



AGENDA
TOWN OF RICO BOARD OF TRUSTEES
2 Commercial Street– Rico Town Hall
May 17th, 2023
6:00 PM

- Electronic copies of the Trustee Packet are available on the Town website.
- Action may be taken on any agenda item.
- Notice is hereby given that a majority or quorum of the Planning Commission may be present at the above noticed Rico Board of Trustee’s meeting to discuss any or all of the matters on the agenda below for Trustee’s consideration.
- The Town of Rico is not responsible for audio, video, or connectivity issues. In person attendance is recommended.

Topic: Board of Trustees May Meeting
Time: May 17, 2023 07:00 PM Mountain Time (US and Canada)

Join Zoom Meeting
<https://us02web.zoom.us/j/87166584081?pwd=V1ZvMkFBbmtBcnIyaGRBOUVVRnJQdz09>

Meeting ID: 871 6658 4081
Passcode: 637191
One tap mobile
+17193594580,,87166584081#,,,,*637191# US
+16699006833,,87166584081#,,,,*637191# US (San Jose)

Meeting ID: 871 6658 4081
Passcode: 637191
Find your local number: <https://us02web.zoom.us/j/87166584081?pwd=V1ZvMkFBbmtBcnIyaGRBOUVVRnJQdz09>

6:00 PM SITE WALK Pro Patria

ROLL CALL

APPROVAL OF THE AGENDA

PAYMENT OF THE BILLS

PUBLIC COMMENT

PRESENTATION

- FMP Consulting to provide an update on Park and Recreation improvements project.
- Rico School Committee to provide update on the Rico School Annexation/Detachment process.

ACTION ITEMS

- Consideration of second reading Ordinance No. 2023-02 an ordinance of the Town of Rico, Colorado, authorizing the execution and delivery of a site and improvement lease, a lease purchase agreement, and other documents incidental thereto, all for the purpose of financing a portion of the cost of acquiring, constructing and equipping a public works facility located at 101 Picker street; and authorizing and approving the taking of all other actions necessary or appropriate for the consummation of the transactions contemplated by this ordinance.
- Consideration of first reading Ordinance No. 2023-03 an ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments.
- Consideration of an intergovernmental agreement for transportation services for senior citizens of the Town of Rico, Colorado by Montezuma County transportation - pilot program
- Consideration of Resolution 2023-03 a resolution of the Board of Trustees of the Town of Rico adopting a hybrid meeting policy

STAFF REPORTS

- Clerk's / Manager's Report

DISCUSSION ITEMS

- Voluntary lead soils clean up ("VCUP") status
- Employee benefits and handbook
- Updating/replacing parking, vehicle registration and towing ordinance

ADJOURN

NEW Town of Rico - General Fund
Check Register
 For the Period From May 1, 2023 to May 31, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
17736	5/1/23	Patrick W. Drew	10000	91.90
17737	5/1/23	Chauncey P. McCarthy	10000	2,190.11
17738	5/1/23	Stephen C. Roberts	10000	605.21
17739	5/1/23	Jerry A. Sam	10000	498.64
17740	5/1/23	Dennis E. Swank	10000	1,451.00
17741	5/1/23	Anna C. Wolf	10000	1,249.54
17753	5/8/23	Jerry A. Sam	10000	498.64
17742	5/10/23	CEBT	10000	3,858.40
17743	5/10/23	San Miguel Power Associ	10000	1,018.00
17744	5/10/23	Jennifer Stark	10000	805.00
17745	5/10/23	Orkin	10000	13.99
17746	5/10/23	Acoustical Surfaces	10000	5,658.05
17747	5/10/23	Rico Telephone Company	10000	407.52
17748	5/10/23	Xerox Corporation	10000	120.51
17749	5/10/23	Jon Kelly	10000	1,125.00
17750	5/10/23	Karp Neu Hanlon, PC	10000	5,900.00
17751	5/10/23	Safe Built	10000	450.00
17752	5/10/23	Kaplan Kirsch Rockwell	10000	38,044.01
Total				<u>63,985.52</u>

2018 NEW Town of Rico - Street Fund
Check Register
For the Period From May 1, 2023 to May 31, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2857	5/10/23	Utility Notification Center	10000	29.67
2858	5/10/23	WM Corporate Services, I	10000	140.31
2859	5/10/23	Partners in Parts, Inc	10000	211.34
2860	5/10/23	Senergy Petroleum, LLC	10000	2,025.77
2861	5/10/23	CIRSA	10000	998.00
Total				<u>3,405.09</u>

NEW Town of Rico - Water Fund
Check Register
For the Period From May 1, 2023 to May 31, 2023

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
4503	5/10/23	AT&T Mobility	10000	106.15
4504	5/10/23	Ferguson Waterwork #111	10000	1,316.71
4505	5/10/23	San Juan Basin Health De	10000	35.00
4506	5/10/23	UPS	10000	21.57
Total				<u>1,479.43</u>

Date: May 11, 2023

TO: Town of Rico Board of Trustees

From: Chauncey McCarthy

FMP Consulting to provide an update on Park and Recreation improvements project.

Christine and Anais of FMP consulting will provide an update on the Park and Recreation improvements project.

Rico School Committee to provide update on the Rico School Annexation/Detachment process.

Sue Kunz, Telluride School District Human Resources Coordinator, will provide an update on the Rico School Annexation/Detachment process.

Consideration of second reading Ordinance No. 2023-02 an ordinance of the Town of Rico, Colorado, authorizing the execution and delivery of a site and improvement lease, a lease purchase agreement, and other documents incidental thereto, all for the purpose of financing a portion of the cost of acquiring, constructing and equipping a public works facility located at 101 Picker street; and authorizing and approving the taking of all other actions necessary or appropriate for the consummation of the transactions contemplated by this ordinance.

Included in this packet is ordinance No. 2023-02 which is needed for the completion of the lease purchase financing option for the Town Shop project. Ordinance 2023-02 was unanimously approved during the first reading. Troy Bernberg, placement agent, will be attending via zoom to explain the ordinance and answer any questions.

Consideration of first reading Ordinance No. 2023-03 an ordinance of the Town of Rico, Colorado extending the temporary moratorium on the acceptance of new land use applications for major or minor subdivisions, and residential or commercial planned unit developments.

Included in this packet is ordinance No. 2023-03 which would extend the temporary moratorium on accepting new land use applications for major or minor subdivisions, and residential or commercial planned unit developments until December 30, 2023. Town staff and contract employees need more time to work through water issues and availability, and funding opportunities. Additionally, the Town's CDS request has been moved into the senate subcommittee for review. We should know by October if the proposal will be included in the fiscal year 2024 bill.

Consideration of an intergovernmental agreement for transportation services for senior citizens of the Town of Rico, Colorado by Montezuma County transportation - pilot program

Included in this packet is an IGA between the Town of Rico and Montezuma County to start a senior citizens transportation pilot program. If approved by the Town of Rico and the County, transportation will be offered to senior citizens from Rico to Cortez on the second and fourth Wednesday of the month. The monthly cost for the program is \$500 which will be the responsibility of the Town and if dates are cancelled due to lack of ridership or weather the town will not be billed. If the program is successful, an IGA will be presented to both the town and county for the year 2024 with the opportunity for an automatic renewal clause. Jennifer Morris will be presenting this IGA to Montezuma Board of County Commissioners during their May 23rd meeting.

Consideration of Resolution 2023-03 a resolution of the Board of Trustees of the Town of Rico adopting a hybrid meeting policy

During last month’s Board meeting there was a discussion regarding hybrid meeting policy. The key points of the discussion were compiled and used to draft the resolution that is included in the packet. The resolution as drafted includes voting members must remain on camera, the moderator must be in person, members of the public can comment if they are on video and must state their name and address for the record, applicants must attend the meeting in person or have a representative there, along with a few other housekeeping items. During the May 10 Panning Commission meeting they discussed resolution and were in support of most of the concepts. The commission was split on allowing remote attendees the ability to comment. The board should discuss this and determine if the resolution should be amended.

Voluntary lead soils clean up (“VCUP”) status

Mayor Pieterse to provide an update on the Voluntary lead soils clean up status. This time could be used to discuss the Pro Patria site visit.

Employee benefits and handbook

There has been no formal structure for employee health benefits related to cost sharing of dependents. The board needs to determine what health insurance benefits look like for employees who have dependents. Additionally, there is a need to adopt a revised employee handbook. Past records show there was a handbook adopted in 2019 but it is dated and does not address many current issues or matters that were flagged by our insurance company.

Updating/replacing parking, vehicle registration and towing ordinance

Mayor Pieterse to lead a conversation about parking, vehicle registration and towing ordinance

**TOWN OF RICO
ORDINANCE NO. 2023-02**

AN ORDINANCE OF THE TOWN OF RICO, COLORADO, AUTHORIZING THE EXECUTION AND DELIVERY OF A SITE AND IMPROVEMENT LEASE, A LEASE PURCHASE AGREEMENT, AND OTHER DOCUMENTS INCIDENTAL THERETO, ALL FOR THE PURPOSE OF FINANCING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING AND EQUIPPING A PUBLIC WORKS FACILITY LOCATED AT 101 PICKER STREET; AND AUTHORIZING AND APPROVING THE TAKING OF ALL OTHER ACTIONS NECESSARY OR APPROPRIATE FOR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE.

WHEREAS, the Town of Rico, Colorado (“Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Town of Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to Section 14.1 of the Charter, the Board of Trustees of the Town (the “Board”) is authorized to purchase, sell, exchange, receive a donation of, enter into a lease for greater than two years, or dispose of any interest in real property including easements by ordinance; and

WHEREAS, pursuant to Section 7.1(e) of the Charter, the Board is authorized to enter into lease purchase and installment purchase agreements as a means of acquiring any real or personal property for public purposes; and

WHEREAS, pursuant to such authority and for the purpose of financing the construction and equipping of a public works facility (the “Project”), the Board has determined and hereby determines that it is in the best interests of the Town and its citizens and inhabitants that the Town and Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado (the “Bank”) enter into a Site Lease Agreement (the “Site Lease”) between the Bank and the Town for the purpose of leasing the Leased Property (as defined in the Site Lease) to the Bank, and concurrently thereof enter into a Lease Agreement (the “Lease”) for the purpose of subleasing the Leased Property back to the Town, all for the purpose of acquiring, improving and equipping the Project; and

WHEREAS, the Board has determined that: (i) it is necessary, desirable, appropriate and in the best interests of the Town and its citizens and inhabitants that the Town finance a portion of the cost of acquiring, constructing and equipping of the Project; and (ii) that the Lease and the Site Lease be entered into for such public purposes; and

WHEREAS, the Base Rentals (as defined in the Lease) and Additional Rentals (as defined in the Lease) payable by the Town under the Lease shall constitute currently budgeted and appropriated expenditures of the Town, and none of the Base Rentals, the Additional Rentals, or any provision of the Lease shall constitute or give rise to a multiple fiscal

year financial obligation, general obligation, bonded indebtedness or other indebtedness of the Town nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year, nor shall the Lease directly or indirectly obligate the Town to make any payments beyond those appropriated for the Town's then current fiscal year; and

WHEREAS, with respect to the transactions contemplated by this ordinance, the Town's obligations under the Lease and the Site Lease do not create any additional obligations on the part of the Town other than as provided for in the Lease and the Site Lease; and

WHEREAS, there have been presented to the Board and are on file at the Town offices the following: (i) the Site Lease, in the proposed form attached hereto as **Exhibit A**; and (ii) the Lease, in the proposed form attached hereto as **Exhibit B**; and

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

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE TOWN OF ORDAINS THAT:

Section 1. All actions heretofore taken (not inconsistent with the provisions of this ordinance) by the Board or the officers of the Town, directed toward approval of the Lease and Site Lease by the Town and consummation of the transactions contemplated by this ordinance, are hereby ratified, approved and confirmed.

Section 2. The Board hereby finds and determines, pursuant to the Constitution and laws of the State, that leasing the Leased Property to the Bank under the terms and provisions set forth in the Site Lease and leasing the Leased Property from the Bank under the terms and provisions set forth in the Lease are necessary, convenient and in furtherance of the Town's purposes and are in the best interests of the inhabitants of the Town. The Board hereby authorizes and approves the financing of the Project and the leasing of the Leased Property to the Bank under the terms and provisions of the Site Lease and the subleasing of the Leased Property from the Bank under the terms and provisions of the Lease.

Section 3. The Lease and the Site Lease in substantially the forms presented to Board, with only such changes therein as are not inconsistent herewith, are in all respects authorized, approved and confirmed. The Mayor and the Town Clerk are hereby authorized and directed to execute and deliver the Lease and the Site Lease in substantially the forms and with substantially the same content as presented to the Board with only such changes therein as are not inconsistent herewith, for and on behalf of the Town.

Section 4. No provision of this ordinance, the Site Lease nor the Lease, nor any other document or transaction contemplated by this ordinance, shall constitute or give rise to a multiple fiscal year financial obligation, general obligation, bonded indebtedness or other indebtedness of the Town nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year, nor directly or indirectly obligate the Town to make any payments beyond those appropriated for the Town's then current fiscal year;

nor shall this ordinance, the Site Lease, the Lease, or any other document or transaction contemplated by this ordinance, be construed as creating bonded indebtedness of the Town within the meaning of Article VII of the Charter. The Town shall have no obligation to make any payments with respect to the transactions contemplated by this ordinance except the payment of the Base Rentals and Additional Rentals and certain other payments pursuant to the Lease, which payment obligations may be terminated by the Town in accordance with the provisions of the Lease. No provision of this ordinance, the Site Lease, the Lease, or any other document or transaction contemplated by this ordinance shall be construed or interpreted as creating an unlawful delegation of governmental powers or as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of article XI of the Constitution of the State.

Section 5. The Board hereby finds, determines and declares, pursuant to the Charter and the Constitution and laws of the State, that (i) the lease of the Leased Property by the Town to the Bank under the terms and conditions provided for in the Site Lease, and (ii) the subleasing of the Leased Property by the Town from the Bank under the terms and conditions provided for in the Lease, are necessary, appropriate and in furtherance of the Town's governmental purposes and are in the best interests of the Town and its citizens and inhabitants. The Board further hereby finds, determines and declares, pursuant to the Charter and the Constitution and laws of the State, that: (i) the Base Rentals payable under the Lease during the Lease Term, as defined and provided in the Lease, represent fair value to the Town of its use of the Leased Property; (ii) the maximum term of the Lease does not exceed the useful life of the Leased Property; and (iii) the Option Price, as defined and provided in the Lease, represents the Town's estimate of a fair purchase price to the Town for the Leased Property at the time of exercise of the prepayment option. The Town hereby determines that the Base Rentals does not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Lease or to exercise its option to purchase the Leased Property thereunder. In making such determinations, the 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 Town, the benefit to the citizens and inhabitants of the Town by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of the Lease and the Site Lease, the Town's option to terminate the Site Lease and the expected eventual vesting of title to the Leased Property in the Town.

Section 6. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Lease and in connection therewith delegates to the Town Manager of the Town the authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease, subject to the following parameters and restrictions: (a) the aggregate principal amount of the Rent payable by the Town pursuant to the Lease shall not exceed \$600,000; (b) the Lease Term shall end no later than December 31, 2042; (c) the Lease shall be subject to optional prepayment at any time without a prepayment fee; (d) the maximum net effective interest rate on the Lease payments shall not exceed 8%; and (e) the Site Lease shall end no later than December 31, 2052.

Section 7. The Town hereby approves of actions taken or to be taken by appropriate officers of the Town to make or approve any alterations, changes or additions to the Site Lease and the Lease, as may be necessary or appropriate to correct errors or omissions

therein, to remove ambiguities therefrom, to conform the same to other provisions of said documents or instruments or to this ordinance, or any ordinance or resolution of the Board, or to the provisions of applicable law.

Section 8. The Mayor and other appropriate officers of the Town are hereby authorized to execute and deliver, for and on behalf of the Town, and the Town Clerk is authorized to attest and to place the seal of the Town on, the Site Lease, the Lease, any and all additional certificates, documents, instruments and other papers, and to perform all other acts they may deem necessary or appropriate, in order to implement and carry out the matters authorized or contemplated by this ordinance.

In the absence or disability of the Mayor, the Town Clerk or other Town officer, any agreement, document, certificate or other instrument authorized by this Ordinance, or necessary or appropriate to the transactions contemplated by this Ordinance, may be executed, attested, otherwise signed and delivered by the Mayor Pro Tem, the Town Manager or any deputy or assistant Town Clerk, or any deputy or assistant of such other Town officer, as the case may be.

The Board hereby initially and currently designates Chauncey McCarthy, Town Manager, as an Authorized Officer, as defined and as further provided in the Lease. The designation of Chauncey McCarthy as an Authorized Officer may hereafter be changed by motion of the Board.

Section 9. The Town hereby exercises its power as a home rule municipality, pursuant to Article XX of the Constitution of the State, to supersede any and all laws of the State and which may be in conflict herewith or with any provision of the Site Lease or the Lease.

Section 10. The Town hereby designates its obligations under the Lease as a qualified tax-exempt obligation for purposes of Section 265(b)(3)(B) of the Code. The Town does not expect to issue more than \$10,000,000 of tax-exempt obligations during calendar year 2023.

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

Section 12. If any provision of this ordinance or of any of the documents or instruments authorized or approved hereby, other than the requirement of the Town to pay Base Rentals and Additional Rentals and the requirement of the Bank to provide quiet enjoyment of the Leased Property, as defined in the Lease, and to release the Site Lease and convey the Leased Property to the Town under the conditions set forth in the Site Lease and the Lease, should be held invalid, the invalidity of such provision shall not affect any of the other provisions of this ordinance or of such documents or instruments.

Section 13. This ordinance following first reading shall be published by title at least ten (10) days prior the Board meeting at which it will be considered for a second reading.

After introduction and adoption at second reading, the ordinance shall be published a second time by title and along with a statement indicating the effective date. Pursuant to Section 3.5(e) of the Charter, this ordinance shall take effect and be in force immediately upon final passage following the second reading.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 15TH DAY OF MARCH, 2023.

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY THIS 17th DAY OF MAY, 2023.

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

The Effective Date of this Ordinance is May 17, 2023

EXHIBIT A
FORM OF SITE AND IMPROVEMENT LEASE AGREEMENT

After recordation, please return to:
David K. Lucas, Esq.
Sherman & Howard L.L.C.
675 Fifteenth Street, Suite 2300
Denver, Colorado 80203

SITE AND IMPROVEMENT LEASE AGREEMENT

This **SITE AND IMPROVEMENT LEASE AGREEMENT**, dated July 27, 2023 (this “Site Lease”), is by and between the **TOWN OF RICO**, as lessor (the “Town”), and **ZIONS BANCORPORATION, N.A. d/b/a VECTRA BANK COLORADO**, as lessee (the “Bank”).

WITNESSETH:

WHEREAS, the Town is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and the Town of Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to Section 14.1 of the Charter, the Board of Trustees of the Town (the “Board”) is authorized to purchase, sell, exchange, receive a donation of, enter into a lease for greater than two years, or dispose of any interest in real property including easements by ordinance; and

WHEREAS, pursuant to Section 7.1(e) of the Charter, the Board is authorized to enter into lease purchase and installment purchase agreements as a means of acquiring any real or personal property for public purposes; and

WHEREAS, the Town desires to acquire the real property described in Exhibit A attached hereto, together with any improvements located or to be located thereon, for the governmental purposes of the Town (collectively, the “Leased Property”); and

WHEREAS, concurrently with its acquisition of the Leased Property and for the purpose of financing the same, the Town desires to lease the Leased Property to the Bank pursuant to the terms of this Site Lease, and sublease the Leased Property back from the Bank pursuant to the terms of a Lease Purchase Agreement dated July 27, 2023 (the “Lease”) pursuant to the provisions of this Site Lease and the Lease; and

WHEREAS, pursuant to a resolution duly adopted by the Board on April 19, 2023, the Board has determined that it is in the best interests of the Town and its residents and taxpayers to: (a) execute and deliver this Site Lease and the Lease; and (b) pay the costs of executing and delivery this Site Lease and the Lease.

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

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease.

Section 2. Site Lease and Term. The Town hereby leases to the Bank and the Bank hereby leases from the Town, on the terms and conditions hereinafter set forth, the Leased Property described in Exhibit A attached hereto and made a part hereof, subject to Permitted Encumbrances as defined in Exhibit B attached hereto and made a part hereof.

The term of this Site Lease shall commence on the date hereof and shall end on December 1, 2052 (the "Site Lease Termination Date"), unless such term is sooner terminated as hereinafter provided. If prior to the Site Lease Termination Date, (a) all of the Leased Property has been conveyed to the Town pursuant to the Lease as a result of the Town's payment of (i) the related Option Price thereunder, or (ii) all Base Rentals and Additional Rentals as provided in Section 13.03 of the Lease; and (b) the Lease has been discharged, then the term of this Site Lease shall end immediately thereafter.

Section 3. Site Lease Rental. During the Lease Term of the Lease, the Town acknowledges receipt from the Bank as and for rental hereunder, the sum of \$[500,000] and other good and valuable consideration.

Section 4. Purpose. The Bank shall use the Leased Property solely for the purpose of leasing the Leased Property to the Town 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 Default under the Lease, the Town shall vacate the Leased Property in the manner provided in the Lease and the Bank may exercise the remedies provided in the Lease.

Section 5. Owner in Fee. The Town covenants that it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances described in Exhibit B hereto.

Section 6. Assignments and Subleases. The Bank may assign its rights and interest under this Site Lease to its affiliates provided that (a) the Bank provide the Town with 30 days prior written notice of any assignment of this Site Lease and (b) the assignee provide the town with an investor letter in substance and form satisfactory to the Town.

In the event that (a) the Lease is not renewed for any reason; and (b) this Site Lease is not terminated, the Bank may lease the Leased Property or any portion thereof, or sell an assignment of its interest in this Site Lease, pursuant to the terms of the Lease. The Town and the Bank (or any assignee or lessee of the Bank) agree that, except for Permitted Encumbrances (including purchase options under the Lease), neither the Town, the Bank, nor any lessee or assignee of the Bank will sell or mortgage or encumber (except the encumbrance represented by this Site Lease and any sale or assignment of the Bank's interest in this Site Lease) the Leased Property or any portion thereof during the term of this Site Lease.

Section 7. Right of Entry. The Town reserves the right, so long as no Event of Nonappropriation or Event of Default shall have occurred under the Lease, 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 8. Termination. The Bank agrees, upon the termination of this Site Lease, to quit and surrender 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 and title thereto shall vest in the Town.

Notwithstanding the provisions of Section 2 hereof, in the event that the Lease is held invalid or unenforceable as to one or more specific parts of the Leased Property leased hereunder by a final unappealable judgment which has the effect of terminating the entire Lease as to such parts of the Leased Property, such judgment shall also cause the termination of this Site Lease as to such parts of the Leased Property.

Section 9. Quiet Enjoyment and Acknowledgment of Ownership. The Bank at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property subject to the provisions of the Lease.

Section 10. Waiver of Personal Liability. The rental payment obligation under Section 3 hereof on the part of the Bank is solely a liability of the Bank, and the Town hereby releases each and every, member, director, employee and officer of the Bank of and from any personal or individual liability under this Site Lease. No member, director, employee or officer of the Bank shall at any time or under any circumstances be individually or personally liable for the rental payment obligation under Section 3 hereof.

Section 11. Taxes; Maintenance; Insurance. During the Lease Term and in accordance with the provisions of the Lease, the Town covenants and agrees to pay any and all assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon 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 Bank leases all or any portion of the Leased Property or sells an assignment of its interest in the Site Lease, the Bank, or any lessee or assignee of the Bank shall pay or cause to be paid when due, solely from the proceeds of such leasing or sale, if any, all taxes and assessments imposed thereon and maintain the Leased Property in good condition.

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 not renewed for any reason; (b) this Site Lease is not terminated; and (c) the Bank leases all or any portion of the Leased Property or sells an assignment of its interest in the Leased Property, the Bank, or any lessee or assignee of the Leased Property shall obtain and keep in force, solely from the proceeds of such leasing or sale and not otherwise, comprehensive general public 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.

For the avoidance of doubt, the Bank and any lessee or assignee of the Bank shall have no affirmative obligation to pay any amounts described in this Section 11 except from monies

received from the Town or received from the proceeds of any lease of the Leased Property or sale of the Bank's leasehold interest in the Leased Property.

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 not renewed 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 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 Town, the Bank and any lessee or assignee of the Bank shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article X of the Lease.

Section 13. Waiver of Jury Trial. The Town and Bank hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Site Lease or the actions of the Town or the Bank in the negotiation, administration, performance or enforcement hereof.

Section 14. Partial Invalidity; Integration. 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. This Site Lease contains the entire agreement between the Town and the Bank concerning the subject matter hereof, and supersedes all prior agreements, whether written or oral, between such parties as to said subject matter.

Section 15. 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.

Section 16. 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 17. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same Site Lease.

Section 18. No Merger. The Bank and the Town intend that the respective interests created by this Site Lease and the Lease shall be separate and distinct and the Lease and this Site Lease shall not be deemed merged in any respect or for any purpose.

IN WITNESS WHEREOF, the Town and the Bank have caused this Site Lease to be executed by their respective officers thereunto duly authorized all as of the day and year first above written.

TOWN OF RICO, as lessor

By _____
Mayor

Attest:

By _____
Secretary

ZIONS BANCORPORATION, N.A. D/B/A
VECTRA BANK COLORADO, as lessee

By _____
Vice President

STATE OF COLORADO)
) ss.
DOLORES COUNTY)

The foregoing instrument was acknowledged before me this ____ day of July, 2023, by Nicole Pieterse, Mayor of the Town of Rico.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My Commission expires:

STATE OF COLORADO)
) ss.
CITY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of July, 2023 by Ryan Morrill, a Vice President of Vectra Bank Colorado, a Colorado Banking Corporation.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

EXHIBIT B
PERMITTED ENCUMBRANCES

EXHIBIT B
FORM OF LEASE PURCHASE AGREEMENT

After recordation, please return to:
David K. Lucas, Esq.
Sherman & Howard L.L.C.
675 Fifteenth Street, Suite 2300
Denver, Colorado 80203

LEASE PURCHASE AGREEMENT

by and between

ZIONS BANCORPORATION, N.A. d/b/a VECTRA BANK COLORADO
as Lessor

and

TOWN OF RICO, COLORADO,
as Lessee

July 27, 2023

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This **LEASE PURCHASE AGREEMENT** (this “Lease”), dated July 27, 2023, is by and between **ZIONS BANCORPORATION, N.A. d/b/a VECTRA BANK COLORADO** (the “Bank”), and the **TOWN OF RICO** (the “Town”), as lessee.

W I T N E S S E T H :

WHEREAS, the Town is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and the Town of Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to Section 14.1 of the Charter, the Board of Trustees of the Town (the “Board”) is authorized to purchase, sell, exchange, receive a donation of, enter into a lease for greater than two years, or dispose of any interest in real property including easements by ordinance; and

WHEREAS, pursuant to Section 7.1(e) of the Charter, the Board is authorized to enter into lease purchase and installment purchase agreements as a means of acquiring any real or personal property for public purposes; and

WHEREAS, the Town desires to acquire the real property described in Exhibit A attached hereto, together with any improvements located or to be located thereon, for the governmental purposes of the Town (collectively, the “Leased Property”); and

WHEREAS, concurrently with its acquisition of the Leased Property and for the purpose of financing the same, the Town desires to lease the Leased Property to the Bank pursuant to the terms of a Site and Improvement Lease Agreement dated July 27, 2023 (the “Site Lease”), and sublease the Leased Property back from the Bank pursuant to the terms hereof; and

WHEREAS, pursuant to a resolution duly adopted by the Board on April 19, 2023, the Board has determined that it is in the best interests of the Town and its residents and taxpayers to: (a) execute and deliver the Site Lease and this Lease; and (b) pay the costs of executing and delivery the Site Lease and this Lease; and

WHEREAS, the Town’s obligation under this Lease to pay Base Rentals and Additional Rentals (both as defined herein) shall be from year to year only, shall constitute currently budgeted expenditures of the Town, 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 Town within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligations, nor a mandatory payment obligation of the Town in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect.

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

ARTICLE I

DEFINITIONS

Section 1.01. Terms Defined in Preamble and Recitals. The following terms shall have the meanings set forth in the preamble and recitals hereto:

Bank	Lease
Board	Leased Property
Lease	Site Lease
Charter	

Section 1.02. Additional Definitions. The following additional terms shall have the meanings specified below:

“*Additional Rentals*” means the cost of all (a) reasonable expenses and fees of the Bank related to the performance of the provisions of this Lease or otherwise incurred at the request of the Town; (b) taxes, insurance premiums, utility charges, maintenance, upkeep, repair, improvements and replacements in respect of the Leased Property; and (c) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the Town shall fail to pay the same, as specifically set forth herein) which the Town assumes or agrees to pay as Additional Rentals hereunder with respect to the Leased Property, including, without limitation, amounts payable pursuant to the provision included in the last paragraph of the definition of “Determination of Taxability.” Additional Rentals do not include Base Rentals.

“*Annual Compliance Certificate*” means the Annual Compliance Certificate attached hereto as Exhibit D.

“*Authorized Officer*” means (a) in the case of the Bank, the President, Vice President, any Assistant Vice President, Secretary-Treasurer, or Assistant Secretary and when used with reference to any act or document also means any other person authorized by resolution of the Bank to perform such act or execute such documents; and (b) in the case of the Town, means any person authorized by resolution of the Board to perform any act or execute any document hereunder.

“*Bank Qualification Adjustment Date*” means the date of any determination, decision, decree or advisement by the Commissioner, any Director of the Internal Revenue Service or Authorized Officer of the Bank to the effect that the Lease no longer qualifies as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code.

“*Base Rentals*” means the payments payable by the Town during the Lease Term pursuant to Section 6.01 hereof, as set forth in Exhibit B, which constitute the payments payable by the Town for and in consideration of the right to use the Leased Property during the Lease Term.

“*Base Rental Payment Dates*” means the 1st day of June and December in each Fiscal Year during the term of this Lease, commencing December 1, 2023.

“*Bond Counsel*” means Sherman & Howard L.L.C. or any other counsel experienced in matters of municipal law, satisfactory to the Town and the Bank, and listed in the “Red Book”

listing of municipal bond attorneys published semiannually by *The Bond Buyer* or any successor publication.

“*Code*” means the Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

“*Counsel*” means an attorney at law or law firm (who may be counsel for the Bank or the Town) who is not unsatisfactory to the Bank.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(a) on the date when the Bank files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(b) on the date when the Town shall be advised in writing by the Commissioner or any Town Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Town, or upon any review or audit of the Town or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(c) on the date when the Town shall receive notice from the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, the Interest Component due to the occurrence of an Event of Taxability; *provided*, however, no Determination of Taxability shall occur under subparagraph (b) or (c) hereunder unless the Town has been afforded the opportunity, at its expense, to contest any such assessment, which contest must commence within 60 days of an Event of Taxability, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, and irrespective of the forgoing contest rights, upon demand from the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, the Town shall promptly reimburse, but solely from Additional Rental payments made by the Town, Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, for any payments, including any taxes, interest, penalties or other charges, the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, shall be obligated to make as a result of the Determination of Taxability.

“*Environmental Laws*” means all federal, state and local laws, statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law relating to public health and safety, worker health and safety, pollution, the environment, wetlands, the preservation and reclamation of natural resources or waste management, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control

or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, solvents, urea formaldehyde, dioxins, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect. The term Environmental Law shall include (by way of illustration rather than limitation) the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 135, et seq., and the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq. and any regulations, guidelines, directives or other interpretations of any such enactment, all as amended from time to time.

“*Event of Default*” means one or more events of default as defined in Section 15.01 hereof.

“*Event of Nonappropriation*” means a failure to appropriate, or a decision by the Board not to appropriate, funds for Base Rentals or Additional Rentals in the current or ensuing Fiscal Year, as applicable, as described in Section 6.01(a) and (f) hereof, as applicable.

“*Event of Taxability*” means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Town, or the failure to take any action by the Town, or the making by the Town of any misrepresentation herein or in any certificate required to be given in connection with the execution and delivery of this Lease) which has the effect of causing the Interest Component to become includable, in whole or in part, in the gross income of the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing the Interest Component to become includable, in whole or in part, in the gross income of the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property.

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

“*Fiscal Year*” means the fiscal year of the Town.

“*Hazardous Materials*” means any hazardous, dangerous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance the manufacture, storage, transport, generation, use, treatment, exposure to, release, threatened release, discharge, remediation, cleanup, abatement, removal, possession, recycling, disposal or other disposition of which is prohibited or regulated (including without limitation, being subjected to notice, reporting, record keeping, or clean-up requirements) by any Environmental Law.

“*Independent Accountant*” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed

and paid by the Town, who (a) is, in fact, independent and not under the domination of the Town or the Board; (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Town (including as a citizen of the Town); and (c) is not connected with the Town as a member, officer or employee of the Board, but who may be regularly retained to make annual or similar audits of any books or records of the Town.

“*Index Rate*” means the Federal Home Loan Bank (“FHLB”) Des Moines (or its successor in interest) one-year fixed advance rate plus ninety-nine (99) basis points.

“*Initial Term*” means the period commencing on July 27, 2023, and ending on December 31, 2023.

“*Interest Component*” means the dollar amount calculated by applying the Interest Rate to the Lease Balance.

“*Interest Rate*” means the interest rate on the Lease Balance, which, prior to the occurrence of any Determination of Taxability, shall be at the rate of 5.25% per annum for all Base Rentals to but not including December 1, 2038, and thereafter, for the remainder of the Lease Term, shall be the Index Rate taking effect on each Reset Date. The Index Rate shall be determined by the Lessor five calendar days prior to each immediately succeeding Reset Date and shall go into effect on the related immediately succeeding Reset Date.

“*Lease Balance*” means the amount equal to \$[500,000] less the aggregate amount of the principal portion of Base Rentals paid or prepaid by the Town pursuant to this Lease, which amount is set forth in Exhibit B hereto in the column titled “Principal.”

“*Lease Effective Date*” means July 27, 2023.

“*Lease Remedy*” or “*Lease Remedies*” means any or all remedial steps provided in Section 15.02 hereof whenever an Event of Default or an Event of Nonappropriation hereunder has happened and is continuing.

“*Lease Term*” means the term of this Lease as provided in Sections 4.01 and 4.02 hereof.

“*Leased Property*” means, collectively, the real property described in Exhibit A attached hereto and the facilities, improvements, fixtures, equipment, furnishings and support facilities located thereon.

“*Maturity Date*” means December 1, 2042.

“*Net Proceeds*” when used with respect to any performance or payment bond proceeds, or proceeds of insurance, including self-insurance, required by this Lease, or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any contract relating to the Leased Property or proceeds from any Lease Remedy means the amount remaining after deducting from such proceeds (a) all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the Town or the Bank.

“*Non-Bank Qualified Rate*” means an interest rate per annum equal to []%.

“*Option Price*” means the Lease Balance plus any accrued interest thereon, which is payable on any date, at the option of the Town, for the purpose of terminating this Lease and purchasing the Leased Property pursuant to Article XII hereof, which amount shall be in addition to (a) any other amount for recording costs or other incidentals reasonably necessary to discharge the Town’s obligations under this Lease; (b) all Additional Rentals; and (c) all other amounts, if any, due hereunder.

“*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 Article VIII and Article IX hereof; (b) the Site Lease and this Lease; (c) utility, access and other easements and rights of way, restrictions and exceptions which an Authorized Officer of the Town certifies will not interfere with or impair the Town’s use of the Leased Property, including rights or privileges in the nature of easements as provided in Section 9.05 hereof; (d) any financing statements filed to perfect security interests pursuant to this Lease; and (e) the encumbrances set forth in Exhibit C attached hereto.

“*Project*” means the constructing and equipping of a public works facility on the real property described in Exhibit A attached hereto. The Project, as constructed and equipped over time, constitutes a portion of the Leased Property.

“*Renewal Term*” means the twelve-month period, commencing on January 1 of each year and ending on December 31 of the same year, for which the Town renews the Lease Term.

“*Reset Date*” means (a) initially December 1, 2038, and (b) following December 1, 2038, means each December 1 thereafter, commencing December 1, 2039, until the Maturity Date.

“*Site Lease*” means the Site and Improvement Lease Agreement July 27, 2023, by and between the Town and the Bank, with respect to the Leased Property.

“*State*” means the State of Colorado.

“*Taxable Date*” means the date on which the Interest Component of the Base Rentals payable hereunder becomes includable, in whole or in part, in the gross income of the Bank, or any assignee or sublessee of the Bank with respect to the Leased Property, as a result of an Event of Taxability as such date is determined pursuant to the definition of Determination of Taxability.

“*Taxable Interest Rate*” means, with respect to any Interest Component occurring after the Date of Taxability, the rate necessary to calculate a total payment in an amount sufficient such that the sum of such Interest Component plus an additional payment would, after being reduced by the federal tax (including interest and penalties) actually payable thereon, equal the amount of such Interest Component, such that the Bank would be made whole as if all of the Interest Component of the Base Rentals from the commencement of this Lease until it matures or is prepaid in full had been made at the rates as originally provided in Exhibit B, as adjusted.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Town. The Town represents, covenants and warrants as follows:

(a) The Town is a home rule municipality duly organized and existing under Article XX of the Constitution of the State of Colorado and the Charter. The Town is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations under this Lease, subject to all applicable statutory requirements. The Town has duly authorized and approved the execution and delivery of this Lease and all other documents necessary to be executed in connection with the execution of the Lease.

(b) The Leased Property will at all times be used in connection with the Town's governmental and proprietary purposes and functions (except to the extent that subleasing of the Leased Property by the Town is permitted by Section 14.01 hereof), and no portion of the Leased Property will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit of the State.

(c) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions of this 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 Town is now a party or by which the Town or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the Town, 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 Town, except for Permitted Encumbrances.

(d) There is no litigation or proceeding pending or threatened against the Town or any other person affecting the right of the Town to execute this Lease or the ability of the Town to make the annual appropriations for payments required hereunder or to otherwise comply with the obligations contained herein.

(e) The officers of the Town executing this Lease and any related documents have been duly authorized to execute and deliver this Lease and such related documents under the terms and provisions of a resolution duly adopted by the Board.

(f) This Lease is a legal, valid and binding obligation of the Town, enforceable in accordance with its terms, except to the extent limited by bankruptcy, reorganization, express provisions of the statutes of the State, or other laws of general application relating to or affecting the enforcement of creditors' rights.

(g) This Lease will be secured by the payment of Base Rentals and Additional Rentals.

(h) The Town will, at closing, transfer a leasehold interest in the Leased Property to the Bank pursuant to the Site Lease.

(i) The Town shall submit to the Bank its annual audited financial statements on the earlier of two (2) weeks following completion of its audit or two hundred seventy (270) days after the end of its Fiscal Year.

(j) The Town shall submit to the Bank its annual budget which shall include a line item for planned appropriation of funds to pay the Base Rentals at least 15 days prior to its Fiscal Year end.

(k) Simultaneously with the delivery of the audited financial statements referred to in subsection (i) of this Section, an Annual Compliance Certificate signed by an Authorized Officer of the Town in substantially the form attached hereto as Exhibit D: (i) stating that such officer has made a review of activities during the preceding period for the purpose of determining whether the Town has complied with all of the terms, provisions and conditions of this Lease and (ii) attesting that, to the best of his/her knowledge, the Town has kept, observed, performed and fulfilled each and every such covenant, provision and condition on its part to be performed and no Event of Default has occurred, or if an Event of Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition.

(l) The Town shall promptly provide to the Bank any other financial information reasonably requested by the Bank.

Section 2.02. Representations, Covenants and Warranties of the Bank. The Bank represents, covenants and warrants as follows:

(a) The Bank has all necessary power to enter into the transactions contemplated by this Lease and to carry out its obligations under this Lease, and the Bank has duly approved the execution and delivery of this Lease.

(b) Except as specifically provided in this Lease, the Bank will not pledge or assign its right, title and interest in and to this Lease (and the Base Rentals due hereunder) or any of its other rights under this Lease or assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in, to and under this Lease or the Leased Property, except for Permitted Encumbrances. The foregoing shall not prevent the Bank from participating, on a nonrecourse basis, all or a portion of its interest in this Lease to another bank or banks.

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

(d) Except as specifically provided in this Lease, the Bank will not assign its duties and obligations under this Lease to any other person, firm or corporation in such a manner as would impair or violate the representations, covenants and warranties contained in this Section 2.02.

(e) There is no litigation or proceeding pending or threatened against the Bank affecting the right of the Bank to execute this Lease and to perform its obligations hereunder.

(f) The Bank acknowledges and agrees that the Base Rentals and Additional Rentals hereunder shall constitute currently budgeted and appropriated expenditures of the Town and may be paid from any legally available funds. The Town's obligations under this Lease shall be from year to year only (as further provided in Article VI hereof), and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year.

ARTICLE III

LEASE OF LEASED PROPERTY

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

ARTICLE IV

LEASE TERM

Section 4.01. Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2023. This Lease may be renewed, solely at the option of the Town, provided, however, that the Lease Term shall terminate no later than December 31, 2042, except that the Renewal Term beginning on January 1, 2042 shall terminate upon the Town's payment of the final Base Rental payment as set forth in Exhibit B. The Lease Term does not exceed the weighted average useful life or the estimated term of usefulness of the Leased Property.

Section 4.02. Expiration of Lease Term. The Lease Term shall expire (a) upon the termination of the Bank's leasehold interest upon payment of the Option Price or all Base Rentals and Additional Rentals as provided in Section 13.03 hereof and all other amounts, if any, due hereunder; or (b) at the option of the Bank, on December 31 of any year in which an Event of Nonappropriation occurs.

ARTICLE V

ENJOYMENT OF LEASED PROPERTY

Except as expressly required or as otherwise permitted by this Lease, the Bank will allow the Town to peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble,

or hindrance from the Bank during the Lease Term. The Bank shall, at the request of the Town and at the cost of the Town, join and cooperate fully in any legal action in which the Town asserts 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 Town 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 V shall be subject to the Bank's right to inspect the Leased Property. The Town also hereby consents to the inspection by the Bank of all books, accounts and records maintained by the Town with respect to the Leased Property and this Lease.

ARTICLE VI

PAYMENTS BY THE TOWN

Section 6.01. Base Rentals and Additional Rentals; Annual Appropriation.

(a) The Town shall pay all Base Rentals directly to the Bank, on the Base Rental Payment Dates and in amounts as set forth in Exhibit B attached hereto and made a part hereof. Notwithstanding any provisions to the contrary contained herein, neither the Bank nor any subsequent successor shall be required to present the Lease to the Town to receive payment of any Base Rentals due hereunder.

(b) Notwithstanding subsection (a) of this Section 6.01, upon the occurrence of a Determination of Taxability, the Lease Balance shall bear interest at the Taxable Interest Rate from the Taxable Date and the Bank shall supply a revised Exhibit B to the Town to account for the Interest Component at the Taxable Interest Rate from the Taxable Date. Within 60 days of any Determination of Taxability, the Town shall appropriate any additional amount needed to pay additional interest due within the current Fiscal Year as a result of such Determination of Taxability, and such amounts shall be deemed an Additional Rental due hereunder. Additionally, to the extent there is a difference owed between (i) any interest paid on the Lease Balance by the Town on any Base Rentals Payment Date occurring on and after the Taxable Date and (ii) the interest that would have otherwise been owed by the Town on such Base Rentals Payment Date if interest had accrued at the Taxable Interest Rate, the Town shall pay such additional interest to the Bank as an Additional Rental hereunder within 60 days' of receipt of notice from the Bank detailing the same. Any failure of the Town to appropriate monies to pay the Additional Rentals due under this subsection (b) within the timeframes required by this subsection (b) shall constitute an Event of Nonappropriation hereunder. Notwithstanding the forgoing, and for the avoidance of doubt, nothing in this subsection (b) shall obligate the Town to appropriate monies for any ensuing Fiscal Year. Appropriations for any ensuing Fiscal Year are expressly subject to the terms and provisions of subsection (h) of this Section 6.01.

(c) Notwithstanding subsection (a) of this Section 6.01, the Lease Balance shall bear interest at the Non-Bank Qualified Rate from the Bank Qualified Adjustment Date and the Bank shall supply a revised Exhibit B to the Town to account for the Interest

Component at the Non-Bank Qualified Rate from the Bank Qualified Adjustment Date. Within 60 days of the Bank Qualified Adjustment Date, the Town shall appropriate any additional amount needed to pay additional interest due in the current Fiscal Year as a result of the Lease Balance bearing interest at the Non-Bank Qualified Rate from the Bank Qualified Adjustment Date, and such amounts shall be deemed an Additional Rental due hereunder. Additionally, to the extent there is a difference owed between (i) any interest paid on the Lease Balance by the Town on any Base Rentals Payment Date occurring prior to the Bank Qualified Adjustment Date and (ii) the interest that would have otherwise been owed by the Town on such Base Rentals Payment Date if interest had accrued at the Non-Bank Qualified Rate, the Town shall pay such additional interest to the Bank as an Additional Rental hereunder within 60 days' of receipt of notice from the Bank detailing the same. Any failure of the Town to appropriate monies to pay the Additional Rentals due under this subsection (c) within the timeframes required by this subsection (c) shall constitute an Event of Nonappropriation hereunder. Notwithstanding the forgoing, and for the avoidance of doubt, nothing in this subsection (c) shall obligate the Town to appropriate monies for any ensuing Fiscal Year. Appropriations for any ensuing Fiscal Year are expressly subject to the terms and provisions of subsection (h) of this Section 6.01. Additionally, following a Determination of Taxability, this subsection (c) shall not apply and only subsection (b) of this Section 6.01 shall apply.

(d) The Town may pay the then applicable Option Price to the Bank for the purpose of terminating this Lease in whole and terminate the Bank's leasehold interest in the Leased Property, on and after the described in Article XII hereof. The Town shall give the Bank notice of its intention to exercise its option not less than 30 days in advance of the date of exercise.

(e) The Town shall pay Additional Rentals during the Lease Term as herein provided. All Additional Rentals shall be paid by the Town on a timely basis directly to the person or entity to which such Additional Rentals are owed.

(f) The Base Rentals, Additional Rentals and the other amounts, if any, due hereunder shall be payable from and limited to legally available funds or revenues of the Town.

(g) It is the intention of the parties to this Lease that this Lease is subject to annual appropriation by the Board. This Lease (and the Base Rentals due hereunder) do not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the Town within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be general obligations of the Town.

(h) Not later than November 15 in each year, the Town's Town Manager, or other official charged with responsibility for preparation of the budget, shall include or cause to be included in the Town's proposed budget for the ensuing Fiscal Year, for consideration by the Board, the amount of Base Rentals and Additional Rentals estimated to become due hereunder in such ensuing Fiscal Year. The Board shall determine in its absolute discretion whether such items shall be included in the final budget as adopted. In the event that the Board has either (i) not adopted a proposed budget for the ensuing Fiscal

Year which includes such items by December 15 of the then current year; or (ii) notifies the Bank in writing of its intent not to appropriate for Base Rentals or Additional Rentals in the ensuing Fiscal Year, an Event of Nonappropriation shall be deemed to have occurred. If an Event of Nonappropriation occurs, the Town shall not be obligated to make payment of Base Rentals or Additional Rentals for the ensuing Fiscal Year or thereafter; provided that the Town shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the Town continues to occupy, use or retain possession of the Leased Property. The Town shall in all events promptly vacate and surrender possession of the Leased Property, but not later than February 1 of the Fiscal Year as to which an Event of Nonappropriation has occurred.

Section 6.02. Interest Component. A portion of the Base Rentals paid by the Town on each Base Rental Payment Date is the Interest Component.

Section 6.03. Manner of Payment. The Base Rentals and, if paid, the Option Price, shall be paid or prepaid by the Town by certified funds or other method of payment acceptable to the Bank in lawful money of the United States of America to the Bank at its principal office located at 1 South Main Street, 17th Floor, Salt Lake City, Utah 84133, unless otherwise directed in writing by the Bank.

The obligation of the Town to pay the Base Rentals and Additional Rentals during the Lease Term shall be absolute and unconditional, payable from all legally available sources, and payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances, or by the Bank under this Lease, or under any other agreement between the Town and the Bank, or for any other reason, 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 Bank to perform and observe any agreement, whether express 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 special and limited nature of the Town's obligation to make payments hereunder and the right of the Board to decline to appropriate funds as set forth in Section 6.01 above, and further subject to the Town's rights under Sections 8.02 and 9.03 hereof. Notwithstanding any dispute between the Town and the Bank, the Town shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals when due and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute (except to the extent permitted by Sections 8.02 and 9.03 hereof with respect to certain Additional Rentals), nor shall the Town assert any right of setoff or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Bank shall affect the Town's obligation to pay all Base Rentals and Additional Rentals (except to the extent provided by Sections 8.02 and 9.03 hereof with respect to certain Additional Rentals), during the Lease Term.

Section 6.04. Budget and Appropriation of Sums. No provisions of any constitution, charter, statute, ordinance, resolution, or other order or measure enacted after the execution and delivery of this Lease shall in any manner be construed as limiting or impairing the obligation of the Town to keep and perform the covenants contained in this Lease so long as Base Rentals or Additional Rentals which have been budgeted and appropriated for remain outstanding and unpaid.

ARTICLE VII

PAYMENT OF PURCHASE PRICE OF LEASED PROPERTY

Section 7.01. Transfer to Town. On the Lease Effective Date, an amount of proceeds equal to \$[_____] will be transferred to the Town for use in constructing and equipping the Project.

Section 7.02. Costs of Issuance. On the Lease Effective Date, an amount of proceeds equal to \$[_____] will be used to pay the costs of issuance in connection with execution of this Lease. The proceeds for the costs of issuance shall be disbursed in accordance with the instructions included in a closing memorandum to be dated the Lease Effective Date.

ARTICLE VIII

THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 8.01. The Leased Property. Pursuant to the Site Lease, the Bank shall have a leasehold interest in the Leased Property and any and all additions and modifications thereto and replacements thereof.

Section 8.02. No Encumbrance, Mortgage or Pledge of Leased Property. The Town shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Town shall first notify the Bank of the intention of the Town to do so, the Town 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 so long as the Town provides the Bank with an opinion of Counsel stating that by nonpayment of any such items the Bank title to or lien on the Leased Property will not be materially endangered, or the Leased Property or any part thereof will not be subject to loss or forfeiture, in which event the Town 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 Bank will cooperate fully with the Town in any such contest, upon the request and at the expense of the Town. Except as may be permitted by this Lease, neither the Bank nor the Town shall 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 Town and the Bank shall promptly, at their own respective expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which each shall respectively have created, incurred, or suffered to exist.

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.01. Maintenance of the Leased Property by the Town. The Town agrees that at all times during the Lease Term the Town 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 that the Town will from time to time make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 10.03 of this Lease. The Bank shall not have any responsibility for such maintenance or repairs or for the making of any additions, modifications or replacements to the Leased Property.

Section 9.02. Modification of the Leased Property; Installation of Furnishings and Machinery of the Town. The Town shall have the privilege of making substitutions, additions, modifications and improvements to any portion of the Leased Property, at its own cost and expense; and the same shall be subject to this Lease, and shall be included under the terms of this Lease; provided, however, that such substitutions, 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 lawful governmental or proprietary functions of the Town (except to the extent of subleasing permitted under Section 14.02 hereof); and provided that the Leased Property, as improved or altered, upon completion of such substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of substitutions, additions, modifications and improvements.

The Town 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 any Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Town in which the Bank shall not have any interests; provided, however, that any such machinery, equipment and other tangible property which becomes permanently affixed to any Leased Property shall be subject to this Lease, and shall be included under the terms of this Lease, in the event the Bank shall reasonably determine that such Leased Property would be materially damaged or impaired by the removal of such machinery, equipment or other tangible property.

Section 9.03. Taxes, Other Governmental Charges and Utility Charges. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Town shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. In the event that the Bank has exercised any remedy upon an Event of Default or an Event of Nonappropriation, the Town agrees that it shall treat the Leased Property as property owned by the Town for the purposes of Town taxation, assessments or other governmental charges. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Town 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 Town shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the Bank), or the rentals and revenues derived therefrom or hereunder. The Town shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges incurred in the maintenance and upkeep of the Leased Property.

The Town 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 so long as the Town provides the Bank with an opinion of Counsel stating that by nonpayment of any such items the security afforded pursuant to will not be materially endangered or the Leased Property or any portion thereof will not be subject to loss or forfeiture, or the Bank will not be subject to liability, and if such opinion of Counsel is not provided, 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 9.04. Provisions Regarding Liability, Property and Workers' Compensation Insurance. The Town shall, at its own expense, cause casualty and/or property insurance to be carried and maintained with respect to the Leased Property in an amount equal to the replacement value of the Leased Property. Such insurance policy may have a deductible clause in an amount not to exceed \$25,000. The Town may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other property as well, as long as such blanket insurance policies comply with the requirements hereof. Any property insurance policy required by this Section 9.04 shall be so written or endorsed as to show the Bank as loss payee and/or additional insureds and to make losses exceeding \$25,000, if any, payable to the Town and the Bank as their respective interests may appear.

Upon the execution and delivery of this Lease, the Town shall, at its own expense, cause public liability insurance, including blanket contractual liability or specific contractual liability insurance for this agreement; and public officials' errors and omissions coverage to be carried and maintained with respect to the activities to be undertaken by the Town and its officers, officials, agents and employees in connection with the use and possession of the Leased Property. All such policies (other than errors and omissions) shall show the Town and all officers and employees thereof, and the Bank as additional insureds. Such coverage shall be in amounts not less than the limits of liability per occurrence set by the Colorado Governmental Immunity Act as the same may from time to time be amended, for claims to which the defense of sovereign immunity applies. The public liability insurance required by this Section 9.04 may be by blanket insurance policy or policies.

The Town shall, at its own expense, cause worker's compensation insurance to be procured and maintained covering the Town's employees working in or on the Leased Property. Such insurance, if issued by a private carrier, shall contain a provision that such coverage shall not be canceled without 10 days' prior written notice to the Town and the Bank. A certificate issued by the Colorado State Insurance Fund or a private carrier evidencing such coverage shall be provided by the Town to the Bank. The worker's compensation insurance required by this Section 9.04 may be by blanket insurance policy or policies.

If, at any time during the term of this Lease, it is determined that any part of the Leased Property is located in a flood zone, as determined in accordance with 12 CFR Chapter 1, Part 22 or its successor (the "Flood Insurance Regulations"), the Town, at its own expense, shall obtain and maintain for the entire term of this Lease, flood insurance covering the Leased Property in such form and amount as is required under the Flood Insurance Regulations. If at any time during the term of this Lease the Town shall fail to maintain such adequate flood insurance, the Bank may, to the extent permitted by law, purchase such insurance on the Town's behalf, and the cost

thereof shall be deemed to be Additional Rentals payable by the Town on the Bank's demand as specified in this Lease. The Town shall provide evidence of the renewal or replacement of such flood insurance at least 15 days prior to its expiration.

Each property and liability insurance policy provided for in this Section 9.04 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the Bank without first giving written notice thereof to the Town and the Bank at least 30 days in advance of such cancellation or modification. In the event that the Town has received such notice of cancellation or modification, it shall immediately furnish to the Bank a new insurance policy or certificate evidencing such policy replacing the canceled or modified policy and effective on or before the effective date of such cancellation or modification.

The Town shall provide certified copies of all insurance policies required under this Section or certificates of insurance with appropriate endorsements attached evidencing that the parties have been named as loss payee and/or additional insureds and that the 30 days' notice of cancellation provision is in effect. A certificate of insurance will be acceptable evidence of insurance at closing. All insurance policies issued pursuant to this Section 9.04 or certificates evidencing such policies, shall be deposited with the Bank. No agent or employee of the Town shall have the power to adjust or settle any loss with respect to the Leased Property, whether or not covered by insurance, without the prior written consent of the Bank; except that losses not exceeding \$25,000 may be adjusted or settled by the Town without the Bank's consent.

Section 9.05. Granting of Easements. As long as no Event of Default or Event of Nonappropriation shall have happened and be continuing, the Bank may in its discretion at any time or times, but only upon the request of the Town, grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in this Lease, free from this Lease and any security interest or other encumbrance created hereunder or thereunder, and the Bank may in its discretion release existing easements, licenses, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration, and shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of (a) a copy of the instrument of grant or release; and /or (b) a written application signed by an Authorized Officer of the Town requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.01. Damage, Destruction and Condemnation. If, during the Lease Term, (a) the Leased Property or any portion thereof shall be destroyed, in whole or in part, or damaged by fire or other casualty; (b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Town or the Bank in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental

body or by any person, firm or corporation acting under governmental authority; (c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall be lost by reason of a defect in title thereto; then the Town shall continue to be obligated to continue to pay the amounts specified in Section 6.01 of this Lease.

Section 10.02. Obligation of the Town To Repair and Replace the Leased Property.

The Town and, to the extent such Net Proceeds are within its control, the Bank shall cause the 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 Town upon receipt of requisitions acceptable to the Bank, and with the written approval of the Bank, signed by an Authorized Officer of the Town (a) stating with respect to each payment to be made, (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against such funds and has not been the basis of any previous withdrawal; (v) that all conditions required by this Lease to be met prior to such payment have been satisfied; and (vi) that the disbursement requested will be used for the cost of such repair, restoration, modification, improvement or replacement of the Leased Property; (b) specifying in reasonable detail the nature of the obligation; and (c) accompanied by a bill, invoice or a statement of account for such obligation.

For the purpose of effecting the collection of Net Proceeds, the Town and the Bank agree to cooperate and use their best reasonable efforts to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. In carrying out any of the provisions of this Section 10.02, the Town shall have all power and authority granted under this Lease; and the Bank shall cooperate with the Town in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section 10.02. The balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed shall be applied to the payment of Base Rentals. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Town, subject to this Lease and shall be included as part of the Leased Property under this Lease.

Section 10.03. Insufficiency of Net Proceeds. If the Net Proceeds plus any amounts withheld from such Net Proceeds by reason of any deductible clause shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 10.02 of this Lease, the Town may elect to:

(a) complete the work or replace such Leased Property, or portion thereof, with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the Town are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the Town agrees that, if by reason of any such insufficiency of the Net Proceeds, the Town shall make any payments pursuant to the provisions of this Section 10.03(a), the Town shall not be entitled to any reimbursement

therefor from the Bank, nor shall the Town be entitled to any diminution of the Base Rentals and Additional Rentals payable under Section 6.02 of this Lease; or

(b) apply the Net Proceeds to the payment of the Option Price in accordance with Article XII of this Lease. In the event of an insufficiency of the Net Proceeds for such purpose, the Town shall pay such amounts as may be necessary to equal the then applicable Option Price; and in the event the Net Proceeds shall exceed the Option Price, such excess shall be retained by the Town.

The above referenced election shall be made by the Town within 90 days of the occurrence of an event specified in Section 10.01 of this Lease.

Section 10.04. Cooperation of the Bank. At the expense of the Town, the Bank shall cooperate fully with the Town in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.01 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the prosecution of any action relating to the enforcement of all warranties relating to the Leased Property. In no event shall the Bank 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, or any action with respect to the Leased Property or any portion thereof without the written consent of the Town, which consent from the Town shall not be unreasonably withheld.

ARTICLE XI

CLOSING CONDITIONS

Section 11.01. Conditions Precedent. The Bank's obligations under this Agreement to demise and lease the Leased Property to the Town in accordance with the provisions of the Lease shall be conditioned upon performance by the Town of its obligations to be performed hereunder and shall also be subject to the following additional conditions, including the delivery by the Town of the following executed documents, in form and substance satisfactory to the Bank:

(a) One certified copy of the resolution adopted by the Board on April 19, 2023 authorizing the Town to execute and deliver the Site Lease and this Lease;

(b) An opinion of the Town's Counsel dated the date hereof and addressed to the Bank stating that to the best of its knowledge, there is no action, suit, or proceeding pending in which the Town is a party, nor is there any contract to which the Town is a party that which, if determined adversely against the Town would have a material adverse effect upon the Site Lease or the Lease.

(c) An opinion of Bond Counsel dated the date hereof and addressed to the Bank concerning the validity and enforceability of the Site Lease and this Lease; and

(d) A certificate from an authorized officer of the Town stating that all representations and warranties contained in this Lease are true and correct in all material respects as of the date hereof.

ARTICLE XII

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 12.01. Disclaimer of Warranties. The Bank does 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 Town hereby acknowledges and declares that the Town is solely responsible for the design, construction, acquisition, installation, maintenance and operation of the Leased Property, and that the Bank shall have no responsibility therefor. For the purpose of enabling the Town to discharge such responsibility, the Bank constitutes and appoints the Town as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the Town, all manufacturer's warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Bank may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. In no event shall the Bank be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Town of any item, product or service provided for herein.

Section 12.02. Further Assurances and Corrective Instruments. The Bank and the Town agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

Section 12.03. Compliance With Requirements. During the Lease Term, the Town and the Bank shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof; provided that the Town or the Bank 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 or any portion thereof.

Section 12.04. Covenant To Comply With Internal Revenue Code. The Town certifies and covenants that it will not knowingly direct or otherwise cause the investment or use of any moneys in any fund or account in connection with this Lease (including any moneys reasonably expected to be used to pay the Base Rentals thereon, whether or not held by the Bank; and regardless of whether any such moneys were derived from the proceeds disbursed by the Bank in connection with this Lease or from any other source), in a manner which will cause this Lease to be classified as an "arbitrage bond" within the meaning of the Code.

The Town further covenants that it will perform all acts within its power which are or may be necessary to insure that the Interest Component will at all times remain excludable from gross income for federal income tax purposes under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended.

Section 12.05. Access To Leased Property. The Town agrees that the Bank and any authorized representative of the Bank shall have the right at all reasonable times to examine and

inspect the Leased Property and all of Town's books and records with respect thereto. The Town further agrees that the Bank and any such representative 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 Town to perform its obligations under this Lease.

Section 12.06. Further Assurances. At any and all times the Town shall, so far as it may be authorized by law, pass, make, do execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, and any other funds hereby pledged or assigned, or intended so to be, or which the Town may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this Lease. The Town, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of all funds and accounts pledged hereunder and all the rights of the Bank against all claims and demands of all persons.

Section 12.07. Conditions Precedent. Upon the date of execution and delivery of this Lease, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Code and this Lease to exist, to have happened, and to have been performed precedent to or in the execution and delivery of this Lease shall exist, have happened and have been performed, and this Lease, together with all other obligations of the Town, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State, or the Code.

Section 12.08. Records and Accounts. The Town will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds referred to herein.

Section 12.09. Rules, Regulations and other Details. The Town shall observe and perform all of the terms and conditions contained in this Lease and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Town.

Section 12.10. Federal Income Tax Exclusion.

(a) **General.** The Town intends that the Interest Component shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations (the "Regulations"). The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Interest Component to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes. In particular, the Town covenants and agrees to comply with each requirement of this Section 12.11; provided, however, that the Town shall not be required to comply with any particular requirement of this Section 12.11 if the Town has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of

Interest Component or if the Town has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 12.11 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 12.11.

(b) ***No Private Use or Payment and No Private Loan Financing.*** The Town covenants and agrees that it will make such use of the proceeds of the Site Lease including interest or other investment income derived from Site Lease proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that this Lease will not be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. Moreover, the Town shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date this Lease is delivered, that the proceeds of the Site Lease will not be used in a manner that would cause this Lease to be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder.

(c) ***No Federal Guarantee.*** The Town covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause this Lease to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such Regulations.

(d) ***No Hedge Bonds.*** The Town covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause this Lease to be considered a "hedge bond" within the meaning of Section 149(g) of the Code and the applicable Regulations thereunder.

(e) ***No Arbitrage.*** The Town covenants and agrees that it will make such use of the proceeds of the Site Lease including interest or other investment income derived from Site Lease proceeds, regulate investments of proceeds of the Site Lease, and take such other and further action as may be required so that this Lease will not be considered an "arbitrage bond" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the Town shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date this Lease is delivered, the Town will reasonably expect that the proceeds of the Site Lease will not be used in a manner that would cause this Lease to be considered an "arbitrage bond" within the meaning of Section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) ***Arbitrage Rebate.*** If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town on the investment of the "gross proceeds" of the Site Lease

(within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Town will (i) maintain records regarding the investment of the gross proceeds of the Site Lease as may be required to calculate the amount earned on the investment of the gross proceeds of the Site Lease separately from records of amounts on deposit in the funds and accounts of the Town allocable to other bond issues or lease obligations of the Town or moneys which do not represent gross proceeds of any bond issues or lease obligations of the Town; (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Site Lease which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of the Site Lease or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Town will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Site Lease that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The Town covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the calendar quarter in which this Lease is executed, an information statement concerning the Site Lease and this Lease, all under and in accordance with Section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Lease, the Town's obligations under the covenants and provisions of this Section 12.11 shall survive the defeasance and discharge of this Lease.

(i) **Bank Qualification of Town's Base Rental Obligation.** The Town reasonably expects that the total amount of "tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code") to be issued by it during the calendar year 2023, including its obligations under this Lease, will not exceed \$10,000,000. Accordingly the Town designates this Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Code.

Section 12.11. Financial Reporting. The Town, annually following the close of each Fiscal Year, shall order an audit for the Fiscal Year of the books and accounts pertaining to the Town to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each fund or account pertaining to the Town. During the Lease Term, the Lessee covenants and agrees to provide the Bank: (i) a copy of the Lessee's final annual budget for each fiscal year within two (2) weeks of completion or within two hundred seventy (270) days of Fiscal Year end; and (iii) any other financial reports the Bank may reasonably request from time to time.

Section 12.12. Environmental Matters. The real property included in the Leased Property is properly zoned for its current and anticipated use and such use will not violate any applicable zoning, land use, Environmental Laws or similar law or restriction. The Town has all licenses and permits to use the Leased Property. The Town shall comply with all Environmental Laws and shall not store, dispose, use, generate, or manufacture any Hazardous Materials at, on or near the Leased Property or in connection with the operation of its Leased Property. The Town and all activities of the Town at its facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to the Town with respect thereto. The Town is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which the Town is aware. The Town is not aware of, nor has the Town received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws..

To the extent permitted by law and subject to appropriation, the Town will indemnify, defend and hold the Bank harmless from and against any claims, loss or damage to which the Bank may be subjected as a result of (i) the presence or use of, generation, storage, release, threatened release, or disposal of Hazardous Materials by any person on, in or under the Leased Property; (ii) the use of the Leased Property or any part thereof as a dump site, permanent or temporary storage site or transfer station for any Hazardous Materials; (iii) the violation of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property; and (iv) any action or proceeding before any court, quasi-judicial body or administrative agency relating to the enforcement of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property, including, without limitation, all foreseeable and all unforeseeable consequential damages, directly or indirectly arising out of the use, generation, manufacture, storage, or disposal of Hazardous Materials, by the Lessee or any prior owner or operator of the Leased Property, including, without limitation, the cost of any required and necessary repair, cleanup, remediation, or detoxification and the preparation of any disclosure, or other required plans. This indemnification shall survive the termination of this Lease.

Section 12.13. Fees, Expenses and Indemnification. The Lessee, will, to the extent permitted by applicable law, agree to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

ARTICLE XIII

CONVEYANCE OF THE LEASED PROPERTY

Section 13.01. Prepayment. The Lease Balance is prepayable in whole or in part at any time.

Section 13.02. Option. The Town shall have the option to terminate the Bank's leasehold interest in the Leased Property at any time by paying the Option Price on any date set forth in Section 13.01 hereof. The Town shall give the Bank notice of its intention to exercise its option to terminate the Bank's leasehold interest in the Leased Property not less than 30 days in advance of the date of exercise.

Section 13.03. Conveyance of the Leased Property. The Bank shall transfer, convey and release the Leased Property to the Town in the manner provided for in Section 13.04 of this Lease; provided, however, that prior to such transfer, conveyance and release, either:

- (a) the Town shall have paid the then applicable Option Price; or
- (b) the Town shall have paid all Base Rentals set forth in Exhibit B, all then current Additional Rentals required to be paid hereunder and all other amounts, if any, due hereunder, in which case the Bank shall transfer, convey and release the Leased Property to the Town by releasing the Lease.

The Town is hereby granted the option to terminate this Lease from time to time upon payment by the Town of the then applicable Option Price pursuant to Section 13.02 hereof.

Section 13.04. Manner of Conveyance. At the closing of any release of the Leased Property pursuant to Section 13.03 of this Lease, the Bank shall execute and deliver to the Town such releases of the Lease and other documents necessary to terminate the Bank's leasehold interest.

ARTICLE XIV

ASSIGNMENT AND SUBLEASING

Section 14.01. Assignment and Subleasing by the Town. This Lease may not be assigned by the Town 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 Town, without the necessity of obtaining the consent of the Bank; subject, however, to each of the following conditions:

- (a) The Leased Property may be subleased, in whole or in part, only to an agency or department or political subdivision of the State, or to another entity or entities if, in the opinion of Bond Counsel, such sublease will not impair the exclusion from gross income for purposes of federal income tax of the Interest Component.
- (b) This Lease, and the obligations of the Town hereunder, shall, at all times during the Lease Term, remain obligations of the Town subject to Section 6.01 hereof, and the Town shall maintain its direct relationships with the Bank, notwithstanding any sublease.
- (c) The Town shall furnish or cause to be furnished to the Bank a copy of any sublease agreement.

ARTICLE XV

EVENTS OF DEFAULT AND REMEDIES

Section 15.01. Events of Default Defined. Any one of the following shall be an Event of Default under this Lease:

(a) failure by the Town to pay any Base Rentals or Additional Rentals when the same become due;

(b) failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder or under any certificates executed and delivered by the Town in connection with the delivery of this Lease, other than as referred to in clause (a) or (c), for a period of 45 days after written notice, specifying such failure and requesting that it be remedied, shall be given to the Town by the Bank, unless the Bank shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not withhold its consent to an extension of such time if, in the Bank's judgment, corrective action can be instituted by the Town within the applicable period and diligently pursued until the default is corrected. Such consent by the Bank shall not be unreasonably withheld;

(c) failure by the Town, for a period of 10 days after written notice, specifying such failure and requesting that it be remedied, shall be given to the Town by the Bank, to maintain insurance as required hereunder;

(d) any representation or warranty made by the Town herein or in any other document or certificate provided by the Town to the Bank proves to have been untrue in any material respect when made; or

(e) the filing by the Town of a petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the Town to carry on its governmental functions or assignment by the Town for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of the Town, or the dissolution or liquidation of the Town.

Section 15.02. Remedies on Default or Event of Nonappropriation. Whenever any Event of Default or Event of Nonappropriation shall have happened:

(a) The Town shall, upon demand of the Bank, immediately surrender the possession and management of the Leased Property to the Bank or its assignees or lessees.

(b) Following any such surrender of possession, the Bank may lease or sublease the Leased Property or any portion thereof or sell an assignment of any interest the Bank has in the Leased Property.

(c) The Bank may proceed by appropriate court action to enforce specific performance by the Town of the covenants herein or to recover for the breach thereof, include the payment of all amounts due from the Town.

Section 15.03. Limitations on Remedies; No Remedy Exclusive. A judgment requiring the payment of money may be entered against the Town by reason of an Event of Default only for the amount of Base Rentals and Additional Rentals (a) which would otherwise have been payable hereunder during any period in which the Town continues to occupy, use or possess the Leased Property; or (b) which would otherwise have been payable during the Fiscal Year in which such Event of Default occurs. A judgment requiring the payment of money may be entered against the Town by reason of an Event of Nonappropriation only for the amount of Base Rentals and Additional Rentals (i) which would otherwise have been payable hereunder, or (ii) accruing to the extent that the Town fails to vacate and surrender possession of the Leased Property as required by Section 6.01(f) of this Lease. No remedy herein conferred upon or reserved to the Bank 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 Bank to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 15.04. Waivers. The Bank may waive any Event of 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.

Section 15.05. Agreement To Pay Attorneys' Fees and Expenses. To the extent permitted by law, 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 and 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 the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction.

Section 15.06. Waiver of Jury Trial. Town and Bank hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Town or Bank in the negotiation, administration, performance or enforcement hereof.

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Sovereign Powers of Town. Subject to the provisions of Section 12.14 hereof, nothing in this Lease shall be construed as diminishing, delegating or otherwise restricting

any of the sovereign powers of the Town. Nothing in this Lease shall be construed to require the Town to exercise its right to terminate the Bank's leasehold interest in the Leased Property as provided in Article XIII hereof.

Section 16.02. Notices. All notices, certificates or other communications 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 Town, to Town of Rico, P.O. Box 9, 2 Commercial St., Rico, Colorado 81332, Attention: Town Manager, and if to the Bank, to Zions Bancorporation, N.A. 1 South Main Street, 17th Floor, Salt Lake City, Utah 84133, Attention: Kirsi Hansen. The Town and the Bank may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Town and their respective successors and assigns, subject, however, to the limitations contained in Article XIV of this Lease.

Section 16.04. Net Lease. This Lease shall be deemed and construed to be a "net lease," and the Town shall pay absolutely net during the Lease Term, the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 16.05. 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 16.06. Severability; Integration. In the event that any provision of this Lease, (other than the requirement of the Town to pay Base Rentals in accordance with Section 6.01 and the requirement of the Bank to provide quiet enjoyment of the Leased Property under the conditions set forth in Article V of this Lease, and the requirement that the obligation of the Town to pay Base Rentals and Additional Rentals under this Lease are subject to the limitations of Section 6.01 hereof) shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

This Lease constitutes the entire agreement between the Town and the Bank concerning the subject matter hereof, and supersedes all prior agreements, whether written or oral, between such parties as to such subject matter.

Section 16.07. 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 16.08. Applicable Law; Uniform Commercial Code Security Agreement. This Lease shall be governed by and construed in accordance with the laws of the State. This Lease shall be deemed a security agreement for purposes of the Colorado Uniform Commercial Code with respect to any filings of financing statements covering the Leased Property.

Section 16.09. 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 16.10. No Merger. The Town and the Bank intend that the respective interests created by the Site Lease and this Lease shall be separate and distinct, and this Lease and the Site Lease shall not be deemed merged in any respect or for any purpose.

Section 16.11. Patriot Act Notice. The Bank hereby notifies the Town that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Town, which information includes the name and address of the Town and other information that will allow the Bank to identify the Town in accordance with the Patriot Act. The Town hereby agrees that it shall promptly provide such information upon request by the Bank.

Section 16.12. No Rating, CUSIP Number or Securities Depository. The Lease has not been rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number 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.

[The remainder of this page intentionally left blank.]

WITNESS the due execution hereof as of the day and the year first mentioned above.

ZIONS BANCORPORATION, N.A. D/B/A
VECTRA BANK COLORADO, as lessor

By _____
Vice President

TOWN OF RICO, as lessee

By _____
Mayor

Attest:

Secretary

STATE OF COLORADO)
) ss.
CITY OF DENVER)

The foregoing instrument was acknowledged before me this ____ day of July, 2023 by Ryan Morrill, an Vice President of Vectra Bank Colorado, a Colorado Banking Corporation.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My commission expires:

STATE OF COLORADO)
) ss.
DOLORES COUNTY)

The foregoing instrument was acknowledged before me this ____ day of July, 2023, by Nicole Pieterse, Mayor of the Town of Rico.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My Commission expires:

EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY

EXHIBIT B
BASE RENTALS SCHEDULE

EXHIBIT C
PERMITTED ENCUMBRANCES

EXHIBIT D

FORM OF ANNUAL COMPLIANCE CERTIFICATE

For the Fiscal Year Ended December 31, 20__

The undersigned, as an authorized officer of and on behalf of the Town of Rico, a duly and regularly created, organized and existing municipal corporation, existing as such under and by virtue of the Constitution and laws of the State of Colorado (the “Town”), in connection with the Lease Purchase Agreement, July 27, 2023 (the “Lease”), between the Town, as lessor, and Zions Bancorporation, N.A. d/b/a Vectra Bank Colorado, a Colorado Banking Corporation, as lessee (the “Bank”), hereby attests as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Lease Purchase Agreement):

1. The undersigned is an authorized officer of the Town.

2. The undersigned has made a review of activities during the preceding period for the purpose of determining whether the Town has complied with all of the terms, provisions and conditions of the lease documents to which the Town is a party, except as described below, if applicable.

3. To the best of his/her knowledge, the Town has kept, observed, performed and fulfilled each and every such covenant, provision and condition on its part to be performed and no Event of Default or noncompliance has occurred.

[or]

An Event of Default or noncompliance under the Lease has occurred and is continuing. Such Event of Default or noncompliance and the actions the Town is taking to remedy or terminate such Event of Default or noncompliance are described below:

[description of Event of Default and remedial actions being taken]

[description of noncompliance, if any]

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the _____ day of _____, _____.

TOWN OF RICO

By: _____

Title: _____

**TOWN OF RICO
ORDINANCE NO. 2023-03**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO EXTENDING
THE TEMPORARY MORATORIUM ON THE ACCEPTANCE OF NEW
LAND USE APPLICATIONS FOR MAJOR OR MINOR SUBDIVISIONS,
AND RESIDENTIAL OR COMMERCIAL PLANNED UNIT
DEVELOPMENTS.**

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to C.R.S. §§ 29-20-101 *et seq.*, 31-15-101 *et seq.*, and 31-23-101 *et seq.*, the Town has broad authority to ensure the health, safety and welfare of the community and its residents; and

WHEREAS, by Ordinance No. 2022-13, the Town imposed a temporary moratorium on the acceptance of new applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments through June 30, 2023 while it reviewed alternatives for water system improvements to increase water availability as well as options for funding said improvements;

WHEREAS, the Town continues to evaluate improvement and funding alternatives to increase water availability to meet the demands of future growth and development within the Town; and

WHEREAS, in order to promote the public health, safety, and welfare of the Town’s residents, the Board of Trustees finds it is necessary to extend the temporary moratorium on new applications for Major or Minor Subdivisions and for Residential or Commercial Planned Unit Developments.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. Upon the effective date of this Ordinance, the Town of Rico hereby extends the temporary moratorium on the acceptance of all applications for approval of minor or major subdivisions submitted under Article V of the Rico Land Use Code (“RLUC”), and all applications for approval of Residential or Commercial Planned Unit Developments submitted under Article III of the RLUC, as enacted by Ordinance No. 2022-13, which is incorporated by this reference, until December 30, 2023. This temporary moratorium shall automatically terminate on December 30, 2023, unless terminated earlier by the Board of Trustees or extended in its duration by enactment of another Ordinance.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON 17TH DAY OF MAY, 2023.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON 21ST DAY OF JUNE, 2023.

TOWN OF RICO, COLORADO

Nicole Pieterse, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: June 21, 2023

AN INTERGOVERNMENTAL AGREEMENT FOR TRANSPORTATION SERVICES FOR SENIOR CITIZENS OF THE TOWN OF RICO, COLORADO BY MONTEZUMA COUNTY TRANSPORTATION - PILOT PROGRAM

This agreement ("Agreement") is made and entered into on the date of the last signature by and between Montezuma County, Colorado ("County") and the Town of Rico, Colorado ("Town").

WHEREAS, the County operates a transit system; and

WHEREAS, the Town has identified a need to transport senior citizens to the City of Cortez for medical appointments and grocery shopping; and

WHEREAS, the County is willing to provide transportation services to the Town for the purposes described herein; and

WHEREAS, Southwest Health Systems has been consulted regarding scheduling for those seniors who have established primary care with SHS;

NOW, THEREFORE, the County and the Town hereby agree as follows:

Scope of Services. The County shall provide transportation services to senior citizens of the Town from Rico to the City of Cortez every second (2nd) and fourth (4th) Wednesday for medical appointments and grocery shopping at Walmart and City Market.

Scheduling.

- Seniors in the Town of Rico shall notify Town Administration of their intent to use the shuttle service by noon on the Monday of the week of the Shuttle.
- Town Administration shall notify MoCo by 1:30 p.m. on the Monday of the shuttle. Notification

Notification shall include:

- The number of passengers or
 - A cancellation if no passengers have called for service
- The number of passengers to be dropped off at each location.

Exception: If a shuttle has been scheduled and a senior citizen who had not scheduled a ride is in need of a trip to the SHS Urgent Care (non-emergency) clinic. If a seat is available on the shuttle, they will be allowed to ride.

Pilot program schedule. Beginning June 7, 2023 the County shall provide transportation services to the Town on Wednesdays, as follows:

- Pick-up time in front of the Rico Town hall shall be 9:00 a.m.
 - In the event that riders will only be seeking medical appointments and no passengers will be shopping for groceries the pick-up time in Rico will be 12:00 noon.
- Drop-off time in Cortez at Walmart shall be 10:00 a.m.
- Pick-up time in Cortez at Walmart shall be 11:40 a.m.
- Drop-off time in Cortez at City Market Shall be 11:45 a.m.
- Pick-up time in Cortez at City Market shall be 12:50 p.m.
- Drop-off time at the Southwest Health System Campus shall be 12:55 p.m.
- The shuttle will depart the Southwest Health System Campus when all riders have completed their appointments.
- The bus shall depart for Rico immediately after all riders have completed their medical appointments.

Exceptions

- If no riders have medical appointments the time at Walmart and City Market will be extended to two (2) hours as follows:
 - Drop-off time in Cortez at Walmart shall be 10:00 a.m.
 - Pick-up time in Cortez at Walmart shall be 12:00 a.m.
 - Drop-off time in Cortez at City Market Shall be 12:05 a.m.
 - Pick-up time in Cortez at City Market shall be 2:05 p.m.
 - Drop-off time at the Rico Town Hall will be 3:05 p.m.
- In the event of adverse weather the shuttle service may be canceled. Canceling due to weather will be left to the discretion of the County Transportation Director.

During the pilot program, if it becomes evident that adjustments need to be made to the initial schedule, the County Transportation Director and Town Manager shall have the authority to make adjustments as needed without input from their respective boards. Such adjustments shall provide adequate notice to inform the riders.

Payment. The Town shall pay the County five hundred dollars (\$500) per month for the transportation services provided under this Agreement. The County will not bill the Town for trips canceled in advance or due to inclement weather.

Term. The pilot program will begin June 7, 2023 and Shall end December 13, 2023. During the party's budgeting processes for calendar year 2024, the parties will recommend changes from lessons learned during the pilot program. Lessons learned will be incorporated into an updated IGA with the opportunity for an automatic renewal clause.

Future Funding. During the term of the pilot program, funding for ongoing operations will be sought. Source for future funding include, but are not limited to:

- The Rico Center
- Southwest Area Agency on Aging

Reporting. The County Transportation Director and Town Manager shall report on the progress of the program during their regularly scheduled reports to their respective boards during the pilot program.

Termination. Either party may terminate this Agreement at any time upon a thirty (30) day written notice to the other party.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, understandings, and agreements between the parties relating to the subject matter of this Agreement.

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

MONTEZUMA COUNTY, COLORADO

By and through the Montezuma County Board of County Commissioners

By: _____

Name: _____

Title: _____

TOWN OF RICO, COLORADO

By and through the Town of Rico Board of Trustees

By: _____

Name: _____

Title: _____

**TOWN OF RICO
RESOLUTION NO. 2023-02**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF RICO
ADOPTING A HYBRID PUBLIC MEETING POLICY**

WHEREAS, on March 18, 2020, the Town of Rico passed Resolution 202-01 in accordance with Colorado Revised Statute Section 24-33.5-79, declaring a local emergency due to the health and economic impacts of the COVID-19 pandemic; and

WHEREAS, in order to adhere to Public Order 20-23 and reduce the spread of COVID-19, and protect elected officials, Town staff and citizens, the Town adopted remote meeting services; and

WHEREAS, the novel coronavirus (COVID-19) pandemic has impacted the desire for people to gather in enclosed places; and

WHEREAS, the availability and implementation of various remote meeting services coupled with limited in-person attendance has become more accepted since the issuance of the of emergency COVID-19 vaccines; and

WHEREAS, this the Town Board seeks to establish language and protocols necessary to conduct hybrid meets.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Town of Rico that:

1. The above recitals are hereby incorporated as findings by the Board of Trustees of the Town of Rico, Colorado.
2. Exhibit A attached herein details the new policy.

APPROVED AND ADOPTED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO
This 17th day of May, 2023.

By:

Nicole Y. Pieterse, Mayor

Attest:

Chauncey McCarthy, Town Manager

Exhibit A
Hybrid Public Meeting Policy

1. Purpose.

The Town Board of Trustees is establishing this policy for the purpose of providing remote meeting access for those individuals wishing to attend public meetings but unable to attend in person. This policy authorizes and provides a mechanism for remote meeting participation by Town Board of Trustees, Planning Commission members, Town staff, and the public. The Town will utilize a web-based meeting or conferencing service that provides video and audio connection for all users, with some limitations based on which service is utilized. The Hybrid Public Meeting Policy (HPM) will function in accordance with all usual meeting requirements, protocols, and decorum consistent with Town policies and procedures, and charter requirements.

2. Hybrid Public Meeting Policy Procedures.

All public meetings of the Town Board of Trustees and Planning Commission may be available via remote access along with being held in person. For all Public Meetings of the Town Board of Trustees and Planning Commission, the following provisions shall apply:

- A. Hybrid Public Meeting information, including a meeting agenda with meeting login or call-in information, will be posted in accordance with Town policies and procedures. The agenda will state: “The Town of Rico is not responsible for audio, video, or connectivity issues. In person attendance is recommended”
- B. Trustees and Planning Commission members must keep their video on during the entire meeting. If a Trustees or Commission Member cannot hear the audio or they have technical issues they must abstain from voting.
- C. The moderator must attend in person and will conduct the meeting in accordance with the meeting agenda using typical meeting protocols and decorum.
- D. The public meeting attendees will also be able to remotely connect to the meeting using a personal device. Once attendees have logged in and the meeting has begun, they will be able to see and/or hear the feed from those attending in person. All Attendees will be muted and unable to be heard by those attending in person. There will be opportunity for Attendees to speak, and the moderator will provide instructions on how and when Attendees will be able to speak. Attendees, when speaking, must have their video on and state their name and address for the record. It is incumbent on the Attendee that their device has audio and/or video capabilities, and that all background noise be minimized when they are speaking. If an attendee interrupts during the meeting they will be removed without warning.
- E. If the web-based meeting or internet service has technical difficulties during the meeting, one (1) reconnection will be attempted by the Town, if successful, the meeting will resume from where the meeting left off relative to the meeting agenda. If other technical difficulties are experienced, town staff may end the hybrid portion of the meeting.
- F. The hybrid public meeting will be recorded, and minutes will be created in accordance with Town policies and procedures. Minutes will reflect what members of the Board of Trustees and Planning Commission attended remotely.

3. Hybrid Meeting Quasi-Judicial Hearing Procedures.

During a public hearing the applicant must attend in person or assign a representative to attend the meeting in person. If the applicant is unable to attend the hearing may be continued.