



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

Tuesday, July 26, 2022, at 4:30 PM

The Board Room (direct access – northeast entrance)
95 South Pagosa Blvd., Pagosa Springs, CO 81147

**DUE TO THE PANDEMIC, IN-PERSON ATTENDEES WILL BE:
LIMITED, SCREENED PRIOR TO ENTERING THE MEETING, AND
REQUIRED TO WEAR A MASK**

Please use this link to join the meeting: <https://us02web.zoom.us/j/88304467907>
or telephone (346) 248-7799 or (669) 900-6833
Zoom Meeting ID: 883 0446 7907

AGENDA

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) PRESENTATIONS

- a) PSMC's Cancer and Infusion Center and Pharmacy services presentation and overview of services by pharmacist and Director Christina Reeves.

4) REPORTS

- a) Oral Reports (may be accompanied by a written report)
 - i) ~~Chair Report~~ ~~Chair Matt Mees~~
 - ii) CEO Report Dr. Rhonda Webb
 - iii) ~~Executive Committee~~ ~~Chair Mees and Vice Chair Kate Alfred~~
 - iv) ~~Foundation Committee~~ ~~Chair Mees, Dir. Dr. Pruitt and CEO R. Webb~~
 - v) Facilities Committee Chair Mees and COO K. Douglas

vi) ~~Strategic Planning Committee~~

vii) [Finance Committee & Report](#)

Treas.-Sec. Zeigler and CFO C.Keplinger

b) **Written Reports** (*no oral report unless the Board has questions*)

i) [Medical Staff Report](#)

Chief of Staff, Dr. John Wisneski

5) **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 07/26/2022

b) Approval of Minutes for the following meeting(s):

i) [Regular Meeting of: 06/28/2022.](#)

c) Approval of [Medical Staff report](#) recommendations for new or renewal of provider privileges.

6) **EXECUTIVE SESSION** There will be an executive session pursuant to the following subparagraphs of C.R.S. Section 24-6-402(4):

- (a) the possible purchase, acquisition, lease, transfer, or sale of real property owned by James Pruitt Properties LLC;
- (b) conferences with an attorney for USJHSD for the purpose of receiving legal advice on specific legal questions; and
- (c) determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.

Further, the Board reserves the right to meet in executive session for any other purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).

7) **DECISION AGENDA**

a) [Consideration of Resolution 2022-18](#) The resolution sets forth the Board's agreements including:

- i) The Board has determined it in the best interest of the District and its inhabitants to acquire the land/building owned by Pruitt Properties, LLC at 75 S. Pagosa Blvd (the "Property").
- ii) The Board Chair is authorized to sign documents and the Board Treasurer/Secretary is authorized to attest documents to finance and close on the Property including, without limitation, the [Lease Purchase Agreement](#) and the [Site Lease](#).
- iii) This transaction is a "lease lease-back" to comply with the Colorado Taxpayer Bill of Rights (TABOR). This means at closing, PSMC will lease the Property to a trustee and the trustee will lease the Property back to PSMC for annual sums which sums are evidenced by "certificates" and are subject to annual appropriation by the Board (the exact amounts are set forth in the Lease-Purchase Agreement at Exhibit C, page C-1 and are based upon a tax-exempt interest rate of 3.54% and redeemable on or after December 1, 2024). The trustee, UMB Bank, will enter into an [Indenture of Trust](#) to receive the annual sums owed for the certificates which certificates are owned by JPMorgan Chase.
- iv) At closing and upon PSMC's delivery of the Lease Purchase Agreement and the Site Lease, PSMC will own the property in fee title.

8) OTHER BUSINESS

9) ADJOURN

**Finance Committee & CFO Report for the
USJHSD Board Meeting on July 26, 2022**

The Board's Finance Committee met on July 19, 2022. The report below provides an overview of the financials and addresses any questions made by members of the Finance Committee.

1) June Financials:

a) Bottom line and Income Statement:

- i) PSMC had a positive bottom line for the month of June despite continued costly expenses for traveler staffing.
- ii) On the Income Statement:
 - (1) Gross Revenue: Gross patient revenue for the month is the highest in PSMC history but fell short of budget by 4%.
 - (2) Deductions to Gross Revenues for Payer Contractuals, Charity and Bad Debt: Each month PSMC has deductions to its revenue for bad debt, charity care as well as deductions made by third-party payers (Medicare and commercial insurers) that are referred to as payer contractuals. Year to date, these deductions to revenue are 7% under budget.
 - (3) Contract labor expenses for traveler staffing (nursing and lab) continues to exceed budget. While June traveler expense exceeded budget by \$138,726, the expense is less than prior months.
 - (4) Net Revenues: PSMC had a positive bottom line in June with net revenues of \$241,658.
- iii) Days of accounts receivable continued to be excellent at 49.1 days.

b) Balance Sheet:

- i) As of June 30, 2022, PSMC has 129.31 days of cash on hand from operations.
- ii) On the Balance Sheet, PSMC has additional cash on hand that appears as both an asset and a liability as follows:
 - (1) \$669,775 (additional 6.1 days of cash) of CARES Funding (appears in the Assets column as "Relief Fund Restricted" and in the Liabilities column as "Relief Fund Liability").
 - (2) \$1,384,122 (additional 10.33 days of cash) of Medicare Accelerated Payment – in 2020, Medicare made an advance which PSMC applies against sums due to PSMC for Medicare services. Staff reported that these funds are being applied at a faster rate so we will see these funds depleted at a faster rate than the past. Any sums not applied through September 2022 are returned to Medicare.

2) Operational Reports Re Volumes:

- a) Patient volumes will only be reported in the financial report and there will no longer be a COO report that provided similar data.
- b) EMS runs is new information; at the suggestion of the committee, we will add information showing the comparison of billed runs to all runs in the month.

3) Finance Committee Recommendations: The Finance Committee recommends acceptance of the June 2022 financial reports as presented.

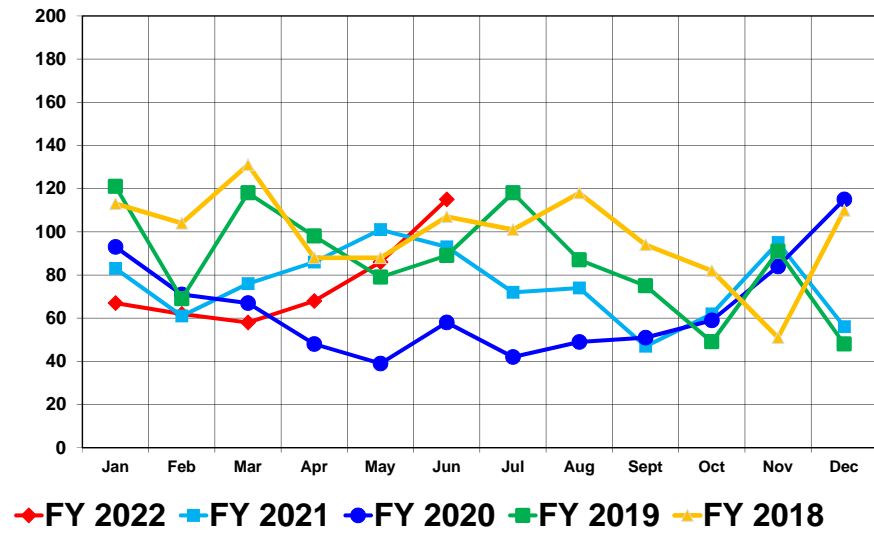


FINANCIAL PRESENTATION YTD JUNE 2022

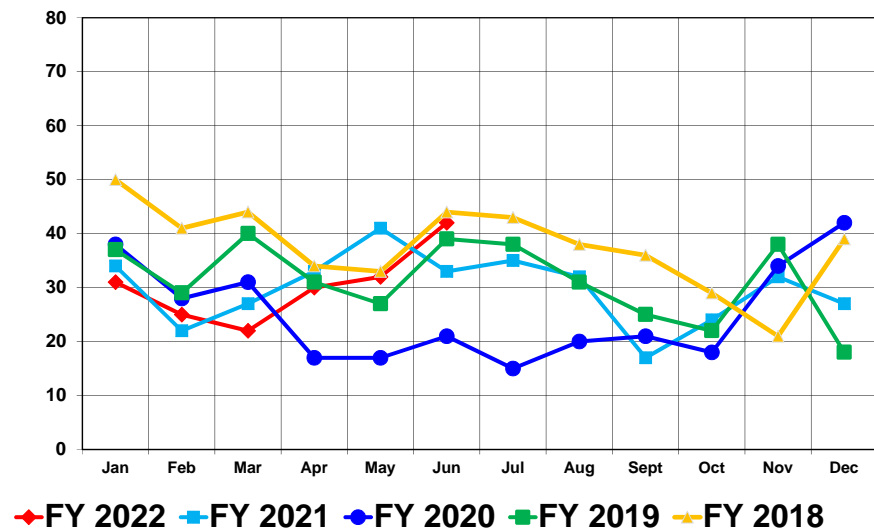
Glossary of Terms

- Gross revenue is the total amount of charges.
- Net revenue = charges less contractuals, bad debt and charity care and then add back the provider tax income.
- Contractuals are discounts to gross revenue we contractually accept from commercial patients or are required to accept by governmental payers.
- Bad Debt is the amount that is written off due to the inability to collect from patients.
- Net Income = Net Revenue – Expenses + tax and other income.
- Gross Days in accounts receivable = Three months average gross revenue divided into the total A/R. (National benchmark is 60 days.)
- Days Cash on hand = Total Expenses YTD (less depr and amortization) divided into the total cash (less bond reserve, Medicare advance payments and & unapplied stimulus).

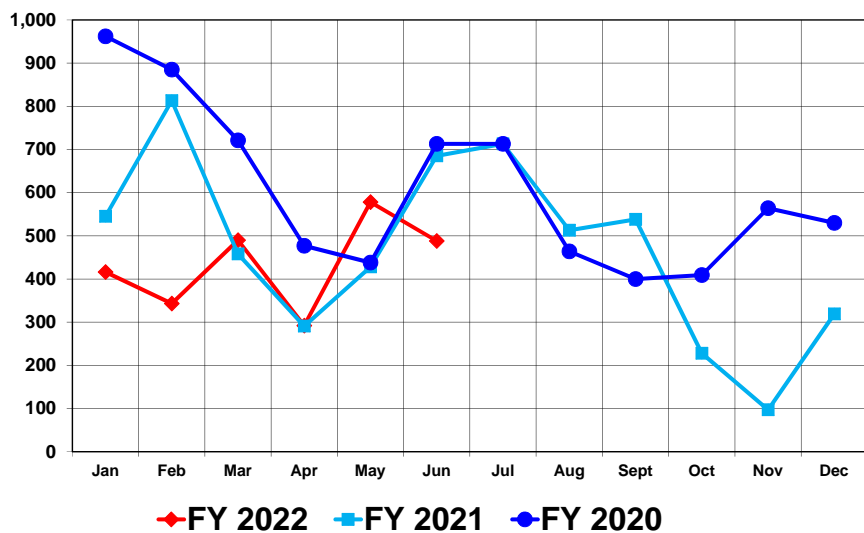
PATIENT DAYS



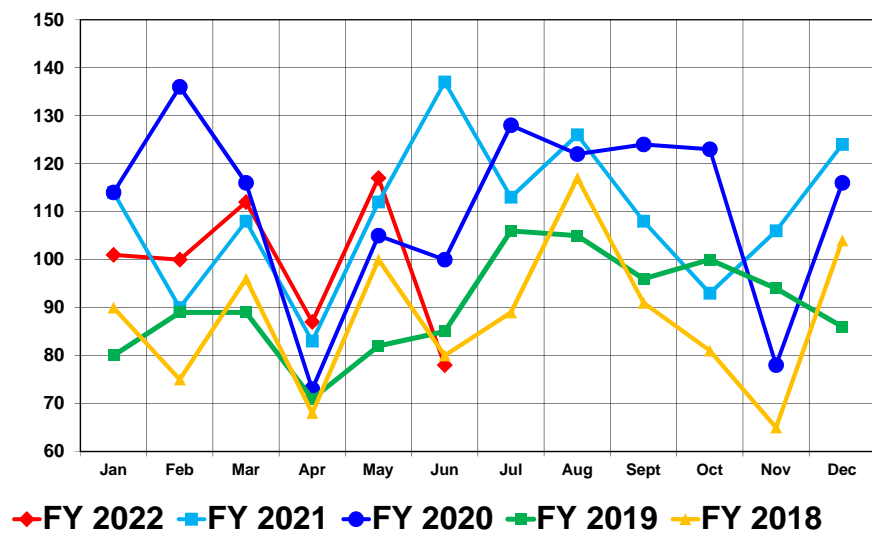
INPATIENT DISCHARGES



OBSERVATION HOURS

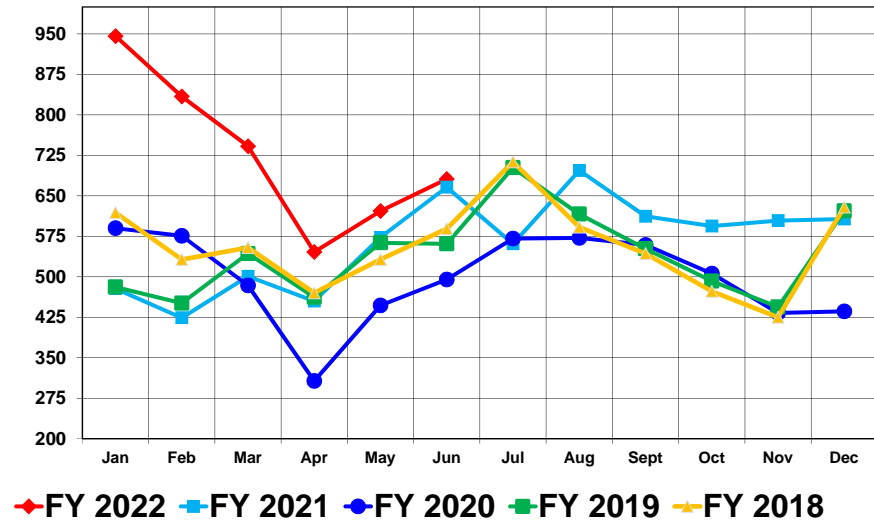


BILLABLE EMS RUNS

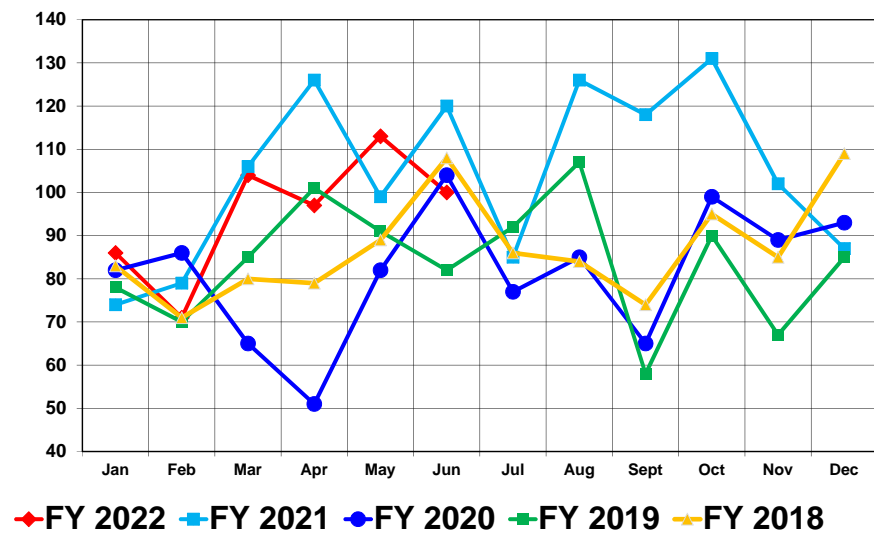


ER VISITS

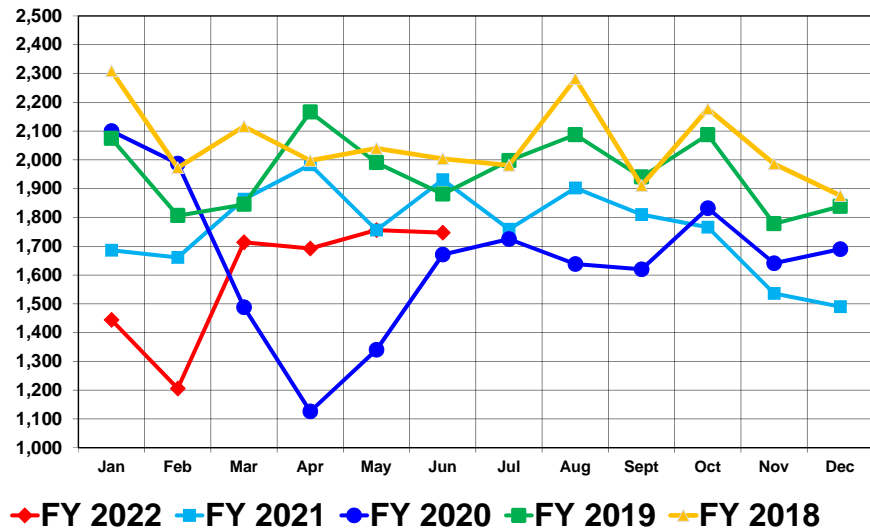
(Includes Fast Track in 2022)



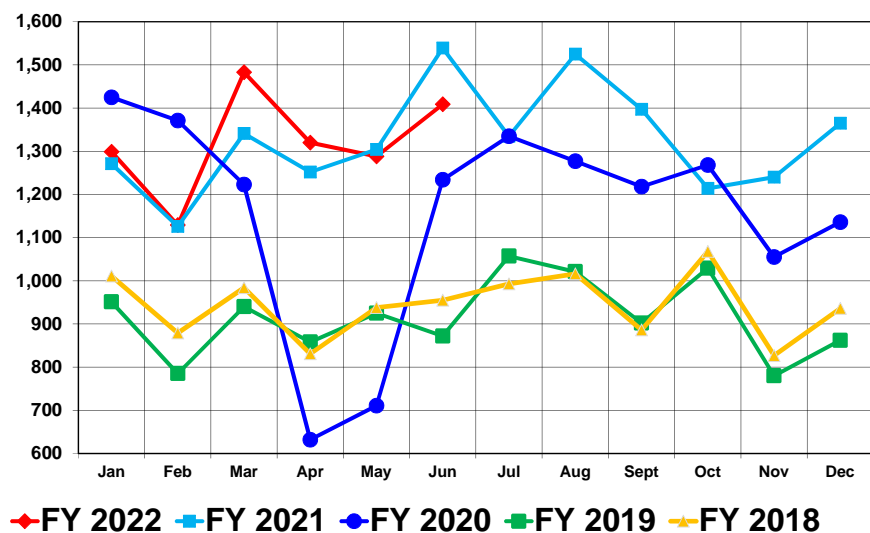
OR and PAIN Procedures



RURAL HEALTH CLINIC VISITS



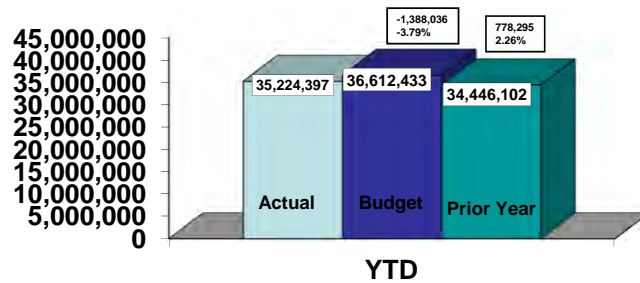
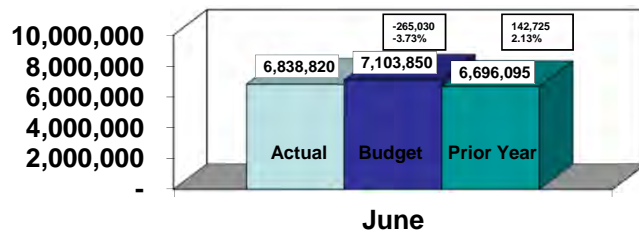
RADIOLOGY EXAMS



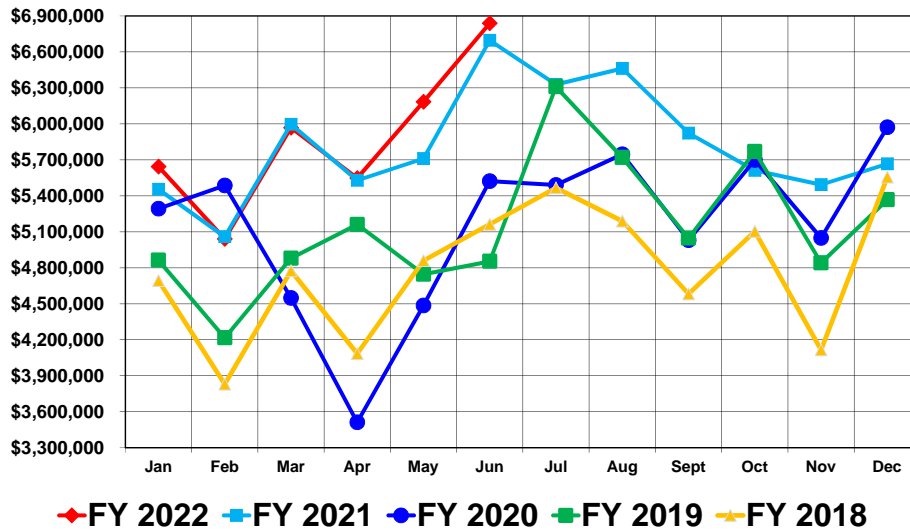
Summary of Financials

	May		
Gross Revenue	\$ 6,184,257		
Net Revenue	\$ 3,433,105		
Expenses	\$ 4,291,402		
Grants, 340B and Tax Revenue	\$ 408,847		
Grants and 340B and Stimulus		\$ 64,660	
Tax Revenue		\$ 344,187	
Net Income	\$ -449,450		

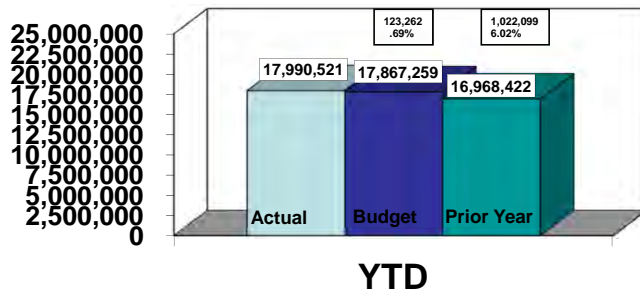
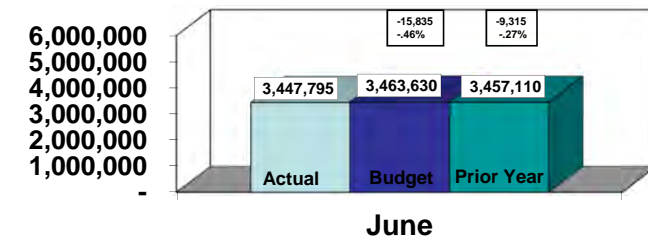
GROSS REVENUE



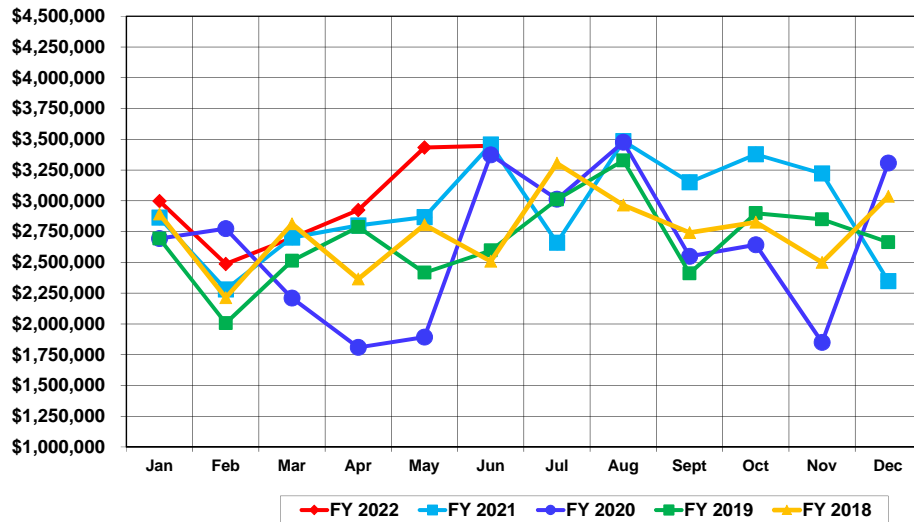
GROSS REVENUE



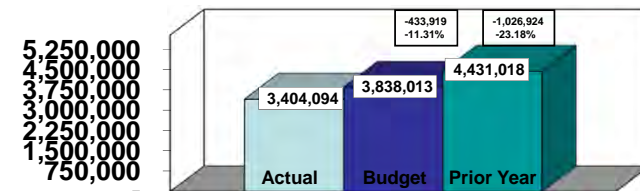
NET PATIENT REVENUE



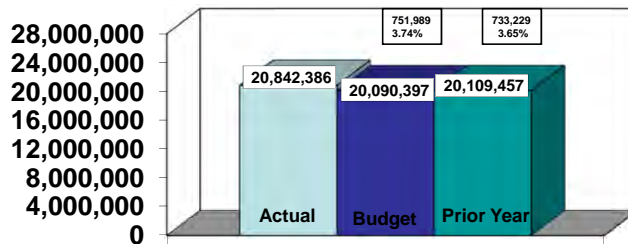
NET PATIENT REVENUE



EXPENSES

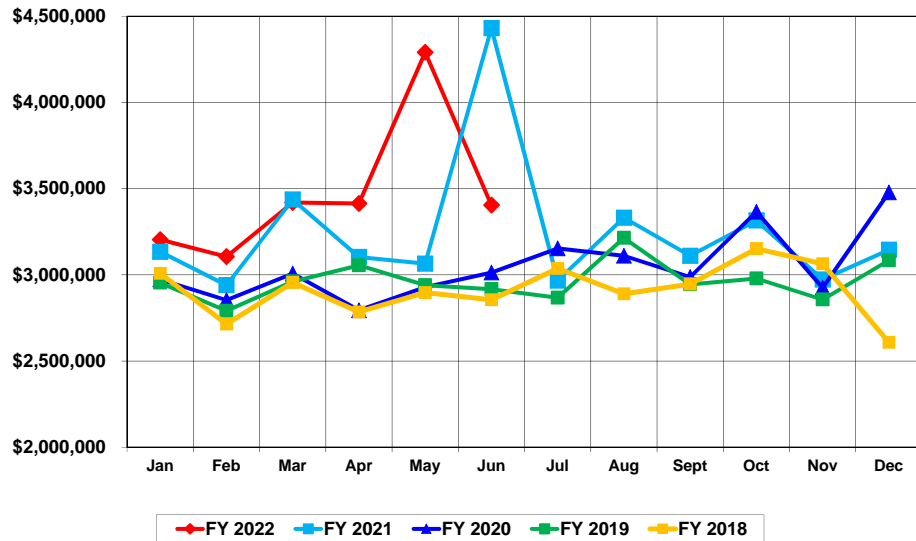


June

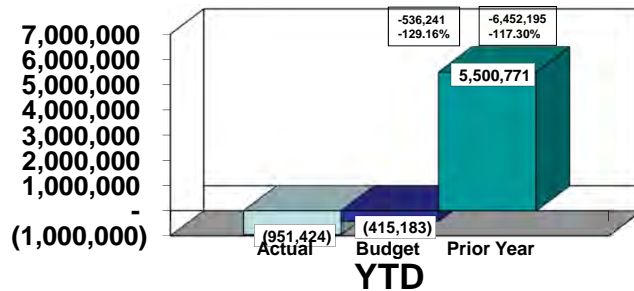
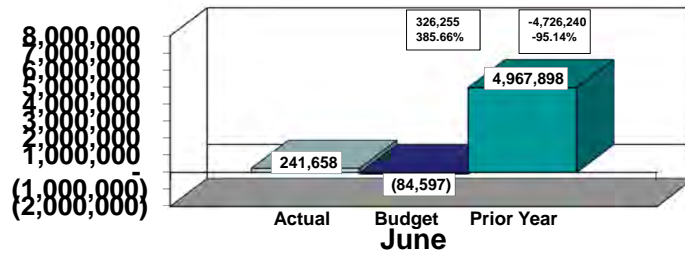


YTD

EXPENSES



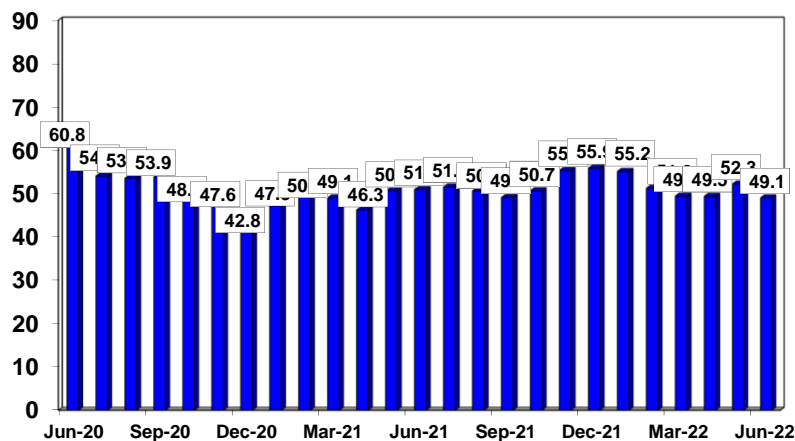
NET INCOME



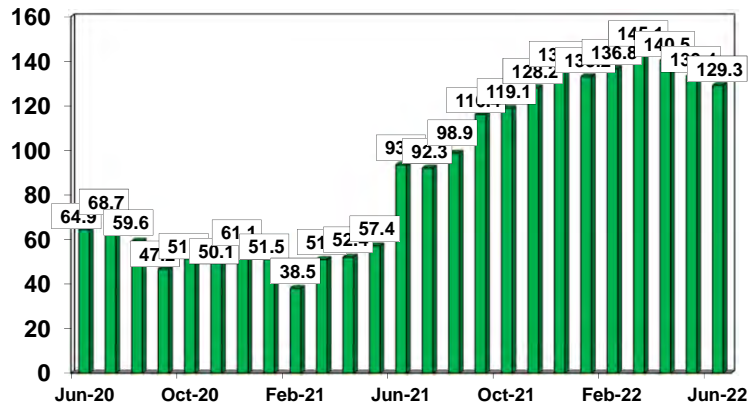
Summary of Financials

	June		
Gross Revenue	\$ 6,838,820		
Net Revenue	\$ 3,447,795		
Expenses	\$ 3,404,094		
Grants, 340B and Tax Revenue	\$ 197,957		
Grants and 340B and Stimulus		\$ 85,963	
Tax Revenue		\$ 111,994	
Net Income	\$ 241,658		

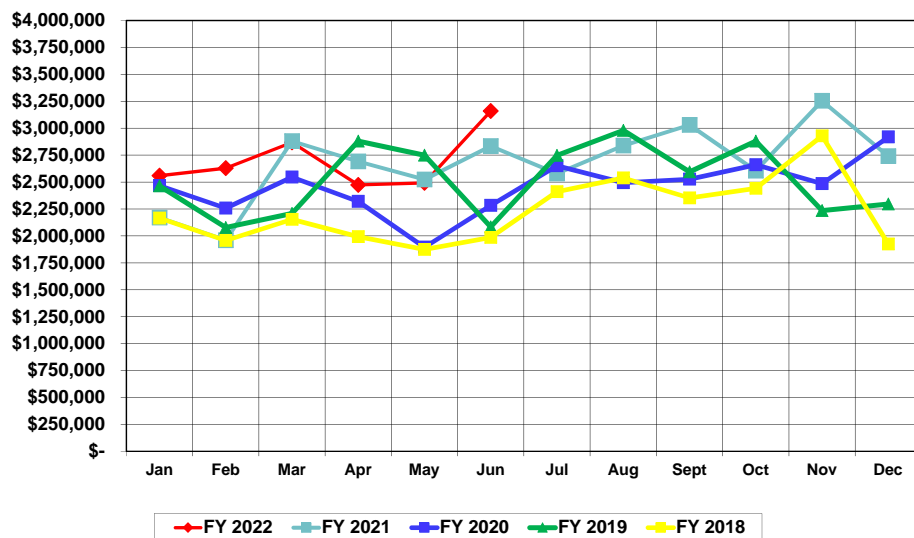
GROSS DAYS IN ACCOUNTS RECEIVABLE



DAYS CASH ON HAND



CASH COLLECTIONS



Pagosa Springs Medical Center

Income Statement - - - June 30, 2022

Page 1

		Current Month				Year-to-Date			
		2022	Budget	Difference	Variance	2022	Budget	Difference	Variance
Revenue									
7	Total In-patient Revenue	676,783	617,154	59,629	10%	2,904,155	3,043,207	(139,052)	-5%
17	Total Out-patient Revenue	5,569,158	5,912,774	(343,616)	-6%	29,276,637	30,610,318	(1,333,681)	-4%
18	Professional Fees	592,879	573,922	18,957	3%	3,043,605	2,958,908	84,697	3%
19	Total Patient Revenue	6,838,820	7,103,850	(265,030)	-4%	35,224,397	36,612,433	(1,388,036)	-4%
20	Revenue Deductions & Bad Debt								
21	Contractual Allowances	3,560,213	3,704,305	(144,092)	-4%	17,605,429	19,075,181	(1,469,752)	-8%
22	Charity	(1,026)	-	(1,026)		215,659	-	215,659	
23	Bad Debt	72,003	246,673	(174,670)	-71%	855,362	1,270,232	(414,870)	-33%
24	Provider Fee & Other	(240,165)	(310,758)	70,593	-23%	(1,442,574)	(1,600,239)	157,665	-10%
25	Total Revenue Deductions & Bad Debt	3,391,025	3,640,220	(249,195)	-7%	17,233,876	18,745,174	(1,511,298)	-8%
26	Total Net Patient Revenue	3,447,795	3,463,630	(15,835)	0%	17,990,521	17,867,259	123,262	1%
27	Grants	-	4,988	(4,988)	-100%	77,288	28,121	49,167	175%
28	HHS Stimulus Other Revenue	-	-	-		-	-	-	
29	COVID PPP Loan Forgiveness	-	-	-	0%	-	-	-	0%
30	Other Operating Income - Misc	85,963	158,147	(72,184)	-46%	631,846	885,762	(253,916)	-29%
31	Total Net Revenues	3,533,758	3,626,765	(93,007)	-3%	18,699,655	18,781,142	(81,487)	0%
32	Operating Expenses								
33	Salary & Wages	1,642,245	2,051,874	(409,629)	-20%	10,108,334	10,430,537	(322,203)	-3%
34	Benefits	339,471	316,751	22,720	7%	1,708,672	1,741,078	(32,406)	-2%
35	Professional Fees/Contract Labor	184,764	46,038	138,726	301%	1,592,608	232,899	1,359,709	584%
36	Purchased Services	121,602	241,938	(120,336)	-50%	1,046,316	1,332,483	(286,167)	-21%
37	Supplies	582,948	621,248	(38,300)	-6%	3,332,029	3,236,056	95,973	3%
38	Rent & Leases	9,131	17,991	(8,860)	-49%	96,715	91,196	5,519	6%
39	Repairs & Maintenance	33,527	52,996	(19,469)	-37%	287,672	271,121	16,551	6%
40	Utilities	27,631	33,539	(5,908)	-18%	261,582	233,513	28,069	12%
41	Insurance	35,174	29,155	6,019	21%	218,850	175,387	43,463	25%
42	Depreciation & Amortization	226,556	178,170	48,386	27%	951,488	1,015,012	(63,524)	-6%
43	Interest	67,903	86,010	(18,107)	-21%	428,153	428,825	(672)	0%
44	Other	133,142	162,303	(29,161)	-18%	809,967	902,290	(92,323)	-10%
45	Total Operating Expenses	3,404,094	3,838,013	(433,919)	-11%	20,842,386	20,090,397	751,989	4%
46	Operating Revenue Less Expenses	129,664	(211,248)	340,912	-161%	(2,142,731)	(1,309,255)	(833,476)	64%
47	Non-Operating Income								
48	Tax Revenue	111,994	111,151	843	1%	1,191,307	784,652	406,655	52%
49	Donations	-	15,500	(15,500)	-100%	-	109,420	(109,420)	-100%
50	Total Non-Operating Income	111,994	126,651	(14,657)	-12%	1,191,307	894,072	297,235	33%
51	Total Revenue Less Total Expenses	\$ 241,658	\$ (84,597)	\$ 326,255	-386%	\$ (951,424)	\$ (415,183)	\$ (536,241)	129%

Pagosa Springs Medical Center

Income Statement Comparison - - - June 30, 2022

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	2022	Current Month 2021	Difference	Variance	2022	Year-to-Date 2021	Difference	Variance
Revenue								
2								
7 Total In-patient Revenue	676,783	684,990	(8,207)	-1%	2,904,155	3,022,577	(118,422)	-4%
17 Total Out-patient Revenue	5,569,158	5,461,039	108,119	2%	29,276,637	28,638,042	638,595	2%
18 Professional Fees	592,879	550,066	42,813	8%	3,043,605	2,785,483	258,122	9%
19 Total Patient Revenue	6,838,820	6,696,095	142,725	2%	35,224,397	34,446,102	778,295	2%
20 Revenue Deductions & Bad Debt								
21 Contractual Allowances	3,560,213	3,475,253	84,960	2%	17,605,429	17,408,186	197,243	1%
22 Charity	(1,026)	47,677	(48,703)	-102%	215,659	444,793	(229,134)	-52%
23 Bad Debt	72,003	(73,938)	145,941	-197%	855,362	884,811	(29,449)	-3%
24 Provider Fee & Other	(240,165)	(210,007)	(30,158)	14%	(1,442,574)	(1,260,110)	(182,464)	14%
25 Total Revenue Deductions & Bad Debt	3,391,025	3,238,985	152,040	5%	17,233,876	17,477,680	(243,804)	-1%
26 Total Net Patient Revenue	3,447,795	3,457,110	(9,315)	0%	17,990,521	16,968,422	1,022,099	6%
27 Grants	-	162,629	(162,629)	-100%	77,288	672,978	(595,690)	-89%
28 HHS Stimulus Other Revenue	-	1,739,389	(1,739,389)	-100%	-	2,203,633	(2,203,633)	-100%
29 COVID PPP Loan Forgiveness	-	3,740,044	(3,740,044)	-100%	-	3,740,044	(3,740,044)	-100%
30 Other Operating Income - Misc	85,963	192,014	(106,051)	-55%	631,846	943,287	(311,441)	-33%
31 Total Net Revenues	3,533,758	9,291,186	(5,757,428)	-62%	18,699,655	24,528,364	(5,828,709)	-24%
32 Operating Expenses								
33 Salary & Wages	1,642,245	2,595,677	(953,432)	-37%	10,108,334	10,729,542	(621,208)	-6%
34 Benefits	339,471	353,543	(14,072)	-4%	1,708,672	1,794,787	(86,115)	-5%
35 Professional Fees/Contract Labor	184,764	93,039	91,725	99%	1,592,608	239,706	1,352,902	564%
36 Purchased Services	121,602	133,341	(11,739)	-9%	1,046,316	936,994	109,322	12%
37 Supplies	582,948	702,475	(119,527)	-17%	3,332,029	2,991,625	340,404	11%
38 Rent & Leases	9,131	35,865	(26,734)	-75%	96,715	211,626	(114,911)	-54%
39 Repairs & Maintenance	33,527	59,805	(26,278)	-44%	287,672	266,396	21,276	8%
40 Utilities	27,631	30,947	(3,316)	-11%	261,582	212,217	49,365	23%
41 Insurance	35,174	27,049	8,125	30%	218,850	173,133	45,717	26%
42 Depreciation & Amortization	226,556	144,441	82,115	57%	951,488	1,096,829	(145,341)	-13%
43 Interest	67,903	111,857	(43,954)	-39%	428,153	544,452	(116,299)	-21%
44 Other	133,142	142,979	(9,837)	-7%	809,967	912,150	(102,183)	-11%
45 Total Operating Expenses	3,404,094	4,431,018	(1,026,924)	-23%	20,842,386	20,109,457	732,929	4%
46 Operating Revenue Less Expenses	129,664	4,860,168	(4,730,504)	-97%	(2,142,731)	4,418,907	(6,561,638)	-148%
47 Non-Operating Income								
48 Tax Revenue	111,994	107,730	4,264	4%	1,191,307	1,081,864	109,443	10%
49 Donations	-	-	-	-	-	-	-	-
50 Total Non-Operating Income	111,994	107,730	4,264	4%	1,191,307	1,081,864	109,443	10%
51 Total Revenue Less Total Expenses	\$ 241,658	\$ 4,967,898	\$ (4,726,240)	-95%	\$ (951,424)	\$ 5,500,771	(6,452,195)	305%

Pagosa Springs Medical Center

Balance Sheet - - - June 30, 2022

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Assets	Current Month	Prior Month	Liabilities	Current Month	Prior Month
Current Assets			Current Liabilities		
Cash					
Operating	\$ 12,881,934	\$ 12,838,238	Accts Payable - System	\$ 1,458,397	\$ 1,381,351
Debt Svc. Res. 2016 Bonds	878,731	878,731	Accrued Expenses	735,397	1,114,671
Bond Funds - 2016 Bonds	24	584,388	Cost Report Settlement Res	(777,387)	(213,252)
Bond Funds - 2021 / 2006	1,329,011	1,346,718	Wages & Benefits Payable	2,653,840	2,417,131
Escrow - UMB	-	-	Deferred Revenue	256,097	368,091
COVID PPP	-	-	COVID PPP Short Term Loan	-	-
Relief Fund Cash Restricted	669,775	669,775	Relief Fund Liability	669,775	669,775
Medicare Accelerated Pmt	1,135,361	1,384,122	Medicare Accelerated Pmt Liab	1,135,361	1,384,122
Total Cash	16,894,836	17,701,972	Current Portion of LT Debt-Lease	-	-
			Current Portion of LT Debt-2006	-	-
Accounts Receivable			Current Portion of LT Debt-2016	225,000	340,000
Patient Revenue - Net	4,552,033	4,287,056	Total Current Liabilities	6,356,480	7,461,889
Other Receivables	370,912	652,526			
Total Accounts Receivable	4,922,945	4,939,582	Long-Term Liabilities		
			Leases Payable	-	-
Inventory	1,768,055	1,781,023	Equipment Lease (Siemens MRI)	1,668,917	-
			Bond Premium (Net) - 2006 Def Outflows	199,077	200,189
Total Current Assets	23,585,836	24,422,577	Bond Premium (Net) - 2016	121,498	121,922
			Bond Premium (Net) - 2021	738,640	742,611
Fixed Assets			Bonds Payable - 2021	7,885,000	7,885,000
Property Plant & Equip (Net)	9,051,062	7,571,599	Bonds Payable - 2006	-	-
Electronic Health Record (Net)	-	-	Bonds Payable - 2016	9,025,000	9,250,000
Clinic Expansion	13,377,405	13,377,405	Total Long-Term Liabilities	19,638,132	18,199,722
Work In Progress	321,855	321,855	Net Assets		
Land	101,000	101,000	Un-Restricted	21,815,470	21,815,470
Total Fixed Assets	22,851,322	21,371,859	Current Year Net Income/Loss	(951,424)	(1,193,082)
			Total Un-Restricted	20,864,046	20,622,388
Other Assets			Restricted		
Prepays & Other Assets	421,500	489,563	Total Net Assets	20,864,046	20,622,388
Total Other Assets	421,500	489,563			
Total Assets	\$ 46,858,658	\$ 46,283,999	Total Liabilities & Net Assets	\$ 46,858,658	\$ 46,283,999

Pagosa Springs Medical Center

Monthly Trends

	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Activity	30	31	31	30	31	30	31	31	28	31	30	31
2 In-Patient Admissions	33	35	32	17	24	32	27	31	25	22	30	32
3 In-Patient Days	93	72	74	47	62	95	56	67	62	58	68	86
4 Avg Stay Days (In-patients)	2.8	2.1	2.3	2.8	2.6	3.0	2.1	2.2	2.5	2.6	2.3	2.7
5 Swing Bed Admissions	0	0	0	0	0	0	0	0	0	0	0	0
6 Swing Bed Days	0	0	0	0	0	0	0	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	0.0	0.0	0.0	0.0	0.0
8 Average Daily Census	3.1	2.3	2.4	1.6	2.0	3.2	1.8	2.2	2.2	1.9	2.3	2.8
Statistics												
9 E/R visits	666	561	697	612	594	604	607	946	834	742	546	622
10 Observ Hours	685	713	513	538	228	97	319	416	343	490	292	578
11 Lab Tests	6,032	5,687	5,586	5,409	5,918	6,005	5,498	5,660	4,897	5,200	5,353	5,623
12 Radiology/CT/MRI Exams	1,539	1,335	1,525	1,397	1,214	1,240	1,365	1,299	1,195	1,483	1,320	1,288
14 OR Cases	120	85	126	118	131	102	87	86	71	104	78	113
15 Clinic Visits	1,931	1,759	1,902	1,810	1,766	1,536	1,490	1,444	1,206	1,714	1,692	1,756
16 Spec. Clinic Visits	113	204	89	85	75	46	37	33	32	44	27	29
17 Oncology Clinic Visits	127	90	135	119	114	110	103	106	107	116	105	127
18 Oncology/Infusion Patients	159	151	195	160	156	193	174	193	198	166	139	191
19 Infusion Patients	96	122	109	92	93	137	101	109	108	116	66	93
20 EMS Transports	137	113	126	108	93	106	124	101	100	112	87	117
21 Total Stats	11,605	10,820	11,003	10,448	10,382	10,176	9,905	10,393	9,091	10,287	9,724	10,537

Pagosa Springs Medical Center - - - Statistical Review

Statistical Review

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2022	June			June			June 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	42	32	10	182	167	15	182	190	(8)	-4%
Swing Bed	-	-	-	-	-	-	-	-	-	-
Total	42	32	10	182	167	15	182	190	(8)	-4%
Patient Days:										
Acute	115	80	35	456	414	42	456	500	(44)	-9%
Swing Bed	-	-	-	-	-	-	-	-	-	-
Total	115	80	35	456	414	42	456	500	(44)	-9%
Average Daily Census:										
# Of Days	30	30		181	181		181	181		
Acute	3.8	2.7	1.2	2.5	2.3	0.2	2.5	2.8	(0.2)	-9%
Swing Bed	-	-	-	-	-	-	-	-	-	-
Total	3.8	2.7	1.2	2.5	2.3	0.2	2.5	2.8	(0.2)	-9%
Length of Stay:										
Acute	2.7	2.5	0.2	2.5	2.5	0.0	2.5	2.6	(0.1)	-5%
Swing Bed	-	-	-	-	-	-	-	-	-	0%
Total	2.7	2.5	0.2	2.5	2.5	0.0	2.5	2.6	(0.1)	-5%
Out-Patient										
Out-Patient Visits										
E/R Visits	681	630	51	4,371	3,262	1,109	4,371	3,097	1,274	41%
Observ admissions	28	29	(1)	131	150	(19)	131	166	(35)	-21%
Lab Tests	6,094	6,409	(315)	32,827	33,182	(355)	32,827	34,125	(1,298)	-4%
Radiology/CT/MRI Exams/M	1,409	1,487	(78)	7,994	7,695	299	7,994	7,833	161	2%
OR Cases	100	119	(19)	552	616	(64)	552	604	(52)	-9%
Clinic Visits	1,747	1,986	(239)	9,559	10,282	(723)	9,559	10,880	(1,321)	-12%
Spec. Clinic Visits	46	108	(62)	211	558	(347)	211	635	(424)	-67%
Oncology Clinic Visits	137	129	8	698	666	32	698	684	14	2%
Oncology/Infusion Patients	196	178	18	1,083	919	164	1,083	843	240	28%
Infusion Patients	99	97	2	591	504	87	591	372	219	59%
EMS Transports	78	122	(44)	595	633	(38)	595	644	(49)	-8%
Total	10,615	11,294	(679)	58,612	58,467	145	58,612	59,883	(1,271)	-2%

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of June 30, 2022

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		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
2 Medicare	\$	2,292,383	\$	176,897	\$	60,484	\$	67,857	\$	48,605	\$	27,530	\$	113,321	\$	2,787,077	28%	
3 Medicaid		692,714		128,140		45,374		35,817		42,152		24,875		154,481		1,123,553	11%	
4 Third Party		2,025,645		606,486		291,705		204,346		91,617		156,050		300,320		3,676,169	37%	
5 Self-Pay		286,027		345,671		292,760		352,936		256,170		147,566		787,217		2,468,347	25%	
Current Month Total	\$	5,296,769	\$	1,257,194	\$	690,323	\$	660,956	\$	438,544	\$	356,021	\$	1,355,339	\$	10,055,146	100%	248,707
Pct of Total		53%		13%		7%		7%		4%		4%		13%		100%		
May-22	\$	4,976,841	\$	1,229,667	\$	763,335	\$	569,449	\$	554,337	\$	321,119	\$	1,643,977	\$	10,058,725		150,992
Pct of Total		49%		12%		8%		6%		6%		3%		16%		100%		
Apr-22	\$	4,411,765	\$	1,085,976	\$	693,620	\$	609,943	\$	440,794	\$	289,902	\$	1,669,402	\$	9,201,402		215,897
Pct of Total		48%		12%		8%		7%		5%		3%		18%		100%		
Mar-22	\$	4,206,381	\$	1,389,690	\$	673,681	\$	575,452	\$	413,271	\$	309,780	\$	1,752,689	\$	9,320,944		199,177
Pct of Total		45%		15%		7%		6%		4%		3%		19%		100%		
Feb-22	\$	4,206,381	\$	1,389,690	\$	673,681	\$	575,452	\$	413,271	\$	309,780	\$	1,752,689	\$	9,320,944		199,177
Pct of Total		45%		15%		7%		6%		4%		3%		19%		100%		
Jan-22	\$	4,815,885	\$	1,218,564	\$	968,019	\$	573,545	\$	504,719	\$	332,446	\$	1,663,719	\$	10,076,897		184,318
Pct of Total		48%		12%		10%		6%		5%		3%		17%		100%		
Dec-21	\$	4,411,483	\$	1,771,146	\$	897,483	\$	629,416	\$	471,528	\$	299,814	\$	1,716,882	\$	10,197,752		246,249
Pct of Total		43%		17%		9%		6%		5%		3%		17%		100%		
Nov-21	\$	5,254,766	\$	1,288,663	\$	765,276	\$	596,925	\$	429,612	\$	449,363	\$	1,582,207	\$	10,366,811		223,165
Pct of Total		51%		12%		7%		6%		4%		4%		15%		100%		
Oct-21	\$	4,591,197	\$	1,412,195	\$	784,524	\$	573,095	\$	661,916	\$	330,409	\$	1,562,788	\$	9,916,124		372,288
Pct of Total		46%		14%		8%		6%		7%		3%		16%		100%		
Sep-21	\$	4,623,878	\$	1,367,954	\$	793,192	\$	861,326	\$	484,324	\$	263,617	\$	1,610,326	\$	10,004,617		251,846
Pct of Total		46%		14%		8%		9%		5%		3%		16%		100%		
Aug-21	\$	5,070,970	\$	1,423,538	\$	1,289,523	\$	637,852	\$	423,338	\$	370,971	\$	1,518,317	\$	10,734,509		181,959
Pct of Total		47%		13%		12%		6%		4%		3%		14%		100%		
Jul-21	\$	4,918,121	\$	1,859,528	\$	864,925	\$	524,846	\$	546,331	\$	340,021	\$	1,455,387	\$	10,509,159		125,498
Pct of Total		47%		18%		8%		5%		5%		3%		14%		100%		
Jun-21	\$	4,450,225	\$	991,357	\$	492,319	\$	470,912	\$	586,430	\$	386,858	\$	1,658,314	\$	9,036,415		248,707
Pct of Total		49%		11%		5%		5%		6%		4%		18%		100%		
May-21	\$	4,564,596	\$	1,223,151	\$	900,499	\$	559,379	\$	516,823	\$	338,558	\$	1,383,875	\$	9,486,881		95,678
Pct of Total		48%		13%		9%		6%		5%		4%		15%		100%		

Pagosa Springs Medical Center

Cerner/Healthland Accounts Receivable for Hospital by Payor and Days Outstanding -- As of June 30, 2022

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		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
Apr-21	\$	4,315,723	\$	1,332,592	\$	712,599	\$	645,005	\$	417,714	\$	166,007	\$	1,174,380	\$	8,764,020		190,242
Pct of Total		49%		15%		8%		7%		5%		2%		13%		100%		
Mar-21	\$	4,536,107	\$	1,283,697	\$	893,010	\$	614,678	\$	287,740	\$	205,954	\$	1,187,089	\$	9,008,275		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		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		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		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		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		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		12,049
Pct of Total		43%		16%		10%		5%		3%		2%		21%		100%		
12	Pct Settled (Current)			74.7%		43.9%		13.4%		23.0%		35.8%		-322.1%				
13	Pct Settled (May from Apr)			72.1%		29.7%		17.9%		9.1%		27.1%		-467.1%				
14	Pct Settled (Apr from Mar)			74.2%		50.1%		9.5%		23.4%		29.9%		-438.9%				
15	Pct Settled (Mar from Feb)			67.0%		51.5%		14.6%		28.2%		25.0%		-465.8%				

Pagosa Springs Medical Center

Pagosa Springs Medical Center - - - Net Days in A/R 2022

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	31	28	31	30	31	30
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
2 Net Accounts Receivable	\$ 4,241,833	\$ 3,719,612	\$ 3,356,476	\$ 3,562,280	\$ 4,287,056	\$ 4,552,033
3 Net Patient Revenue	\$ 2,998,220	\$ 2,487,566	\$ 2,698,764	\$ 2,925,069	\$ 3,497,765	\$ 3,447,795
4 Net Patient Rev/Day (2 month Avg)	\$ 86,218	\$ 92,779	\$ 87,949	\$ 92,280	\$ 105,167	\$ 112,025
5 Net Days in A/R	49	40	38	39	41	41

	31	31	30	31	30	31
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
7 Net Accounts Receivable	\$ 4,520,929	\$ 4,713,332	\$ 4,472,476	\$ 4,754,058	\$ 5,115,376	\$ 4,030,555
8 Net Patient Revenue	\$ 2,659,431	\$ 3,484,951	\$ 3,150,551	\$ 3,377,543	\$ 3,221,526	\$ 2,347,320
9 Net Patient Rev/Day (2 month Avg)	\$ 100,513	\$ 99,103	\$ 108,718	\$ 106,986	\$ 108,169	\$ 91,552
10 Net Days in A/R	45	48	41	44	47	44

Pagosa Springs Medical Center - - - Gross Days Target

12 Medicare	33%	21	\$ 112,025	\$ 776,334
13 Medicaid	7%	35	\$ 112,025	\$ 274,462
14 Blue Cross	15%	48	\$ 112,025	\$ 806,581
15 Commercial	26%	65	\$ 112,025	\$ 1,893,225
16 Self Pay	19%	150	\$ 112,025	\$ 3,192,717
17 Total:	100%			\$ 6,943,319
18				\$ 112,025
19			Gross Days in A/R Target	62

Pagosa Springs Medical Center
Revenue by Financial Class
June 30, 2022

Financial Class	Inpatient MTD	Outpatient MTD	Total MTD	% MTD
Auto/Liability Insurance	-	74,212.80	74,212.80	1.09%
Blue Cross	-	671,225.74	671,225.74	9.81%
Champus	32,436.50	85,939.01	118,375.51	1.73%
Commercial Insurance	46,041.50	782,460.10	828,501.60	12.11%
Medicaid	106,548.20	965,954.51	1,072,502.71	15.68%
Medicare	443,282.00	2,153,050.74	2,596,332.74	37.96%
Medicare HMO	153,348.71	892,206.72	1,045,555.43	15.29%
Self Pay	-	168,070.20	168,070.20	2.46%
Self Pay - Client Billing	-	9,667.50	9,667.50	0.14%
Veterans Administration	13,203.00	203,668.62	216,871.62	3.17%
Workers Compensation	-	37,504.26	37,504.26	0.55%
Total	794,859.91	6,043,960.20	6,838,820.11	100.00%

Financial Class	Inpatient YTD	Outpatient YTD	Total YTD	% YTD	12/31/2021 % YTD	12/31/20 % YTD	12/31/19 % YTD	12/31/18 % YTD	12/31/17 % YTD	12/31/16 % YTD
Auto/Liability Insurance	-	326,636.77	326,636.77	0.93%	1.41%	0.91%	1.15%	1.05%	1.24%	1.11%
Blue Cross	176,190.30	3,536,140.70	3,712,331.00	10.54%	11.40%	12.38%	15.40%	15.42%	15.90%	15.83%
Champus	32,437.00	313,907.92	346,344.92	0.98%	0.95%	0.82%	0.31%	0.08%	0.07%	0.19%
Commercial Insurance	403,041.98	3,682,469.65	4,085,511.63	11.60%	12.12%	11.72%	11.34%	13.08%	11.79%	13.08%
Medicaid	486,198.69	5,627,949.88	6,114,148.57	17.36%	17.50%	18.86%	18.75%	18.22%	20.28%	21.56%
Medicare	1,319,164.68	11,059,535.15	12,378,699.83	35.14%	36.51%	38.60%	36.99%	36.75%	35.27%	35.90%
Medicare HMO	768,018.68	4,474,849.20	5,242,867.88	14.88%	11.01%	7.77%	7.20%	4.47%	3.55%	2.76%
Self Pay	60,879.29	1,019,014.44	1,079,893.73	3.07%	3.95%	3.68%	4.40%	5.40%	6.96%	5.26%
Self Pay - Client Billing	-	90,387.84	90,387.84	0.26%	0.36%	0.22%	0.18%	0.18%	0.19%	0.17%
Veterans Administration	158,355.23	1,229,768.50	1,388,123.73	3.94%	3.76%	4.13%	2.74%	4.13%	3.58%	2.74%
Workers Compensation	-	459,451.51	459,451.51	1.30%	1.03%	0.92%	1.52%	1.22%	1.17%	1.37%
Total	3,404,285.85	31,820,111.56	35,224,397.41	100.00%	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

	June 2022
Cash Flows from operating activities	
Change in net assets	241,658
Adjustments to reconcile net assets to net cash	
Depreciation and amortization	226,556
Patient accounts receivable	(264,977)
Accounts payable and wages payable	313,755
Accrued liabilities	(379,274)
Pre-paid assets	68,063
Deferred revenues	(111,994)
Other receivables	281,614
Reserve for third party settlement	(564,135)
Inventory	12,968
Net Cash Provided by (used in) operating activities	(175,766)
Cash Flows from investing activities	
Purchase of property and equipment	(1,711,526)
Work in progress	-
Proceeds from sale of equipment/(Loss)	-
Net Cash Provided by (used in) investing activities	(1,711,526)
Cash Flows from financing activities	
Principal payments on long-term debt	(340,000)
Proceeds from debt (funding from 2021 Bond)	-
Proceeds from PPP Short Term Loan	-
Recognize Amounts from Relief Fund	-
Payments/Proceeds from Medicare Accelerated Payment	(248,761)
Change in Prior Year Net Assets	-
Change in leases payable	1,668,917
Net Cash Provided by (used in) financing activities	1,080,156
Net Increase(Decrease) in Cash	(807,136)
Cash Beginning of Month	17,701,972
Cash End of Month	16,894,836

2022						
Month	Cash Goal	Actual Cash	Variance	% Collected	GL Non AR	Total
Jan-22	\$2,121,338.00	\$2,559,519.95	\$438,181.95	120.66%	\$ (89,581.25)	\$2,469,938.70
Feb-22	\$2,758,055.00	\$2,629,036.30	(\$129,018.70)	95.32%	\$ 229,760.89	\$2,858,797.19
Mar-22	\$2,447,401.00	\$2,867,669.94	\$420,268.94	117.17%	\$ (100,621.01)	\$2,767,048.93
Apr-22	\$2,458,581.00	\$2,473,500.99	\$14,919.99	100.61%	\$ (75,703.82)	\$2,397,797.17
May-22	\$2,683,321.00	\$2,492,736.21	(\$190,584.79)	92.90%	\$ (213,193.08)	\$2,279,543.13
Jun-22	\$3,192,941.00	\$3,158,673.78	(\$34,267.22)	98.93%	\$ (427,856.04)	\$2,730,817.74
	\$15,661,637.00	\$16,181,137.17	\$519,500.17	103.32%	\$ (677,194.31)	\$15,503,942.86

Pagosa Springs Medical Center
Cash Forecast as of end of June 2022
Forecast Months Based on Budget and Actual

Prepared 7/15/2022
Cash balance 18,153,025
at 12/31/21

	(1) Net Asset Change	(2) Depreciation	(3) Receivables	(4) Payables & Other Liabilities	(5) Pre-Paid Assets	(6) Deferrred Revenue	(7) Third Party	(8) Inventory	(9) Equipment Purchase	(10) Lease Payables	(11) Other	Net Cash Change	Balance
January 2022 (Actual)	(92,659)	145,357	(208,375)	1,309	(27,688)	-	(43,608)	(3,452)	(38,542)	(14,316)	(143,656)	(425,630)	17,727,395
February 2022 (Actual)	(389,081)	145,171	749,244	284,437	(8,139)	(70,348)	(204,353)	2,184	(122,975)	(14,341)	(159,398)	212,401	17,939,796
March 2022 (Actual)	(92,064)	146,944	865,722	429,452	26,909	(490,329)	(3,184)	(6,718)	(10,302)	(14,367)	(272,512)	579,551	18,519,347
April 2022 (Actual)	(169,828)	151,033	(15,343)	(42,597)	49,270	(163,007)	(5,307)	23,627	(104,967)	(8,991)	(295,270)	(581,380)	17,937,967
May 2022 (Actual)	(449,450)	136,427	(348,698)	1,392,304	(122,776)	(344,186)	(107,336)	4,980	(81,898)	(9,016)	(306,346)	(235,995)	17,701,972
June 2022 (Actual)	241,658	226,556	16,637	(65,519)	68,063	(111,994)	(564,135)	12,968	(1,711,526)	1,668,917	(588,761)	(807,136)	16,894,836
July 2022 (Budget)	461,651	195,208	(75,000)	25,000	5,000	-	50,000	5,000	(50,000)	(30,000)	10,968	597,827	17,492,663
August 2022 (Budget)	288,228	200,209	(75,000)	25,000	5,000	-	(50,000)	5,000	(100,000)	(30,000)	10,968	279,405	17,772,068
September 2022 (Budget)	291,487	206,208	(75,000)	25,000	5,000	-	(50,000)	5,000	(50,000)	(30,000)	10,968	338,663	18,110,731
October 2022 (Budget)	(148,862)	211,208	(75,000)	25,000	5,000	-	50,000	5,000	(100,000)	(30,000)	10,968	(46,686)	18,064,045
November 2022 (Budget)	(15,488)	217,207	(75,000)	25,000	5,000	-	(50,000)	5,000	(50,000)	(30,000)	10,968	42,687	18,106,732
December 2022 (Budget)	38,367	217,207	(75,000)	25,000	5,000	-	50,000	5,000	(110,495)	(30,000)	10,972	136,051	18,242,783
Totals	(36,041)	2,198,735	609,187	2,149,386	15,639	(1,179,864)	(927,923) 981,635	63,589	(2,530,705)	1,427,886	(1,700,131)	89,758	18,242,783
													at 12/31/21
													6,641,069
													</



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

**MEDICAL STAFF REPORT BY CHIEF OF STAFF, JOHN WISNESKI
July 26, 2022**

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

RECOMMENDATION	DESCRIPTION
General Surgery Privilege Form	Revised Privilege Form

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
Carrie Norris, MD	Initial Appointment	Telemedicine/Teleradiology	Diagnostic Radiology
Suzanne Newman, MD	Initial Appointment	Telemedicine/Telepsychiatry	Psychiatry
Robert Stone, MD	Initial Appointment	Telemedicine/Teleradiology	Diagnostic Radiology
Caroline Tomas, MD	Initial Appointment	Telemedicine/Teleradiology	Diagnostic Radiology
Christopher Wright, DO	Initial Appointment	Telemedicine/Telepsychiatry	Psychiatry
Matthew Fleishman, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Samuel Fuller, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Steven Heiss, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Luke Hoagland, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Michael Lin, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology
Paul McCarthy, MD	Reappointment	Courtesy/Pathology	Pathology
Scot Potts, MD	Reappointment	Courtesy/Pathology	Pathology
Gregory Reuter, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology & Neuroradiology
Benjamin Ropp, MD	Reappointment	Courtesy/Pathology	Pathology
Eric Weed, CRNA	Reappointment	APP/CRNA	Certified Registered Nurse Anesthetist
Shane Wheeler, MD	Reappointment	Telemedicine/Teleradiology	Diagnostic Radiology

III. REPORT OF NUMBER OF PROVIDERS BY CATEGORY

Active: 17
 Courtesy: 23
 Courtesy-Locum Tenens: 2
 Telemedicine: 131
 Advanced Practice Providers & Behavioral Health Providers: 12
 Honorary: 1
 Total: 186



MINUTES OF REGULAR BOARD MEETING
Tuesday, June 28, 2022
5:30 PM
The Board Room
95 South Pagosa Blvd., Pagosa Springs, CO 81147

The Board of Directors (the “Board”) of the Upper San Juan Health Service District doing business as Pagosa Springs Medical Center (“PSMC”) held its regular board meeting on June 28, 2022, at PSMC, The Board Room, 95 South Pagosa Blvd., Pagosa Springs, Colorado as well as via Zoom video communications.

Directors Present: Chairman Matt Mees, Vice-Chair Kate Alfred, Treasurer/Secretary Mark Zeigler, Director Jason Cox, Director Martin Rose, and Director Barbara Parada.

Present via Zoom: Director Dr. Jim Pruitt.

Director(s) Absent: There were none.

1) CALL TO ORDER

- a) Call for quorum: Chair Mees called the meeting to order at 5:30 p.m. MST and Clerk to the Board, Kelli Schanz, recorded the minutes. A quorum of directors was present and acknowledged.
- b) Board member self-disclosure of actual, potential or perceived conflicts of interest: Director Dr. Pruitt acknowledged a conflict of interest and recused himself from the executive session, discussions, decisions and/or other actions on the agenda for the meeting pertaining to PSMC’s possible purchase of real property in which Director Dr. Pruitt owns an interest.
- c) Approval of the Agenda: Director Rose motioned to approve the agenda with one change to move the Consent Agenda in front of the executive session. Upon motion seconded by Vice-Chair Alfred, the Board unanimously approved the agenda.

2) PUBLIC COMMENT

There was none.

3) PRESENTATION:

- a) **2021 Audit** Zoom presentation of the 2021 audit report and opinion of the auditor by Kami Maztek of Dingus, Zarecor & Associates, PLLC. As noted in the Finance Committee Report, the auditor presented (via Zoom) the audit to the PSMC Finance Committee. As set forth in the letters from the auditor to the Board of Directors, the auditor concluded that the financial statements “present fairly, in all material respects, the financial position of the District as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in

accordance with accounting principles generally accepted in the United States of America.” With respect to federal Payroll Protection funds and stimulus funds, the auditor noted: (a) the District expended funds to maintain staffing in 2020 but the PPP forgiveness for those expenses were recognized in 2021; and (b) the District recognized stimulus funds for expenditures of the District to respond to the pandemic.

b) ***PSMC’s EMS and Ambulance Services***

PSMC’s EMS Chief Jason Webb presented information about EMS and ambulance services and Medical Director Dan Renner, M.D., Deputy Chief Connie Cook and PSMC paramedics and EMTs were also present.

4) **REPORTS**

a) **Oral Reports**

i) **Chair Report**

Chairman Mees affirmed Board Committee assignments as follows:

- Executive Committee: Chair Mees and Vice- Chair Alfred;
- Strategic Planning Committee: Director Cox and Director Rose;
- Foundation Committee: Director Dr. Pruitt and Director Parada;
- Facilities Committee: Chairman Mees;
- Finance Committee: Treasurer/Secretary Ziegler and Vice-Chair Alfred. In addition, the Chair relayed that he appointed two new at-large members to the Finance Committee: Sherry Waner and Dwight Peters

ii) **CEO Report**

CEO Dr. Webb advised of the following updates:

- Foundation update: Successful Annual Fundraising Gala on June 19, 2022. There was a Foundation Board meeting on June 28, 2022 included a decision to transfer funds for some needed surgical equipment and for repairs for the Dodie Cassidy building which is an asset of the Foundation.
- COVID update: PSMC currently seeing fewer patients, there has been no update on masking orders from the Governor’s office, there has been local increase in cases.
- Small and non-profit hospitals have been challenged by the pandemic and at a recent conference, some hospitals reported less than 20 days cash on hand.
- May finances good despite unexpected expenses related to sick and pandemic leave required in Colorado.
- CEO Dr. Webb noted that PSMC is a member of the Western Healthcare Alliance which provides support to rural hospitals; Dr. Webb is Vice-Chair of WHA’s Board.
- CEO Dr. Webb also noted that she recently attended the Colorado Hospital Association (CHA) CEO annual forum; she sits on one of the sub boards for shared services. CHA is lobbyist group and another resource for PSMC.
- PSMC’s Dr. Eisenhower has started performing total shoulder replacements at PSMC.
- With full implementation of the MRI, PSMC has performed its first breast MRI.

iii) **Executive Committee**

There was no report.

iv) **Foundation Committee**

Director Dr. Pruitt advised of the following updates:

- Change in transfer of funds policy; greater than \$10,000 and less than \$30,000 to occur without board approval but with oversight.
- Acceptance of 2021 audit.

v) Facilities Committee

Chairman Mees advised of the following updates:

- Pruitt building discussion, which will be discussed later in the meeting;
- 3D mammography, ordered in February but subject to supply chain issues; PSMC hopes for delivery in September;
- Oxygen generation system in process but no developments since May;
- Discussion of various other maintenance for next year's budget.

vi) Strategic Planning Committee

There was no report.

vii) Finance Committee & Report

CFO Chelle Keplinger presented and discussed the PowerPoint presentation regarding financials for May 2022.

CAO Ann Bruzzese summarized the Colorado case law, previously discussed with the Board in February 2022, that resulted in paid time off via employment contract no longer being a contingent expense but now an expense booked on our balance sheet.

Questions were asked and answered.

b) Written Reports

i) Operations Report

There were no questions

ii) Medical Staff Report

There were no questions

5) CONSENT AGENDA

Director Rose motioned to approve the approval of Board member absences, approval of the regular meeting minutes of 05/24/2022, and the Medical Staff report recommendations for revised policy and new or renewal of provider privileges. Motion was seconded by Vice-Chair Alfred and the Board approved said consent agenda items.

6) EXECUTIVE SESSION

Director Rose motioned to enter into executive session. Upon motion seconded by Director Parada, the Board entered into executive session at 6:41 p.m. MST, pursuant to the following subparagraphs of C.R.S. Section 24-6-402(4):

- (b) conferences with an attorney for USJHSD for the purpose of receiving legal advice on specific legal questions;
- (a) the possible purchase, acquisition, lease, transfer, or sale of real property owned by James Pruitt Properties LLC;
- (e) determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators.

Directors present for the executive session were: Chair Mees, Vice-Chair Alfred, Treasurer/Secretary Ziegler, Director Cox, and Director Parada. Director Dr. Pruitt abstained and was not present.

Others present for the executive session were: CEO Rhonda Webb, CAO Ann Bruzzese, CFO Chelle Keplinger, COO/CNO Kathee Douglas, Board Clerks Kelli Schanz and Heather Thomas.

Chair Mees adjourned the executive session at 7:22 p.m. MST.

7) DECISION AGENDA

a) Resolution 2022-16

Treasurer/Secretary Ziegler motioned to accept Resolution 2022-16 regarding acceptance of the 2021 audit of the Upper San Juan Health Service District. Upon motion seconded by Director Rose, the Board unanimously adopted said resolution.

b) Resolution 2022-17 Option A

Vice-Chair Alfred motioned to accept Resolution 2022-17 Option A regarding proceeding with the purchase of the Pruitt Building as follows 1) PSMC requires seller to remove all equipment and all other items stored in the building prior to closing or PSMC will cause items to be removed and disposed of and the cost shall be charged to seller at closing. 2) Board Chair, the Vice-Chair and/or CEO are authorized to execute such documents (including, without limitation, the term sheet for lease-purchase financing) and take such actions to close on the acquisition of the Pruitt Building. Upon motion seconded by Director Rose there was discussion by the Board affirming that they find the Pruitt building, a corner lot with a common entrance to PSMC, to be a key acquisition for strategic growth and to incorporate to PSMC's campus. Thereafter, the Chair called the vote and the Board adopted said resolution by a vote of 6-0. Director Dr. Pruitt abstained due to his conflict of interest.

8) ADJOURN

There being no further business, Chair Mees adjourned the regular meeting at 7:27 p.m. MST.

Respectfully submitted by:

Kelli Schanz, serving as Clerk to the Board

UPPER SAN JUAN HEALTH SERVICE DISTRICT
RESOLUTION NO. 2022-18

A RESOLUTION AUTHORIZING THE FINANCING OF THE PURCHASE PRICE OF CERTAIN REAL PROPERTY AND, IN CONNECTION THEREWITH, AUTHORIZING THE LEASING OF SUCH REAL PROPERTY AND THE EXECUTION AND DELIVERY BY THE DISTRICT OF A SITE AND IMPROVEMENT LEASE AGREEMENT, A LEASE PURCHASE AGREEMENT, AND OTHER DOCUMENTS AND MATTERS RELATING TO CERTAIN CERTIFICATES OF PARTICIPATION, SERIES 2022; SETTING FORTH CERTAIN PARAMETERS AND RESTRICTIONS WITH RESPECT TO THE FINANCING; AUTHORIZING OFFICIALS OF THE DISTRICT TO TAKE ALL ACTIONS NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; RATIFYING ACTIONS PREVIOUSLY TAKEN; AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, Upper San Juan Health Service District (the “District”) is a duly organized and existing quasi-municipal corporation and political subdivision, existing as such under and by virtue of the Constitution and laws of the State of Colorado; and

WHEREAS, the District has the power, pursuant to Sections 32-1-1001(1)(f), of the Colorado Revised Statutes, as amended, to acquire real property and encumber the same through a lease; and

WHEREAS, the Board of Directors of the District (the “Board”) has determined and hereby determines that it is in the best interest of the District and its inhabitants to acquire the real property and related improvements thereon described in Exhibit A to the below-defined Site Lease (the “Leased Property”); and

WHEREAS, to finance the costs of acquiring the Leased Property: (a) the District will lease the Leased Property to UMB Bank, n.a., as trustee (the “Trustee”), pursuant to a Site and Improvement Lease Agreement (the “Site Lease”); and (b) the Trustee will lease the Leased Property back to the District pursuant to a Lease Purchase Agreement (the “Lease”); and

WHEREAS, the District will retain fee title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to the Lease; and

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

WHEREAS, the District's obligation under the Lease to pay Base Rentals and Additional Rentals shall be from year to year only; shall constitute currently budgeted expenditures of the District; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the District in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

WHEREAS, the Trustee will enter into an Indenture of Trust (the "Indenture") pursuant to which there is expected to be executed and delivered certain certificates of participation (the "Certificates") dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Revenues (as defined in the Lease), which Certificates shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the District to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect; and

WHEREAS, the net proceeds of the Certificates will finance the purchase price of the Leased Property and pay the costs of executing and delivering the Certificates; and

WHEREAS, it is expected that the Certificates will be purchased by JPMorgan Chase Bank, N.A.; and

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

WHEREAS, there have been presented to the Board the following: (i) the proposed form of the Site Lease; and (ii) the proposed form of the Lease; and

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

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER SAN JUAN HEALTH SERVICE DISTRICT:

Section 1. Recitals Incorporated. The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Board.

Section 2. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board or the officers, agents or employees of the District relating to the Site Lease, the Lease, the acquisition of the Leased Property, and the sale, execution and delivery of the Certificates is hereby ratified, approved and confirmed.

Section 3. Finding of Best Interests. The Board hereby finds and determines pursuant to the Constitution and laws of the State of Colorado that the acquisition of the Leased Property and the financing of the costs thereof, including the costs of executing and delivering the Certificates, pursuant to the terms set forth in the Site Lease and the Lease, is in the best interest of the District and serves a valid public purpose and the Board hereby authorizes and approves the same.

Section 4. Supplemental Act; Parameters. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Site Lease and the Lease and in connection therewith delegates to the Chairman of the Board and President of the District (the “Chairman”) the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i) C.R.S., as amended, in relation to the Site Lease and the Lease, and to execute a sale certificate (the “Sale Certificate”) setting forth such determinations, including without limitation, the term of the Site Lease, the rental amount to be paid by the Trustee pursuant to the Site Lease, the term of the Lease, and the rental amount to be paid by the District pursuant to the Lease, subject to the following parameters and restrictions:

(a) the term of the Site Lease shall not extend beyond December 31, 2047;

(b) the aggregate principal amount of the Base Rentals payable by the District pursuant to the Lease shall not exceed \$2,300,000;

(c) the aggregate principal amount of the Base Rentals payable by the District in any fiscal year shall not exceed \$203,000;

(d) the Lease Term shall not extend beyond December 31, 2037;

(e) the maximum interest rate on the interest component of the Base Rentals relating to the Certificates shall not exceed 3.54% per annum; and

(f) the purchase price of the Certificates shall not be less than 100% of the principal amount of the Certificates.

Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the Chair the independent authority to sign a contract for the purchase of the Certificates or to accept a binding bid for the Certificates and to execute any agreement or agreements in connection therewith.

The delegation set forth in this Section 4 shall be effective for one year following the date hereof.

The Board hereby agrees and acknowledges that the net proceeds of the Certificates will be used to finance the costs of acquiring the Leased Property and to pay the costs of executing and delivering the Certificates.

Section 5. Approval of Documents. The Site Lease and the Lease, in substantially the forms presented to the Board and on file with the District, are in all respects approved, authorized and confirmed, and the Chair is hereby authorized and directed for and on behalf of the District to execute and deliver the Site Lease and the Lease, in substantially the forms and with substantially the same contents as presented to the Board, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. The District also acknowledges and agrees to the terms and provisions of the Indenture.

Section 6. Authorization to Execute Collateral Documents. The Treasurer/Secretary of the District (the “Secretary”) is hereby authorized and directed to attest all signatures and acts of any official of the District in connection with the matters authorized by this Resolution and to place the seal of the District on any document authorized and approved by this Resolution. The Chair, the Secretary, and other employees and officials of the District are hereby authorized and directed to execute and deliver for and on behalf of the District any and all additional certificates, documents and other papers, and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution. The 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 the Chair 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 7. No General Obligation Debt. No provision of this Resolution, the Site Lease, the Lease, the Indenture, or the Certificates shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory debt limitation, nor a mandatory charge or requirement against the District in any ensuing fiscal year beyond the then current fiscal year. The District shall have no obligation to make any payment with respect to the Certificates except in connection with the payment of the Base Rentals and certain other payments under the Lease, which payments may be terminated by the District in accordance with the provisions of the Lease. Neither the Lease nor the Certificates shall constitute a mandatory charge or requirement of the District in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation whatsoever. No provision of the Site Lease, the Lease or the Certificates shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease nor the Certificates shall directly or indirectly obligate the District to make any payments beyond those budgeted and appropriated for the District’s then current fiscal year.

Section 8. Reasonableness of Rentals. The Board hereby determines and declares that the Base Rentals due under the Lease, in the maximum amounts authorized pursuant

to Section 4 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the District under an economic compulsion to renew the Lease or to exercise its option to purchase the Trustee's interest in the Leased Property pursuant to the Lease. The Board hereby determines and declares that the period during which the District has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property. The Board hereby further determines that the amount of rental payments to be received by the District from the Trustee pursuant to the Site Lease is reasonable consideration for the leasing of the Leased Property to the Trustee for the term of the Site Lease as provided therein.

Section 9. 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, interest or prior redemption premiums on the Certificates. 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 Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling such Certificate specifically waives any such recourse.

Section 10. Repealer. All bylaws, orders, and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, or resolution, or part thereof, heretofore repealed.

Section 11. Severability. If any section, subsection, paragraph, clause or other provision of this Resolution for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 12. Effective Date. This resolution shall be in full force and take effect immediately upon its passage and approval.

PASSED, ADOPTED AND APPROVED this July 26, 2022

Chairman of the Board of Directors
and President of the District

(SEAL)

Attest:

Treasurer/Secretary

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

I, Mark Ziegler, the Treasurer/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 July 26, 2022.

2. The Resolution was duly moved and seconded and the Resolution was adopted at the regular meeting of July 26, 2022, by an affirmative vote of a majority of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Matt Mees, Chairman				
Kate Alfred, Vice-Chairman				
Mark Ziegler, Secretary/Treasurer				
Jason Cox				
Barbara Parada				
Dr. Jim Pruitt				X
Martin Rose				

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 July 26, 2022 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 July 26, 2022.

(SEAL)

Treasurer/Secretary

EXHIBIT A

(Attach Form of Notice of Meeting)

AFTER RECORDATION PLEASE RETURN TO:

Sherman & Howard L.L.C.
675 Fifteenth Street, Suite 2300
Denver, Colorado 80202
Attention: David K. Lucas, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Lease Purchase Agreement is exempt from the documentary fee.

LEASE PURCHASE AGREEMENT

DATED AS OF AUGUST 1, 2022

BETWEEN

**UMB BANK, N.A.,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
INDENTURE IDENTIFIED HEREIN,
AS LESSOR**

AND

**UPPER SAN JUAN HEALTH SERVICE DISTRICT,
AS LESSEE**

This Table of Contents is not a part of this Lease and is only for convenience of reference.

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This **LEASE PURCHASE AGREEMENT**, dated as of August 1, 2022 (this “Lease”), is by and between **UMB BANK, N.A.**, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessor, and **UPPER SAN JUAN HEALTH SERVICE DISTRICT**, a quasi-municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of Colorado (the “District”), as lessee.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Lease.

RECITALS

1. The District is a duly organized and existing quasi-municipal corporation and political subdivision, existing as such under and by virtue of the Constitution and laws of the State of Colorado.

2. The District has the power, pursuant to Section 32-1-1001(1)(f), of the Colorado Revised Statutes, as amended, to acquire real property and encumber the same through a lease.

3. The Board of Directors of the District (the “District Board”) has determined and hereby determines that it is in the best interest of the District and its residents and taxpayers to finance the costs of acquiring the real property described in **Exhibit A** attached hereto (the “Leased Property”) by entering into the Site Lease and this Lease.

4. Upon execution and delivery of the Site Lease and this Lease, the Property will be owned in fee title by the District.

5. To finance the costs of acquiring the Leased Property, (a) the District will lease the Leased Property to the Trustee pursuant to the Site Lease, and (b) the Trustee will lease the Leased Property back to the District pursuant to this Lease. The District will retain fee title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to this Lease.

6. The payment by the District of Base Rentals and Additional Rentals hereunder in any future Fiscal Year is subject to specific Appropriations and the renewal by the District Board of this Lease for such future Fiscal Year. The Base Rentals and Additional Rentals payable by the District under this Lease shall constitute current expenditures of the District.

7. Neither this Lease nor the payment by the District of Base Rentals or Additional Rentals hereunder shall be deemed or construed as creating an indebtedness of the District within the meaning of any provision of the Colorado constitution or the laws of the State of Colorado concerning or limiting the creation of indebtedness by the District, and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the District within the meaning of Article X, Section 20(4) of the Colorado constitution or a mandatory charge or requirement against the District in any ensuing Fiscal Year beyond the then current Fiscal Year. The obligation of the District to pay Base Rentals and Additional Rentals hereunder shall be from

year to year only, shall constitute currently budgeted expenditures of the District, shall not constitute a mandatory charge or requirement in any ensuing budget year, nor a mandatory payment obligation of the District in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. If this Lease is not renewed, the sole security available to the Trustee, as lessor hereunder, shall be its leasehold interest in the Leased Property.

8. The Trustee is executing this Lease solely in its capacity as trustee under the Indenture, and subject to the terms, conditions and protections provided for herein.

9. The Trustee and the District intend that this Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the District is leasing the Leased Property from the Trustee.

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

ARTICLE 1 DEFINITIONS

Section 1.1 Certain Funds and Accounts. All references herein to any funds and accounts shall mean the funds and accounts so designated which are established under the Indenture.

Section 1.2 Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Indenture unless the context otherwise requires. Capitalized terms used herein shall have the following meanings under this Lease:

“Additional Certificates” means Additional Certificates which may be executed and delivered pursuant to the Indenture.

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of this Lease, the Site Lease or the Indenture, including the reasonable fees and expenses of any person or firm employed by the District to make rebate calculations under the provisions of Section 3.05 of the Indenture and the expenses of the Trustee in respect of any policy of insurance obtained in respect of the Certificates executed and delivered with respect to this Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under this Lease, approved by the District Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the District Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under this Lease;

- (c) rebate payments as provided in the Lease; and
- (d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the District shall fail to pay the same, as specifically set forth in this Lease) which the District agrees to assume or pay as Additional Rentals under this Lease.

Additional Rentals shall not include Base Rentals.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the District from time to time concerning or relating to bribery or corruption.

“Appropriation” means the action of the District Board in annually making moneys available for all payments due under this Lease, including the payment of Base Rentals and Additional Rentals.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of the Base Rentals paid by the District under this Lease and attributable to the Certificates.

“Base Rentals” means the rental payments payable by the District during the Lease Term, which constitute payments payable by the District for and in consideration of the right to possess and use the Leased Property as set forth in **Exhibit C** (Base Rentals Schedule) hereto, as it may be amended from time to time. Base Rentals shall not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in **Exhibit C** (Base Rentals Schedule) hereto.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the “Certificates of Participation, Series 2022, Evidencing Proportionate Interests in the Base Rentals and other Revenues under an annually renewable Lease Purchase Agreement dated as of August 1, 2022, between UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor, and Upper San Juan Health Service District, as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture. As used herein, the term “Certificates” does not include “Additional Certificates.”

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and this Lease and related to the authorization, sale, execution and delivery of the Certificates, as further defined in the Indenture.

“Counsel” means an attorney at law or law firm (who may be counsel for the Trustee).

“C.R.S.” means Colorado Revised Statutes.

“District” means Upper San Juan Health Service District dba Pagosa Springs Medical Center.

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

“District Manager” means the Chief Executive Officer of Pagosa Springs Medical Center or his or her successor in function.

“District Representative” means the Chairman of the District Board and President of the District, the District Manager or such other person at the time designated to act on behalf of the District for the purpose of performing any act under this Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the District by the Chair of the District Board.

“Event(s) of Lease Default” means any event as defined in Section 14.1 of this Lease.

“Event of Nonappropriation” means the termination and non-renewal of this Lease by the District, determined by the District Board’s failure, for any reason, to appropriate by the last day of each Fiscal Year, (a) sufficient amounts to be used to pay Base Rentals due in the next Fiscal Year and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in Section 6.4 of this Lease. An Event of Nonappropriation may also occur under certain circumstances described in Section 10.3(c) of this Lease. The term also means a notice under this Lease of the District’s intention not to renew and therefore terminate this Lease or an event described in this Lease relating to the exercise by the District of its right not to appropriate amounts due as Additional Rentals in excess of the amounts for which an Appropriation has been previously effected.

“Fiscal Year” means the District’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve month period which the District or other appropriate authority hereafter may establish as the District’s fiscal year.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the District in its capacity as lessee hereunder or the Trustee.

“Hazardous Substance” means and includes: (a) the terms “hazardous substance,” “release” and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State of Colorado statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and

regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

“Indenture” means the Indenture of Trust, dated as of August 1, 2022, executed and delivered by the Trustee, as the same may be amended or supplemented.

“Initial Purchaser” means JPMorgan Chase Bank, N.A., and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole Owner of all Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect if the Initial Purchaser is not the sole Owner of all Outstanding Certificates.

“Initial Term” means the period which commences on the date of delivery of this Lease and terminates on December 31, 2022.

“Interest Portion” means the portion of each Base Rentals payment that represents the payment of interest set forth in **Exhibit C** (Base Rentals Schedule) hereto.

“Lease” means this Lease Purchase Agreement, dated as of August 1, 2022, between the Trustee, as lessor, and the District, as lessee, as the same may hereafter be amended.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in this Lease whenever an Event of Lease Default or an Event of Nonappropriation has happened and is continuing, which may be exercised by the Trustee as provided in this Lease and in the Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the District may exercise its option to renew this Lease by effecting an Appropriation of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of this Lease. “Lease Term” refers to the time during which the District is the lessee of the Leased Property under this Lease.

“Leased Property” means the real property and the premises, buildings and improvements situated thereon, including all fixtures attached thereto, as more particularly described in **Exhibit A** to this Lease, together with any and all additions and modifications thereto, substitutions and replacements thereof, including, without limitation, the easements, rights of way, covenants and other rights set forth in the documents listed on **Exhibit B** attached hereto.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this Lease or proceeds from any condemnation award, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this Lease by reason of an Event of Nonappropriation or an Event of Lease Default, allocable to the Leased Property, less (a) all related expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the District and the Trustee.

“Owners” means the registered owners of any Certificates or Additional Certificates. The Initial Purchaser shall be the initial registered owner of the Certificates.

“Permitted Encumbrances” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of this Lease; (b) the Site Lease, this Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Site Lease, this Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the District Representative certifies will not materially interfere with or materially impair the use or value of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in this Lease; (d) any sublease of the Leased Property that is permitted pursuant to the terms and provisions of Section 13.2 hereof; and (e) the easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, as shown on **Exhibit B** hereto and which the District Representative certifies do not and will not interfere in any material way with the intended use of the Leased Property.

“Prepayment” means any amount paid by the District pursuant to the provisions of this Lease as a prepayment of the Base Rentals due hereunder.

“Principal Portion” means the portion of each Base Rentals payment that represents the payment of principal set forth in **Exhibit C** (Base Rentals Schedule) hereto.

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

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any calendar year and terminating on or before December 31 of such calendar year as provided in Article 4 of this Lease.

“Revenues” means (a) all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to this Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Certificates or the Additional Certificates deposited into the Base Rentals Fund; and (c) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund and any defeasance escrow account).

“Sanctioned Country” means, at any time, a country, region or territory which is the subject or target of any Sanctions (at the date of this Lease, Crimea, Cuba, Iran, North Korea, and Syria).

“Sanctioned Person” means, at any time, (a) any person or entity listed in any Sanctions-related list of designated persons or entities maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any person or entity operating, organized or resident in a Sanctioned Country, (c) any person or entity owned or controlled by any such

person or entity described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“Site Lease” means the Site and Improvement Lease Agreement, dated as of August 1, 2022, between the District, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal and federal tax law and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication. So long as the Lease Term is in effect, the District shall have the right to select Special Counsel.

“Tax Certificate” means the Tax Compliance Certificate executed and delivered by the District with respect to this Lease and the Certificates.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated thereunder.

“Trustee” means UMB Bank, n.a., acting solely in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.

ARTICLE 2 REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the District.

(a) The District represents and covenants to the Trustee, to the extent permitted by law and subject to renewal of this Lease and Appropriation as set forth in Article 6 hereof, as follows:

(i) The District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of Colorado. The District is authorized to execute and deliver this Lease and the Site Lease and to carry out its obligations under this Lease and the Site Lease. The District has duly authorized and approved the execution and delivery of this Lease, the Site Lease and all other documents related to the execution and delivery of this Lease and the Site Lease.

(ii) The District owns the Leased Property and the Trustee has a leasehold interest in the Leased Property pursuant to the Site Lease.

(iii) The leasing of the Leased Property to the Trustee pursuant to the Site Lease and the leasing of the Leased Property from the Trustee, under the

terms and conditions provided for in this Lease, are in the best interests of the District and serve a valid public purpose. The District will apply the net proceeds derived from the proceeds of the Certificates, together with other legally available monies of the District, to finance the acquisition of the Leased Property and to pay the Costs of Execution and Delivery.

(iv) Neither the execution and delivery of this Lease and the Site Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease and the Site Lease, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the District, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the District, except for Permitted Encumbrances.

(v) The District agrees that, except for non-renewal and nonappropriation as set forth in Article 6 hereof, if the District fails to perform any act which the District is required to perform under this Lease, the Trustee may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by the Trustee in connection therewith shall be an obligation owing by the District (from moneys for which an Appropriation has been effected) to the Trustee shall be a part of Additional Rentals, and the Trustee shall be subrogated to all of the rights of the party receiving such payment.

(vi) There is no litigation or proceeding pending against the District affecting the right of the District to execute this Lease or the Site Lease or the ability of the District to make the payments required hereunder, or to otherwise comply with the obligations contained herein, or which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the District or materially impair the right or ability of the District to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

(vii) The Basic Financial Statements of the District for the fiscal year ended December 31, 2021, and the independent auditors' report with respect thereto, a copy of which has heretofore been furnished to the Initial Purchaser, is complete and correct and fairly presents the financial condition of the District at such date and for such period. Since the most current date of the information, financial or otherwise, supplied by the District to the Initial Purchaser, there has been no material adverse change in the assets, liabilities, financial position or results of operations of the District which has not been disclosed in writing to the Initial Purchaser.

(viii) Except for customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property or for the provision of healthcare, the District shall not cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the Trustee and the Initial Purchaser, and all Hazardous Substances, including, customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept in or about the Leased Property. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the District results in contamination of the Leased Property, or if contamination of the Leased Property by any Hazardous Substance otherwise occurs for which the District is legally liable for damage resulting therefrom, then the District shall include as an Additional Rental any amount necessary to reimburse the Trustee and the Initial Purchaser for legal expenses incurred to defend (to the extent that an Appropriation for the necessary moneys has been effected by the District) the Trustee and the Initial Purchaser from claims for damages, penalties, fines, costs, liabilities or losses, and to reimburse the Trustee for any other costs incurred addressing the presence of Hazardous Substances on the Leased Property. The reimbursement of the Trustee's and the Initial Purchaser's legal expenses is not an indemnification. It is expressly understood that the District is not indemnifying the Trustee or the Initial Purchaser and expenses of such defense shall constitute Additional Rentals. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by the District results in any contamination of the Leased Property, the District shall provide prior written notice to the Trustee and the Initial Purchaser and promptly take all actions at its sole expense (which expenses shall constitute Additional Rentals) as are necessary to effect remediation of the contamination in accordance with legal requirements.

(ix) The District covenants and agrees to comply with any applicable covenants and requirements of the District set forth in the Tax Certificate.

(x) Except as otherwise disclosed to the Initial Purchaser, the District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature of this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(b) The District represents and covenants to the Initial Purchaser as follows for only so long as the Initial Purchaser is the sole Owner of the Certificates:

(i) The District is not a Sanctioned Person. The District agrees to comply with all applicable Anti-Corruption Laws. To the best of the District's knowledge but without conducting any investigation or research, (1) the District is in compliance with Anti-Corruption Laws and applicable Sanctions and (2) the

District is not knowingly engaged in any activity that would reasonably be expected to result in the District being designated as a Sanctioned Person. The use of proceeds of the Certificates will not violate Anti-Corruption Laws or applicable Sanctions.

(ii) The District hereby acknowledges that it or its agent may post information regarding the Certificates on the MSRB's Electronic Municipal Market Access website at <https://emma.msrb.org/> ("EMMA") as may be required under MSRB rules, may reference the Certificates in any notice filed on EMMA pursuant to "new event notice" requirements of Rule 15c2-12, or otherwise disclose such information pursuant to best practices in order to maintain transparency with the District's existing creditors and rating agencies, but the District hereby agrees that information regarding signatures, names of individuals, account numbers, wire transfer and payment instructions and other sensitive information as reasonably requested in writing by the Initial Purchaser shall be redacted from such postings or other disclosure by the District, to the extent that such redactions would not violate any disclosure obligations under applicable MSRB and SEC rules.

(iii) The District agrees that the Initial Purchaser may provide any information or knowledge that the Initial Purchaser may have about the District or about any matter relating to the Certificates, the Site Lease, this Lease and the Indenture to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of the Certificates, or participants or assignees of the Certificates.

(iv) The District agrees that the Initial Purchaser may, without limitation, (i) at any time sell, assign, pledge or transfer all or any portion of the Certificates, or one or more interest(s) in all or any part of the Certificates to one or more purchasers, assignees and/or participants, so long as such purchaser, assignee or participant is (A) an affiliate of JP Morgan Chase Bank, N.A.; (B) an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended; or (C) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended; and (ii) at the option of the Purchaser, disclose information and share fees with such assignees and/or participants.

(v) The District agrees, subject to annual appropriation and subject to applicable law, to pay or reimburse the Initial Purchaser for all its out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred in connection with the preparation, negotiation, execution and enforcement or preservation of any rights of the Initial Purchaser under this Lease, the Site Lease or the Indenture both before and after judgment.

(vi) So long as the Initial Purchaser is the sole owner of the Certificates, written consent from the Initial Purchaser shall be required to make a substitution of the Leased Property.

(vii) Notwithstanding any provisions to the contrary contained in this Lease, in the Site Lease, or in the Indenture, so long as the Initial Purchaser is the sole Owner of the Certificates, the Initial Purchaser shall have the right to direct all remedies taken by the Trustee hereunder and under the Site Lease and the Indenture. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

(viii) Notwithstanding any provision to the contrary contained herein, in the Site Lease or in the Indenture, the District and the Trustee shall not amend the Site Lease, this Lease or the Indenture in any way that materially adversely effects the security for the Certificates without the prior written consent of the Initial Purchaser. For the avoidance of doubt, such consent shall be in addition to, and not in substitution for, any consent to such amendment that may be required by the Site Lease, this Lease or the Indenture, as applicable.

(ix) It is expressly understood and agreed that the Initial Purchaser is a third-party beneficiary of this Lease and enforcement of the terms and conditions of this Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the District, as lessor, and the Trustee, as lessee, and their respective successors and assigns. The Initial Purchaser is a third-party beneficiary of all of the terms and provisions made for the benefit of the Initial Purchaser pursuant to this Section 2.1(b).

(x) So long as JPMorgan Chase Bank, N.A. is the sole Owner of the Certificates, and unless and until JPMorgan Chase & Co. informs the District and the Trustee otherwise in writing, it shall have and exercise all rights of the Initial Purchaser under the Site Lease, this Lease and the Indenture, and shall be the party that provides consent, directs remedies and takes all actions on behalf of the Initial Purchaser, and the District and the Trustee shall be entitled to rely on any representation, consent, approval or direction provided by JPMorgan Chase & Co. on behalf of the Initial Purchaser as if such representation, consent, approval or direction was delivered by the Initial Purchaser itself.

(xi) The District agrees to provide the following items to the Initial Purchaser in an electronic format acceptable to the Initial Purchaser if not publicly available: (i) audited financial statements within 270 days of the close of its fiscal year end; (ii) a copy of its annual budget, as adopted or amended, within 30 days of adoption or amendment, and (iii) additional information as reasonably requested by the Initial Purchaser.

(xii) The District, the Trustee, and the Initial Purchaser hereby waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to the Site Lease, this Lease, the Certificates, the Indenture, and any related documentation or the transactions contemplated hereby or thereby.

(xiii) In connection with all aspects of the transactions contemplated by the Site Lease, this Lease, and the Indenture (including in connection with any amendment, waiver or other modification hereof or thereof), the District acknowledges and agrees that: (i)(A) any arranging, structuring and other services regarding the Site Lease, this Lease, the Indenture and the other documents provided by the Initial Purchaser or any affiliate of the Initial Purchaser are arm's length commercial transactions between the District on the one hand, and the Initial Purchaser and any affiliate of the Initial Purchaser on the other hand, (B) the District has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the District is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by the Site Lease, this Lease, the Indenture, and any related documents; (ii)(A) the Initial Purchaser and each affiliate of the Initial Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the District or any other person or entity and (B) neither the Initial Purchaser nor any affiliate of the Initial Purchaser has any obligation to the District with respect to the transactions contemplated by the Site Lease, this Lease, the Indenture, and any related documents, except those obligations expressly set forth herein; and (iii) the Initial Purchaser and each affiliate of the Initial Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the District, and neither the Initial Purchaser nor any affiliate of the Initial Purchaser has any obligation to disclose any of such interests to the District. To the fullest extent permitted by applicable laws, the District hereby waives and releases any claims that it may have against the Initial Purchaser and each affiliate of the Initial Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by the Site Lease, the Lease, the Indenture, and the other documents contemplated thereby.

(xiv) So long as the Initial Purchaser is the Owner of the Certificates, the Certificates will not be rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number, marketed pursuant to any Official Statement, Offering Memorandum or any other disclosure documents, or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 2.2 Representations and Covenants of the Trustee. The Trustee represents and covenants as follows:

(a) So long as no Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or this Lease or as necessary to transfer the Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee's right, title and interest in and to (i) this Lease or the Site Lease, (ii) the Base Rentals, other Revenues and collateral, security interests and attendant rights and obligations which may be derived under this Lease or the Site Lease and/or (iii) the Leased Property and any reversion therein or any of its or the Trustee's other rights under this Lease or the Site Lease or assign,

pledge, mortgage, encumber or grant a security interest in its or the Trustee's right, title and interest in, to and under this Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(b) To the Trustee's knowledge, neither the execution and delivery of this Lease and the Site Lease or the Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(c) To the Trustee's knowledge, there is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute this Lease and the Site Lease or to execute the Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the District on or prior to the date the Indenture is executed and delivered.

(d) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Indenture. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Event of Indenture Default to the Initial Purchaser.

Section 2.3 Nature of Lease. The District and the Trustee acknowledge and agree that the Base Rentals and Additional Rentals hereunder shall constitute currently budgeted and appropriated expenditures of the District and may be paid from any legally available funds. The District's obligations under this Lease shall be subject to the District's annual right to terminate this Lease (as further provided herein) and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the District within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Article XI, Sections 1 or 2 of the Colorado Constitution. Neither this Lease nor the execution and delivery of the Certificates shall directly or indirectly obligate the District to make any payments beyond those duly budgeted and appropriated for the District's then current Fiscal Year. The District shall be under no obligation whatsoever to exercise its option to purchase the Trustee's leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of District moneys, nor shall any provision of this Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys (provided, however, certain restrictions in the Indenture shall apply to the issuance of Additional Certificates). If this Lease is not renewed by the District, the sole security available to the Trustee, as lessor hereunder, shall be its leasehold interest in the Leased Property.

Section 2.4 District Acknowledgment of Certain Matters. The District acknowledges the Indenture and the execution and delivery by the Trustee of the Certificates pursuant to the Indenture. The District also acknowledges the Trustee's authority to act on behalf of the Owners of the Certificates with respect to all rights, title and interests of the Trustee in, to and under this Lease, the Site Lease and the Leased Property.

Section 2.5 Relationship of District and Trustee. The relationship of the District and the Trustee under this Lease is, and shall at all times remain, solely that of lessee and lessor; and the District neither undertakes nor assumes any responsibility or duty to the Trustee or to any third party with respect to the Trustee's obligations relating to the Leased Property; and the Trustee does not undertake or assume any responsibility or duty to the District or to any third party with respect to the District's obligations relating to the Leased Property. Notwithstanding any other provisions of this Lease: (a) the District and the Trustee are not, and do not intend to be construed to be, partners, joint venturers, members, alter egos, managers, controlling persons or other business associates or participants of any kind of either of the other, and the District and the Trustee do not intend to ever assume such status; and (b) the District and the Trustee shall not be deemed responsible for, or a participant in, any acts, omissions or decisions of either of the other.

ARTICLE 3 LEASE OF THE LEASED PROPERTY

The Trustee leases the Leased Property to the District and the District leases the Leased Property from the Trustee, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

The District and the Trustee acknowledge that the District owns the Leased Property and the District has leased the Leased Property to the Trustee pursuant to the Site Lease; and the District and the Trustee intend that there be no merger of the District's interests as sublessee under this Lease and the District's ownership interest in the Leased Property so as to cause the cancellation of the Site Lease or this Lease, or an impairment of the leasehold and subleasehold interest intended to be created by the Site Lease and this Lease.

ARTICLE 4 LEASE TERM

Section 4.1 Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2022. This Lease may be renewed, solely at the option of the District, for fifteen (15) Renewal Terms, provided, however, that the Lease Term shall terminate no later than December 31, 2037, except that the Renewal Term beginning on January 1, 2037 shall terminate upon the District's payment of the final Base Rental payment as set forth in **Exhibit C**. The District hereby finds that the maximum Lease Term hereunder does not exceed the weighted average useful life of the Leased Property. The District Board further determines and declares that the period during which the District has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e. the entire maximum Lease Term) does not exceed the useful life of the Leased Property.

The District Manager or other officer of the District at any time charged with the responsibility of formulating budget proposals for the District is hereby directed to include in the annual budget proposals submitted to the District Board, in any year in which this Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease until such time, if any, as the District may determine not to renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the District that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the District Board in its absolute discretion and not by any other official of the District, as further provided in the following paragraph. During the Lease Term, the District shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than December 15 of the then current Initial Term or any Renewal Term the District Representative shall give written notice (in substantially the form set forth in **Exhibit D** attached hereto) to the Trustee that either:

- (a) the District has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all of the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of this Lease, whereupon, this Lease shall be renewed for the ensuing Fiscal Year; or
- (b) the District has determined, for any reason, not to renew this Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 6.4(a) hereof, the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the District from electing not to renew this Lease, nor result in any liability on the part of the District. The District's option to renew or not to renew this Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in Article 6 of this Lease.

The terms and conditions hereof during any Renewal Term shall be the same as the terms and conditions hereof during the Initial Term, except that the Purchase Option Price and the Base Rentals shall be as provided in Article 12 and **Exhibit C** (Base Rentals Schedule) hereof.

Section 4.2 Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

- (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation pursuant to Section 4.1 and Article 6 of this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 hereof);
- (b) the occurrence of an Event of Nonappropriation under this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 hereof);
- (c) the conveyance of the Trustee's leasehold interest in the Leased Property under this Lease to the District upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the District for such purpose, as provided in Section 12.2(a) or (b) of this Lease; or
- (d) an uncured Event of Lease Default and termination of this Lease under Article 14 of this Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of this Lease, the District agrees to peacefully deliver possession of the Leased Property to the Trustee.

Termination of the Lease Term shall terminate all unaccrued obligations of the District under this Lease, and shall terminate the District's rights of possession under this Lease (except to the extent of the holdover provisions of Sections 6.5 and 14.2(c)(i) hereof, and except for any conveyance pursuant to Article 12 of this Lease). All obligations of the District accrued prior to such termination shall be continuing until the Trustee gives written notice to the District that such accrued obligations have been satisfied.

Upon termination of the Lease Term any moneys received by the Trustee in excess of the amounts necessary to terminate and discharge the Indenture, shall be paid to the District.

The District shall not have the right to terminate this Lease due to a default by the Trustee under this Lease.

ARTICLE 5 ENJOYMENT OF THE LEASED PROPERTY

Section 5.1 Trustee's Covenant of Quiet Enjoyment. The Trustee hereby covenants that the District shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trustee. The Trustee shall not interfere with the quiet use and enjoyment of the Leased Property by the District during the Lease Term so long as no Event of Lease Default shall have occurred. The Trustee shall, at the request of the

District and at the cost of the District, cooperate fully in any legal action in which the District asserts against third parties its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the District may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article 5 shall be subject to the Trustee's right to inspect the Leased Property and the District's books and records with respect thereto as provided in Section 11.7 hereof.

Section 5.2 District's Need for the Leased Property; Determinations as to Fair Value and Fair Purchase Price. The District Board has determined and hereby determines that it has a current need for the Leased Property. It is the present intention and expectation of the District Board that this Lease will be renewed annually until the Trustee's interests in the Site Lease are released and unencumbered title to the Leased Property is acquired by the District pursuant to this Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the District. The District Board has determined and hereby determines that the Base Rentals under this Lease during the Lease Term for the Leased Property represent the fair value of the use of the Leased Property and that the Purchase Option Price for the Leased Property will represent the fair purchase price of the Trustee's interest in the Leased Property at the time of the exercise of the option. The District Board has determined and hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the District under an economic compulsion to renew this Lease or to exercise its option to purchase the Trustee's interest in the Leased Property hereunder. In making such determinations, the District Board has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed by the District, the benefit to the citizens and inhabitants of the District by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease, the District's option to purchase the Trustee's interest in the Leased Property and the expected eventual vesting of unencumbered title to the Leased Property in the District. The District Board hereby determines and declares that the period during which the District has an option to purchase the Trustee's interest in the Leased Property (i.e., the entire maximum Lease Term for the Leased Property) does not exceed the weighted average useful life of the Leased Property.

ARTICLE 6 PAYMENTS BY THE DISTRICT

Section 6.1 Payments to Constitute Currently Budgeted Expenditures of the District. The District and the Trustee acknowledge and agree that the Base Rentals, Additional Rentals and any other obligations hereunder shall constitute currently budgeted expenditures of the District, if an Appropriation has been effected for such purpose. The District's obligations to pay Base Rentals, Additional Rentals and any other obligations under this Lease shall be from year to year only (as further provided in Article 4 and Sections 6.2 and 6.4 hereof), shall extend only to moneys for which an Appropriation has been effected by the District, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of

governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District or a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitation, including without limitation Article X, Section 20 of the Colorado constitution. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. Neither this Lease nor the Certificates shall directly or indirectly obligate the District to make any payments beyond those for which an Appropriation has been effected by the District for the District's then current Fiscal Year. The District shall be under no obligation whatsoever to exercise its option to purchase the Trustee's leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of District moneys (other than moneys for which an Appropriation has been effected by the District Board for the District's then current Fiscal Year), nor shall any provision of this Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Certificates).

Section 6.2 Base Rentals, Purchase Option Price and Additional Rentals.

(a) The District shall pay Base Rentals for which an Appropriation has been effected by the District, directly to the Trustee during the Initial Term and any Renewal Term, on the Base Rentals Payment Dates and in the "Total Base Rentals" amounts set forth in **Exhibit C** (Base Rentals Schedule) attached hereto and made a part hereof. For federal and State income tax purposes, a portion of each payment of Base Rentals for the Certificates is designated and will be paid as interest, and **Exhibit C** (Base Rentals Schedule) hereto sets forth the Interest Portion of each payment of Base Rentals for the Certificates. The District shall receive credit against its obligation to pay Base Rentals to the extent moneys are held by the Trustee on deposit in the Base Rentals Fund created under the Indenture and are available to pay Base Rentals. The District acknowledges that upon receipt by the Trustee of each payment of Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Base Rentals in the Base Rentals Fund.

The Base Rentals set forth in **Exhibit C** (Base Rentals Schedule) shall be recalculated in the event of the execution and delivery of Additional Certificates as provided in the Indenture.

(b) The District may, on any date on or after December 1, 2024, pay the then applicable Purchase Option Price for the purpose of terminating this Lease and the Site Lease in whole and purchasing the Trustee's leasehold interest in the Leased Property as further provided in Article 12 of this Lease. The District may also, at any time on or after December 1, 2024, (1) prepay any portion of the Base Rentals due under this Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in **Exhibit C** (Base Rentals Schedule). The Trustee may conclusively rely upon such revised **Exhibit C** (Base Rentals Schedule) and has no duty to make an independent investigation in connection therewith. Any such revised **Exhibit C** (Base Rentals Schedule) shall be prepared by the District Representative in the manner required by the Indenture and be delivered to the Trustee. The District shall give the Trustee notice of its intention to exercise either of such options not less than forty-five (45) days in advance of the date of exercise and shall deposit with the Trustee by not later than the date of exercise an amount equal to the Purchase

Option Price due on the date of exercise or the applicable amount of Base Rentals to be prepaid. If the District shall have given notice to the Trustee of its intention to prepay Base Rentals but shall not have deposited the amounts with the Trustee on the date specified in such notice, the District shall continue to pay Base Rentals which have been specifically appropriated by the District Board for such purpose as if no such notice had been given. The Trustee may waive the right to receive forty-five (45) days advance notice and may agree to a shorter notice period in the sole determination of the Trustee.

(c) All Additional Rentals shall be paid by the District on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property and for the cost of taxes, insurance premiums, utility charges, maintenance and repair costs and all other expenses expressly required to be paid hereunder, including any Rebate Fund payments required pursuant to this Lease and the Indenture. All payments required by this paragraph are subject to Appropriation by the District Board; provided, however, a failure by the District Board to budget and appropriate moneys for any of the payments required by this paragraph shall constitute an Event of Nonappropriation.

If the District's estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 4.1 of this Lease, the District shall furnish an itemization of such estimated Additional Rentals to the Trustee on or before the 15th day preceding such Fiscal Year.

Section 6.3 Manner of Payment. The Base Rentals for which an Appropriation has been effected by the District Board and, if paid, the Purchase Option Price, shall be paid or prepaid by the District to the Trustee at its corporate trust office by wire transfer of federal funds, certified funds or other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its corporate trust office.

The obligation of the District to pay the Base Rentals and Additional Rentals as required under this Article 6 and other sections hereof in any Fiscal Year for which an Appropriation has been effected by the District Board for the payment thereof shall be absolute and unconditional and payment of the Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under this Lease, or under any other agreement between the District and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the District's obligation hereunder as set forth in Section 6.1 hereof, and further subject to the District's rights under Section 10.3 hereof. Notwithstanding any dispute between the District and the Trustee, the District shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Base Rentals or Additional Rentals, for which an Appropriation has been effected by the District Board, pending final resolution of such dispute (except to the extent permitted by Sections 8.2 and 9.3 hereof with respect to certain Additional Rentals), nor

shall the District assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the District's obligation to pay all Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District Board for such purpose, in such Fiscal Years subject to this Article (except to the extent provided by Sections 8.2 and 9.3 hereof with respect to certain Additional Rentals).

Section 6.4 Nonappropriation. In the event that the District Board gives notice that it intends not to renew this Lease as provided by Section 4.1 hereof or the District Board shall not effect an Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 4.1 hereof and this Article, or in the event that the District is proceeding under the provisions of Section 10.3(c) hereof (when applicable), an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 4.1 hereof or evidence that an Appropriation has been effected by the District Board on or before December 31 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific written notice from the District that this Lease will not be renewed; provided that the Trustee's failure to declare an Event of Nonappropriation on such date shall not be construed as a waiver of the Event of Nonappropriation or the consequences of an Event of Nonappropriation under this Lease. In order to declare an Event of Nonappropriation, the Trustee shall send written notice thereof to the District.

(b) The Trustee shall waive any Event of Nonappropriation which is cured by the District, within 30 days of the receipt by the District of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in (b) above.

In the event that during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the District to such effect (subject to waiver by the Trustee as hereinbefore provided).

If an Event of Nonappropriation occurs, the District shall not be obligated to make payment of the Base Rentals or Additional Rentals or any other payments provided for herein which accrue after the last day of the Initial Term or any Renewal Term during which such Event of

Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.1 and 14.3 hereof, the District shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the District shall continue to occupy, use or retain possession of the Leased Property.

Subject to Section 6.5 hereof, the District shall in all events vacate or surrender possession of the Leased Property by March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred.

After March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

The District acknowledges that, upon the occurrence of an Event of Nonappropriation (a) the Trustee shall be entitled to all moneys then being held in all funds created under the Indenture (except the Rebate Fund and any defeasance escrow accounts) to be used as described therein and (b) all property, funds and rights then held or acquired by the Trustee upon the termination of this Lease by reason of an Event of Nonappropriation are to be held by the Trustee in accordance with the terms of the Indenture.

Notwithstanding anything herein to the contrary, so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, upon the occurrence of an Event of Nonappropriation or Event of Default as described herein or in the Indenture, the Trustee shall provide written notice thereof to the Initial Purchaser and shall proceed in accordance with any written instructions received by the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 6.5 Holdover Tenant. If the District fails to vacate the Leased Property after termination of this Lease, whether as a result of the occurrence of an Event of Nonappropriation or an Event of Lease Default as provided in Section 14.2(a) hereof, with the written permission of the Trustee it will be deemed to be a holdover tenant on a month-to-month basis, and will be bound by all of the other terms, covenants and agreements of this Lease. Any holding over by the District without the written permission of the Trustee shall be at sufferance. The amount of rent to be paid monthly during any period when the District is deemed to be a holdover tenant will be equal to (a) one-sixth of the Interest Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date plus one-twelfth of the Principal Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Section 6.6 Prohibition of Adverse Budget or Appropriation Modifications. To the extent permitted by law, the District shall not, during any Fiscal Year of the Lease Term, make any budgetary transfers or other modifications to its then existing budget and appropriation measures relating to the Leased Property or this Lease which would adversely affect the District's ability to meet its obligation to pay Base Rentals and duly budgeted and appropriated Additional Rentals hereunder.

ARTICLE 7 SITE LEASE; TITLE INSURANCE

Section 7.1 Site Lease. At the time of the execution and delivery of this Lease, the District shall have leased to the Trustee, and the Trustee shall have subleased from the District, the Leased Property pursuant to the Site Lease. As further provided in Section 8.1 hereof, a leasehold interest in the Leased Property shall be held by the Trustee, subject to this Lease.

Section 7.2 Title Insurance. The Trustee shall be provided with a Leasehold Owner's title insurance policy insuring the Trustee's leasehold estate in the Leased Property under the Site Lease, subject only to Permitted Encumbrances, with such policy to be in an amount not less than the aggregate principal amount of the Certificates or such lesser amount as shall be the maximum insurable value of the Leased Property. Such policy, or a binding commitment therefor, shall be provided to the Trustee concurrently with the execution and delivery of the Certificates and in connection with the issuance of any series of additional Certificates.

ARTICLE 8 TITLE TO LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 8.1 Title to the Leased Property. At all times during the Lease Term, title to the Leased Property shall remain in the District, subject to the Site Lease, this Lease, the Indenture and any other Permitted Encumbrances. Except personal property purchased by the District at its own expense pursuant to Section 9.2 of this Lease, a leasehold estate in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee until the Trustee has exercised Lease Remedies or until the Trustee's leasehold interest in the Leased Property is conveyed to the District as provided in Article 12 of this Lease, or until termination of the Site Lease, notwithstanding (i) the occurrence of an Event of Nonappropriation as provided in Section 6.4 of this Lease or one or more Events of Default as defined in Section 14.1 of this Lease; (ii) the occurrence of any event of damage, destruction, condemnation or construction defect or title defect, as provided in Article 10 of this Lease or (iii) the violation by the Trustee (or by the Trustee as assignee of the Lessor pursuant to the Indenture) of any provision of the Site Lease or this Lease.

Section 8.2 No Encumbrance, Mortgage or Pledge of the Leased Property. Except as may be permitted by this Lease, the District shall not permit any mechanic's or other lien to be established or remain against the Leased Property; provided that, if the District shall first notify the Trustee of the intention of the District to do so, the District may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the Trustee's interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by this Lease, the District shall not directly or indirectly create, incur, assume

or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The District shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.

ARTICLE 9 MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.1 Maintenance of the Leased Property by the District. Subject to its right not to appropriate and as otherwise provided in Section 10.3 hereof, the District agrees that at all times during the Lease Term, the District will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. The Trustee shall have no responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

Section 9.2 Modification of the Leased Property; Installation of Furnishings and Machinery of the District. The District shall have the privilege of making additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate and any such additions, modifications and improvements to the Leased Property; shall be the property of the District, subject to the Site Lease, this Lease and the Indenture and shall be included under the terms of the Site Lease, this Lease and the Indenture; provided, however, that such additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than what was its intended purpose upon construction or other lawful governmental functions of the District (except to the extent of subleasing permitted under Section 13.2 hereof) or cause the District to violate its tax covenant in Section 11.5 hereof; and provided that the Leased Property, as improved or altered, upon completion of such additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of additions, modifications and improvements.

The District may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the District in which the Trustee shall have no interests; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Lease to the extent that (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

The District shall have the right to make substitutions to the Leased Property upon compliance with the provisions set forth in Section 11.4 hereof.

Section 9.3 Taxes, Other Governmental Charges and Utility Charges. In the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the District shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. With respect to

special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the District shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the District shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the interests of the Trustee), or the rentals and revenues derived therefrom or hereunder. The District shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance and upkeep of the Leased Property.

The District may, at its expense, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility or other charges).

Section 9.4 Provisions For Liability and Property Insurance. Upon the execution and delivery of this Lease, the District shall, at its own expense, cause casualty and property insurance to be carried and maintained with respect to the Leased Property in an amount equal to the estimated replacement cost of the Leased Property. Such insurance policy or policies may have a deductible clause in an amount deemed reasonable by the District Board. The District may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, if such blanket insurance policies comply with the requirements hereof. If the District shall insure against similar risks by self-insurance, the District may, at its election, and with the prior written consent of the Initial Purchaser, provide for casualty and property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the District shall elect to self-insure, the District Representative shall annually furnish to the Trustee and the Initial Purchaser a certification of the adequacy of the District's reserves. The Trustee shall be named additional insured and loss payee on any casualty and property insurance.

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

of the adequacy of the District's reserves. The Trustee shall be named as additional insured and loss payee on any public liability insurance.

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

Upon the initial execution and delivery of this Lease, the District shall provide the Trustee with evidence that the insurance required pursuant to this Section 9.4 is in effect. A certification by the District or the District's insurance agent that such insurance is in effect shall be sufficient evidence of insurance. On or about October 1 in each year the District shall provide annual certification that the insurance required pursuant to this Section 9.4 is in effect.

Section 9.5 Advances. If the District fails to pay any Additional Rentals during the Lease Term as such Additional Rentals become due, the Trustee may (but shall not be obligated to) pay such Additional Rentals and the District agrees to reimburse the Trustee to the extent permitted by law and subject to Appropriation as provided under Article 6 hereof.

Section 9.6 Granting of Easements. As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee, shall upon the request of the District, (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in this Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this Lease and any security interest or other encumbrance created hereunder or thereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) a written application signed by the District Representative requesting such grant, agreement or release and stating that such grant, agreement or release will not materially impair the effective use or materially interfere with the operation of the Leased Property, and will not materially adversely affect the security intended to be given by or under the Indenture, the Site Lease or this Lease.

**ARTICLE 10
DAMAGE, DESTRUCTION AND CONDEMNATION;
USE OF NET PROCEEDS**

Section 10.1 Damage, Destruction and Condemnation. If, during the Lease Term,

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

then the District shall be obligated to continue to pay Base Rentals and Additional Rentals (subject to Article 6 hereof).

Section 10.2 Obligation to Repair and Replace the Leased Property. The District and the Trustee, to the extent Net Proceeds are within their respective control, shall cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the District, upon receipt of requisitions by the Trustee signed by the District Representative stating with respect to each payment to be made:

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

The Trustee shall have no duty to review or examine the accompanying bill, invoice or statement of account, but may conclusively rely on the properly executed disbursement request. The District and the Trustee shall agree to cooperate and use their best commercially reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. The District shall file a certificate with the Trustee certifying the completion of any such repair,

restoration, modification, improvement or replacement and the Trustee may conclusively rely on any requisitions presented pursuant to this Section and shall have no obligation to make an independent investigation. If there is a balance of any Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the District, to:

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

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

Section 10.3 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 10.2 of this Lease, the District may elect to:

- (a) complete the work or, with the prior consent of the Initial Purchaser, replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the District Board are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the District agrees that, if by reason of any such insufficiency of the Net Proceeds, the District shall make any payments pursuant to the provisions of this paragraph, the District shall not be entitled to any reimbursement therefor from the Trustee, nor shall the District be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District for such purpose, payable under Article 6 of this Lease; or
- (b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with Article 12 of this Lease, or, with the prior consent of the Initial Purchaser, an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the District shall, subject to the limitations of Section 6.1 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the District); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the District in the same manner as set forth in Section 10.2 hereof; or
- (c) if the District does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have

occurred and, subject to the District's right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.

The above referenced election shall be made by the District within 90 days after the occurrence of an event specified in Section 10.1 of this Lease. It is hereby declared to be the District Board's present intention that, if an event described in Section 10.1 hereof should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the District would use its commercially reasonable best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the District must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the District.

Section 10.4 Cooperation of the Trustee. The Trustee shall cooperate fully with the District, at the expense of the District or in accordance with Section 8.04 of the Indenture, in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property and in the enforcement of all warranties relating to the Leased Property. So long as no Event of Lease Default or Event of Nonappropriation has occurred and is then existing, the Trustee shall not voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim performance or payment bond claim, prospective or pending condemnation proceeding with respect to the Leased Property without the written consent of the District.

ARTICLE 11

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 11.1 Disclaimer of Warranties. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE DISTRICT HEREBY ACKNOWLEDGES AND DECLARES THAT THE DISTRICT IS SOLELY RESPONSIBLE FOR THE CONDITION, MAINTENANCE, REPAIR AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE DISTRICT HEREBY ACKNOWLEDGES AND DECLARES THAT THE DISTRICT IS SOLELY RESPONSIBLE FOR THE MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. For the purpose of enabling the District to discharge such responsibility, the Trustee constitutes and appoints the District as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the District, all manufacturer's and contractor's warranties and guaranties,

express or implied, with respect to the Leased Property, as well as any claims or rights the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this Lease, the Trustee shall not be liable for any direct or indirect, incidental, special, punitive or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the District of any item, product or service provided for herein except that nothing shall relieve the Trustee's liability for any claims, damages, liability or court awards, including costs, expenses and attorney fees, relating to or arising from the Trustee's actions or omissions that result from the negligence, bad faith or intentional misconduct of the Trustee or its employees.

Section 11.2 Further Assurances and Corrective Instruments. The Trustee and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereof or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property.

Section 11.3 Compliance with Requirements. During the Lease Term, the District and the Trustee shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property, provided that the District and the Trustee may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property.

Section 11.4 Release and Substitution of Leased Property. So long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing, the District shall be entitled to substitute any improved or unimproved real estate (collectively, the "Replacement Property"), for any Leased Property then subject to the Site Lease, this Lease and the Indenture, upon receipt by the Trustee and the Initial Purchaser of a written request of the District Representative requesting such release and substitution, provided that:

(a) such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the District as the Leased Property proposed to be released, as determined by a certificate from the District to that effect;

(b) the fair market value of Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from this Lease and the Indenture, or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the Outstanding Certificates. The fair market value of any improved or unimproved real property shall be determined by an M.A.I. appraisal report prepared by an independent real estate appraiser and submitted by the District to the Trustee;

(c) the Initial Purchaser has consented to the substitution of the Replacement Property; and

(d) the execution and delivery of such supplements and amendments to the Site Lease, as applicable, this Lease and the Indenture and any other documents necessary to

subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture.

The Trustee shall cooperate with the District in implementing the District's rights to release and substitute property pursuant to this Section 11.4 and shall execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

Section 11.5 Tax Covenants. The District acknowledges that the moneys in all funds and accounts expected to be created under the Indenture are to be invested or deposited by the Trustee, at the written direction of the District.

The District covenants for the benefit of the Owners of the Certificates that it will not take any action or omit to take any action with respect to the Certificates, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Certificates (except for the possible exercise of the District's right to terminate this Lease as provided herein) if such action or omission (i) would cause the interest on the Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Certificates 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 Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the District's right to terminate this Lease as provided herein, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Certificates, until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code and Colorado law have been met.

The District hereby designates this Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Tax Code.

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

The District is to execute the Tax Certificate in connection with the execution and delivery of this Lease, which Tax Certificate shall provide further details in respect of the District's tax covenants herein.

Section 11.6 Covenant to Reimburse Legal Expenses. To the extent permitted by law and subject to Appropriation by the District Board, the District shall defend and hold harmless the Trustee and the Initial Purchaser against claims arising from the alleged negligent acts or omissions of the District's public employees, which occurred or are alleged to have occurred during the performance of their duties and within the scope of their employment, unless such acts or

omissions are, or are alleged to be, willful and wanton. Such claims shall be subject to the limitations of the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S., as now or hereafter amended. The District shall include as Additional Rentals, the reimbursement of reasonable and necessary expenses incurred by the Trustee to defend the Trustee or incurred by the Initial Purchaser to defend the Initial Purchaser from and against all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of the Leased Property or from any work or thing done on the Leased Property during the Lease Term requested by the District, or from any condition of the Leased Property caused by the District. This duty to reimburse the Trustee's and the Initial Purchaser's legal expenses is not an indemnification and it is expressly understood that the District is not indemnifying the Trustee or the Initial Purchaser and, as previously stated, is limited to Net Proceeds and moneys, if any, in excess of such Net Proceeds, for which an Appropriation has been effected.

Section 11.7 Access to the Leased Property; Rights to Inspect Books. The District agrees that the Trustee and the Initial Purchaser shall have the right at all reasonable times to examine and inspect the Leased Property (subject to such regulations as may be imposed by the District for security purposes) and all of the District's books and records with respect thereto, but the Trustee and the Initial Purchaser have no duty to inspect the Leased Property or such books or records. The District further agrees that the Trustee shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the District to perform its obligations under this Lease. The Indenture allows the District to have the right at all reasonable times to examine and inspect all of the Trustee's books and records with respect to the Leased Property and all funds and accounts held under the Indenture.

The District and its representatives shall have the right to examine and inspect the books and records of the Trustee relating to the Leased Property at all reasonable times from the date of this Lease and until three years after the termination date of this Lease.

ARTICLE 12 PURCHASE OPTION

Section 12.1 Purchase Option. The District shall have the option to purchase the Trustee's leasehold interest in the Leased Property at any date on or after December 1, 2024, but only if an Event of Lease Default or an Event of Nonappropriation has not occurred and is then continuing. The District may exercise its option on any date on or after December 1, 2024 by complying with one of the conditions set forth in Section 12.2.

The District shall give the Trustee notice of its intention to exercise its option not less than forty-five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected by the District to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period in the sole determination of the Trustee.

If the District shall have given notice to the Trustee of its intention to purchase the Trustee's leasehold interest in the Leased Property, but shall not have deposited the amounts with the Trustee

on the date specified in such notice, the District shall continue to pay Base Rentals, which have been specifically appropriated by the District for such purpose, as if no such notice had been given.

Section 12.2 Transfer, Conveyance and Release of Leased Property. The Trustee shall release the Trustee's leasehold interest in the Leased Property and in the manner provided for in Section 12.3 of this Lease; provided, however, that prior to such transfer, conveyance and release, either:

(a) the District shall have paid the then applicable Purchase Option Price, plus any fees and expenses then owing to the Trustee and any other Additional Rentals required to be paid hereunder; or

(b) the District shall have paid all Base Rentals set forth in Exhibit C (Base Rentals Schedule) hereto, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid hereunder.

At the District's option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund and any defeasance escrow funds) may be credited toward the Purchase Option Price.

Section 12.3 Manner of Conveyance. At the closing of the purchase or other conveyance of all of the Trustee's leasehold interest in the Leased Property pursuant to Section 12.2 of this Lease, the Trustee shall release and terminate the Site Lease, this Lease and the Indenture and execute and deliver to the District any necessary documents releasing, assigning, transferring and conveying the Trustee's leasehold interests in the Leased Property, as they then exist, subject only to the following:

(a) Permitted Encumbrances, other than the Site Lease, this Lease and the Indenture;

(b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture;

(c) any lien or encumbrance created or suffered to exist by action of the District; and

(d) those liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee.

ARTICLE 13 ASSIGNMENT AND SUBLEASING

Section 13.1 Assignment by the Trustee; Replacement of the Trustee. Except as otherwise provided in this Lease and the Indenture, this Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the District and the Initial Purchaser. The Trustee will notify the District of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Nonappropriation has occurred and is continuing, the Trustee may act as herein provided, including exercising the remedies set forth in Section 14.2, without the prior written direction of the District.

Section 13.2 Assignment and Subleasing by the District. This Lease may not be assigned by the District for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the District, without the necessity of obtaining the consent of the Trustee or any owner of the Certificates (except for the Initial Purchaser as provided below) subject to each of the following conditions:

- (a) The Initial Purchaser has consented to the sublease of the Leased Property or portion thereof;
- (b) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with Approval of Special Counsel;
- (c) This Lease, and the obligations of the District hereunder, shall, at all times during the Lease Term remain obligations of the District, and the District shall maintain its direct relationships with the Trustee, notwithstanding any sublease;
- (d) No sublease by the District shall cause the Leased Property to be used for any purpose which would cause the District to violate its tax covenant in Section 11.5 hereof;
- (e) The District shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and
- (f) Any sublease of the Leased Property shall provide that it is subject to the terms and conditions of this Lease and that, except as hereinafter provided, it shall automatically terminate upon a termination of this Lease; provided, however, that upon a termination of this Lease due to an Event of Default or an Event of Nonappropriation, the Trustee may, upon notification to the sublessee, keep any such sublease in full force and effect as a direct lease by the Trustee to the sublessee.

ARTICLE 14
EVENTS OF LEASE DEFAULT AND REMEDIES

Section 14.1 Events of Lease Default Defined. Any one of the following shall be an Event of Lease Default under this Lease:

- (a) failure by the District Board to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the District for such purpose, during the Initial Term or any Renewal Term, within ten (10) Business Days after the date on which they are due; or
- (b) subject to the provisions of Section 6.5 hereof, failure by the District to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or
- (c) failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in (a) or (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be received by the District from the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if corrective action can be instituted by the District within the applicable period and diligently pursued until the default is corrected; or
- (d) failure by the District to comply with the terms of the Site Lease.

The foregoing provisions of this Section 14.1 are subject to the following limitations:

- (i) the District shall be obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the District Board for such purpose, only during the then current Lease Term, except as otherwise expressly provided in this Lease; and
- (ii) if, by reason of Force Majeure, the District or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts herein contained other than the District's agreement to pay the Base Rentals and Additional Rentals due hereunder, the District or the Trustee shall not be deemed in default during the continuance of such inability. The District and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the District or the Trustee from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the District.

Section 14.2 Remedies on Default. Whenever any Event of Lease Default shall have happened and be continuing beyond any applicable cure period, the Trustee may (subject to its rights and protections under the terms of the Indenture), or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the District to vacate and surrender possession of the Leased Property, which vacation and surrender the District agrees to complete within sixty (60) days from the date of such notice; provided, in the event the District does not vacate and surrender possession on the termination date, the provisions of Section 6.5 hereof shall apply;

(b) lease or sublease the Leased Property or sell or assign the Trustee's leasehold interest in the Leased Property;

(c) recover from the District:

(i) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District Board for such purpose, which would otherwise have been payable hereunder, during any period in which the District continues to occupy, use or possess the Leased Property; and

(ii) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the District Board for such purpose, which would otherwise have been payable by the District hereunder during the remainder, after the District vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs.

(d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, this Lease and the Indenture.

Upon the occurrence of an Event of Nonappropriation, the Trustee shall be entitled to recover from the District the amounts set forth in Section 14.2(c)(i) hereof if the District continues to occupy the Leased Property after December 31 of the Fiscal Year in which such Event of Nonappropriation occurs.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund and any defeasance escrow accounts).

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, this Lease or the Indenture, the Trustee shall not take any remedial action under the Site Lease, this Lease or the Indenture, including without limitation this Section 14.2, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 14.3 Limitations on Remedies. The remedies in connection with an Event of Lease Default shall be limited as set forth in this Section. A judgment requiring a payment of money may be entered against the District by reason of an Event of Lease Default only as to the District's liabilities described in paragraph (c) of Section 14.2 hereof. A judgment requiring a payment of money may be entered against the District by reason of an Event of Nonappropriation only to the extent that the District fails to vacate and surrender possession of the Leased Property as required by Section 6.4 of this Lease, and only as to the liabilities described in paragraph (c)(i)

of Section 14.2 hereof. The remedy described in paragraph (c)(ii) of Section 14.2 of this Lease is not available for an Event of Lease Default consisting of failure by the District to vacate and surrender possession of the Leased Property by March 1 following an Event of Nonappropriation. Notwithstanding anything herein to the contrary, consequential and punitive damages shall not be available remedies for an Event of Lease Default, nor shall the District be deemed to have waived the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S., as now or hereafter amended.

Section 14.4 No Remedy Exclusive. Subject to Section 14.3 hereof, no remedy herein conferred upon or reserved to the Trustee, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article 14, it shall not be necessary to give any notice, other than such notice as may be required in this Article 14.

Section 14.5 Waivers. With the consent of the Initial Purchaser, the Trustee may waive any Event of Lease Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Base Rentals or Additional Rentals by the District shall not constitute a waiver of any breach or default by the Trustee hereunder.

Section 14.6 Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals or Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party, to the extent permitted by law, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the nondefaulting party. Notwithstanding the foregoing, any such fees and expenses owed by the District hereunder shall constitute Additional Rentals for all purposes of this Lease and shall be subject to Appropriation.

Section 14.7 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. To the extent permitted by law, in the case of an Event of Nonappropriation or an Event of Lease Default neither the Trustee nor the District nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee and the District, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws. Notwithstanding the foregoing, it is expressly understood that the District cannot and does not hereby waive its right to set up, claim or seek to take advantage of its police powers or its Colorado.

ARTICLE 15 MISCELLANEOUS

Section 15.1 Sovereign Powers of District. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the District. Nothing in this Lease shall be construed to require the District to occupy and operate the Leased Property other than as lessee, or to require the District to exercise its right to purchase the Leased Property as provided in Article 12 hereof.

Section 15.3 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the Trustee,	UMB Bank, n.a. 1670 Broadway Denver, Colorado 80202 Attention: Corporate Trust & Escrow Services
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if to the District,	Upper San Juan Health Service District 95 S. Pagosa Boulevard Pagosa Springs, CO 81147 Attention: Chief Executive Officer
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if to the Initial Purchaser,	JPMorgan Chase Bank, N.A. 2696 South Colorado Boulevard, Floor 1 Denver, CO 80222-5945 Attention: Jessica Loscalzo
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The District, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Owners of the Certificates, if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.

Section 15.4 Third Party Beneficiaries. It is expressly understood and agreed that the Initial Purchaser and the Owners of the outstanding Certificates are third party beneficiaries to this Lease and enforcement of the terms and conditions of this Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the District, as lessee and the Trustee, as lessor, and their respective successors and assigns, and to the Initial Purchaser and the Owners of the Certificates. Except as hereinafter provided, nothing contained in this Lease shall give or allow any such claim or right of action by any other or third person on this Lease. It is the express intention of the District and the Trustee that any person other than the District, the Trustee, the Initial

Purchaser or the Owners of the Certificates receiving services or benefits under this Lease shall be deemed to be an incidental beneficiary only.

Section 15.5 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Trustee and the District and their respective successors and assigns, subject, however, to the limitations contained in Article 13 of this Lease.

Section 15.6 Amendments. This Lease may only be amended, changed, modified or altered with the prior written consent of the District and the Trustee and in accordance with the provisions of the Indenture. So long as the Initial Purchaser is the registered Owner of all outstanding Certificates, this Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.

Section 15.7 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Base Rentals Fund, the Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (except the Rebate Fund and any defeasance escrow account), upon termination of the Lease Term, and after payment in full of the Certificates (or provision for payment thereof having been made in accordance with the provisions of this Lease and the Indenture) and fees and expenses of the Trustee in accordance with this Lease and the Indenture, shall belong to and be paid to the District by the Trustee, as an overpayment of Base Rentals.

Section 15.8 Triple Net Lease. This Lease shall be deemed and construed to be a “triple net lease” and, subject to the prior Appropriation requirements hereof, the District shall pay absolutely net during the Lease Term, the Base Rentals, the Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the District under this Lease, for which a specific Appropriation has been effected by the District Board for such purpose, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 15.9 Computation of Time. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is not a Business Day, the period is extended to include the next day which is a Business Day. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month. Notwithstanding the foregoing, Base Rentals shall be recalculated in the event of any prepayment of Base Rentals as provided in Section 6.2(b) hereof.

Section 15.10 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 15.11 Severability. Except for the requirement of the District to pay Base Rentals for which a specific Appropriation has been effected by the District Board for such purpose and the requirement of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Trustee's leasehold interest in the Leased Property to the District under the conditions set forth in Article 12 of this Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this Lease), in the event that any other provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.12 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.13 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado with venue in the District Court of Archuleta County, Colorado.

Section 15.14 The Trustee Is Independent of the District. Neither the Trustee nor any agent or employee of the Trustee shall be or shall be deemed to be an agent or employee of the District. The Trustee acknowledges that the Trustee and its employees are not entitled to unemployment insurance benefits of the District unless the Trustee or a third party otherwise provides such coverage and that the District does not pay for or otherwise provide such coverage. The Trustee shall have no authorization, express or implied, to bind the District to any agreements, liability or understanding except as expressly set forth herein.

Section 15.15 Governmental Immunity. Notwithstanding any other provisions of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S., as now or hereafter amended.

Section 15.16 Recitals. The Recitals set forth in this Lease are hereby incorporated by this reference and made a part of this Lease.

Section 15.17 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 15.18 Trustee's Disclaimer. It is expressly understood and agreed that (a) the Lease is executed by UMB Bank, n.a. solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a. other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate. The Trustee shall not be accountable for the use of the proceeds from the Certificates, and it shall not be responsible for any statement of the District in this Lease, the Certificates, or any document issued in connection therewith. The Trustee makes no representations with respect to the effectiveness or adequacy of this Lease or the Certificates.

Section 15.19 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 the event that any individual or individuals who are authorized to execute this Lease on behalf of the Trustee are not able to be physically present to manually sign this Lease, such individual or individuals are hereby authorized to execute this Lease electronically via facsimile or email signature. This agreement to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Lease shall carry the full legal force and effect of any original, handwritten signature.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Lease Purchase Agreement as of the day and year first above written.

UPPER SAN JUAN HEALTH SERVICE
DISTRICT,
as Lessee

UMB BANK, N.A., solely in its capacity as
Trustee under the Indenture, as Lessor

By: _____
Chairman of the Board of Directors
and President

By: _____
Title: Vice President

[SEAL]

ATTEST:

Treasurer/Secretary

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by Matt Mees, as Chairman of the Board of Directors and President of Upper San Juan Health Service District.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by Mark/Zeigler, as Treasurer/Secretary of Upper San Juan Health Service District.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by
Tamara Dixon, as an authorized officer of UMB Bank, n.a., as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

The Leased Property consists of the following real property and any buildings and improvements located thereon from time to time, including the following described building presently located thereon:

Legal Description of Land:

A tract of land located in the Southeast Quarter (SE¼) of Section 20, Township 35 North Range 2 West, N.M.P.M., Archuleta County, Colorado, being more particularly described as follows:

Beginning at the Southeasterly corner of the tract herein described, a point on the Westerly right-of-way for South Pagosa Boulevard, from whence the Southeast corner of said Section 20 bears South 29° 30' 36" East, 2407.10 feet; thence West, 305.44 feet; thence North 34° 24' 44" West, 235.77 feet to a point on the Southerly right-of-way for U. S. Highway 160; thence North 56° 17' 16" East along said right-of-way, 300.00 feet to the Westerly right-of-way of South Pagosa Boulevard; thence South 34° 24' 49" East along the Westerly right-of-way for South Pagosa Boulevard, 299.54 feet; thence 29.34 feet along the arc of a curve to the right, with a radius of 60.00 feet, the chord of which curve bears South 20° 24' 18" East; thence South 06° 23' 52" East, 87.22 feet to the Point of Beginning.

Description of Building Presently Located on Land:

An approximately 8,605 square foot commercial building presently known as the "Pruitt Property."

EXHIBIT B
PERMITTED ENCUMBRANCES

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, and which the District Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property are as follows:

1. Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

2. Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises granted, as set forth in Patent from the United States of America, recorded April 6, 1896, in Book 6, Page 425, in the office of the Clerk and Recorder, Archuleta County, Colorado. No oil, gas, coal, or minerals or mineral rights or mineral interests in the property are covered hereby, and an exception is made as to all oil, gas or other minerals, and mineral interests in the property, including all rights of ingress, egress, exploration, and production in connection therewith.

3. Reservation of all oil, gas, coal, and other mineral rights by The Hersch Investment Company, as set forth in instrument recorded May 14, 1957, in Book 95, Page 218, in the office of the Clerk and Recorder, Archuleta County, Colorado. No oil, gas, coal, or minerals or mineral rights or mineral interests in the property are covered hereby, and an exception is made as to all oil, gas or other minerals, and mineral interests in the property, including all rights of ingress, egress, exploration, and production in connection therewith.

4. Terms and conditions as set forth in Resolution No. 92-12 from the Board of County Commissioners of Archuleta County, Colorado, concerning the acceptance of certain rights-of-way for public use, said Resolution recorded March 30, 1993, as Reception No. 93001393, in the office of the Clerk and Recorder, Archuleta County, Colorado. (*Note: The referenced Resolution is incomplete, as it omitted Exhibits "A" and "B" containing the legal description of effected properties.*)

5. Non-exclusive easement for the installation and maintenance of underground utilities granted to Pagosa Lakes Ranch, Inc., as set forth in instrument recorded October 26, 1993, as Reception No. 93006577, in the office of the Clerk and Recorder, Archuleta County, Colorado.

6. Perpetual, non-exclusive easement for public access, public walkways, and underground utilities granted to the Upper San Juan Health Service District, as set forth in instrument recorded May 23, 2016, as Reception No. 21603026, in the office of the Clerk and Recorder, Archuleta County, Colorado.

EXHIBIT C
BASE RENTALS SCHEDULE

<u>Date:</u>	<u>Base Rentals Principal Component</u>	<u>Base Rentals Interest Component</u>	<u>Total Base Rentals</u>	<u>Annual Base Rentals</u>
11/15/22	--	\$27,140.00	\$27,140.00	\$27,140.00
05/15/23	--	40,710.00	40,710.00	--
11/15/23	\$120,000	40,710.00	160,710.00	201,420.00
05/15/24	--	38,586.00	38,586.00	--
11/15/24	125,000	38,586.00	163,586.00	202,172.00
05/15/25	--	36,373.50	36,373.50	--
11/15/25	130,000	36,373.50	166,373.50	202,747.00
05/15/26	--	34,072.50	34,072.50	--
11/15/26	130,000	34,072.50	164,072.50	198,145.00
05/15/27	--	31,771.50	31,771.50	--
11/15/27	135,000	31,771.50	166,771.50	198,543.00
05/15/28	--	29,382.00	29,382.00	--
11/15/28	140,000	29,382.00	169,382.00	198,764.00
05/15/29	--	26,904.00	26,904.00	--
11/15/29	145,000	26,904.00	171,904.00	198,808.00
05/15/30	--	24,337.50	24,337.50	--
11/15/30	150,000	24,337.50	174,337.50	198,675.00
05/15/31	--	21,682.50	21,682.50	--
11/15/31	155,000	21,682.50	176,682.50	198,365.00
05/15/32	--	18,939.00	18,939.00	--
11/15/32	165,000	18,939.00	183,939.00	202,878.00
05/15/33	--	16,018.50	16,018.50	--
11/15/33	170,000	16,018.50	186,018.50	202,037.00
05/15/34	--	13,009.50	13,009.50	--
11/15/34	175,000	13,009.50	188,009.50	201,019.00
05/15/35	--	9,912.00	9,912.00	--
11/15/35	180,000	9,912.00	189,912.00	199,824.00
05/15/36	--	6,726.00	6,726.00	--
11/15/36	185,000	6,726.00	191,726.00	198,452.00
05/15/37	--	3,451.50	3,451.50	--
11/15/37	195,000	3,451.50	198,451.50	201,903.00

The Base Rentals have been calculated based on a 360-day year of twelve 30-day months. If Base Rentals are stated to be due on any date that is not a Business Day, such Base Rentals shall be due on the next day that is a Business Day without the accrual of interest on Base Rentals between such dates.

Statement Regarding the Leased Property

The duration of the Lease, throughout the maximum Lease Term, does not exceed the weighted average useful life of the Leased Property.

EXHIBIT D

FORM OF NOTICE OF LEASE RENEWAL

To: UMB Bank, n.a., as Trustee
Attention: Corporate Trust and Escrow Services

The undersigned is the District Representative of Upper San Juan Health Service District (the "District"). The District is the lessee under that certain Lease Purchase Agreement, dated as of August 1, 2022 (the "Lease"), between the District and UMB Bank, n.a., solely in its capacity of Trustee under the Indenture, as the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the District has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of the Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year;

Initial

or

(b) the District has determined not to renew the Lease for the ensuing Fiscal Year.

Initial

UPPER SAN JUAN HEALTH SERVICE DISTRICT

By: _____
District Representative

Date: _____

AFTER RECORDATION PLEASE RETURN TO:

Sherman & Howard L.L.C.
675 Fifteenth Street, Suite 2300
Denver, Colorado 80202
Attention: David K. Lucas, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Site and Improvement Lease Agreement is exempt from the documentary fee.

SITE AND IMPROVEMENT LEASE AGREEMENT

DATED AS OF AUGUST 1, 2022

BETWEEN

**UPPER SAN JUAN HEALTH SERVICE DISTRICT
AS LESSOR**

AND

**UMB BANK, N.A.,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE INDENTURE,
AS LESSEE**

This **SITE AND IMPROVEMENT LEASE AGREEMENT** dated as of August 1, 2022 (this “Site Lease”), is by and between **UPPER SAN JUAN HEALTH SERVICE DISTRICT**, a quasi-municipal corporation and political subdivision duly organized and validly existing under the Constitution and laws of the State of Colorado (the “District”), as lessor, and **UMB BANK, N.A.**, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessee.

PREFACE

Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease Purchase Agreement, dated as of August 1, 2022 (the “Lease”), between the Trustee, as lessor, and the District, as lessee.

RECITALS

1. The District is a duly organized and existing quasi-municipal corporation and political subdivision, existing as such under and by virtue of the Constitution and laws of the State of Colorado.

2. The District has the power, pursuant to Section 32-1-1001(1)(f), of the Colorado Revised Statutes, as amended, to acquire real property and encumber the same through a lease.

3. The Board of Directors of the District (the “District Board”) has determined and hereby determines that it is in the best interest of the District and its residents and taxpayers to finance the costs of acquiring the real property described in **Exhibit A** attached hereto (the “Leased Property”) by entering into this Site Lease and the Lease Purchase Agreement between the District and the Trustee (the “Lease”).

4. To finance the costs of acquiring the Leased Property, (a) the District will lease the Leased Property to the Trustee pursuant to this Site Lease, and (b) the Trustee will lease the Leased Property back to the District pursuant to the Lease. The District will retain fee title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to the Lease.

5. The Trustee and the District intend that this Site Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the Trustee is leasing the Leased Property from the District.

6. Contemporaneously with the execution and delivery of this Site Lease and the Lease, the Trustee will execute and deliver an Indenture of Trust (the “Indenture”) pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Certificates”) dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Revenues (as defined in the Lease), shall be payable solely from the sources therein provided, and shall not directly or indirectly obligate the District to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

7. The net proceeds of the Certificates will be used, together with other available monies, to finance the purchase price of the Leased Property and pay the costs of issuance of the Certificates.

8. The District proposes to enter into this Site Lease with the Trustee as material consideration for the Trustee's agreement to lease the Leased Property to the District pursuant to the Lease. The Trustee shall prepay in full its rental payments due under this Site Lease which rental payments shall be used by the District to finance the purchase price of the Leased Property and pay the costs of issuance, all pursuant to this Site Lease, the Lease and the Indenture.

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

Section 1. Site Lease and Terms. The District hereby leases to the Trustee and the Trustee hereby leases from the District, on the terms and conditions hereinafter set forth, the Leased Property (as more fully described in Exhibit A attached hereto), subject to Permitted Encumbrances as described in **Exhibit B** hereto.

The term of this Site Lease shall commence on the date hereof and shall end on December 1, 2047 (the "Site Lease Termination Date"), unless such term is sooner terminated as hereinafter provided. If, prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee's leasehold interest in all of the Leased Property pursuant to Article 12 of the Lease as a result of the District's payment of (a) the applicable Purchase Option Price thereunder; or (b) all Base Rentals and Additional Rentals, all as further provided in Section 12.2 of the Lease, then the term of this Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee's interest in this Site Lease, pursuant to Section 5 hereof, the Lease and the Indenture, shall not extend beyond December 1, 2047. At the end of the term of this Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee shall execute and deliver to the District any necessary documents releasing, assigning, transferring and conveying the Trustee's, sublessee's or assignee's respective interests in the Leased Property.

Section 2. Rental. The District acknowledges that the following amount of \$2,300,000 constitutes full and adequate consideration for conveyance of the leasehold interest in the Leased Property conveyed to the Trustee pursuant to this Site Lease: (1) \$2,215,000 shall be deposited at the direction of the District and be used to finance the costs of acquiring the Leased Property, and (2) \$85,000 shall be deposited into the Costs of Execution and Delivery Fund to pay the Costs of Execution and Delivery.

Section 3. Purpose. The Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the District pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Lease Default and the termination of the Lease, the District shall vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in this Site Lease, the Lease and the Indenture.

Section 4. Owner in Fee. The District represents that (a) it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances as described in **Exhibit B** hereto, and (b) the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Section 5. Sales, Assignments and Subleases. Unless an Event of Nonappropriation or an Event of Lease Default shall have occurred and be continuing, and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and interests under this Site Lease or sublet all or any portion of the Leased Property, without the prior written consent of the District.

In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee's leasehold interest in this Site Lease, pursuant to the terms of the Lease and the Indenture, and any purchasers from or sublessees or assignees of the Trustee may sell or assign their respective interests in the Leased Property, subject to the terms of this Site Lease, the Lease and the Indenture. The District and the Trustee (or any purchasers from or assignees or sublessees of the Trustee) agree that, except as permitted by this Site Lease, the Lease and the Indenture and except for Permitted Encumbrances (including purchase options under the Lease), neither the District, the Trustee, nor any purchasers from or sublessees or assignees of the Trustee will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.

The Trustee and any other person who has the right to use the Leased Property under this Site Lease, at their own expense, may install machinery, equipment and other tangible property in or on any portion of the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Trustee or such other person; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Site Lease to the extent that (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

Section 6. Right of Entry. The District reserves the right, so long as no Event of Nonappropriation or Event of Lease Default shall have occurred and is continuing, for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Termination. The Trustee agrees, upon the termination of this Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon.

Section 8. Default. In the event the Trustee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease

and of the Lease shall be deemed to occur as a result thereof and that so long as any Certificates are Outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the Certificates are Outstanding, this Site Lease shall not be terminated except as described in Section 1 hereof.

Section 9. Quiet Enjoyment and Acknowledgment of Ownership. During the term of this Site Lease, the Trustee shall peaceably and quietly have, hold and enjoy the Leased Property, subject to the provisions of this Site Lease, the Lease and the Indenture.

Section 10. Trustee's Disclaimer. It is expressly understood and agreed that (a) this Site Lease is executed by UMB Bank, n.a. solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a. other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

Section 11. Taxes; Maintenance; Insurance. During the Lease Term of the Lease and in accordance with the provisions of the Lease, including Sections 9.1 and 9.3 thereof, the District covenants and agrees to pay any and all taxes, assessments or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated, and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interests in this Site Lease, the Trustee, or any purchaser, sublessee or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from this Site Lease) shall pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order. Any such payments that are to be made by the Trustee shall be made solely from (a) the proceeds of such sale, subleasing or assignment, (b) from the Trust Estate, or (c) from other moneys furnished to the Trustee under Section 8.02(m) of the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated, and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interest in this Site Lease, the Trustee, or any sublessee, purchaser or assignee of the Leased Property shall obtain and keep in force, (i) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount not less than \$1,000,000 per occurrence, \$2,000,000 aggregate, and (ii) property insurance in an amount not less than the full replacement value of the Leased Property. Any such insurance that is to be obtained by the Trustee shall be paid for solely from (a) the proceeds of such subleasing, sale or assignment, (b) from the Trust Estate, or (c) from moneys furnished to the Trustee under Section 8.02(m) of the Indenture and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to obtain or keep in force such insurance coverages. All such

insurance shall name the Trustee, any sublessee, purchaser or assignee and the District as insured and the Trustee as loss payee. The District and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser or assignee, and the District, and their members, directors, officers, agents and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Nothing in the preceding paragraphs or in this Site Lease shall be interpreted or construed to require the Trustee to sublease all or any portion of the Leased Property or sell or assign its interests in this Site Lease, in the event that the Lease is terminated for any reason and this Site Lease is not terminated.

Section 12. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, and either (i) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, the District and the Trustee, or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article 10 of the Lease.

Section 13. Hazardous Substances. Except for customary materials necessary for operation, cleaning and maintenance of the Leased Property or for the provision of health care, none of the District, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the District and the Trustee and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept on or about the Leased Property, provided unless the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, the Trustee shall have no responsibility under this Section to monitor or investigate whether the Leased Property complies with environmental laws or is subject to any Hazardous Substance. If the presence of Hazardous Substance on the Leased Property caused or permitted by the District, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the District, the Trustee or any sublessee or assignee of the Leased Property, as the case may be, is legally liable for damage resulting therefrom, then the District, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall reimburse the other party for its reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that have not caused or permitted such contamination and are not so legally liable with respect to this Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the cost of such defense, (a) in the case of the Trustee, shall be payable only if the Trustee has exercised its right to take possession of the Leased Property and shall be payable solely from the Trust Estate, or (b) in the case of the District, shall be payable only if the cost of such

defense has been annually appropriated by the District. This duty to reimburse legal expenses is not an indemnification. It is expressly understood that none of the District, the Trustee or any sublessee, purchaser or assignee is indemnifying any other person with respect to this Site Lease. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property is caused or permitted by:

(a) the Trustee after the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in any contamination of the Leased Property, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall provide prior written notice to the District and the Trustee and promptly take all actions, solely at the expense of the Trust Estate as are necessary to effect remediation of the contamination in accordance with legal requirements; or

(b) the District, results in any contamination of the Leased Property, the District shall provide prior written notice to the Trustee and promptly take all actions, solely at the expense of the District, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.

Section 14. Third Party Beneficiaries. It is expressly understood and agreed that the Owners of the outstanding Certificates are third party beneficiaries to this Site Lease and enforcement of the terms and conditions of this Site Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the District, as lessor, and the Trustee, as lessee, and their respective successors and assigns, and to the Owners of the Certificates. Except as hereinafter provided, nothing contained in this Site Lease shall give or allow any such claim or right of action by any other or third person on this Site Lease. It is the express intention of the District and the Trustee that any person other than the District, the Trustee or the Owners of the Certificates receiving services or benefits under this Site Lease shall be deemed to be an incidental beneficiary only.

Section 15. Amendments. This Site Lease may only be amended, changed, modified or altered with the prior written consent of the District and the Trustee and in accordance with the provisions of the Indenture. So long as JPMorgan Chase Bank, N.A. (the "Initial Purchaser") is the registered Owner of all Outstanding Certificates, this Site Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.

Section 16. Right of Initial Purchaser to Direct Remedies. Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the registered Owner of all Outstanding Certificates, the Initial Purchaser shall have the right to direct all remedies taken by the Trustee hereunder. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 17. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or

voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 18. No Merger. The District and the Trustee intend that the legal doctrine of merger shall have no application to this Site Lease and that neither the execution and delivery of the Lease by the Trustee and the District nor the exercise of any remedies under this Site Lease or the Lease shall operate to terminate or extinguish this Site Lease or the Lease, except as specifically provided herein and therein.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed shall be made by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease, or to such other addresses as the respective parties may from time to time designate in writing, or in such other manner as authorized by the District or the Trustee, as the case may be.

Section 20. Recitals. The Recitals set forth in this Site Lease are hereby incorporated by this reference and made a part of this Site Lease.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 22. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Site Lease.

Section 23. Governing Law. This Site Lease shall be governed by and construed in accordance with the law of the State of Colorado without regard to choice of law analysis.

Section 24. No Waiver of Governmental Immunity. No provision of this Site Lease shall act or be deemed to be a waiver by the District of the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et. seq.

Section 25. 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.

Section 26. Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the District under this Site Lease shall be from year to year only, shall be subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year. To the extent that any of the District's obligations under this Site Lease are

deemed to constitute a multiple fiscal-year financial obligation, the District's performance will be conditioned upon annual appropriation by the District Board, in its sole discretion.

Section 27. Concerning the Trustee. The District acknowledges and requests the Trustee to contemporaneously enter into the Indenture and to enter into the Lease and acknowledges that the Trustee is entering into this Site Lease and the Lease solely in its capacity as Trustee under the Indenture and all provisions of the Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken by the Trustee in connection with this Site Lease and the Lease.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Site Lease as of the day and year first above written.

UPPER SAN JUAN HEALTH SERVICE
DISTRICT,
as Lessor

UMB BANK, N.A., solely in its capacity as
Trustee under the Indenture, as Lessee

By: _____
Chairman of the Board of
Directors
and President

By: _____
Title: Vice President

[SEAL]

ATTEST:

Treasurer/Secretary

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by Matt Mees, as Chairman of the Board of Directors and President of Upper San Juan Health Service District.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
COUNTY OF ARCHULETA)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by Mark/Zeigler, as Treasurer/Secretary of Upper San Juan Health Service District.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of July, 2022, by Tamara Dixon, as an authorized officer of UMB Bank, n.a., as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

The Leased Property consists of the following real property and any buildings and improvements located thereon from time to time, including the following described building presently located thereon:

Legal Description of Land:

A tract of land located in the Southeast Quarter (SE¼) of Section 20, Township 35 North Range 2 West, N.M.P.M., Archuleta County, Colorado, being more particularly described as follows:

Beginning at the Southeasterly corner of the tract herein described, a point on the Westerly right-of-way for South Pagosa Boulevard, from whence the Southeast corner of said Section 20 bears South 29° 30' 36" East, 2407.10 feet; thence West, 305.44 feet; thence North 34° 24' 44" West, 235.77 feet to a point on the Southerly right-of-way for U. S. Highway 160; thence North 56° 17' 16" East along said right-of-way, 300.00 feet to the Westerly right-of-way of South Pagosa Boulevard; thence South 34° 24' 49" East along the Westerly right-of-way for South Pagosa Boulevard, 299.54 feet; thence 29.34 feet along the arc of a curve to the right, with a radius of 60.00 feet, the chord of which curve bears South 20° 24' 18" East; thence South 06° 23' 52" East, 87.22 feet to the Point of Beginning.

Description of Building Presently Located on Land:

An approximately 8,605 square foot commercial building presently known as the "Pruitt Property."

EXHIBIT B

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of the Lease; (b) this Site Lease, the Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the District Representative certifies will not materially interfere with or materially impair the use or value of Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in the Lease; and (d) the easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, as shown below, and which the District Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property.

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, and which the District Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property, are as follows:

1. Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

2. Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises granted, as set forth in Patent from the United States of America, recorded April 6, 1896, in Book 6, Page 425, in the office of the Clerk and Recorder, Archuleta County, Colorado. No oil, gas, coal, or minerals or mineral rights or mineral interests in the property are covered hereby, and an exception is made as to all oil, gas or other minerals, and mineral interests in the property, including all rights of ingress, egress, exploration, and production in connection therewith.

3. Reservation of all oil, gas, coal, and other mineral rights by The Hersch Investment Company, as set forth in instrument recorded May 14, 1957, in Book 95, Page 218, in the office of the Clerk and Recorder, Archuleta County, Colorado. No oil, gas, coal, or minerals or mineral rights or mineral interests in the property are covered hereby, and an exception is made as to all oil, gas or other minerals, and mineral interests in the property, including all rights of ingress, egress, exploration, and production in connection therewith.

4. Terms and conditions as set forth in Resolution No. 92-12 from the Board of County Commissioners of Archuleta County, Colorado, concerning the acceptance of certain rights-of-way for public use, said Resolution recorded March 30, 1993, as Reception No. 93001393, in the office of the Clerk and Recorder, Archuleta County, Colorado. *(Note: The referenced Resolution is incomplete, as it omitted Exhibits “A” and “B” containing the legal description of effected properties.)*

5. Non-exclusive easement for the installation and maintenance of underground utilities granted to Pagosa Lakes Ranch, Inc., as set forth in instrument recorded October 26, 1993, as Reception No. 93006577, in the office of the Clerk and Recorder, Archuleta County, Colorado.

6. Perpetual, non-exclusive easement for public access, public walkways, and underground utilities granted to the Upper San Juan Health Service District, as set forth in instrument recorded May 23, 2016, as Reception No. 21603026, in the office of the Clerk and Recorder, Archuleta County, Colorado.

INDENTURE OF TRUST

DATED AS OF AUGUST 1, 2022

BY

**UMB BANK, N.A.,
solely in its capacity as Trustee**

This Table of Contents is not a part of this Indenture and is only for convenience of reference

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EXHIBIT A - FORM OF CERTIFICATE A-1

INDENTURE OF TRUST

This **INDENTURE OF TRUST** dated as of August 1, 2022 (this “Indenture”), is executed and delivered by **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, solely in its capacity as trustee (the “Trustee”) for the benefit of the Owners of the Certificates as set forth in this Indenture.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Indenture.

RECITALS

1. This Indenture is being executed and delivered to provide for the execution, delivery and payment of and security for the Certificates, the net proceeds of which will be used to finance the Project. The Certificates evidence undivided interests in the right to receive Revenues under the Lease.

2. Pursuant to the Lease, and subject to the rights of the District not to appropriate the Base Rentals and Additional Rentals thereunder and, therefore, not to renew and to terminate the Lease and other limitations as therein provided, the District is to pay certain Base Rentals directly to the Trustee, for the benefit of the Owners of the Certificates, in consideration of the District’s right to possess and use the Leased Property.

3. The Trustee has entered into this Indenture for and on behalf of the Owners of the Certificates and the Trustee will hold the Revenues and the Leased Property and will exercise the Trustee’s rights under the Site Lease and the Lease for the equal and proportionate benefit of the Owners of the Certificates as described herein, and will disburse money received by the Trustee in accordance with this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that the Trustee, in consideration of the premises, the purchase of the Certificates by the Owners and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Certificates and all other amounts payable to the Owners with respect to the Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Certificates are executed, delivered and secured, has executed and delivered this Indenture and has granted, assigned, pledged, bargained, sold, alienated, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents (collectively, the “Trust Estate”):

(a) all rights, title and interest of the Trustee in, to and under the Site Lease and the Lease relating to the Leased Property, subject to Permitted Encumbrances (other than the Trustee's rights to payment of its fees and expenses under the Site Lease and the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);

(b) all Revenues and any other receipts receivable by or on behalf of the Trustee pursuant to the Lease, including without limitation, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds; and

(c) all money and securities from time to time held by the Trustee under this Indenture in the Base Rentals Fund and the Costs of Execution and Delivery Fund (but not the Rebate Fund or any defeasance escrow fund or account), any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD IN TRUST, NEVERTHELESS, the Trust Estate for the equal and ratable benefit and security of all Owners of the Certificates, without preference, priority or distinction as to lien or otherwise of any one Certificate over any other Certificate upon the terms and subject to the conditions hereinafter set forth.

PROVIDED, HOWEVER, that if the principal of the Certificates, the premium, if any, and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Certificates, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Certificates are to be executed and delivered and all said property, rights, interests, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Trustee has agreed and covenanted, and does hereby agree and covenant, for the benefit of the Owners, as follows:

ARTICLE 1 DEFINITIONS

Section 1.01 Certain Funds and Accounts. All references herein to any Funds and Accounts shall mean the Funds and Accounts so designated which are established pursuant to Article 3 hereof.

Section 1.02 Definitions. All capitalized terms defined in Article 1 of the Lease shall have the same meaning in this Indenture. In addition, the following capitalized terms shall have the following meanings under this Indenture, provided, however, that in the event of any inconsistency, any term defined below shall have the meaning ascribed to it in the Lease:

“Additional Certificates” means Additional Certificates which may be executed and delivered pursuant to this Indenture and that are payable from the Revenues.

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of the Lease, the Site Lease or this Indenture, including the reasonable fees and expenses of any person or firm employed by the District to make rebate calculations under the provisions of Section 3.06 of this Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under the Lease, approved by the District Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the District Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under the Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the District shall fail to pay the same, as specifically set forth in the Lease) which the District agrees to assume or pay as Additional Rentals under the Lease.

Additional Rentals shall not include Base Rentals.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of the Base Rentals paid by the District under the Lease and attributable to the Certificates.

“Authorized Denominations” means (a) in the case of the Certificates executed and delivered to the Initial Purchaser, the Outstanding principal amount thereof, and (b) in the case of Additional Certificates, the amount set forth in the supplement to this Indenture authorizing the issuance of such Additional Certificates.

“Base Rentals” means the rental payments payable by the District during the Lease Term, which constitute payments payable by the District for and in consideration of the right to possess and use the Leased Property as set forth in **Exhibit C** (Base Rentals Schedule) of the Lease, as it may be amended from time to time. Base Rentals shall not include Additional Rentals.

“Base Rentals Fund” means the fund created under Section 3.03 hereof.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the “Certificates of Participation, Series 2022, Evidencing Proportionate Interests in the Base Rentals and other Revenues under an annually renewable Lease Purchase Agreement dated as of August 1, 2022, between UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor, and Upper San Juan Health Service District, as lessee” dated as of their date of delivery, executed and delivered to the Initial Purchaser pursuant to this Indenture. As used herein, the term “Certificates” does not include “Additional Certificates.”

“Closing” means the date of execution and delivery of the Certificates.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and the Lease and related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Costs of Execution and Delivery Fund, including but not limited to, title insurance premiums, closing costs and other costs relating to the leasing of the Leased Property under the Site Lease and the Lease, costs of preparation and reproduction of documents, costs of printing the Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees and expenses of Bond Counsel, Counsel to the Trustee and Counsel to the Initial Purchaser, fees and disbursements of professionals, fees and charges for preparation, execution and safekeeping of the Certificates, and any other cost, charge or fee in connection with the original sale and the execution and delivery of the Certificates; provided, however, that Additional Rentals shall not be Costs of Execution and Delivery of the Certificates and are to be paid by the District as provided in the Lease.

“Costs of Execution and Delivery Fund” means the fund created under Section 3.05 hereof.

“C.R.S.” means Colorado Revised Statutes.

“District” means Upper San Juan Health Service District dba Pagosa Springs Medical Center.

“District Board” means the Board of Directors of the District or any successor to its functions.

“District Manager” means the Chief Executive Officer of Pagosa Springs Medical Center or his or her successor in function.

“District Representative” means the Chairman of the District Board and President of the District, the District Manager or such other person at the time designated to act on behalf of the District for the purpose of performing any act under this Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the District by the Chair of the District Board.

“Event(s) of Indenture Default” means those defaults specified in Section 7.01 of this Indenture.

“Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 hereof.

“Federal Securities” means non-callable bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the District’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve month period which the District or other appropriate authority hereafter may establish as the District’s fiscal year.

“Indenture” means this Indenture of Trust dated as of August 1, 2022, executed and delivered by the Trustee as the same may be hereafter amended or supplemented.

“Initial Purchaser” means JPMorgan Chase Bank, N.A., and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole owner of the Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect if the Initial Purchaser is not the sole Owner of the Outstanding Certificates.

“Interest Payment Date” means, in respect of the Certificates, June 1 and December 1, commencing December 1, 2022.

“Lease” means the Lease Purchase Agreement dated as of August 1, 2022, between the Trustee, as lessor, and the District, as lessee, as the same may be amended.

“Leased Property” has the meaning set forth in the Lease.

“Optional Redemption” means any redemption made pursuant to Section 4.01 hereof.

“Optional Redemption Date” means the date of redemption of the Certificates upon Prepayment of Base Rentals or the payment of the Purchase Option Price under the Lease.

“Outstanding” means, with respect to the Certificates, all Certificates executed and delivered pursuant to this Indenture as of the time in question, except:

(a) All Certificates theretofore canceled or required to be canceled under Section 2.07 of this Indenture;

(b) Certificates in substitution for which other Certificates have been executed and delivered under Section 2.05 or 2.06 of this Indenture;

(c) Certificates which have been redeemed as provided in Article 4 of this Indenture;

(d) Certificates for the payment or redemption of which provision has been made in accordance with Article 6 of this Indenture; provided that, if such Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

(e) Certificates deemed to have been paid pursuant to Section 6.01 of this Indenture.

“Owners” means the registered owners of any Certificates or Additional Certificates. The Initial Purchaser shall be the initial registered owner of all Outstanding Certificates.

“Paying Agent” means the Trustee or any successor or additional paying agent appointed pursuant to this Indenture.

“Permitted Investments” means those investments the District is authorized to enter into under the laws of the State of Colorado.

“Prepayment” means any amount paid by the District pursuant to the provisions of the Lease as a prepayment of the Base Rentals due thereunder.

“Purchase Option Price” means the amount payable on any date, at the option of the District, to defease this Indenture, prepay Base Rentals, terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property as provided in the Lease and in this Indenture.

“Rebate Fund” means the fund created under Section 3.05 hereof.

“Regular Record Date” means the close of business on the 15th day of the calendar month immediately preceding the Interest Payment Date (or the Business Day immediately preceding such 15th day, if such 15th day is not a Business Day).

“Revenues” means (a) all amounts payable by or on behalf of the District or with respect to the Leased Property pursuant to the Lease including, but not limited to, all Base Rentals, Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Certificates or the Additional Certificates deposited into the Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under this Indenture (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

“Site Lease” means the Site and Improvement Lease Agreement, dated as of August 1, 2022, between the District, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal law and listed in the list of municipal bond attorneys, as published semiannually by *The Bond Buyer*, or any successor publication. So long as the Lease Term is in effect, the District shall have the right to select Special Counsel.

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

“Tax Certificate” means the Tax Compliance Certificate entered into by the District with respect to the Lease and the Certificates.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated thereunder.

“Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses hereof.

“Trustee” means UMB Bank, n.a., solely in its capacity as Trustee under this Indenture for the benefit of the Owners of the Certificates and any Additional Certificates, and its successors and assigns.

ARTICLE 2 THE CERTIFICATES

Section 2.01 Amount of the Certificates; Nature of the Certificates. Except as provided in Section 2.08 hereof, the aggregate original principal amount of Certificates that may be executed and delivered pursuant to this Indenture shall be \$2,300,000. The Certificates shall constitute proportionate interests in the Trustee’s right to receive the Base Rentals under the Lease and other Revenues. The Certificates shall constitute a contract between the Trustee and the Owners. In no event shall any decision by the District Board not to appropriate any amounts payable under the Lease be construed to constitute an action impairing such contract.

The Certificates shall not constitute a mandatory charge or requirement of the District in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the District or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the District, within the meaning of any constitutional or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the District to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the District’s then current Fiscal Year.

Section 2.02 Forms, Interest Rates, Maturities and Other Terms of Certificates.

The Certificates shall be in substantially the form attached hereto as Exhibit A and all provisions and terms of the Certificates set forth therein are incorporated in this Indenture.

The Certificates shall be executed and delivered in fully registered form in the principal amount of \$2,300,000, the Authorized Denomination thereof. Any Certificates issued upon the transfer or replacement of such Certificate shall be numbered consecutively in such manner as the Trustee shall determine.

The Certificates are executed and delivered under the authority of the Supplemental Act and shall so recite. Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the execution and delivery of the Certificates after their delivery for value.

The Certificates shall be dated August 1, 2022, and shall mature on December 1, 2037, payable in semi-annual installments as shown below.

The Certificates shall bear interest at a rate of 3.54% per annum.

The Certificates shall bear interest from their date to maturity or prior redemption at the rates per annum set forth above, payable on each Interest Payment Date and calculated based on a 360-day year of twelve 30-day months.

The Owner of the Certificates is entitled to receive, subject to the terms of the Lease, the principal amount of such Certificates, in the principal installments in the amounts and on the dates specified below, and is entitled to receive interest on the principal amount at the interest rate specified above.

<u>Date</u>	<u>Principal Installment</u>
12/1/23	\$120,000
12/1/24	125,000
12/1/25	130,000
12/1/26	130,000
12/1/27	135,000
12/1/28	140,000
12/1/29	145,000
12/1/30	150,000
12/1/31	155,000
12/1/32	165,000
12/1/33	170,000
12/1/34	175,000
12/1/35	180,000
12/1/36	185,000
12/1/37*	195,000
TOTAL	

*Maturity.

Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, the Initial Purchaser shall not be

required to surrender such Certificates to the Trustee to receive payment in connection with principal installments, but shall be required to surrender the Certificates on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The payment of principal, premium, if any, and interest represented by the Certificates shall be made in lawful money of the United States of America.

The Certificates shall be subject to redemption prior to maturity, all as provided in Article 4 hereof.

The principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Certificates, the installments of principal and interest on the Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

Interest shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the Regular Record Date, irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by electronic means or by first class mail postage prepaid at least ten (10) days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

Section 2.03 Execution. Each Certificate shall be executed with the manual signature of a duly authorized representative of the Trustee. It shall not be necessary that the same authorized representative of the Trustee sign all of the Certificates executed and delivered hereunder. In case any authorized representative of the Trustee whose signature appears on the Certificates ceases to be such representative before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such authorized representative had remained as such authorized representative until delivery.

No Certificate shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder unless and until executed in the manner prescribed by this Section, and such execution of any Certificate shall be conclusive evidence that such Certificate has been properly executed and delivered hereunder.

Section 2.04 Delivery of Certificates. The Certificates shall initially be registered in the name of the Initial Purchaser, or such other name as directed in writing by the Initial Purchaser. Upon the execution and delivery of this Indenture, the Trustee is authorized to execute and deliver the Certificates to the Initial Purchaser in the principal amount, maturity and interest rate set forth in Section 2.01 hereof, as provided in this Section:

(a) Before or upon the delivery by the Trustee of any of the Certificates, there shall be filed with the Trustee an originally executed counterpart of this Indenture, the Lease, the Site Lease, and a title insurance commitment or commitments (with a title insurance policy to be delivered in a timely fashion after the delivery of the Certificates) under which the Trustee's leasehold interest in the Leased Property is insured in accordance with the requirements of the Lease; and

(b) Thereupon, the Trustee shall execute and deliver the Certificates to the Initial Purchaser upon payment to the Trustee of the purchase price thereof. Portions of such amounts so received shall be deposited in the Cost of Execution and Delivery Fund, all as provided in Article 3 hereof and in the Lease.

Section 2.05 Mutilated, Lost, Stolen or Destroyed Certificates. In the event the Certificates are in the hands of Owners and one or more of the Certificates is mutilated, lost, stolen or destroyed, a new Certificate may be executed by the Trustee, of like date, series, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received indemnity from the Owner of the Certificate satisfactory to it and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Certificate, that there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee. In the event that any such Certificate shall have matured, instead of executing and delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in connection herewith.

Section 2.06 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates. Books for the registration and for the transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar. Upon surrender for transfer of any Certificate at the principal corporate trust office of the Trustee or at such other location as it shall designate, the Trustee shall execute and deliver in the name of the transferee or transferees a new Certificate or Certificates of the same series, of a like aggregate principal amount and interest rate and of the same maturity.

Certificates may be exchanged at the principal corporate trust office of the Trustee or at such other location as it shall designate for an equal aggregate principal amount of Certificates of the same series, interest rate, and the same maturity of other Authorized Denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

All Certificates presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his or her attorney duly authorized in writing.

The Trustee shall not be required to transfer or exchange any Certificate during the period of fifteen (15) days next preceding any Interest Payment Date nor to transfer or exchange any Certificate after the mailing of notice calling such Certificate for redemption has been made as

herein provided, nor during the period of fifteen (15) days next preceding the mailing of such notice of redemption.

New Certificates delivered upon any transfer or exchange shall evidence the same obligations as the Certificates surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his, her or its legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

The Trustee shall require the payment, by any Owner requesting exchange or transfer of Certificates, of any reasonable transfer fees, tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Notwithstanding the foregoing or any other provisions to the contrary contained herein, the transfer of the Certificates is limited to (a) an affiliate of the Initial Purchaser, (b) a trust or other custodial arrangement established by the Initial Purchaser or one of its affiliates, the owners of any beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (c) a qualified institutional buyer, provided that as a condition precedent to any such transfer, such buyer shall deliver to the District and the Trustee a sophisticated investor letter in substantially the form delivered by the Initial Purchaser on the Closing Date. In addition, any transfer of the Certificates must be in compliance with the securities laws of the United States of America; provided, however, that the Trustee shall have no duty to determine whether any requested transfer is in compliance with any such applicable securities laws.

Section 2.07 Cancellation of Certificates. Whenever any outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Sections 2.05 or 2.06 hereof, such Certificates shall be promptly canceled and destroyed by the Trustee in accordance with customary practices of the Trustee and applicable record retention requirements.

Section 2.08 Additional Certificates. So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered upon the terms and conditions set forth herein. The principal of any Additional Certificates shall mature on June 1 or December 1, and the Interest Payment Dates therefor shall be the same as the Interest Payment Dates for the Certificates; otherwise the times and amounts of payment of Additional Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Except as hereinafter provided, Additional Certificates may be executed and delivered only to pay any one or more of the following:

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

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

In such case, costs reasonably related to the purposes for which Additional Certificates are being executed and delivered may be included.

Additional Certificates may be executed and delivered only upon there being furnished to the Trustee:

(a) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(b) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Certificates will be increased, if necessary, to reflect the amount of the Additional Certificates and all other Outstanding Certificates (or such lesser amount as shall be the maximum insurable value of the real property included in the Leased Property); and

(c) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(ii) the excludability of interest from gross income for federal income tax purposes on Outstanding Certificates will not be adversely affected by the execution and delivery of the Additional Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Certificates, in and of themselves, will not constitute an Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease;

(d) So long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, written consent of the Initial Purchaser; and

(e) Written directions from the District to the Trustee to deliver the Additional Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

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

Notwithstanding the foregoing, or anything to the contrary contained herein or in the Lease, so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, Additional Certificates may be issued for any other purpose and upon compliance with any other conditions so long as the District and the Initial Purchaser consent in writing to the execution and delivery of any such Additional Certificates.

Nothing herein shall be construed to prohibit or restrict the right of the District to enter into lease purchase agreements or execute and deliver certificates of participation that do not encumber the Leased Property hereunder or create a lien on the Funds and accounts created under this Indenture.

Section 2.09 Uniform Commercial Code. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the owner or owners thereof shall possess all rights enjoyed by the holders or owners of investment securities under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the District, the Trustee and the original or any intermediate owner of any Certificates.

ARTICLE 3 REVENUES AND FUNDS

Section 3.01 Disposition of Proceeds of Certificates. The net proceeds of the Certificates (i.e., \$2,300,000) shall be accounted for as follows:

(i) \$2,215,000 shall be remitted to or at the direction of the District and be used, together with other available moneys of the District, to finance the costs of acquiring the Leased Property.

(ii) \$85,000 shall be deposited in the Costs of Execution and Delivery Fund and be applied to the Costs of Execution and Delivery.

Section 3.02 Application of Revenues and Other Moneys.

(a) All Base Rentals payable under the Lease and other Revenues shall be paid directly to the Trustee. If the Trustee receives any other payments on account of the Lease, the Trustee shall immediately deposit the same as provided below.

(b) Except for Net Proceeds to be applied pursuant to Section 10.02 of the Lease, the Trustee shall deposit all Revenues and any other payments received in respect of the Lease, immediately upon receipt thereof, to the Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Certificates on the next Interest Payment Date. In the event that the Trustee receives Prepayments under the Lease, the Trustee shall apply such Prepayments to the Optional Redemption of the Certificates or portions thereof in accordance with Section 4.01 hereof.

Section 3.03 Base Rentals Fund. A special fund is hereby created and established with the Trustee denominated the “Upper San Juan Health Service District, 2022 Lease Purchase Agreement, Base Rentals Fund” which shall be used for the deposit of all Revenues, upon receipt thereof by the Trustee, except for Net Proceeds to be applied pursuant to Section 10.02 of the Lease. Moneys in the Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as provided in 3.06 hereof.

The Base Rentals Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Base Rentals Fund to pay the principal of and interest on the Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Base Rentals Fund shall be invested by the Trustee in accordance with Article 5 hereof.

Section 3.04 Reserved

Section 3.05 Costs of Execution and Delivery Fund. A special fund is hereby created and established with the Trustee and denominated the “Costs of Execution and Delivery Fund.” Upon the delivery of the Certificates there shall be deposited into the Costs of Execution and Delivery Fund from the proceeds of the Certificates the amounts directed by Section 3.01(iii) hereof. Payments from the Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a requisition for the provision of Costs of Execution and Delivery of the Certificates approved in writing by the District Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Costs of Execution and Delivery Fund. The Trustee may conclusively rely on requisitions submitted in accordance with this Section 3.05 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Any moneys held in the Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with Article 5 hereof.

The Trustee shall transfer all moneys remaining in the Costs of Execution and Delivery Fund to the Base Rentals Fund (as directed in writing by the District Representative) upon the earlier to occur of: (a) 90 days after the execution and delivery of the Certificates; or (b) the final payment of all Costs of Execution and Delivery, as certified in writing by the District Representative.

Section 3.06 Rebate Fund. A special fund is hereby created and established to be held by the Trustee, and to be designated the “Certificates of Participation Rebate Fund” (the “Rebate Fund”). A separate account shall be established in the Rebate Fund for each series of Certificates subject to rebate. To the extent necessary to comply with the provisions of the relevant Tax Certificate, there shall be deposited into the appropriate account in the Rebate Fund investment income on moneys in any fund created hereunder (except defeasance escrows). In addition to the

deposit of investment income as provided herein, there shall be deposited into the appropriate account in the Rebate Fund moneys received from the District as Additional Rentals for rebate payments pursuant to the Lease; moneys transferred to an account in the Rebate Fund from any other fund created hereunder pursuant to the provisions of this Section 3.06; and all other moneys received by the Trustee when accompanied by directions not inconsistent with the Lease or this Indenture that such moneys are to be paid into an account of the Rebate Fund. The District will cause (or direct the Trustee to cause) amounts on deposit in the appropriate account in the Rebate Fund to be forwarded to the United States Treasury at the address and times provided in the Tax Certificate, and in the amounts calculated to ensure that the District's rebate obligations are met, in accordance with the District's tax covenants in Section 11.5 of the Lease. Amounts on deposit in the Rebate Fund shall not be subject to the lien of this Indenture to the extent that such amounts are required to be paid to the United States Treasury.

If, at any time after the Trustee receives instructions by the District to make any payments from the Rebate Fund, the Trustee determines that the moneys on deposit in an account of the Rebate Fund are insufficient for the purposes thereof, and if the Trustee does not receive Additional Rentals or cannot transfer investment income so as to make the amount on deposit in the appropriate account in the Rebate Fund sufficient for its purpose, the Trustee may transfer moneys to an account in the Rebate Fund from the Base Rentals Fund. Any moneys so advanced shall be included in the District's estimates of Additional Rentals for the ensuing Fiscal Year pursuant to the Lease and shall be repaid to the fund from which advanced upon payment to the Trustee of such Additional Rentals. Upon receipt by the Trustee of an opinion of nationally recognized bond counsel to the effect that the amount in an account of the Rebate Fund is in excess of the amount required to be therein pursuant to the provisions of the relevant Tax Certificate, such excess shall be transferred to the Base Rentals Fund.

The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The District may, at its own expense, retain an independent firm of professionals in such area to calculate such rebate amounts.

Notwithstanding the foregoing, in the event that the Lease has been terminated or the District has failed to comply with Section 11.5 thereof so as to make the amount on deposit in the appropriate account in Rebate Fund sufficient for its purpose, the Trustee shall make transfers of investment income or of moneys from the above-described funds in such combination as the Trustee shall determine to be in the best interests of the Certificate Owners.

Section 3.07 Moneys to be Held in Trust. The ownership of the Base Rentals Fund, the Costs of Execution and Delivery Fund, and any accounts within such Funds and any other fund or account created hereunder (except defeasance escrow account) shall be held in trust by the Trustee for the benefit of the Owners of the Certificates; provided that moneys in the Rebate Fund shall be used only for the specific purpose provided in Section 3.06 hereof.

Section 3.08 Nonpresentment of Certificates. Any moneys deposited with the Trustee pursuant to the terms of this Indenture to be used for the payment of principal of, premium, if any, or interest on any of the Certificates and remaining unclaimed by the Owners of such Certificates for a period of three (3) years after the final due date of any Certificate (during which three year period such moneys shall not be required to be invested by the Trustee), whether the

final date of maturity or the final redemption date, shall, if the District shall not at the time be in default with respect to any of the terms and conditions contained in this Indenture, in the Certificates or under the Lease, be paid to the District and such Owners shall thereafter look only to the District for payment and then only (a) to the extent of the amounts so received by the District from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the District Board's Appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under this Indenture, the Trustee shall pay such moneys to the District as an overpayment of Base Rentals.

Section 3.09 Repayment to the District from the Trustee. After payment in full of the Certificates, the interest thereon, any premium thereon, the fees, charges and expenses of the Trustee, any amount required to be deposited in the Rebate Fund, and all other amounts required to be paid hereunder and under the Lease, any amounts remaining in the Base Rentals Fund, the Costs of Execution and Delivery Fund, or otherwise held by the Trustee pursuant hereto (but excluding the Rebate Fund and any defeasance escrow accounts) shall be paid to the District upon the expiration or sooner termination of the Lease Term as a return of an overpayment of Base Rentals. After payment of all amounts due and owing the federal government held in the Rebate Fund, if any, any excess amounts in the Rebate Fund shall be paid to the District.

ARTICLE 4 REDEMPTION OF CERTIFICATES

Section 4.01 Optional Redemption. The Certificates shall be subject to redemption prior to their maturity date at the option of the District, in whole or in part, on any date on or after December 1, 2024, and in any amount, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the District, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the District. Upon any such redemption in part, the District shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Section 4.02 Mandatory Sinking Fund Redemption. The principal amount of the Certificates is payable in installments as further set forth in Section 2.02 hereof.

Section 4.03 Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of:

- (a) an Event of Nonappropriation, or
- (b) an Event of Lease Default, or
- (c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty

or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the District does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to this Indenture for such purpose, then the Certificates shall be required to be called for redemption, except as hereinafter provided. If called for redemption, as described herein, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under this Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as provided in Section 8.01(d) of this Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the District as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE CERTIFICATES ARE REDEEMED PURSUANT TO THIS SECTION 4.03 FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE RELATED CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE DISTRICT.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or this Indenture, so long as the Initial Purchaser is the sole Owner of the Certificates, the Certificates shall not be subject to extraordinary mandatory redemption under this Section 4.03 and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Certificates.

Section 4.04 Partial Optional Redemption. Upon surrender of any Certificate for redemption in part, the Trustee shall execute and deliver to the Owner thereof, at no expense of the Owner, a new Certificate or Certificates of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Certificates so surrendered.

Section 4.05 Notice of Redemption. Whenever Certificates are to be redeemed under any provision of this Indenture, the Trustee shall, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption under Section 4.03, which notice shall be immediate), mail notice of redemption to all Owners of all Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Certificates to be redeemed are registered in the name of the Initial Purchaser, such notice may, in the alternative, be given by electronic means if so directed by the Initial Purchaser. In addition, the Trustee shall at all reasonable times make available to the District and any Certificate Owner information as to Certificates which have been redeemed or called for redemption. Any notice of redemption shall:

- (1) identify the Certificates to be redeemed;
- (2) specify the redemption date and the redemption price;
- (3) in the event the redemption is occurring under Section 4.01 hereof, state that the District has given notice of its intent to exercise its option to purchase or prepay Base Rentals under the Lease;
- (4) state that such redemption is subject to the deposit of the funds related to such option by the District on or before the stated redemption date; and
- (5) state that on the redemption date the Certificates called for redemption will be payable at the principal corporate trust office of the Trustee and that from that date interest will cease to accrue.

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

Section 4.06 Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay the Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in certain cases as set forth above may be less than the full principal amount of the Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Certificates or portions thereof thus called shall no longer accrue after the date fixed for redemption. Payments in full redemption shall be accompanied by a written designation prepared by the Trustee stating the portions of the payment representing principal, interest, and premium, if any.

ARTICLE 5 INVESTMENTS

Section 5.01 Investment of Moneys. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment absent a receipt of written notice or information to the contrary. All moneys held as part of the Base Rentals Fund, Rebate Fund, the Costs of Execution and Delivery Fund, or any other fund or account created hereunder (other than any defeasance escrow accounts) shall be deposited or invested and reinvested by the Trustee, at the written direction of the District, in Permitted Investments, and the Trustee may assume that any investment directed in writing by the District constitutes a Permitted Investment; provided, however, that the Trustee shall make no deposits or investments of any fund or account created hereunder which shall interfere with or prevent withdrawals for the purpose for which the moneys so deposited or invested were placed in trust hereunder or for payment of the Certificates at or before maturity or interest thereon as required hereunder. The Trustee may make any and all such deposits or 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. Deposits or investments shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account. Any interest or other gain from any fund or account created hereunder (except defeasance escrows) shall be deposited to the Rebate Fund to the extent required and permitted pursuant to Section 3.06 hereof. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments whenever the cash balance in the Base Rentals Fund is insufficient to pay the principal of and interest on the Certificates when due, or whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account.

The Trustee hereby agrees to secure and retain the documentation with respect to investments of moneys in the funds and accounts created under this Indenture as required by and as described in the Tax Certificate.

The Trustee may rely upon the District's written direction as to both the suitability and the legality of the directed investments, and shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Article 5.

The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

If the Trustee is not provided written directions concerning investment of moneys held in the Funds, the Trustee shall invest in a money market fund available to the Trustee which qualifies as a Permitted Investment, provided such investment matures or is subject to redemption prior to the date such funds will be needed. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District, unless the District notifies the Trustee in writing to the contrary within thirty (30) days of the date of delivery of such statement.

It is specifically provided herein that the Trustee may purchase or invest in shares of any investment company provided that such investments are Permitted Investments at the time of such investment and that such investments: (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 Trustee 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, or repurchase agreements backed by such obligations; and (iii) maintains a constant asset value per share.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

Section 5.02 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account (except defeasance escrows), Permitted Investments shall be valued at the market price, exclusive of accrued interest. With respect to all funds and accounts (except defeasance escrows, and except as otherwise provided in the Tax Certificate with respect to the Rebate Fund), valuation shall occur as of December 31 of each year.

ARTICLE 6 DEFEASANCE AND DISCHARGE

Section 6.01 Defeasance and Discharge.

(a) When the principal or redemption price (as the case may be) of, and interest on, all the Certificates and Additional Certificates, if any, executed and delivered hereunder have been paid or provision has been made for payment of the same (or, in the case of redemption of the Certificates pursuant to Section 4.03 of this Indenture, if full or partial payment of the Certificates and interest thereon is made as provided in Section 4.03 of this Indenture), together with all other sums payable hereunder relating to the Certificates and the Additional Certificates (including the fees and expenses of the Trustee), then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the District to the Trustee and to the Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall (1) release the Site Lease and transfer and convey the Trustee's leasehold interest in the Leased Property to the District as provided by Article 12 of the Lease, (2) release

the Lease and this Indenture, (3) execute such documents to evidence such releases and conveyances as may be reasonably required by the District, and (4) turn over to the District all balances then held by the Trustee in the Funds or Accounts hereunder except for amounts held the Rebate Fund and in any defeasance escrow accounts. If payment or provision therefor is made with respect to less than all of the Certificates and any Additional Certificates, the particular Certificates or any Additional Certificates (or portion thereof) for which provision for payment shall have been considered made shall be selected by the District.

(b) Provision for the payment of all or a portion of the Certificates and any Additional Certificates shall be deemed to have been made when the Trustee holds in the Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates or Additional Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Certificates or Additional Certificates pursuant to this Section becoming effective, there shall have been delivered to the Trustee and the Initial Purchaser a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the applicable Certificates or Additional Certificates in full on the maturity or redemption date thereof unless fully funded with cash.

(c) Neither the Federal Securities nor the moneys deposited in the Base Rentals Fund or separate escrow account or trust account pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, premium, if any, and interest on the Certificates or Additional Certificates or portions thereof; provided, however, that other Federal Securities and moneys may be substituted for the Federal Securities and moneys so deposited prior to their use for such purpose.

(d) Whenever moneys or Federal Securities shall be deposited with the Trustee or a separate escrow agent for the payment or redemption of any Certificates more than forty-five (45) days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or Federal Securities have been deposited and identifying the Certificates for the payment of which such moneys or Federal Securities are being held, to all Owners of Certificates for the payment of which such moneys or Federal Securities are being held, or if such Certificates are registered in the name of the Initial Purchaser, such notice may be sent, in the alternative, by electronic means if so directed by the Initial Purchaser.

(e) At such time as any Certificate or Additional Certificate shall be deemed paid as provided in (b) above, such Certificate or Additional Certificate shall no longer be secured by or entitled to the benefits of this Indenture, the Lease or the Site Lease, except for the purpose of exchange and transfer and any payment from such cash or Federal Securities deposited with the Trustee.

ARTICLE 7

EVENTS OF INDENTURE DEFAULT AND REMEDIES

Section 7.01 Events of Indenture Default Defined. Each of the following shall be an Event of Indenture Default:

- (a) failure to pay the principal of or premium, if any, on any Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;
- (b) failure to pay any installment of interest on any Certificate when the same shall become due and payable;
- (c) the occurrence of an Event of Nonappropriation; or
- (d) the occurrence of an Event of Lease Default.

Upon the occurrence of any Event of Indenture Default of which the Trustee is required to take notice or receive notice pursuant to Section 8.05, the Trustee shall give notice thereof to the Owners of the Certificates. The Trustee shall waive any Event of Nonappropriation which is cured by the District within thirty (30) days of the receipt of notice from the Trustee as provided by Section 6.4(b) of the Lease, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Nonappropriation which is cured by the District within a reasonable time with the procedure described in the preceding sentence.

Section 7.02 Remedies If any Event of Indenture Default occurs and is continuing, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as provided in Section 8.01(d) hereof, without any further demand or notice, enforce for the benefit of the Owners of the Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under this Article 7 and Article 8, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification satisfactory to the Trustee as provided in Section 8.01(d) hereof, take such action as, in the judgment of the Trustee, upon advice of its counsel, would best serve the interests of the Owners of the Certificates, including calling the Certificates for redemption prior to their maturity in the manner and subject to the provisions of Article 4 hereof and exercising the Lease Remedies provided in the Lease, provided however that such action shall not include consequential or punitive damages against the District.

Section 7.03 Legal Proceedings by Trustee. If any Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, with the consent of the Initial Purchaser, and upon the written request of the Owners of a majority in aggregate principal amount of all Outstanding Certificates and receipt of indemnity to its satisfaction, shall, in its capacity as Trustee hereunder:

- (a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Owners of the Certificates, including enforcing any rights of the Trustee in respect of the Trustee's leasehold interests in the Leased Property including its rights as lessor under the

Lease and as lessee under the Site Lease and its rights under this Indenture and to enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the Owners of the Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Owners of the Certificates.

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, the Lease or this Indenture, the Trustee shall not take any remedial action under the Site Lease, the Lease or this Indenture, including without limitation this Section 7.03, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture.

Section 7.04 Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Owners of the Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Section 7.05 Owners of Certificates May Direct Proceedings. The Initial Purchaser or the Owners of a majority in aggregate principal amount of Outstanding Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Owners of the Certificates.

Section 7.06 Limitations on Actions by Owners of Certificates. No Owner of the Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of a default pursuant to Section 8.05, and such default becomes an Event of Indenture Default;

(b) the Owners of at least a majority in aggregate principal amount of all Outstanding Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;

(c) the Trustee shall have been offered indemnity satisfactory to it as provided in Section 8.01(d) hereof; and

(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Trustee shall be absolute and unconditional to pay hereunder, but solely from the Revenues pledged under this Indenture, the principal of, premium, if any, and interest on the Certificates to the respective Owners thereof on the respective due dates thereof,

and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Owners to enforce such payment.

Section 7.07 Trustee May Enforce Rights Without Possession of Certificates. All rights under this Indenture and the Certificates may be enforced by the Trustee without the possession of any Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Owners of the Certificates.

Section 7.08 Remedies Not Exclusive. Subject to any express limitations contained herein, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 7.09 Delays and Omissions Not to Impair Rights. No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article 7 may be exercised from time to time and as often as may be deemed expedient.

Section 7.10 Application of Moneys in Event of Indenture Default. Any moneys received, collected or held by the Trustee following an Event of Indenture Default and any other moneys held as part of the Trust Estate (except for moneys held in the Rebate Fund and any defeasance escrow account) shall be applied in the following order:

(a) To the payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and all fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its Counsel fees, expenses and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Certificate over another or of any installment of interest over any other installment of interest; and

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Certificate over another.

The surplus, if any, shall be paid to the District.

ARTICLE 8 CONCERNING THE TRUSTEE

Section 8.01 Duties of the Trustee.

(a) The Trustee hereby accepts the provisions of the Site Lease, the Lease and this

Indenture and accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the express terms and conditions set forth in the Site Lease, the Lease and this Indenture, and no implied covenants or obligations shall be read into the Site Lease, the Lease, and this Indenture against the Trustee.

(b) The Trustee hereby covenants for the benefit of the Owners of the Certificates that the Trustee will observe and comply with its obligations under the Site Lease, the Lease and this Indenture.

(c) The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Trust Estate and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

(d) The Trustee, prior to the occurrence of an Event of Indenture Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Lease and in this Indenture. If an Event of Indenture Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and power vested in it by the Lease and this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in conducting such person's affairs in exercising any rights or remedies or performing any of its duties hereunder. Before taking any action hereunder the Trustee may require that satisfactory indemnity be furnished to it by the Certificate Owners for the reimbursement of all costs and expenses (including without limitation attorney's fees and expenses) which it may incur and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or resolution related to the protection of the environment or hazardous substances, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

Section 8.02 Liability of Trustee; Trustee's Use of Agents.

(a) The Trustee shall be liable only for its own negligence or willful misconduct. However, the Trustee shall not be liable for any error of judgment made in good faith, provided the Trustee was not negligent in ascertaining the pertinent facts.

(b) The Trustee may exercise any powers under this Indenture and perform any duties required of it through attorneys, receivers, agents, officers or employees, and shall be entitled to the advice or opinion of Counsel concerning all matters involving the Trustee's duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may rely and act upon the opinion or advice of Counsel engaged by the Trustee in the exercise of reasonable care without liability for any loss or damage resulting from any action or omission taken in good faith reliance upon that opinion or advice.

(c) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or

willful misconduct, and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(d) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Leased Property.

(e) The Trustee shall not be liable for actions taken at the direction of Owners pursuant to the provisions of Article 7.

(f) Any person hired by the Trustee to enforce Lease Remedies shall be considered the Trustee's agent for the purposes of this Section.

(g) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect to the execution of the Certificates on behalf of the Trustee), or for the recording or rerecording, filing or refiling of the Site Lease, the Lease or this Indenture or of any supplements thereto or hereto or any financing statement (other than continuation statements) in connection therewith, or for insuring the project, for collecting any insurance moneys, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value of or title to the Leased Property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the District, except as provided herein; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the District under the Site Lease or the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds and investments held by the Trustee), or the validity or sufficiency of this Indenture or of the Certificates. The Trustee shall not be accountable for the use of any Certificates executed and delivered to the Initial Purchaser or the use of the proceeds of any Certificates executed and delivered hereunder, provided that the Trustee shall comply with the provisions of this Indenture related to the requisition of such proceeds that are deposited in the Costs of Execution and Delivery Fund. The Trustee shall not be accountable for the use or application of any Certificates or the proceeds thereof or of any money paid to or upon the order of the District under any provisions of this Indenture or the Lease.

(i) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely conclusively and be protected in acting or refraining from acting upon any resolution, a certificate, statement, opinion, report, or other paper or document signed on behalf of the District by the District Representative or such other person as may be designated for such purpose by ordinance or resolution of the District Board, as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in Section 8.05 or of which by said subsection it is deemed to have been notified, the Trustee may conclusively rely upon a similar certificate to

the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except that the Trustee is responsible for investing moneys in funds held hereunder in compliance with the provisions of the Tax Certificate and complying with the written investment direction of the District.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the execution and delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the District to the execution and delivery of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) Notwithstanding any other provision hereof, the Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder or any other documents related to this Indenture, but may if it has received assurances from the Owners of the Certificates or indemnity from the Owners of the Certificates satisfactory to it that it will be repaid. The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(n) The Trustee is entering into the Site Lease and the Lease solely in its capacity as Trustee under this Indenture and all provisions of this Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken by the Trustee in connection with the Site Lease and the Lease.

(o) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity, and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as trustee, registrar, or paying agent.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates except to the extent that such statement was provided by the Trustee or describes the Trustee's duties under this Indenture.

(q) The Trustee is authorized and directed to enter into the Site Lease and the Lease, solely in its capacity as Trustee under this Indenture.

(r) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all books, papers and records of the District pertaining to the Leased Property and the Certificates, and to take such memoranda from and in regard thereto as may be desired.

(s) In no event shall the Trustee be responsible or liable for special, indirect, consequential or punitive loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(t) It is expressly understood and agreed that (a) this Indenture is executed by UMB Bank, n.a. solely in its capacity as Trustee under this Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a. other than in its capacity as Trustee under this Indenture. All financial obligations of the Trustee under this Indenture, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

Section 8.03 Representations and Covenants of Trustee. The Trustee represents, warrants and covenants as follows:

(a) So long as no Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or the Lease or as necessary to transfer the Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee's right, title and interest in and to (i) the Lease or the Site Lease, (ii) the Base Rentals, other Revenues and collateral, security interests and attendant rights and obligations which may be derived under the Lease or the Site Lease and/or (iii) the Leased Property and any reversion therein or any of the Trustee's other rights under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in the Trustee's right, title and interest in, to and under the Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(b) Neither the execution and delivery of the Lease and the Site Lease or this Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(c) To the Trustee's knowledge, there is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute the Lease and the Site Lease or to execute this Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the District on or prior to the date this Indenture is executed and delivered.

(d) The Trustee covenants and agrees to comply with any applicable requirements for the Trustee set forth in the Tax Certificate as directed by the District.

(e) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of all the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Lease. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Event of Indenture Default to the Initial Purchaser.

Section 8.04 Compensation. The Trustee shall be entitled to payment and reimbursement for its reasonable fees and expenses for its ordinary services rendered hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent and counsel fees and other ordinary expenses as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due, as provided in Section 6.2 of the Lease. Should it become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary costs and expenses in connection therewith; provided that if such extraordinary services or extraordinary costs and expenses are occasioned by negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The rights of the Trustee to payments pursuant to this Section shall be superior to the rights of the Owners with respect to the Trust Estate.

Section 8.05 Notice of Default; Right to Investigate. If an Event of Indenture Default occurs of which the Trustee is deemed to have notice pursuant to this Section, the Trustee shall, within thirty (30) days after it receives notice thereof, give written notice by first class mail to the Owners of the Certificates of all Events of Indenture Default known to the Trustee and send a copy of such notice to the District, unless such defaults have been remedied. The Trustee shall not be required to take notice or be deemed to have notice of any default unless it has actual knowledge thereof or has been notified in writing of such default by the District or the Owners of at least 25% in aggregate principal amount of the Outstanding Certificates. The Trustee may, however, at any time request the District to provide full information as to the performance of any covenant under the Lease; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into any matter related to the Site Lease, the Lease and the Leased Property.

Section 8.06 Obligation to Act on Defaults. If any Event of Indenture Default shall have occurred and be continuing of which the Trustee has actual knowledge or notice pursuant to Section 8.05, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs in exercising any rights or remedies or performing any of its duties hereunder; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it for the reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

Section 8.07 Reliance on Requisition, etc. The Trustee may conclusively rely and shall be fully protected from acting or refraining from acting upon any written requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith reasonably believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate shall be conclusive and binding upon all future Owners of the same Certificate and upon any Certificates delivered in place thereof. The Trustee may rely conclusively on any such Certificate or other document and shall not be required to make any independent investigation in connection therewith.

Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates delivered in exchange therefor or upon transfer or in substitution thereof

The Trustee shall be entitled to rely upon opinions of Counsel and shall not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

Section 8.08 Trustee May Own Certificates. The Trustee, in its individual or any other capacity, may in good faith buy, sell, own and hold any of the Certificates and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not the party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 8.09 Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Indenture, and any such construction by the Trustee shall be binding upon the Owners. In construing any such provision, the Trustee will be entitled to rely upon opinions of Counsel and will not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

Section 8.10 Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the District and the Initial Purchaser not less than sixty (60) days before the date when it is to take effect; provided notice of such resignation is sent by electronic means or mailed by registered or certified mail to the Owner of each Outstanding Certificate at the address shown on the registration books. Such resignation shall take effect only upon the appointment of a successor Trustee. If no successor Trustee is appointed within sixty (60) days following the date designated for the resignation of the Trustee, the resigning Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds, or to other amounts due arising prior to the date of such resignation shall survive resignation.

Section 8.11 Removal of Trustee. Any Trustee hereunder may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by the District or by the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, upon written notice being filed with the Trustee, the District and the Owner of each Outstanding Certificate at the address shown on the registration books. Such removal shall take effect only upon the appointment of a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds or to other amounts due arising prior to the date of such removal shall survive removal.

Section 8.12 Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor, and shall cause a notice of such appointment to be mailed by registered or certified mail to the Owners of all Outstanding Certificates at the address shown on the registration books. If the District fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the Owners of a majority in aggregate principal amount of the Certificates then Outstanding may do so. If the Owners have failed to make such appointment within thirty (30) days after the date notice of resignation is filed, the Trustee may petition a court of competent jurisdiction to make such appointment.

Section 8.13 Qualification of Successor. Any successor trustee shall be a national or State bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least \$50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Section 8.14 Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment under this Indenture; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust under this Indenture, with like effect as if originally named Trustee herein and thereupon the duties and obligations of the predecessor shall cease and terminate. The Trustee ceasing to act under this Indenture shall, upon the payment of the fees and expenses owed to the predecessor Trustee, pay over to the successor trustee all moneys held by it under this Indenture; and, upon request of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts under this Indenture of the Trustee ceasing to act.

Section 8.15 Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any sale, merger or consolidation of its corporate trust business to which any Trustee hereunder shall be a party, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.16 Intervention by Trustee. In any judicial proceeding to which the Trustee or the District is a party and which, in the opinion of the Trustee and its Counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the

Owners and shall do so if requested in writing by the Initial Purchaser or the Owners of at least a majority in aggregate principal amount of Outstanding Certificates and upon being furnished satisfactory indemnity. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 8.17 Books and Record of the Trustee; Trustee Record Keeping. The Trustee shall keep such books and records relating to the Site Lease and the Lease and Funds and Accounts created under this Indenture as shall be consistent with industry practice and make such books and records available for inspection by the District, at all reasonable times and for six years following the discharge of this Indenture according to Article 6 hereof.

Section 8.18 Environmental Matters. Any real property or interest in real property constituting any portion of the Trust Estate shall be subject to the following provisions:

(a) The Trustee's responsibilities for any interest in real property constituting any portion of the Trust Estate, prior to an Event of Indenture Default, shall be performed as Trustee on behalf of the Owners of the Certificates without any duty to monitor or investigate whether the real property constituting any portion of the Trust Estate complies with environmental laws or is subject to any Hazardous Substance.

(b) Following an Event of Indenture Default, if the Trustee determines that the release, threatened release, use, generation, treatment, storage or disposal of any Hazardous Substance on, under or about real property constituting any portion of the Trust Estate gives rise to any liability or potential liability under any federal, State, local or common law, or devalues or threatens to devalue such real property, the Trustee may take whatever action is deemed necessary by the Trustee to address the threatened or actual releases of Hazardous Substances, or to bring about or maintain such real property's compliance with federal, State or local environmental laws and regulations.

(c) The Trustee shall inform the Initial Purchaser and may inform any other Owners of the Certificates of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

(d) If Trustee takes any action, Trustee shall have the right to be indemnified pursuant to Section 8.01(d) and may take whatever action is deemed necessary by the Trustee to address the threatened or actual releases of hazardous substances, or to bring about or maintain such real property's compliance with federal, State, or local Environmental Laws and regulations.

ARTICLE 9 SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LEASE AND SITE LEASE

Section 9.01 Supplemental Indentures and Amendments Not Requiring Certificate Owners' Consent. The Trustee may, with the written consent of the District and upon

written notice to the Initial Purchaser, but without the consent of the Initial Purchaser or any other Owners, enter into such indentures or agreements supplemental hereto, for any one or more or all of the following purposes:

- (a) to grant additional powers or rights to the Trustee;
- (b) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Base Rentals allocable to the Certificates;
- (c) to authorize the execution and delivery of Additional Certificates for the purposes and under the conditions set forth in Section 2.08 hereof; or
- (d) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity, or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein or to make such other amendments to this Indenture which do not materially adversely affect the interests of the Owners of the Certificates.

Section 9.02 Supplemental Indentures and Amendments Requiring Certificate Owners' Consent.

- (a) Exclusive of supplemental indentures and amendments covered by Section 9.01 hereof, the written consent of the District and the consent of the Initial Purchaser or the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall be required for any amendments or indentures supplemental hereto.
- (b) Notwithstanding the foregoing, without the consent of the Owners of all of the Certificates at the time Outstanding nothing herein contained shall permit, or be construed as permitting:
 - (i) A change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon, without the consent of the owner of such Certificate;
 - (ii) The deprivation of the Owner of any Certificate then Outstanding of the interest created by this Indenture (other than as originally permitted hereby) without the consent of the owner of such Certificate;
 - (iii) A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates (except with respect to the possible subordination of Additional Certificates); or
 - (iv) A reduction in the aggregate principal amount of the Certificates required for consent to such supplemental indenture.

If at any time the District shall request the Trustee to enter into a supplemental indenture which requires the consent of the Certificate Owners as provided herein, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed

execution of such supplemental indenture to be mailed to the Registered Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Owners. If, within 60 days or such longer period as shall be prescribed by the District following the mailing of such notice, the required consents have been furnished to the Trustee as herein provided, no Certificate Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Section 9.03 Amendment of the Lease and the Site Lease.

(a) Except as otherwise provided in the Lease and the Site Lease, the Trustee and the District shall have the right to amend the Lease and the Site Lease without the consent of or notice to the Owners of the Certificates, for one or more of the following purposes:

(i) to add covenants of the Trustee or the District or to grant additional powers or rights to the Trustee;

(ii) in order to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as the case may be, as may be authorized under the Site Lease and the Lease;

(iii) to make additions to the Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Certificates in accordance with Section 2.08 hereof;

(iv) to amend the schedule of Base Rentals upon a partial optional redemption of the Certificates;

(v) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Base Rentals allocable to the Certificates; or

(vi) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained therein or in any amendment thereto which may be defective or inconsistent with any other provision contained therein or herein or in any amendment thereto or to make such other amendments to the Lease or the Site Lease which do not materially adversely affect the interests of the Owners of the Certificates.

(b) If the District proposes to amend the Lease or the Site Lease in such a way as would materially adversely affect the interests of the Owners of the Certificates, the Trustee shall notify the Owners of the Certificates of the proposed amendment and may consent thereto only with the consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates; provided, that the Trustee shall not, without the unanimous consent of the Owners of all Certificates Outstanding, consent to any amendment which would (1) decrease the amounts

payable in respect of the Lease, or (2) change the Base Rentals Payment Dates or (3) change any of the prepayment provisions of the Lease.

ARTICLE 10 MISCELLANEOUS

Section 10.01 Evidence of Signature of Owners and Ownership of Certificates. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The fact of the owning by any person of Certificates and the amounts and numbers of such Certificates, and the date of the owning of the same, may be proved by a certificate executed by any trust company, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such bankers, as the property of such party, the Certificates therein mentioned, if such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Certificates have been deposited with a bank, bankers or trust company before taking any action based on such ownership. In lieu of the foregoing the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

Any request or consent of the owner of any Certificate shall be conclusive upon and shall bind all future owners of such Certificate and of any Certificate issued upon the transfer or exchange of such Certificate in respect of anything done or suffered to be done by the District, the Trustee in accordance therewith, whether or not notation of such consent or request is made upon any such Certificate.

Section 10.02 Inspection of the Leased Property. Under the Lease, the Trustee and its duly authorized agents (a) have the right, but not the duty, on reasonable notice to the District, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the District for security purposes) and (b) are permitted, but have no obligation, at all reasonable times, to examine the books, records, reports and other papers of the District with respect to the Leased Property.

Section 10.03 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee, and the Owners any right, remedy or claim under or by reason of this

Indenture or any covenant, condition or stipulation of this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Trustee shall be for the sole and exclusive benefit of the District, the Trustee, and the Owners.

Section 10.04 Titles, Headings, Etc. The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions of this Indenture.

Section 10.05 Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Indenture.

Section 10.06 Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State of Colorado without regard to choice of law analysis and with venue in the District Court of Archuleta County, Colorado.

Section 10.07 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.08 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the Trustee,	UMB Bank, n.a. 1670 Broadway Denver, Colorado 80202 Attention: Corporate Trust & Escrow Services
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if to the District, Upper San Juan Health Service District
95 S. Pagosa Boulevard
Pagosa Springs, CO 81147
Attention: Chief Executive Officer

if to the
Initial Purchaser, JPMorgan Chase Bank, N.A.
2696 South Colorado Boulevard, Floor 1
Denver, CO 80222-5945
Attention: Jessica Loscalzo

The District, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Owners of the Certificates, if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.

Section 10.09 Third-Party Beneficiary; Consent and Notice to Initial Purchaser. The Initial Purchaser shall be a third-party beneficiary of all the terms and provisions made for the benefit of the Initial Purchaser under this Indenture. Any provision herein requiring the specific consent of or notice to the Initial Purchaser, or giving the Initial Purchaser any directive right hereunder, shall be applicable only so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates. This Section 10.09 shall not be construed to deprive the Initial Purchaser of any notice or right to consent or a directive as one of the Owners of the Certificates where the consent of, notice to or directive of the Owners of the Certificates in general is required herein.

Section 10.10 Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Trustee shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 10.11 Payments Due on Saturdays, Sundays and Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a day other than a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 10.12 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. In the event that any individual or individuals who are authorized to execute this Indenture on behalf of the Trustee are not able to be physically present to manually sign this Indenture, such individual or individuals are hereby authorized to execute this Indenture electronically via facsimile or email

signature. This agreement to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Indenture shall carry the full legal force and effect of any original, handwritten signature.

Section 10.13 Waiver of Jury Trial. The Trustee hereby waives, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to the Site Lease, the Lease, the Indenture, the Certificates, and any related documentation or the transactions contemplated hereby or thereby.

Section 10.14 Non-Rated, Private Placement. So long as the Initial Purchaser is the sole Owner of the Certificates, such Certificates will not be rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number, marketed pursuant to any Official Statement, Offering Memorandum or any other disclosure documents, or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 10.15 Arm's Length Transaction and Fair Dealing. In connection with all aspects of the transactions contemplated by this Indenture, the Site Lease and the Lease (including in connection with any amendment, waiver or other modification hereof or thereof), the District acknowledges and agrees that: (i)(A) any arranging, structuring and other services regarding this Indenture, the Site Lease, the Lease and the other documents provided by the Initial Purchaser or any affiliate of the Initial Purchaser are arm's length commercial transactions between the District on the one hand, and the Initial Purchaser and any affiliate of the Initial Purchaser on the other hand, (B) the District has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the District is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Indenture, the Site Lease, the Lease and any related documents; (ii)(A) the Initial Purchaser and each affiliate of the Initial Purchaser is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the District or any other Person and (B) neither the Initial Purchaser nor any affiliate of the Initial Purchaser has any obligation to the District with respect to the transactions contemplated by this Indenture, the Site Lease, the Lease and any related documents, except those obligations expressly set forth herein; and (iii) the Initial Purchaser and each affiliate of the Initial Purchaser may be engaged in a broad range of transactions that involve interests that differ from those of the District, and neither the Initial Purchaser nor any affiliate of the Initial Purchaser has any obligation to disclose any of such interests to the District. To the fullest extent permitted by applicable laws, the District hereby waives and releases any claims that it may have against the Initial Purchaser and each affiliate of the Initial Purchaser with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of the transactions contemplated by this Indenture, the Site Lease, the Lease and the other documents contemplated thereby.

Section 10.16 No Recourse Against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., if a member of the District 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, interest or prior redemption premiums on the Certificates. Such recourse shall not be available either directly or indirectly through the District 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 Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling such Certificate specifically waives any such recourse.

Section 10.17 Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the execution and delivery of the Certificates shall be commenced more than thirty days after the execution and delivery of the Certificates.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Trustee has caused this Indenture to be executed all as of the date first above written.

UMB BANK, n.a., as Trustee

By: _____
Vice President

**EXHIBIT A
FORM OF CERTIFICATE**

THIS CERTIFICATE MAY ONLY BE TRANSFERRED BY THE REGISTERED OWNER HEREOF TO (A) AN AFFILIATE OF THE INITIAL PURCHASER; (B) A “BANK” AS DEFINED IN SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”); (C) AN “ACCREDITED INVESTOR” AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED; OR (D) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

**CERTIFICATE OF PARTICIPATION
SERIES 2022**

**Evidencing a Proportionate Interest in the
Base Rentals and other Revenues under an Annually
Renewable Lease Purchase Agreement, dated August 1, 2022, between
UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor,
and Upper San Juan Health Service District, as lessee**

No. R-1 \$2,300,000

Interest Rate	Maturity Date	Dated Date
3.54%	December 1, 2037	August 1, 2022

Registered Owner:

Principal Amount:

THIS CERTIFIES THAT the Registered Owner (specified above), or registered assigns, as the Registered Owner (the “Owner”) of this Certificate of Participation, Series 2022 (this “Certificate”), is the Owner of a proportionate interest in the right to receive certain designated Revenues, including Base Rentals, under and as defined in the Lease Purchase Agreement (the “Lease”) dated as of August 1, 2022, between UMB Bank, n.a., Denver, Colorado, as Trustee (the “Trustee”), as lessor, and Upper San Juan Health Service District (the “District”), as lessee. This Certificate is secured as provided in the Lease and the Indenture of Trust (the “Indenture”) dated as of August 1, 2022, by the Trustee. All terms capitalized but not defined herein shall have the meanings given to them in the Indenture.

This Certificate bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Indenture.

Under the Site Lease, certain Leased Property described therein (the “Leased Property”) has been leased by the District, as lessor, to the Trustee, as lessee. Under the Lease, the Leased Property has been leased back by the Trustee, as lessor, to the District, as lessee, and the District has agreed to pay directly to the Trustee certain Base Rentals in consideration of the District’s

right to possess and use the Leased Property. Certain Revenues, including Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Certificates and interest thereon. The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the District.

This Certificate has been executed and delivered pursuant to the terms of the Indenture. Reference is hereby made to the Site Lease, the Lease and the Indenture (copies of which are on file in the offices of the Trustee) for a description of the terms on which the Certificates are delivered, and the rights thereunder of the Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the District under the Site Lease and the Lease, to all of the provisions of which Site Lease, Lease and Indenture the Owner of this Certificate, by acceptance hereof, assents and agrees.

This Certificate is executed and delivered under the authority of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the "Supplemental Act"). Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Certificate after its delivery for value.

THE OWNER OF THIS CERTIFICATE IS ENTITLED TO RECEIVE, SUBJECT TO THE TERMS OF THE LEASE, THE PRINCIPAL AMOUNT (SPECIFIED ABOVE), ON THE MATURITY DATE (SPECIFIED ABOVE), IN THE PRINCIPAL INSTALLMENTS IN THE AMOUNTS AND ON THE DATES SPECIFIED BELOW AND IS ENTITLED TO RECEIVE INTEREST ON THE PRINCIPAL AMOUNT AT THE INTEREST RATE (SPECIFIED ABOVE).

<u>Date</u>	<u>Principal Installment</u>
12/1/23	\$120,000
12/1/24	125,000
12/1/25	130,000
12/1/26	130,000
12/1/27	135,000
12/1/28	140,000
12/1/29	145,000
12/1/30	150,000
12/1/31	155,000
12/1/32	165,000
12/1/33	170,000
12/1/34	175,000
12/1/35	180,000
12/1/36	185,000
12/1/37*	195,000
TOTAL	

*Maturity.

Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Initial Purchaser shall not be required to surrender this Certificate to the Trustee to receive payment in connection with principal

installments, but shall be required to surrender this Certificate only on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The interest hereon is payable at the interest rate from the Dated Date (specified above) on June 1 and December 1 in each year (the "Interest Payment Dates") commencing on December 1, 2022 and thereafter (A) from the Execution Date (specified below), if this Certificate is executed on an Interest Payment Date or (B) from the last preceding Interest Payment Date to which interest has been paid in all other cases, until the Principal Amount is paid as set forth herein. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.

THIS CERTIFICATE IS PAYABLE SOLELY FROM THE BASE RENTALS PAYABLE TO THE TRUSTEE PURSUANT TO THE LEASE AND OTHER REVENUES AS DEFINED IN THE INDENTURE. NEITHER THE LEASE, THIS CERTIFICATE, OR THE OBLIGATION OF THE DISTRICT TO PAY BASE RENTALS OR ADDITIONAL RENTALS CONSTITUTES A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE DISTRICT OR A MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION WHATSOEVER OF THE DISTRICT, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION. NEITHER THE LEASE NOR THE CERTIFICATES HAVE DIRECTLY OR INDIRECTLY OBLIGATED THE DISTRICT TO MAKE ANY PAYMENTS BEYOND THOSE APPROPRIATED FOR THE DISTRICT'S THEN CURRENT FISCAL YEAR.

The principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Outstanding Certificates, the installments of principal and interest on the Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

Optional Redemption. The Certificates shall be subject to redemption prior to their maturity date at the option of the District, in whole or in part, on any date on or after December 1, 2024, and in any amount, at a redemption price equal to the principal amount of the Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the District, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the District. Upon any such redemption in part, the District shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, or (b) an Event of Lease Default, or (c) the Trustee, at the direction of the District, fails to repair or replace the Leased Property if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to,

or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the District does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Certificates are required to be called for redemption. If called for redemption, as described herein, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the Lease and the Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are to be allocated proportionately among the Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys are to be paid to the District as an overpayment of the Purchase Option Price in respect of the Leased Property. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee is entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH CERTIFICATES, INCLUDING THIS CERTIFICATE, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE DISTRICT.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, so long as the Initial Purchaser is the sole Owner of the Certificates, the Certificates shall not be subject to extraordinary mandatory redemption under Section 4.03 of the Indenture and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Certificates.

Additional Certificates may be executed and delivered pursuant to the Indenture upon the satisfaction of certain conditions and limitations. Any such Additional Certificates would evidence interests in rights to receive Revenues, including Base Rentals, without preference, priority or distinction of any Certificates, including the Additional Certificates, over any others, however, insurance, a reserve fund and other credit facilities may be applicable only to particular series of Certificates or portions thereof.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the Trustee with the written consent of the Owners of a majority in aggregate principal amount of the Certificates outstanding, and may be amended without such consent under certain circumstances described in the Indenture but in no event such that the interests of the Owners of the Certificates are materially adversely affected, provided that no such amendment is to impair the right of any Owner to receive in any case such Owner's proportionate share of any payment of Revenues in accordance with the terms of such Owner's Certificate.

This Certificate is executed with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. The District has determined that this Certificate is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease or the Indenture, until executed by the Trustee.

The Trustee has executed this Certificate solely in its capacity as Trustee under the Indenture and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Certificates except from amounts held by it in its capacity as Trustee under the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required by the Constitution and the statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and the execution and delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized representative of the Trustee.

Execution Date: August 1, 2022

UMB BANK, n.a., as Trustee

By: _____
Vice President

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Certificate and hereby irrevocably constitutes and appoints _____ Attorney, to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Signature Guaranteed:

Signature must be guaranteed by a member
of a Medallion Signature Program

Address of Transferee:

Social Security 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 certificate in every particular, without alteration or enlargement or any change whatsoever.

(End Form of Assignment)

