7	2.7	2.2	2.5	2.4
Statistics														
9 E/R visits	484	307	447	495	571	572	559	506	433	436	478	424	501	1,403
10 Observ Hours	721	477	438	713	713	464	400	409	564	530	545	781	458	1,784
11 Lab Tests	4,447	3,197	4,479	5,761	5,687	5,455	5,286	5,598	5,256	5,166	5,824	4,831	5,810	16,465
12 Radiology/CT/MRI Exams	1,223	632	711	1,234	1,335	1,277	1,218	1,268	1,055	1,136	1,271	1,126	1,341	3,738
14 OR Cases	65	51	82	104	77	85	65	99	89	93	74	79	106	259
15 Clinic Visits	1,488	1,126	1,340	1,671	1,725	1,638	1,620	1,832	1,641	1,690	1,686	1,661	1,863	5,210
16 Spec. Clinic Visits	176	188	152	186	218	178	198	144	162	150	136	97	79	312
17 Oncology Clinic Visits	156	55	94	130	112	143	140	138	111	112	92	93	129	314
18 Oncology/Infusion Patients	117	152	178	179	116	132	170	133	138	108	110	91	175	376
19 Infusion Patients	131	88	53	56	37	37	39	36	45	42	20	52	78	150
20 EMS Transports	116	73	105	100	128	122	124	123	78	116	114	90	108	312
21 Total Stats	9,124	6,346	8,079	10,629	10,719	10,103	9,819	10,286	9,572	9,579	10,350	9,325	10,648	30,323

Pagosa Springs Medical Center - - - Statistical Review

Statistical Review

Page 5

2021	March			March			March Prior Y-T-D			
	Current Month Actual	Current Month Budget	Variance	Y-T-D Actual	Y-T-D Budget	Variance	Y-T-D Actual	Prior Y-T-D Actual	Difference	Variance
In-Patient										
Admissions:										
Acute	27	35	(8)	83	100	(17)	83	97	(14)	-14%
Swing Bed	-	1	(1)	-	2	(2)	-	-	-	
Total	27	36	(9)	83	102	(19)	83	97	(14)	-14%
Patient Days:										
Acute	76	70	6	220	202	18	220	233	(13)	-6%
Swing Bed	-	3	(3)	-	7	(7)	-	-	-	
Total	76	73	3	220	209	11	220	233	(13)	-6%
Average Daily Census:										
# Of Days	31	31		90	90		90	91		
Acute	2.5	2.3	0.2	2.4	2.2	0.2	2.4	2.6	(0.1)	-5%
Swing Bed	-	0.1	(0.1)	-	0.1	(0.1)	-	-	-	
Total	2.5	2.4	0.1	2.4	2.3	0.1	2.4	2.6	(0.1)	-5%
Length of Stay:										
Acute	2.8	2.0	0.8	2.7	2.0	0.6	2.7	2.4	0.2	10%
Swing Bed	-	-	-	-	-	-	-	-	-	0%
Total	2.8	2.0	0.8	2.7	2.0	0.6	2.7	2.4	0.2	10%
Out-Patient										
Out-Patient Visits										
E/R Visits	501	496	5	1,403	1,393	10	1,403	1,650	(247)	-15%
Observ admissions	25	71	(46)	84	203	(119)	84	94	(10)	-11%
Lab Tests	5,810	5,081	729	16,465	14,322	2,143	16,465	14,808	1,657	11%
Radiology/CT/MRI Exams/N	1,341	1,206	135	3,738	3,425	313	3,738	4,019	(281)	-7%
OR Cases	106	99	7	259	274	(15)	259	233	26	11%
Clinic Visits	1,863	2,189	(326)	5,210	6,153	(943)	5,210	5,575	(365)	-7%
Spec. Clinic Visits	79	207	(128)	312	582	(270)	312	567	(255)	-45%
Oncology Clinic Visits	129	126	3	314	354	(40)	314	369	(55)	-15%
Oncology/Infusion Patients	175	142	33	376	399	(23)	376	326	50	15%
Infusion Patients	78	101	(23)	150	282	(132)	150	262	(112)	-43%
EMS Transports	108	112	(4)	312	313	(1)	312	366	(54)	-15%
Total	10,215	9,830	385	28,623	27,700	923	28,623	28,269	354	1%

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of March 31, 2020

Page 6

		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
1 Medicare	\$	1,859,056	\$ 250,113	\$ 144,013	\$ 70,031	\$ 36,134	\$ 20,062	\$ 66,653	\$ 2,446,062	27%	
1 Medicaid		683,633	152,430	50,358	86,865	26,182	40,440	168,209	1,208,117	13%	
4 Third Party		1,697,728	581,864	442,547	230,291	58,184	38,932	246,590	3,296,136	37%	
5 Self-Pay		295,690	299,290	256,092	227,491	167,240	106,520	705,637	2,057,960	23%	
Current Month Total	\$	4,536,107	\$ 1,283,697	\$ 893,010	\$ 614,678	\$ 287,740	\$ 205,954	\$ 1,187,089	\$ 9,008,275	100%	141,056
Pct of Total		50%	14%	10%	7%	3%	2%	13%	100%		
Feb-21	\$	4,632,177	\$ 1,808,956	\$ 796,014	\$ 329,120	\$ 255,606	\$ 194,030	\$ 1,194,813	\$ 9,210,716	100%	116,794
Pct of Total		50%	20%	9%	4%	3%	2%	13%	100%		
Jan-21	\$	4,667,228	\$ 1,324,541	\$ 489,574	\$ 380,972	\$ 303,832	\$ 307,163	\$ 1,102,666	\$ 8,575,976	100%	197,220
Pct of Total		54%	15%	6%	4%	4%	4%	13%	100%		
Dec-20	\$	4,315,448	\$ 835,664	\$ 542,288	\$ 394,340	\$ 421,056	\$ 304,468	\$ 965,830	\$ 7,779,094	100%	222,785
Pct of Total		55%	11%	7%	5%	5%	4%	12%	100%		
Nov-20	\$	4,108,089	\$ 1,171,013	\$ 583,125	\$ 541,005	\$ 584,542	\$ 275,531	\$ 985,311	\$ 8,248,616	100%	172,213
Pct of Total		50%	14%	7%	7%	7%	3%	12%	100%		
Oct-20	\$	4,351,562	\$ 1,054,133	\$ 832,882	\$ 694,766	\$ 372,848	\$ 200,118	\$ 1,158,212	\$ 8,664,521	100%	855,499
Pct of Total		50%	12%	10%	8%	4%	2%	13%	100%		
Sep-20	\$	4,073,962	\$ 1,528,744	\$ 916,786	\$ 468,911	\$ 324,972	\$ 204,586	\$ 2,011,419	\$ 9,529,381	100%	12,049
Pct of Total		43%	16%	10%	5%	3%	2%	21%	100%		
Aug-20	\$	4,580,691	\$ 1,479,490	\$ 696,558	\$ 385,697	\$ 263,988	\$ 343,485	\$ 1,968,118	\$ 9,718,024	100%	10,708
Pct of Total		47%	15%	7%	4%	3%	4%	20%	100%		
Jul-20	\$	4,091,546	\$ 1,347,610	\$ 584,795	\$ 419,659	\$ 379,105	\$ 545,723	\$ 1,749,020	\$ 9,117,458	100%	18,450
Pct of Total		45%	15%	6%	5%	4%	6%	19%	100%		
Jun-20	\$	4,450,225	\$ 991,357	\$ 492,319	\$ 470,912	\$ 586,430	\$ 386,858	\$ 1,658,314	\$ 9,036,415	100%	534,932
Pct of Total		49%	11%	5%	5%	6%	4%	18%	100%		
May-20	\$	3,589,609	\$ 826,139	\$ 617,697	\$ 746,962	\$ 522,098	\$ 443,199	\$ 2,065,360	\$ 8,811,064	100%	764,345
Pct of Total		41%	9%	7%	8%	6%	5%	23%	100%		
Apr-20	\$	2,681,917	\$ 1,013,374	\$ 1,015,473	\$ 595,245	\$ 587,885	\$ 346,437	\$ 2,642,011	\$ 8,882,342	100%	0
Pct of Total		30%	11%	11%	7%	7%	4%	30%	100%		
Mar-20	\$	3,612,859	\$ 1,586,402	\$ 855,343	\$ 748,561	\$ 448,372	\$ 368,712	\$ 2,691,802	\$ 10,312,051	100%	27,304
Pct of Total		35%	15%	8%	7%	4%	4%	26%	100%		
Feb-20	\$	4,881,391	\$ 1,386,440	\$ 901,832	\$ 571,967	\$ 516,414	\$ 460,405	\$ 2,555,288	\$ 11,273,737	100%	0
Pct of Total		43%	12%	8%	5%	5%	4%	23%	100%		
Jan-20	\$	4,542,726	\$ 1,392,786	\$ 710,103	\$ 568,045	\$ 531,469	\$ 448,834	\$ 2,322,276	\$ 10,516,239	100%	0
Pct of Total		43%	13%	7%	5%	5%	4%	22%	100%		
Dec-19	\$	4,481,747	\$ 1,312,708	\$ 908,066	\$ 625,876	\$ 627,407	\$ 607,716	\$ 2,044,961	\$ 10,608,481	100%	0
Pct of Total		42%	12%	9%	6%	6%	6%	19%	100%		
Nov-19	\$	4,408,737	\$ 1,436,158	\$ 627,989	\$ 723,524	\$ 684,765	\$ 336,215	\$ 1,930,790	\$ 10,148,178	100%	0
Pct of Total		43%	14%	6%	7%	7%	3%	19%	100%		

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of March 31, 2020

Page 6

		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181+ Days	Total	Percent of Total	Accts sent to Collections
Oct-19	\$	4,568,920	\$ 1,130,990	\$ 870,361	\$ 794,889	\$ 437,887	\$ 381,541	\$ 1,754,112	\$ 9,938,700		0
Pct of Total		46%	11%	9%	8%	4%	4%	18%	100%		
Sep-19	\$	4,305,953	\$ 1,369,222	\$ 1,074,183	\$ 534,873	\$ 502,450	\$ 239,643	\$ 1,946,854	\$ 9,973,178		193,237
Pct of Total		43%	14%	11%	5%	5%	2%	20%	100%		
Aug-19	\$	4,489,953	\$ 1,643,643	\$ 763,753	\$ 692,390	\$ 407,669	\$ 450,136	\$ 2,188,090	\$ 10,635,634		572,029
Pct of Total		42%	15%	7%	7%	4%	4%	21%	100%		
Jul-19	\$	5,080,360	\$ 1,280,941	\$ 915,491	\$ 549,247	\$ 607,257	\$ 419,655	\$ 2,387,501	\$ 11,240,452		0
Pct of Total		45%	11%	8%	5%	5%	4%	21%	100%		
Jun-19	\$	4,199,727	\$ 1,555,291	\$ 715,848	\$ 712,192	\$ 504,973	\$ 621,808	\$ 3,338,661	\$ 11,648,500		0
Pct of Total		36%	13%	6%	6%	4%	5%	29%	100%		
May-19	\$	3,938,706	\$ 1,192,758	\$ 857,202	\$ 558,303	\$ 705,693	\$ 728,901	\$ 3,078,535	\$ 11,060,098		0
Pct of Total		36%	11%	8%	5%	6%	7%	28%	100%		
Apr-19	\$	4,446,750	\$ 1,328,789	\$ 769,877	\$ 796,122	\$ 801,322	\$ 354,704	\$ 3,166,854	\$ 11,664,418		8,002
Pct of Total		38%	11%	7%	7%	7%	3%	27%	100%		
Mar-19	\$	4,313,656	\$ 1,360,981	\$ 995,434	\$ 985,732	\$ 562,545	\$ 619,342	\$ 3,353,760	\$ 12,191,450		122,172
Pct of Total		35%	11%	8%	8%	5%	5%	28%	100%		
12 Pct Settled (Current)			72.3%	50.6%	22.8%	12.6%	19.4%	-511.8%			
13 Pct Settled (Feb from Jan)			61.2%	39.9%	32.8%	32.9%	36.1%	-289.0%			
14 Pct Settled (Jan from Dec)			69.3%	41.4%	29.7%	23.0%	27.0%	-262.2%			
15 Pct Settled (Dec from Nov)			79.7%	53.7%	32.4%	22.2%	47.9%	-250.5%			
16 Pct Settled (Nov from Oct)			73.1%	44.7%	35.0%	15.9%	26.1%	-392.4%			

Pagosa Springs Medical Center

Pagosa Springs Medical Center - - - Net Days in A/R 2021

Page 7

	31	28	31	30	31	30
	Jan-21	Feb-21	Mar-21	Apr-20	May-20	Jun-20
2 Net Accounts Receivable	\$ 4,787,978	\$ 4,025,591	\$ 3,956,034	\$ 3,463,618	\$ 3,903,913	\$ 5,351,953
3 Net Patient Revenue	\$ 2,863,140	\$ 2,280,206	\$ 2,700,773	\$ 1,809,102	\$ 1,892,329	\$ 3,373,769
4 Net Patient Rev/Day (2 month Avg)	\$ 103,376	\$ 86,898	\$ 84,279	\$ 65,794	\$ 60,673	\$ 86,751
5 Net Days in A/R	46	46	47	53	64	62

	31	31	30	31	30	31
	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
7 Net Accounts Receivable	\$ 5,484,741	\$ 6,438,094	\$ 5,203,983	\$ 3,458,434	\$ 2,872,894	\$ 3,420,335
8 Net Patient Revenue	\$ 3,012,802	\$ 3,476,773	\$ 2,549,655	\$ 2,643,191	\$ 1,850,637	\$ 3,546,181
9 Net Patient Rev/Day (2 month Avg)	\$ 104,823	\$ 104,671	\$ 97,200	\$ 83,756	\$ 83,756	\$ 88,040
10 Net Days in A/R	52	62	54	41	34	39

Pagosa Springs Medical Center - - - Gross Days Target
--

12 Medicare	33%	21	\$ 84,423	\$ 585,054
13 Medicaid	7%	35	\$ 84,423	\$ 206,837
14 Blue Cross	15%	48	\$ 84,423	\$ 607,848
15 Commercial	26%	65	\$ 84,423	\$ 1,426,755
16 Self Pay	19%	150	\$ 84,423	\$ 2,406,066
17 Total:	100%			\$ 5,232,561
18				\$ 84,423
19			Gross Days in A/R Target	62

Pagosa Springs Medical Center
Revenue by Financial Class
March 31, 2021

Financial Class	Inpatient MTD	Outpatient MTD	Total MTD	% MTD
Auto/Liability Insurance	-	100,467.82	100,467.82	1.68%
Blue Cross	73,676.55	679,911.68	753,588.23	12.57%
Champus	21,211.26	61,079.06	82,290.32	1.37%
Commercial Insurance	66,744.11	720,214.81	786,958.92	13.12%
Medicaid	4,499.70	1,010,817.79	1,015,317.49	16.93%
Medicare	240,394.65	1,929,489.03	2,169,883.68	36.19%
Medicare HMO	50,724.55	511,000.79	561,725.34	9.37%
Self Pay	-	236,885.52	236,885.52	3.95%
Self Pay - Client Billing	-	22,365.81	22,365.81	0.37%
Veterans Administration	23,857.05	183,887.09	207,744.14	3.46%
Workers Compensation	-	59,017.42	59,017.42	0.98%
Total	481,107.87	5,515,136.82	5,996,244.69	100.00%

Financial Class	Inpatient YTD	Outpatient YTD	Total YTD	% YTD	12/31/20 % YTD	12/31/19 % YTD	12/31/18 % YTD	12/31/17 YTD	12/31/16 % YTD
Auto/Liability Insurance	-	212,987.87	212,987.87	1.29%	0.91%	1.15%	1.05%	1.24%	1.11%
Blue Cross	212,012.87	1,847,375.41	2,059,388.28	12.47%	12.38%	15.40%	15.42%	15.90%	15.83%
Champus	21,211.26	176,069.07	197,280.33	1.19%	0.82%	0.31%	0.08%	0.07%	0.19%
Commercial Insurance	124,347.16	1,945,645.22	2,069,992.38	12.54%	11.72%	11.34%	13.08%	11.79%	13.08%
Medicaid	314,695.73	2,781,159.35	3,095,855.08	18.75%	18.86%	18.75%	18.22%	20.28%	21.56%
Medicare	447,951.65	5,233,360.47	5,681,312.12	34.41%	38.60%	36.99%	36.75%	35.27%	35.90%
Medicare HMO	295,592.58	1,434,188.42	1,729,781.00	10.48%	7.77%	7.20%	4.47%	3.55%	2.76%
Self Pay	7,842.20	665,122.73	672,964.93	4.08%	3.68%	4.40%	5.40%	6.96%	5.26%
Self Pay - Client Billing	-	38,054.68	38,054.68	0.23%	0.22%	0.18%	0.18%	0.19%	0.17%
Veterans Administration	106,028.90	423,382.35	529,411.25	3.21%	4.13%	2.74%	4.13%	3.58%	2.74%
Workers Compensation	-	223,475.09	223,475.09	1.35%	0.92%	1.52%	1.22%	1.17%	1.37%
Total	1,529,682.35	14,980,820.66	16,510,503.01	100.00%	100.00%	100.00%	100.00%	100.00%	99.97%
Blank									0.00%
HMO (Health Maint Org)									0.03%
Total					100.00%	100.00%	100.00%	100.00%	100.00%

Pagosa Springs Medical Center
Financial Forecast
Statement of Cash Flows

	March 2021
Cash Flows from operating activities	
Change in net assets	283,835
Adjustments to reconcile net assets to net cash	
Depreciation and amortization	147,773
Patient accounts receivable	69,557
Accounts payable and wages payable	710,729
Accrued liabilities	25,917
Pre-paid assets	(64,436)
Deferred revenues	-
Other receivables	84,741
Reserve for third party settlement	297,176
Inventory	(5,538)
Net Cash Provided by (used in) operating activities	1,549,754
Cash Flows from investing activities	
Purchase of property and equipment	(226)
Work in progress	(9,852)
Proceeds from sale of equipment/(Loss)	-
Net Cash Provided by (used in) investing activities	(10,078)
Cash Flows from financing activities	
Principal payments on long-term debt	-
Proceeds from debt	-
Proceeds from PPP Short Term Loan	-
Proceeds from Relief Fund	(101,863)
Proceeds from PPP Short Term Loan	-
Change in Prior Year Net Assets	-
Change in leases payable	(14,070)
Net Cash Provided by (used in) financing activities	(115,933)
Net Increase(Decrease) in Cash	1,423,743
Cash Beginning of Month	16,050,031
Cash End of Month	17,473,774

2021						
Month	Cash Goal	Actual Cash	Variance	% Collected	GL Non AR	Total
Jan-21	\$3,306,733.00	\$2,180,274.00	(\$1,126,459.00)	65.93%	\$ (85,619.39)	\$2,094,654.61
Feb-21	\$2,863,140.00	\$1,959,068.00	(\$904,072.00)	68.42%	\$ (257,043.01)	\$1,702,024.99
Mar-21	\$2,780,206.00	\$2,879,133.00	\$98,927.00	103.56%	\$ 71,310.04	\$2,950,443.04
Apr-21						
May-21						
Jun-21						
Jul-21						
Aug-21						
Sep-21						
Oct-21						
Nov-21						
Dec-21						
	\$8,950,079.00	\$7,018,475.00	(\$1,931,604.00)	78.42%	\$ (271,352.36)	\$6,747,122.64

Pagosa Springs Medical Center
Cash Forecast as of end of March 2021
Forecast Months Based on Budget and Actual

ORAL REPORTS 5.a.vii.

Prepared 3/11/2021
Last Update
at 12/31/20

	(1) Patient Collections	(2) Tax Revenues	(3) Provider Fees	(4) Grants & Donations	(5) Other	(6) Clinic Expan. New Debt/ Leases	(7) Total Collections	(7) Operating Expenses	(8) Capital	(9) Medicare/ Medicaid Repayment	(10) Bond & Lease Interest & Principal Payments	(11) Other	Total Cash Spending	Balance
January 2021 (Actual)	2,180,274	11,507	210,007	151,255	142,352	-	2,695,395	3,133,426	389,294		14,066	(351,363)	3,185,423	5,985,920
February 2021 (Actual)	1,959,068	59,617	210,007	8,500	131,075	-	2,368,267	2,996,170	6,469	1,049,793	14,044	219,884	4,286,360	4,067,827
March 2021 (Actual)	2,879,133	415,612	210,007	344,101	260,197	-	4,109,050	3,436,848	10,078		14,000	(457,468)	3,003,458	5,173,420
April 2021 (Budget)	2,899,179	151,800	180,370	69,125	8,645	-	3,309,119	3,264,871	50,000		14,000	(300,000)	3,028,871	5,453,668
May 2021 (Budget)	2,536,611	138,960	165,897	63,278	7,535	-	2,912,281	3,147,288			14,000	(300,000)	2,861,288	5,504,661
June 2021 (Budget)	2,668,203	93,000	169,785	42,349	3,561	-	2,976,898	3,131,476	50,000	250,000	14,000	(300,000)	3,145,476	5,336,083
July 2021 (Budget)	3,239,296	116,040	220,548	52,841	5,553	-	3,634,278	3,076,205			14,000	(300,000)	2,790,205	6,180,156
August 2021 (Budget)	2,937,892	79,320	200,027	36,120	2,379	-	3,255,738	3,425,924	50,000		14,000	(300,000)	3,189,924	6,245,970
September 2021 (Budget)	2,592,072	187,440	176,481	85,354	11,727	-	3,053,074	3,156,340			14,000	(300,000)	2,870,340	6,428,704
October 2021 (Budget)	2,963,274	39,000	201,755	17,759	(1,107)	-	3,220,681	3,186,689	50,000		14,000	(300,000)	2,950,689	6,698,696
November 2021 (Budget)	2,487,374	63,600	169,353	28,961	1,020	-	2,750,308	3,067,075	40,934		14,000	(300,000)	2,822,009	6,626,994
December 2021 (Budget)	2,757,050	58,080	187,714	26,448	542	-	3,029,834	3,282,569	40,000		14,000	(300,000)	3,036,569	6,620,259
Totals	32,099,426	1,413,976	2,301,951	926,091	573,479	-	37,314,923	38,304,881 981,635	686,775	1,299,793	168,110	(3,288,948)	37,170,612	6,620,259
														at 12/31/21
														7,047,066
														6,040,342

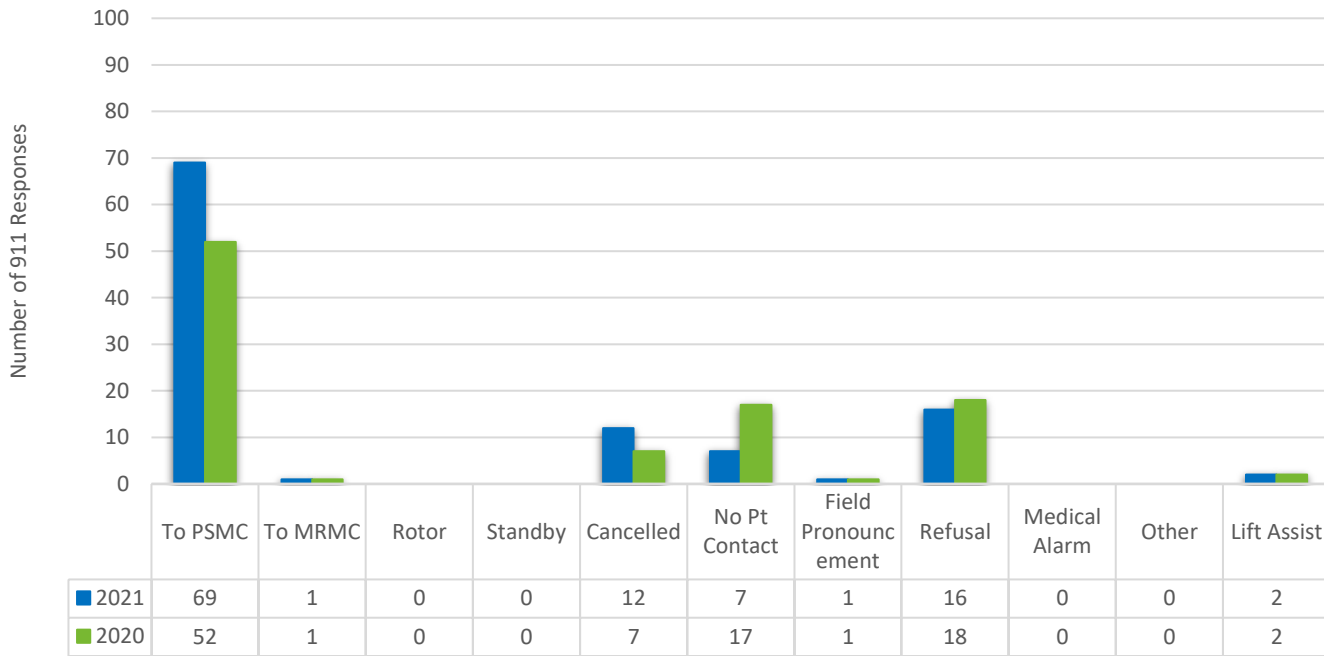
Notes:

- (1) Forecast based on projected revenue.
 - (2) Forecast is based on the actual percentages from prior year.
 - (3) Based on current payment from Colorado Health and Hospitals.
 - (4) Forecast is based on budget adjusted by YTD actual.
 - (5) Forecast is based on budget adjusted by YTD actual.
 - (6) Forecast new leases and equipment for capital purchases.
 - (7) Forecast is based on budget excluding depreciation.
 - (8) Assumes forecast capital expenditures of 280,934.46.
 - (9) Medicare Cost Report Settlement for 2019 and 2020 and Medicaid for 2018.
- Most of the estimated settlement dates are placeholders only, Medicare and Medicaid operate on their own schedules.
- (10) Forecast based on bond principal and interest payments.
 - (11) Other balance sheet changes i.e., changes in accounts payable, receivables etc.

Operations Report for March 2021

EMS: March

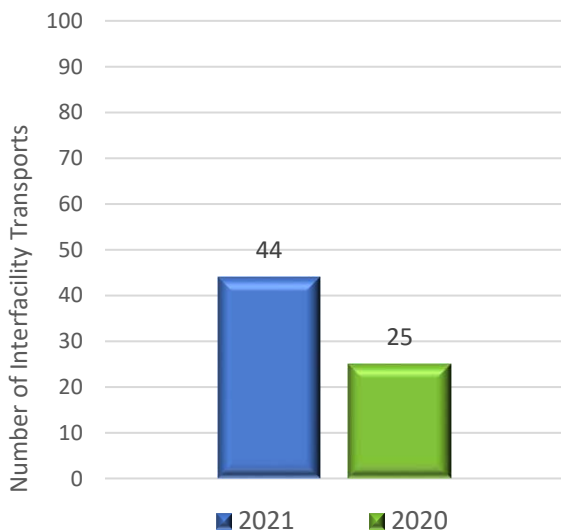
EMS 911 Response



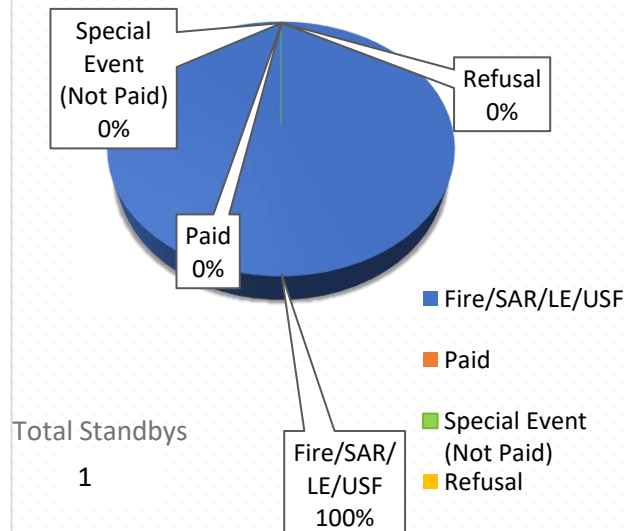
Total 911 Responses for 2020 : 108

2021 2020

Total Interfacility Transports

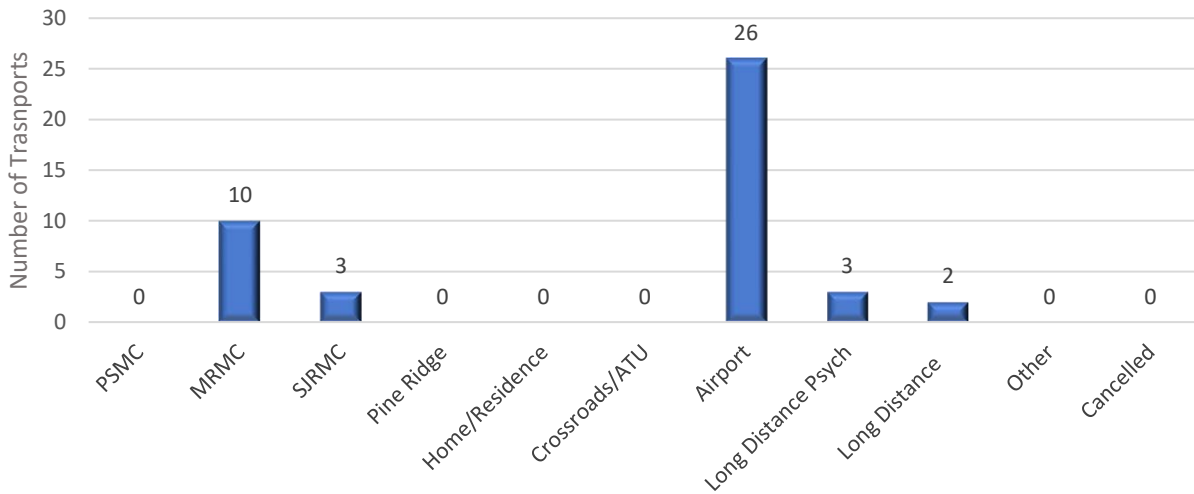


Breakdown of EMS Standbys



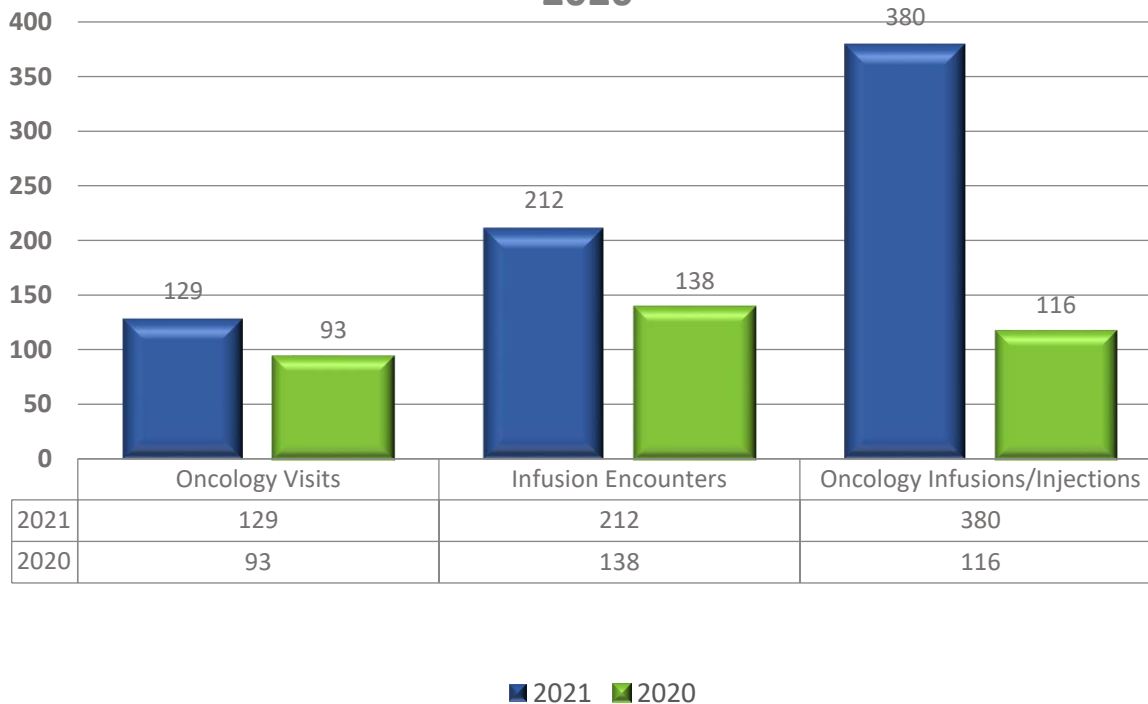
EMS: March

Interfacility Transports by Destination

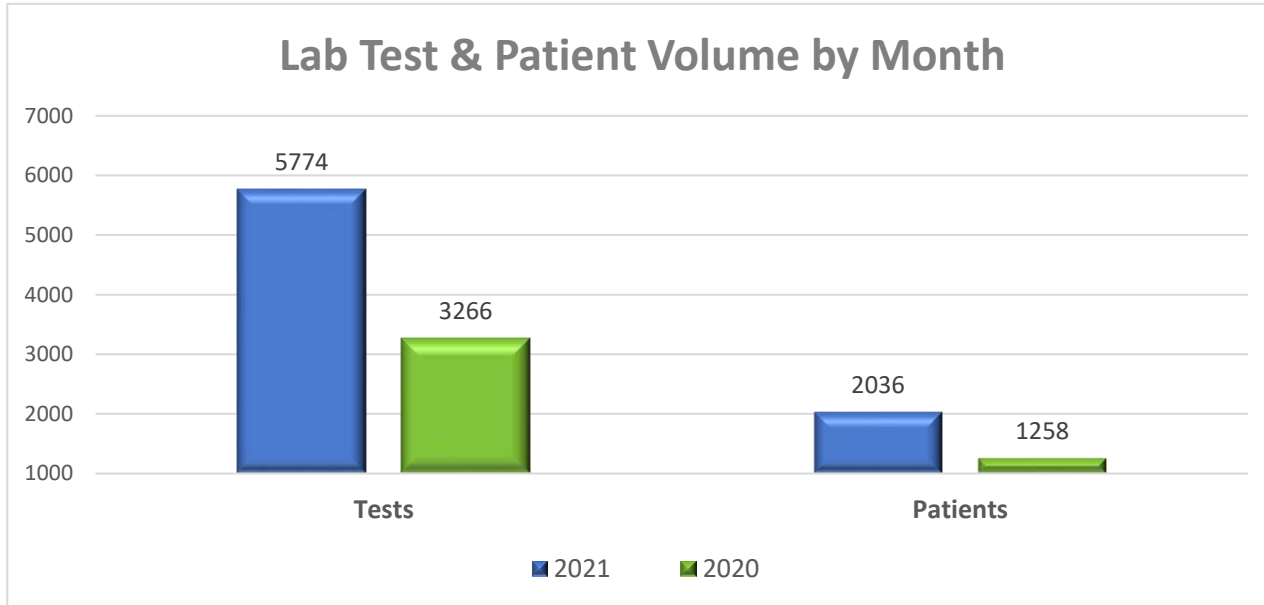


Oncology/Infusion: March

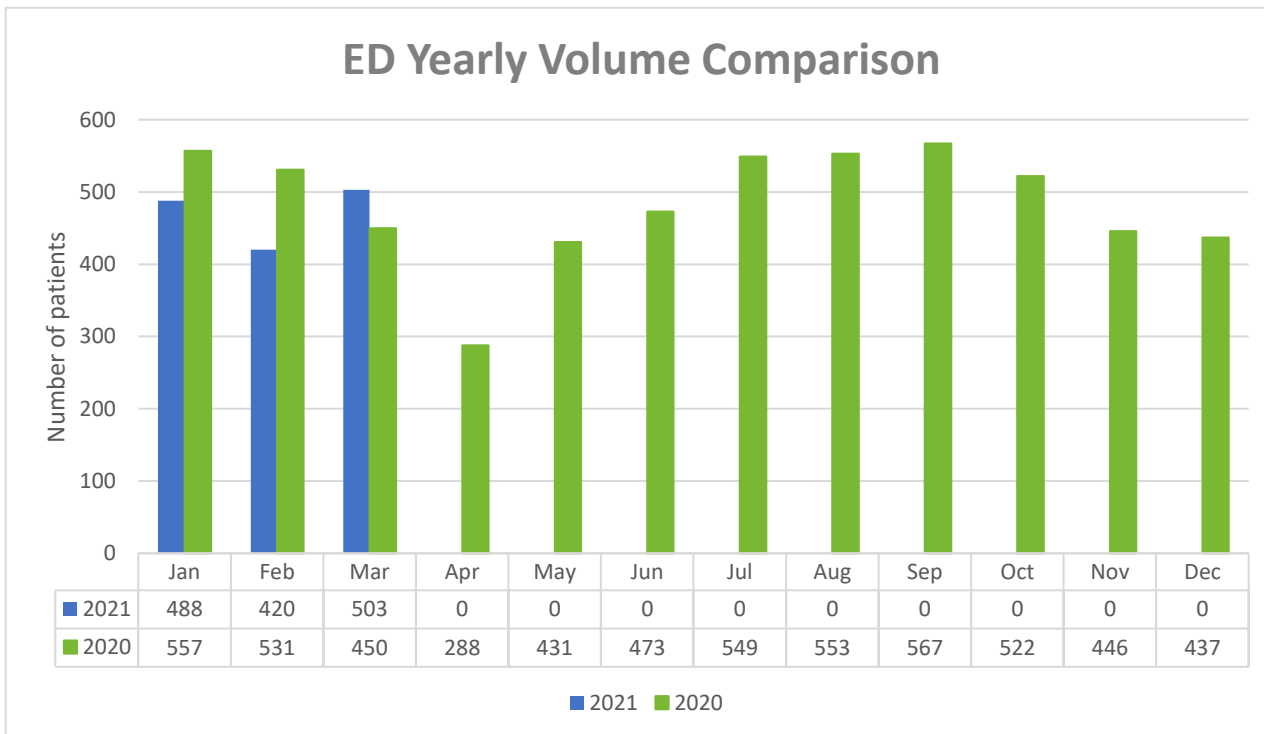
Oncology/Infusion Monthly Comparison 2021 to 2020



Lab: March

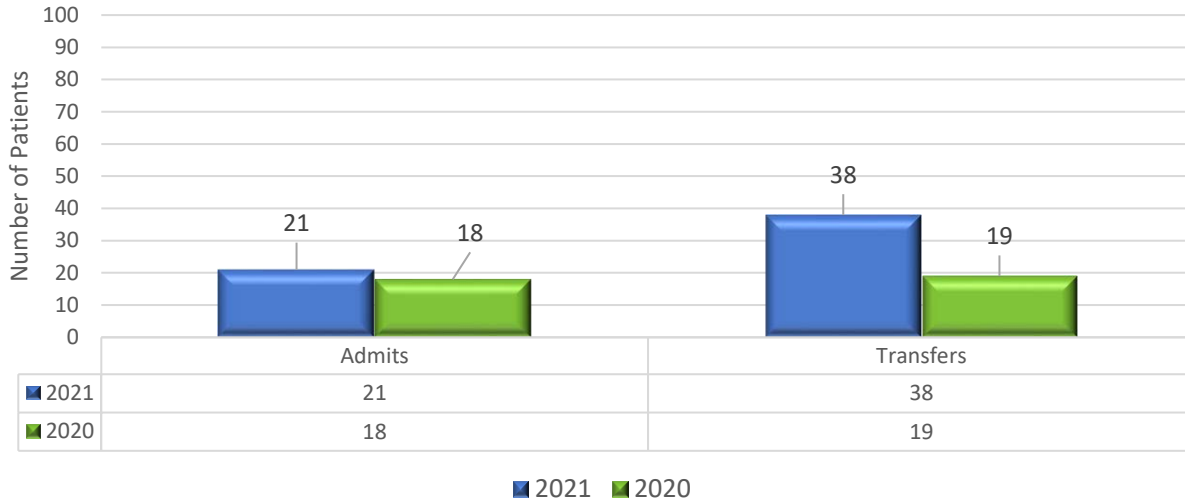


ED: March

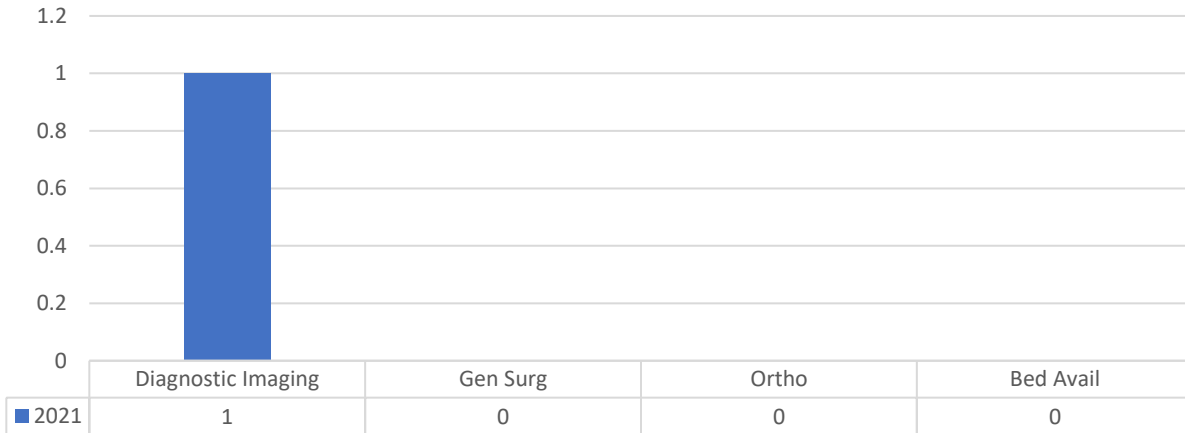


ED: March

ED Inpatient Admissions and Transfers Monthly Comparison



Resource Related Transfers



Average Daily Census

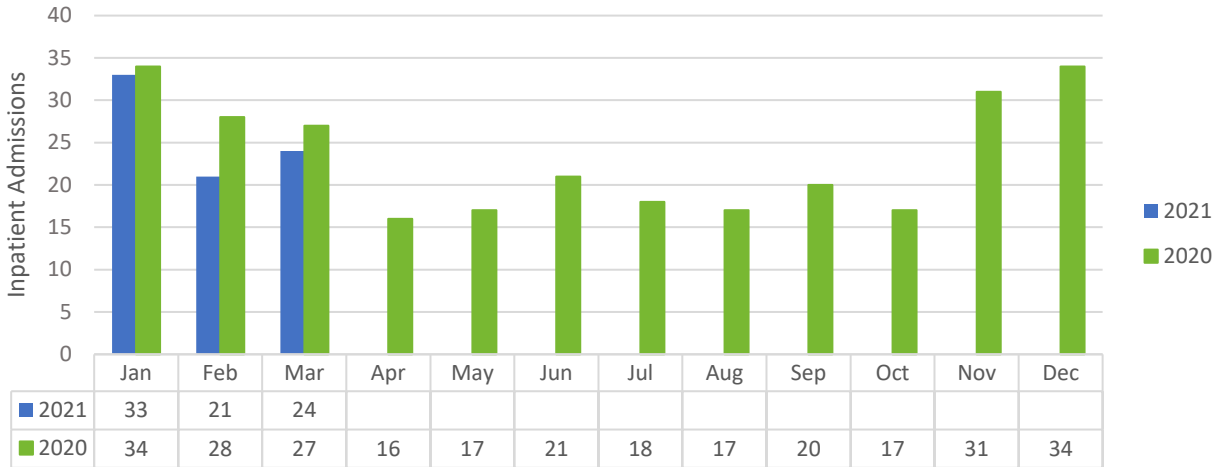
16.2

Average Length of Stay (in hours)

2.4

Inpatient : March

Inpatient Admission Comparison



Average Daily Census

3.4

Average Length of Stay (in days)

2.4

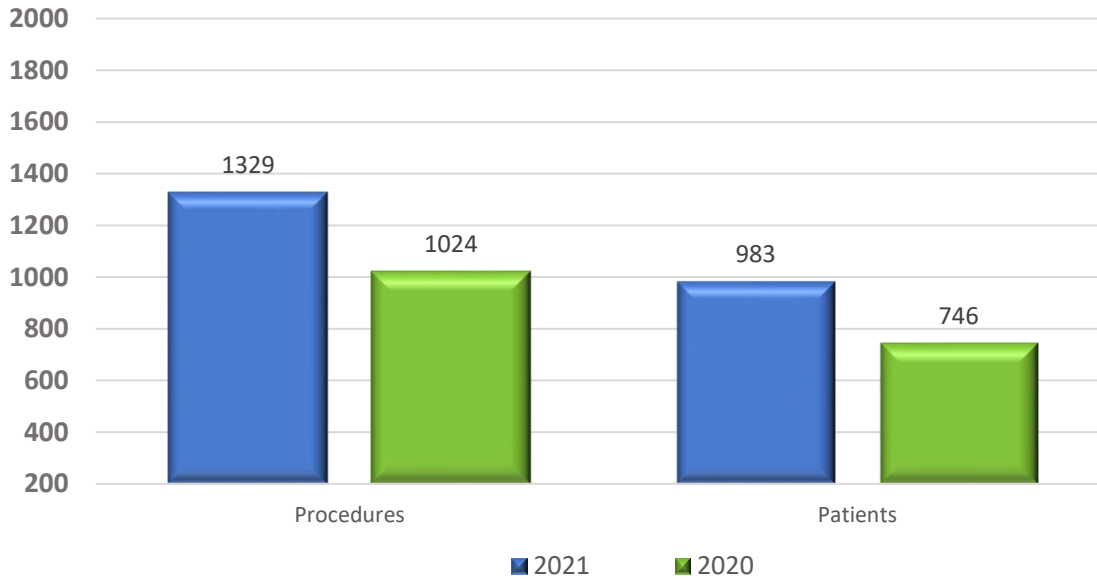


COVID-19 Patients
Hospitalized at PSMC

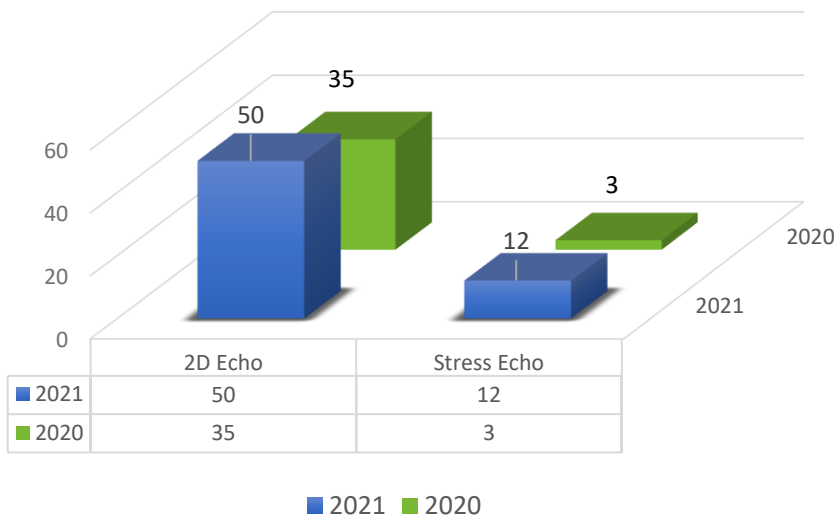
4

Diagnostic Imaging: March

Diagnostic Imaging Stats by Month

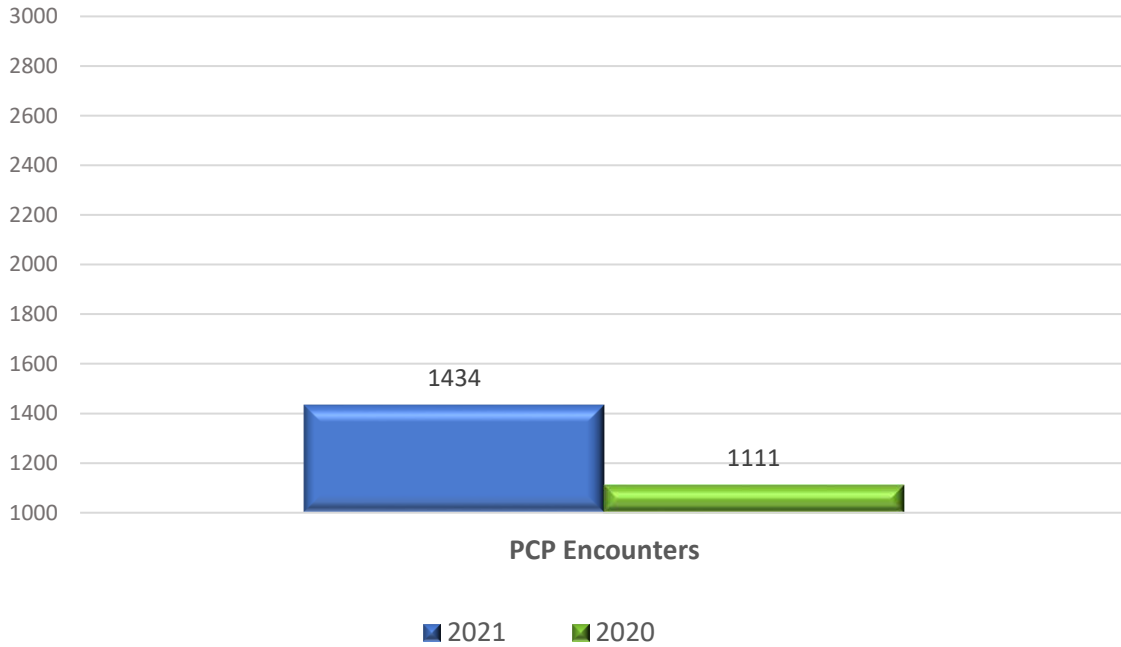


Cardiology 2D Echo & Stress by Month

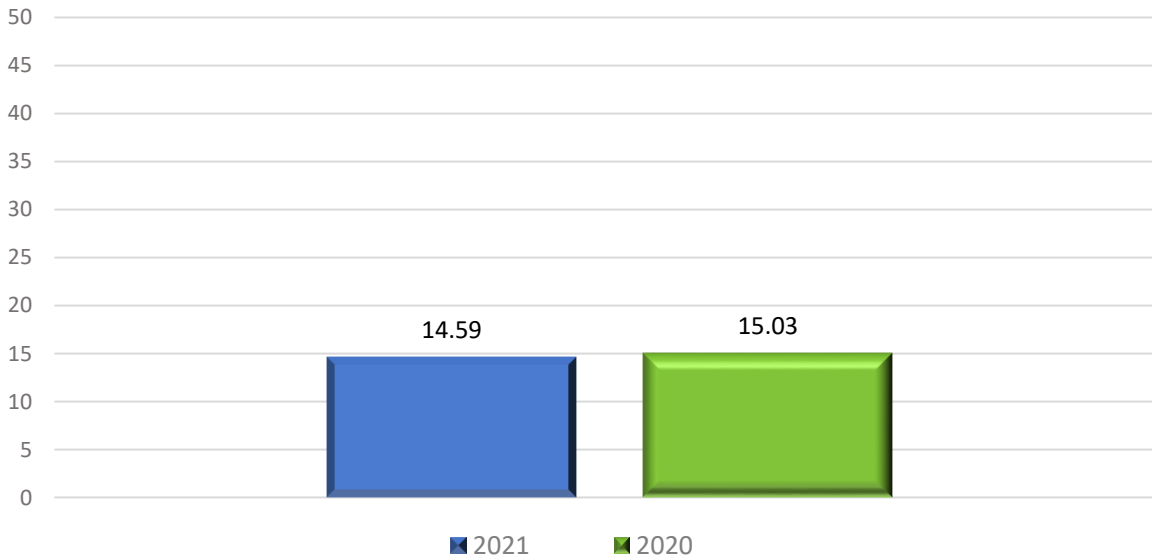


Clinic: March

Rural Health Clinic Encounters by Month

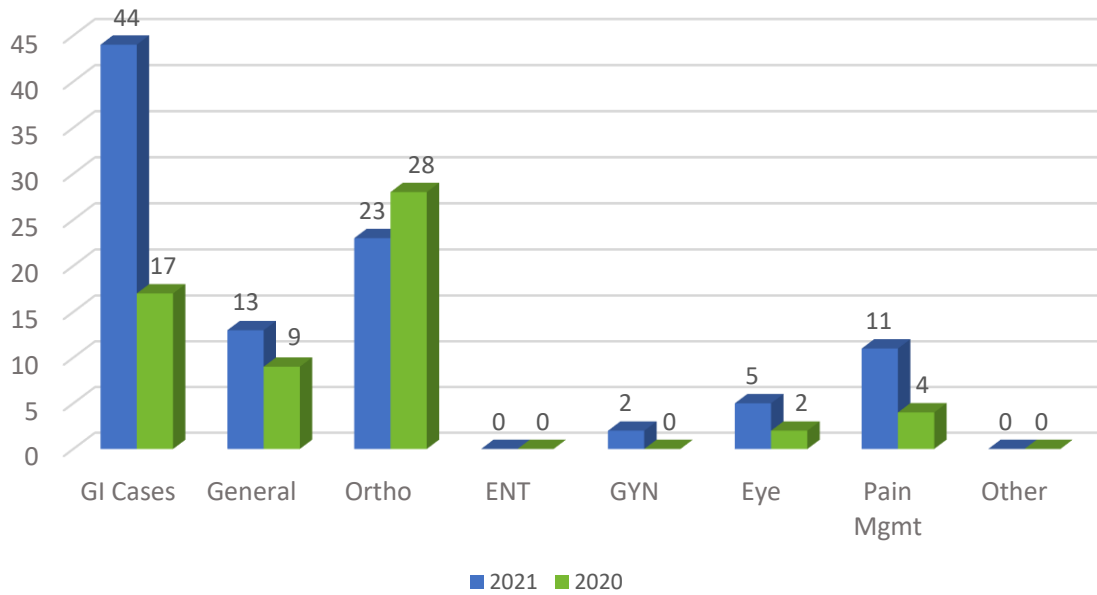


Average Daily Walk-Ins



Surgery

Surgery Cases by Month
2021 compared to 2020





**THE UPPER SAN JUAN HEALTH SERVICE DISTRICT
DOING BUSINESS AS PAGOSA SPRINGS MEDICAL CENTER**

**MEDICAL STAFF REPORT BY CHIEF OF STAFF, RALPH BATTELS
April 27, 2021**

I. ~~STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF NEW POLICIES OR PROCEDURES ADOPTED BY THE MEDICAL STAFF:~~

II. STATEMENT OF THE MEDICAL STAFF'S RECOMMENDATIONS FOR THE USJHSD BOARD ACCEPTANCE OF PROVIDER PRIVILEGES (ACCEPTANCE BY THE BOARD RESULTS IN THE GRANT OF PRIVILEGES):

NAME	INITIAL/REAPPOINT/CHANGE	TYPE OF PRIVILEGES	SPECIALTY
Ryan Albritton, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Ira Chang, MD	Reappointment	Telemedicine/Teleneurology	Neurology
Chad Gray, MD	Reappointment	Courtesy/Emergency Medicine & Family Medicine	Family Medicine
Jonathan Kleinman, MD	Reappointment	Telemedicine/Teleneurology	Neurology
Rhonda Webb, MD	Reappointment	Courtesy/Hospitalist	Internal Medicine & Nephrology
Adam Williams, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Michael Yung, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Jason Wallace, DO	Change in Privileges: addition of Hospitalist Privileges	Active/Family Medicine	Family Medicine

III. REPORT OF NUMBER OF PROVIDERS BY CATEGORY

Active: 20
 Courtesy: 20
 Telemedicine: 123
 Advanced Practice Providers: 18
 Honorary: 1
 Total: 182



MINUTES OF REGULAR BOARD MEETING

Tuesday, March 23, 2021

5:30 PM

The Board Room

95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors of the Upper San Juan Health Service District (the “*Board*”) held its regular board meeting on March 23, 2021, at Pagosa Springs Medical Center, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Zoom video communications.

Directors Present: Chair Greg Schulte and Director Jason Cox.

Present via Zoom: Director Mark Zeigler and Director Karin Daniels.

Present via teleconference: Vice-Chair Matt Mees.

Director(s) Absent: Director Dr. Jim Pruitt.

1) CALL TO ORDER

- a) Call for quorum: Chair Schulte called the meeting to order at 5:31 p.m. MST and Clerk to the Board, Heather Thomas, recorded the minutes. A quorum of directors was present and acknowledged.
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: There were none.
- c) Approval of the Agenda: The Board noted approval of the agenda as presented.

2) PUBLIC COMMENT

There was none.

3) PRESENTATION: COVID-19 Vaccines

CAO Ann Bruzzese presented and discussed a PowerPoint presentation regarding the community vaccination initiative highlighting that, according to a statement made by San Juan Basin Public Health, Southwest Colorado’s vaccination rate remains one of the highest in the state with over 30 percent of Archuleta County’s total population having received at least one dose of vaccine.

CAO Bruzzese noted the State of Colorado advised that there is, what is currently described as, a “race between vaccination and variance.” CAO Bruzzese noted reports of 2 confirmed cases of the California variance and 3 confirmed cases of the United Kingdom variance reported in La Plata County; 1 confirmed California variance case in Archuleta County; and 5 confirmed cases of the South African variance reported in the correctional complex at Buena Vista.

CAO Bruzzese also advised of recent COVID-19 outbreaks in Archuleta. Questions were asked and answered.

4) **REPORTS**

a) **Oral Report**

i) Chair Report

There was no report.

ii) CEO Report

Due to the noted absence of CEO Dr. Rhonda Webb, there was no report.

iii) Executive Committee

There was no report.

iv) Foundation Committee

There was no report.

v) Facilities Committee

There was no report.

vi) Strategic Planning Committee

Director Cox reminded the Board of the upcoming meeting with Strategic Planning Committee on April 13, which will be open to the public, regarding the initial draft Strategic Plan. Board members will have the opportunity to review the draft plan and provide feedback.

vii) Finance Committee & Report

CFO Chelle Keplinger began by noting, as explained in the Finance Committee report, there was an error in the billing process within the last couple of months. It was a process error that caused a delay in sending out some bills starting in January and resulted in the reported reduction of cash. CFO Keplinger stated billing should be caught up in May.

CFO Keplinger then presented and discussed the PowerPoint presentation.

Vice-Chair Mees asked a question regarding the reported number of accounts sent to collections. CFO Keplinger answered.

Director Zeigler requested for CFO Keplinger to clarify transfer of funds with regard to the CARES Act funding. CFO Keplinger advised that she has consulted the auditors and was advised the auditors believe, at this point, that governmental rules regarding the CARES Act funding will not be changed again. It is anticipated for PSMC to receive the full reimbursement of 55 percent of expenses, with the remainder being settled through the Medicare cost report. CARES Act funds that are believed to be owed year to date through March will be transferred over in March. As COVID expenses are created monthly, such as vaccine clinic expenses, funds will continue to be assessed and transferred over on a monthly basis.

Chair Schulte complemented the Finance Committee for being thorough and meticulous.

Director Zeigler noted the Finance Committee's recommendation for the Board to accept the finances as presented.

CAO Ann Bruzzese then gave an update regarding the refunding of the 2006 bonds advising underwriters are sending in proposals. Legal documents are being prepared, including a Board resolution which will be a lengthy, detailed document stating contract terms by which USJHSD will be bound by with respect to investors. With respect to the credit structure, the refunded bond will be secured by USJHSD's mill levy.

Director Zeigler asked a question regarding if there is a need to publish or notify the public of the upcoming actions by the Board regarding the refinancing of the bond. CAO Bruzzese

answered noting the subject is currently being discussed at open meetings. Additionally, it was elected with the 2006 bonds vote that the District would have the right to refund as long as there are cost savings.

viii) Ad Hoc Search Committee

Chair Schulte deferred the report until discussion during the Decision Agenda.

b) **Written Reports**

i) Operations Report

There were no questions.

ii) Medical Staff Report

Director Cox asked a question regarding if the list of provider reappointments, as noted on the report, were all of the same specialty. COS, Dr. Ralph Battels, answered.

5) **DECISION AGENDA**

a) Resolution 2021-03

Chair Schulte advised the Board interviews were conducted March 10. Initially, there were five people who had submitted a Self-Nomination form though one person withdrew before the interviews were held. The process included that each candidate was asked seven identical questions, each of which were weighted. As per the resolution, candidate Kate Alfred received the highest weighted score of the four candidates and is, therefore, being recommended by the Ad Hoc search committee to fill the vacant position. The position will complete the remainder of the seat's term, set to expire in May of 2022.

Questions were asked and answered.

Director Cox motioned to approve Resolution 2021-03 regarding appointment of Kate Alfred to fill the Board vacancy, due to resignation of Dr. King Campbell, for the remainder of the seat's term. Upon motion seconded by Vice-Chair Mees, the Board unanimously approved said resolution.

6) **CONSENT AGENDA**

Director Daniels motioned to approve the regular meeting minutes of 02/23/2021, and the Medical Staff report recommendations for new or renewal of provider privileges.

Upon motion seconded by Director Zeigler, the Board unanimously approved said consent agenda items.

7) **OTHER BUSINESS**

There was none.

8) **ADJOURN**

There being no further business, Chair Schulte adjourned the regular meeting at 6:15 p.m. MST.

Respectfully submitted by:

Heather Thomas, serving as Clerk to the Board



MINUTES OF WORK SESSION MEETING

Tuesday, April 13, 2021

11:00 AM

The Board Room

95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors of the Upper San Juan Health Service District (the “*Board*”) held a work session meeting on April 13, 2021, at Pagosa Springs Medical Center, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Zoom video communications.

Directors Present: Chair Greg Schulte, Vice-Chair Matt Mees, Interim Treasurer-Secretary Mark Zeigler, Director Jason Cox, Director Kate Alfred, and Director Karin Daniels.

Present via Zoom: Director Dr. Jim Pruitt.

1) CALL TO ORDER

- a) Call for quorum: Chair Schulte called the meeting to order at 11:04 a.m. MST and Clerk to the Board, Heather Thomas, recorded the minutes. A quorum of directors was present and acknowledged.
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: There were none.
- c) Approval of the Agenda: The Board noted approval of the agenda as presented.

2) STRATEGIC PLANNING WORK SESSION

Planning session facilitator, Jasper Welch, gave an overview of how the session would be conducted due to the strict time frame of the meeting.

The Board discussed the first five pages of the presented draft Strategic Plan PowerPoint presentation proposing additions and edits.

3) ADJOURN

There being no further business, Chair Schulte adjourned the regular meeting at 1:05 p.m. MST.

Respectfully submitted by:

Heather Thomas, serving as Clerk to the Board