

AFTER RECORDATION PLEASE RETURN TO:  
BECKER STOWE PARTNERS LLC  
1600 Broadway, Suite 1600  
Denver, Colorado 80202  
Attention: Georgeann Becker, Esq.

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**LEASE PURCHASE AGREEMENT NO. 2015A  
(FIRE STATION AND LIBRARY FACILITIES)**

**DATED JUNE \_\_, 2015**

**BETWEEN**

**DENVER PUBLIC FACILITIES LEASING TRUST 2015A  
AS LESSOR**

**AND**

**CITY AND COUNTY OF DENVER, COLORADO,  
AS LESSEE**

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**LEASE PURCHASE AGREEMENT NO. 2015A  
(FIRE STATION AND LIBRARY FACILITIES)**

This Lease Purchase Agreement No. 2015A (Fire Station and Library Facilities) dated June \_\_, 2015, is between Denver Public Facilities Leasing Trust 2015A, a Colorado trust, as lessor (the “Trust”), and the City and County of Denver, Colorado (the “City”), a municipal corporation and political subdivision duly organized and existing as a home rule city under the provisions of Article XX of the Constitution and the laws of the State of Colorado and the home rule Charter of the City, as lessee.

**PREFACE**

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this 2015A Lease.

**RECITALS**

1. Pursuant to the City’s Charter and home rule powers, the City (a) may, by ordinance, authorize the transfer of fee ownership and the grant of easements in real property owned by the City and (b) is authorized to enter into leasehold agreements, subject to annual appropriations, in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes which agreements may include an option to purchase and acquire title to such leased or rented property.

2. The City owns certain parcels of real property and all buildings and improvements located thereon, defined in the 2015A Facilities Lease as the Fire Station and Library Facilities and related Land and collectively as the Facilities Leased Property, all as described on Exhibit A hereto. The City Council has determined that it is necessary, convenient and in furtherance of the governmental and proprietary purposes of the City and in the best interests of the City and its inhabitants that the City (a) enter into the 2015A Facilities Lease with the Trust and lease thereunder the Components of the Leased Property to the Trust and (b) enter into this 2015A Lease to provide for the leasing of the Components of the Leased Property from the Trust for use by the City, as lessee hereunder, for its governmental and proprietary purposes.

3. Pursuant to the 2015A Facilities Lease, the Leased Property is to be leased by the City, as lessor, to the Trust, as lessee, and pursuant to this 2015A Lease, the Leased Property is to be leased by the Trust, as lessor, to the City, as lessee, subject only to Permitted Encumbrances.

4. The payment by the City of Base Rentals and Additional Rentals hereunder in any future Fiscal Year is subject to the renewal of this 2015A Lease for such future Fiscal Year.

5. The Base Rentals and Additional Rentals payable by the City under this 2015A Lease, for which specific Appropriations and Supplemental Appropriations by the City may be effected, shall constitute current expenditures of the City.

6. Neither this 2015A Lease nor the payment by the City of Base Rentals or Additional Rentals hereunder shall constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, Charter or statutory provision or limitation nor a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond the then current Fiscal Year.

7. The Trust and the City intend that this 2015A Lease and related documents, including the 2015A Facilities Lease, set forth their entire understanding and agreement regarding the terms and conditions upon which the Trust is leasing the Leased Property to the City and, in turn, the City is leasing the Leased Property from the Trust.

8. Pursuant to the 2015A Indenture, the Trustee is to act for the benefit of the owners of certain certificates of participation executed and delivered pursuant to the 2015A Indenture and is to act on behalf of the Trust.

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

## **ARTICLE 1 DEFINITIONS**

**Section 1.1 Certain Funds and Accounts.** All references herein to any funds and accounts shall mean the funds and accounts so designated that are established under the 2015A Indenture.

**Section 1.2 Definitions.** All capitalized terms used herein shall have the following meanings under this 2015A Lease:

“2015A Certificates” means the certificates of participation executed and delivered by the Trustee pursuant to the terms of the 2015A Indenture.

“2015A Facilities Lease” means the Facilities Lease No. 2015A (Fire Station and Library Facilities) dated the date hereof between the City, as lessor, and the Trust, as lessee.

“2015A Indenture” means the Declaration and Indenture of Trust (Fire Station and Library Facilities) dated the date hereof entered into by the Trustee.

“2015A Lease” means this Lease Purchase Agreement, as the same may hereafter be amended.

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

(a) (i) reasonable expenses and fees of the Trustee and/or the Trust related to the preparation of any reports or records of the Trust, including tax returns for the Trust, and maintenance of the existence of the Trust, (ii) reasonable expenses and fees of the Trust and the Trustee related to the performance or discharge of responsibilities under the provisions of the 2015A Facilities Lease, this 2015A Lease or the 2015A Indenture, including the reasonable fees

and expenses of any person or firm employed by the Trustee to make rebate calculations under the provisions of the 2015A Indenture, (iii) insurance deductible amounts in respect of insurance required to be maintained under this 2015A Lease if such amounts are paid by the Trust, and (iv) expenses and fees of the Trust or the Trustee incurred at the request of the City;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property or as otherwise required under this 2015A Lease; and

(c) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth in this 2015A Lease) which the City agrees to assume or pay as Additional Rentals under this 2015A Lease.

Payment by the City of any Additional Rentals, in addition to Appropriation or Supplemental Appropriation, requires the prior written approval of the Chief Financial Officer. Additional Rentals shall not include Base Rentals.

“Appropriations” means the collective procedure by which the City Council specifically appropriates funds for a purpose and the City effects an Encumbrance for such purpose. The term “Appropriation” includes an initial Appropriation and any Supplemental Appropriation.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of the Base Rentals paid by the City under the 2015A Lease.

“Base Rentals” means the rental payments payable by the City during the Lease Term, which constitute payments payable by the City for and in consideration of the right to possess and use each Component of the Leased Property as set forth on Exhibit C (Base Rentals Schedule) hereto, set forth collectively for both Components of Leased Property and separately for the Fire Stations Component and the Library Component, and relating to the 2015A Certificates. The term “Base Rentals” does not include Additional Rentals.

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

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

“Charter” means the home rule charter of the City.

“Chief Financial Officer” means the Chief Financial Officer of the City, as the Manager of Finance *ex-officio* Treasurer, of the City duly appointed pursuant to the Charter or the designee of the Chief Financial Officer.

“City” means the City and County of Denver, Colorado, only in its capacity as lessor under the 2015A Facilities Lease and as lessee under this 2015A Lease and not in respect of its police powers or any other capacity, power or function of the City.

“City Council” means the City Council of the City.

“City Librarian” means the City Librarian for the Denver Public Library or the designee of the City Librarian.

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

“Component(s)” in respect of the Leased Property means (a) the Fire Stations Component or the Library Component, as the case may be, (b) collectively, the Fire Stations Component and the Library Component or (c) if the Library Component has been released as Leased Property hereunder, and, in turn, released as Facilities Leased Property under the 2015A Facilities Lease, the Fire Stations Component.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trust or the Trustee, related to the authorization, execution and delivery of this 2015A Lease as further defined in the 2015A Indenture.

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

“CRS” means Colorado Revised Statutes.

“DRMC” means Denver Revised Municipal Code, as the same is amended or recodified from time to time.

“Encumbrance” means (a) the act of submitting a written request of the City to the Purchasing Director of the City and (b) the certification in writing by the Controller for the applicable Fiscal Year that (i) there is an unencumbered balance in the appropriate fund chargeable therefor sufficient to provide for the Base Rentals and the Additional Rentals, as the case may be, for the period specified in this 2015A Lease and (ii) such amounts have been set aside for such purposes.

“Event(s) of Lease Default” means any event as defined in Section 14.1 of this 2015A Lease.

“Event of Nonappropriation” means the termination and nonrenewal of this 2015A Lease by the City, determined by the City’s exercise of its right, for any reason, to not enact by the last day of each Fiscal Year an appropriation ordinance for the ensuing Fiscal Year which includes (a) amounts authorized and directed to be used to pay all Base Rentals and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due. An Event of Nonappropriation may also occur under certain circumstances described in Section 10.3(c) of this 2015A Lease. The term also means a notice under this 2015A Lease of the City’s intention to not renew and therefore terminate this 2015A Lease or an event described in this 2015A Lease relating to the



exercise by the City of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an appropriation has been previously effected.

“Executive Director of Public Works” means the Executive Director of Public Works, as the Manager of Public Works of the City duly appointed pursuant to the Charter, or the designee of the Executive Director of Public Works.

“Executive Director of Safety” means the Executive Director of Safety, as the Manager of Safety of the City duly appointed pursuant to the Charter, or the designee of the Executive Director of Safety.

“Fire Chief” means the Fire Chief of the Denver Fire Department.

“Fire Stations Component” means the real property described as Fire Stations Nos. 18, 19 and 22 and, collectively, as “Fire Stations Component” on Exhibit A hereto and all related rights of the Trust under the Permitted Encumbrances described on Exhibit B hereto, constituting a Component of the Leased Property hereunder.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 and ends December 31 of the same year.

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

“Hazardous Substance” means and includes: (a) the terms “hazardous substance,” “release and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

“Initial Term,” in respect of this 2015A Lease, means the period which commences on the date of delivery of this 2015A Lease and terminates on December 31 of the same Fiscal Year.

“Interest Portion” means the Interest Portion of each Base Rentals payment that represents the payment of interest in respect of each Component of Leased Property as set forth

in Exhibit C (Base Rentals Schedule) hereto, including Interest Portion as stated for each Base Rentals Payment Date and Interest Portion if referencing all Interest Portions for the Base Rentals remaining to be paid in the aggregate through the Lease Term.

“Lease Balance” means the sum of the Total Aggregate Principal Portion of the Base Rentals under this 2015A Lease set forth on Exhibit C (Base Rentals Schedule) hereto, less the aggregate amount of Principal Portions of Base Rentals paid or prepaid by the City pursuant to this 2015A Lease. “Lease Balance in Respect of a Component of Leased Property” means the Total Aggregate Principal Portion of the Base Rentals under this 2015A Lease at the time this 2015A Lease is executed and delivered allocated to each Component of Leased Property (Fire Stations Component or Library Component), as set forth in Exhibit C hereto less the aggregate amount of Principal Portions of Base Rentals paid or prepaid by the City in respect of each Component of Leased Property separately pursuant to this 2015A Lease.

“Lease Remedy Net Proceeds” means proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this 2015A Lease by reason of an Event of Nonappropriation or an Event of Lease Default, less (a) all expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the City, the Trust or the Trustee.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in this 2015A Lease whenever an Event of Lease Default or an Event of Nonappropriation has happened and is continuing, which may be exercised by the Trustee, as provided in the 2015A Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the City may exercise its option to renew this 2015A Lease by effecting Appropriations of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of this 2015A Lease. “Lease Term” refers to the time during which the City is the lessee of the Leased Property under this 2015A Lease.

“Leased Property” means the Fire Stations Component and the Library Component as described on Exhibit A hereto and defined as the “Facilities Leased Property” in the 2015A Facilities Lease, except as the Library Component may be released as Leased Property hereunder and, thereby released as Facilities Leased Property under the 2015A Facilities Lease, all on or before the date on which the Fire Stations Component shall be released.

“Library Component” means the real property described as the “Library Component” on Exhibit A hereto and all related rights of the Trust under the Permitted Encumbrances described on Exhibit B hereto, constituting a Component of the Leased Property hereunder.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this 2015A Lease or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any construction or other contract relating to improvements to the Leased Property, less (a) all expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of

such proceeds or award; and (b) all other fees, expenses and payments due to the City, the Trust or the Trustee.

“Permitted Encumbrances,” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent or liens which may remain unpaid pending contest pursuant to the provisions of this 2015A Lease; (b) this 2015A Lease, the 2015A Facilities Lease, the 2015A Indenture, any related fixture filing and any liens arising or granted pursuant to this 2015A Lease or the 2015A Indenture; (c) utility, access and other easements and rights of way, restrictions and other matters affecting title which, in the case of the Fire Stations Component, the Executive Director of Safety or the Fire Chief, and in the case of the Library Component, the City Librarian, represents will not impair the effective use or interfere with the operation of the related Component of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and party wall and other agreements and rights-of-way as provided in this 2015A Lease; and (d) other existing easements, covenants, restrictions, liens and encumbrances listed on the title insurance policies delivered in respect of the Leased Property, as shown on Exhibit B hereto and any other encumbrances agreed to by the City and the Trust.

“Prepayment” means any amount paid by the City pursuant to the provisions of this 2015A Lease as a prepayment of the Base Rentals due hereunder in respect of any Component of the Leased Property.

“Principal Portion” means the portion of each Base Rentals payment that represents the payment of principal in respect of any Component of the Leased Property set forth in Exhibit C (Base Rentals Schedule) hereto, including Principal Portion as stated for each Base Rentals Payment Date and Principal Portion if referencing all Principal Portions remaining to be paid in the aggregate through the Lease Term.

“Purchase Option Price” means the amount payable on any date, at the option of the City, to prepay Base Rentals, terminate the Lease Term in respect of all Components of the Leased Property (in which case such Purchase Option Price is to be in an amount sufficient to defease all of the Certificates) or in respect of any single Component of the Leased Property and purchase the leasehold interest in the related Component of the Leased Property, all as provided herein.

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any year and terminating on or before December 31 of the same year as provided in Article 4 of this 2015A Lease.

“Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to this 2015A Lease including, but not limited to, all Base Rentals, Prepayments, Purchase Option Prices and Net Proceeds, but not including Additional Rentals; (b) any portion of proceeds of the 2015A Certificates deposited in the Base Rentals Fund; and (c) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the 2015A Indenture (except for moneys and securities, including investment income, held in the Rebate Fund).

“Special Counsel” means any counsel experienced in matters of municipal law, satisfactory to the Trustee, and listed in the list of municipal bond attorneys, as published semiannually by *The Bond Buyer*, or any successor publication.

“State” means the State of Colorado.

“Supplemental Appropriations” means any appropriation after an initial appropriation in respect of Base Rentals or Additional Rentals due under this 2015A Lease.

“Tax Certificate” means the Tax Certificate dated the date hereof and delivered by the Chief Financial Officer on behalf of the City with respect to this 2015A Lease.

“Tax-Exempt Permitted Use Arrangement” means any arrangement between the City and a third party for the use of any portion of the Leased Property which meets any of the following criteria: (a) use by a nongovernmental person under a “qualified management contract” as that term is defined for purposes of Section 141 of the Code and the regulations, rulings and other guidance issued thereunder; (b) (*inapplicable*); (c) use by a nongovernmental person where the term of the arrangement (including all renewal options) does not exceed a maximum of one hundred (100) actual days of use, if such use is based on uniformly applied rates; provided, however, the use permitted under this subsection (c) is not of the type available to a natural person not engaged in a trade or business; (d) use by a nongovernmental person pursuant to a negotiated arms-length (nonuniform) arrangement where the term of the arrangement (including all renewal options) does not exceed a maximum of fifty (50) actual days of use; or (e) any other arrangement subject to Approval of Special Counsel.

“Trust” means the “Denver Public Facilities Leasing Trust 2015A” created and denominated under the 2015A Indenture.

“Trustee” means Zions First National Bank, in its capacity as Trustee of the Trust under the 2015A Indenture, and its successors and assigns.

**ARTICLE 2**  
**REPRESENTATIONS AND COVENANTS;**  
**RELATIONSHIP OF CITY, TRUST AND TRUSTEE**

**Section 2.1 Representations and Covenants of the City.** The City represents and covenants to the Trust and the Trustee, to the extent allowed by law and subject to renewal of this 2015A Lease and Appropriation as set forth in Article 6 hereof, as follows:

(a) The City is a municipal corporation and political subdivision duly organized and existing as a home rule city under the provisions of Article XX of the Constitution and laws of the State and the Charter. The City is authorized to enter into this 2015A Lease and to carry out its obligations under this 2015A Lease. The City has duly authorized and approved the execution and delivery of this 2015A Lease and all other documents related to the execution and delivery of this 2015A Lease.

(b) The leasing of the Facilities Leased Property by the City to the Trust pursuant to the 2015A Facilities Lease and the leasing of the Leased Property by the Trust to the City

pursuant to the 2015A Lease are necessary, convenient and in furtherance of, and the Leased Property will at all times be used in connection with, the City's governmental and proprietary purposes and functions (except to the extent that subleasing of the Leased Property by the City is permitted by Section 13.2 of this 2015A Lease) and is in the best interests of the citizens of the City 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 (except as may be permitted pursuant to Section 13.2 of this 2015A Lease).

(c) To the best knowledge of the City, neither the execution and delivery of the 2015A Facilities Lease and this 2015A Lease, nor the fulfillment of or compliance with the terms and conditions of 2015A Facilities Lease and this 2015A Lease, nor the consummation of the transactions contemplated thereby or hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or its property is bound, or violates any Charter provision, statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the City, 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 City, except for Permitted Encumbrances.

(d) The City agrees that, except for nonrenewal and nonappropriation as set forth in Article 6 hereof, if the City fails to perform any act that the City is required to perform under this 2015A Lease, the Trust or the Trustee may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by the Trust or the Trustee in connection therewith shall be an obligation owing by the City, subject to Appropriation, to the Trust or the Trustee, as the case may be, and shall bear interest at an annual rate of 12% until paid and shall be a part of Additional Rentals, and the Trust or the Trustee shall be subrogated to all of the rights of the party receiving such payment.

(e) The Trust expressly agrees that, if there is an occurrence of an Event of Lease Default or Event of Nonappropriation, the Trust will honor and fulfill any obligation of the City under any outstanding Tax-Exempt Permitted Use Arrangement so long as the third party thereunder is not then or at the time of the performance in default under such Tax-Exempt Permitted Use Arrangement.

(f) Except for customary materials necessary for operation, cleaning and maintenance of the Leased Property, the City shall not cause or permit any other Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the Trustee and all Hazardous Substances, including, customary materials necessary for operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept in or about the Leased Property. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the City is legally liable for damage resulting therefrom, then the City shall defend, subject to Appropriation, the Trust and the Trustee from claims for damages, penalties, fines, costs, liabilities or losses. This duty to defend is not an indemnification, it is expressly understood that the City is not indemnifying the Trust or the Trustee and expenses of such

defense shall constitute Additional Rentals. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and promptly take all actions at its sole expense (which expenses shall constitute Additional Rentals) as are necessary to effect remediation of the contamination in accordance with legal requirements.

(g) The City hereby agrees to defend, subject to Appropriation, the Trust and the Trustee against any and all claims for losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by or asserted against the Trust or the Trustee for, with respect to or as a direct or indirect result of the failure of the Leased Property to comply with any changes, after the date of occupancy by the City, in applicable laws concerning access to or use of the Leased Property by handicapped or disabled persons, specifically including, but not by way of limitation, any failure to comply with the requirements of the Americans With Disabilities Act (P.L. 101-336) during the time the City occupies the Leased Property. This duty to defend is not an indemnification and it is expressly understood that the City is not indemnifying the Trust or the Trustee.

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

**Section 2.2 Representations and Covenants of the Trust.** The Trustee, on behalf of the Trust, represents and covenants as follows:

(a) The Trust has been created as a Colorado trust pursuant to the 2015A Indenture and in accordance with the laws of the State, formed exclusively to lease the Facilities Leased Property from the City pursuant to the 2015A Facilities Lease, to acquire a leasehold interest in the Leased Property and to lease the Leased Property to the City and for no other purpose.

(b) So long as no Event of Lease Default or Event of Nonappropriation has occurred and is then existing, and except as specifically provided in the 2015A Facilities Lease or this 2015A Lease, the Trust shall not pledge or assign its right, title and interest in and to (i) the 2015A Facilities Lease or this 2015A Lease, (ii) the Base Rentals, other Revenues and collateral, security interests and attendant rights and obligations which may be derived under the 2015A Facilities Lease or this 2015A Lease and (iii) the Leased Property and any reversion therein or any of its other rights under the 2015A Facilities Lease or this 2015A Lease or assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in, to and under the 2015A Facilities Lease or this 2015A Lease or the Leased Property, except for Permitted Encumbrances.

(c) There is no litigation or proceeding pending against the Trust affecting the right of the Trust to acquire a leasehold interest in the Facilities Leased Property pursuant to the 2015A Facilities Lease and enter into the 2015A Facilities Lease and this 2015A Lease or the right of the Trustee to execute the 2015A Indenture, and perform the Trust's obligations under the 2015A Facilities Lease or hereunder or the Trustee's obligations under the 2015A Indenture, except such litigation or proceeding as has been disclosed in writing to the City on or prior to the date this 2015A Lease is executed and delivered.

(d) Pursuant to the 2015A Indenture, the Trustee is authorized to act for and on behalf of the Trust, including the execution and delivery of the 2015A Facilities Lease and this 2015A Lease as Trustee for the Trust.

(e) The Trust expressly agrees that, if there is an occurrence of an Event of Lease Default or Event of Nonappropriation, the Trust will honor and fulfill any obligation of the City under any outstanding Tax-Exempt Permitted Use Arrangement so long as the third party thereunder is not then or at the time of the performance in default under such Tax-Exempt Permitted Use Arrangement.

**Section 2.3 Nature of 2015A Lease.** The annually renewable obligations of the City under this 2015A Lease are payable solely from Base Rentals and Additional Rentals which may be derived under this 2015A Lease and other Revenues and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, Charter or statutory provision or limitation nor a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond the then current Fiscal Year. This 2015A Lease may not be renewed in the event that funds are not specifically budgeted and available from an Appropriation which has been effected by the City to continue paying all Base Rentals and Additional Rentals during the next occurring Fiscal Year, and that the act of effecting an Appropriation budgeting funds is a governmental act and, as such, is solely within the discretion of the City.

**Section 2.4 City Acknowledgment of Certain Matters.** The City acknowledges the 2015A Indenture and the Trustee's authority to act on behalf of the Trust with respect to all rights, title, and interests of the Trust, in, to and under the 2015A Facilities Lease and this 2015A Lease and the Leased Property and agrees to the appointment of the Trustee, pursuant to the 2015A Indenture, to exercise all rights and responsibilities of the Trust under the 2015A Facilities Lease and this 2015A Lease. The City also acknowledges the execution and delivery of the certificates of participation with respect to this 2015A Lease.

**Section 2.5 Relationship of City, Trust and Trustee.** The relationship of the City, the Trust and the Trustee under this 2015A Lease is, and shall at all times remain, solely that of lessee, lessor, and Trustee on behalf of the Trust, respectively; and the City neither undertakes nor assumes any responsibility or duty to the Trust or the Trustee or to any third party with respect to the Trust's or the Trustee's obligations relating to the Leased Property; and neither the Trust nor the Trustee, on behalf of the Trust, undertakes or assumes any responsibility or duty to the City or to any third party with respect to the City's obligations relating to the Leased Property. Notwithstanding any other provisions of this 2015A Lease: (a) the City and the Trustee, on behalf of the Trust, are not, and do not intend to be construed to be, partners, joint venturers, members, alter egos, managers, controlling persons or other business associates or participants of any kind of either of the other, and the City and the Trustee, on behalf of the Trust, do not intend to ever assume such status; and (b) the City and the Trustee, on behalf of the Trust shall not be deemed responsible for, or a participant in, any acts, omissions or decisions of either of the other.

**ARTICLE 3  
LEASE OF THE LEASED PROPERTY; NO MERGER**

The Trust demises and leases the Leased Property to the City and the City leases the Leased Property from the Trust, in accordance with the provisions of this 2015A Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

The City and the Trust acknowledge that the City owns the Leased Property and the City has leased the Leased Property to the Trust pursuant to the 2015A Facilities Lease. The City and the Trust intend that there be no merger of the City's interests as sublessee under this 2015A Lease and the City's ownership interest in the Leased Property so as to cause the cancellation of the 2015A Facilities Lease or this 2015A Lease, or an impairment of the leasehold and subleasehold interests intended to be created by the 2015A Facilities Lease and this 2015A Lease.

**ARTICLE 4  
LEASE TERM**

**Section 4.1 Duration of Lease Term.** The Lease Term for this 2015A Lease shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2015. This 2015A Lease may be renewed, solely at the option of the City, for the number of Renewal Terms represented on Exhibit C (Base Rentals Schedule) attached hereto. The maximum Lease Term in respect of each Component of the Leased Property separately does not exceed the remaining weighted average useful life of the related Component of the Leased Property at the time this 2015A Lease is being executed and delivered. It is currently expected that the term of this 2015A Lease shall terminate in respect of the Library Component of the Leased Property on December 1, 2022, if the City shall have paid all Base Rentals and Additional Rentals relating to the Library Component as provided in Article 12 of this 2015A Lease and as separately set forth in Exhibit C hereto.

The Chief Financial Officer or other officer of the City at any time charged with the responsibility of formulating budget proposals is hereby directed to include in the annual budget proposals submitted to the City Council, in any year in which this 2015A Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this 2015A Lease until such time, if any, as the City may determine to not renew and terminate this 2015A Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation or Supplemental Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City and the actions of the officials of the City as further provided in the following paragraph.

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

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used



to pay all of the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of this 2015A Lease, whereupon, the 2015A Lease shall be renewed for the ensuing Fiscal Year; or

(b) the City has determined, for any reason, not to renew this 2015A Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 6.4(a) hereof, the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the City from electing to not renew this 2015A Lease, nor result in any liability on the part of the City. The City's option to renew or not to renew this 2015A Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in Article 6 of this 2015A Lease.

The terms and conditions hereof during any Renewal Term shall be the same as the terms and conditions hereof during the Initial Term, except that (a) the Purchase Option Price and the Base Rentals shall be as provided in Article 12 and Exhibit C (Base Rentals Schedule) hereof and (b) the Library Component of the Leased Property, if being released as Leased Property, shall be released as Leased Property prior to the release of the Fire Stations Component and prior to the termination of the Lease Term pursuant to Article 12.

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

(a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation pursuant to Section 4.1 and Article 6 of this 2015A Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 hereof);

(b) the release of the Trust's leasehold interest in all Components of the Leased Property under this 2015A Lease to the City upon payment of the Purchase Option Price or the payment of all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the City in respect of all Components of the Leased Property, as provided in Section 12.2(a) or (b) of this 2015A Lease; or

(c) an uncured Event of Lease Default and termination of this 2015A Lease under Article 14 of this 2015A Lease by the Trustee.

Except for an event described in subparagraph (b) above, upon termination of this 2015A Lease, the City agrees to peaceful delivery of the Leased Property to the Trustee, on behalf of the Trust.

Termination of the Lease Term shall terminate all unaccrued obligations of the City under this 2015A Lease, and shall terminate the City's rights of possession under this 2015A Lease (except to the extent of the holdover provisions of Sections 6.5 and 14.2(d)(i) hereof, and except for any release of a Component of Leased Property from the Trust's leasehold interest in such Component pursuant to Article 12 of this 2015A Lease). All obligations of the City

accrued prior to such termination shall be continuing until the Trustee agrees that such accrued obligations have been satisfied.

Upon termination of the Lease Term, any moneys received by the Trustee in excess of the amounts necessary to terminate the 2015A Indenture shall be paid to the City.

## **ARTICLE 5 ENJOYMENT OF THE LEASED PROPERTY**

**Section 5.1 Trust's Covenant of Quiet Enjoyment.** The Trust hereby covenants that the City shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trust, except as expressly required or permitted by this 2015A Lease. The Trust shall not interfere with the quiet use and enjoyment of the Leased Property by the City during the Lease Term so long as no Event of Lease Default shall have occurred. The Trust shall, at the request of the City and at the cost of the City, join and cooperate fully in any legal action in which the City asserts against third parties its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article 5 shall be subject to the Trustee's right to inspect the Leased Property and the City's books and records with respect thereto as provided in Section 11.6 hereof.

**Section 5.2 City's Need for the Leased Property.** The City has determined and hereby determines that it has a current need for the Leased Property. It is the present intention and expectation of the City that this 2015A Lease will be renewed annually until the Trust's interests in the 2015A Facilities Lease are released and unencumbered title to each Component of the Leased Property is acquired by the City pursuant to this 2015A Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City.

## **ARTICLE 6 PAYMENTS BY THE CITY**

**Section 6.1 Payments to Constitute Currently Budgeted Expenditures of the City.** The City and the Trustee, on behalf of the Trust, acknowledge and agree that the Base Rentals, Additional Rentals and any other obligations hereunder shall constitute currently budgeted expenditures of the City, if an Appropriation or Supplemental Appropriation has been effected for such purpose. The City's obligations to pay Base Rentals, Additional Rentals and any other obligations under this 2015A Lease shall be from year to year only (as further provided in Article 4 and Sections 6.2 and 6.4 hereof), shall extend only to moneys for which an Appropriation or Supplemental Appropriation has been effected by the City, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this 2015A Lease shall be construed or interpreted as a delegation of governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City or a general obligation or other indebtedness of the City within the meaning of any constitutional, Charter or statutory debt limitation, including without

limitation Article X, Section 20 or Article XI, Sections 1, 2 and 6 of the Constitution of the State. This 2015A Lease shall not directly or indirectly obligate the City to make any payments beyond those for which an Appropriation or Supplemental Appropriation has been effected by the City for the City's then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Leased Property. No provision of this 2015A Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this 2015A Lease restrict the future issuance of any City bonds or obligations payable from any class or source of City moneys.

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

(a) The City shall pay Base Rentals for which an Appropriation or Supplemental Appropriation has been effected by the City, directly to the Trustee during the Initial Term and any Renewal Term, on the Base Rentals Payment Dates and in the total Base Rentals amounts set forth in Exhibit C (Base Rentals Schedule) attached hereto and made a part hereof. For federal and state income tax purposes, a portion of each payment of Base Rentals is designated and will be paid as interest, and Exhibit C (Base Rentals Schedule) hereto set forth the Interest Portion of each payment of Base Rentals. The City shall receive credit against its obligation to pay Base Rentals to the extent moneys are held by the Trustee on deposit in a Base Rentals Fund created under the 2015A Indenture and are available to pay Base Rentals. The City acknowledges that upon receipt by the Trustee of each payment of Base Rentals, the Trustee, pursuant to the terms of the 2015A Indenture, is to deposit the amount of such Base Rentals in the Base Rentals Fund.

(b) The City may, on any date, pay the then applicable Purchase Option Price (1) for the purpose of terminating this 2015A Lease in whole and causing the termination of the 2015A Facilities Lease in respect of all Components of the Leased Property then remaining subject to this 2015A Lease and the 2015A Facilities Lease or (2) for the purpose of terminating this 2015A Lease and the 2015A Facilities Lease in respect of any single Component of the Leased Property, provided that the Library Component shall be the first Component to be so released, all as further provided in Article 12 of this 2015A Lease. In the case of the exercise by the City of either of such options, the City shall give the Trustee notice of its intention to exercise either option not less than thirty-five (35) days in advance of the date on which the termination and release is to occur and shall deposit with the Trustee the applicable Purchase Option Price on or before such termination and release date.

Subject to the Approval of Special Counsel, the City may also, at any time during the Lease Term, (1) prepay any portion of the Base Rentals due under this 2015A Lease in respect of any Component of the Leased Property, provided that the Library Component shall be released prior to the release of the Fire Stations Component and (2) in connection with such prepayment, recalculate the Base Rentals set forth in Exhibit C (Base Rentals Schedule) in respect of any or all of the Components of the Leased Property, as the case may be. Any such revised Exhibit C (Base Rentals Schedule) shall be prepared by the Chief Financial Officer and delivered to the Trustee. The City shall give the Trustee notice of its intention to exercise this prepayment option not less than thirty-five (35) days in advance of the date of exercise and shall deposit with the Trustee prior to or contemporaneously with the date of exercise the applicable amount of Base Rentals to be prepaid.

(c) If the City shall have given notice to the Trustee of its intention to prepay Base Rentals but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Base Rentals, which have been specifically appropriated by the City for such purpose, as if no such notice had been given.

(d) All Additional Rentals shall be paid by the City on a timely basis directly to the person or entity to which such Additional Rentals are owed. If estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 4.1 of this 2015A Lease, an itemization of such estimated Additional Rentals shall be furnished by the City to the Trustee on or before the December 31 preceding such Fiscal Year. This 2015A Lease shall be deemed and construed to be an “absolute net lease” as further provided in Section 15.7 hereof.

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

The obligation of the City to pay the Base Rentals and Additional Rentals as required under this Article 6 and other sections hereof in any Fiscal Year for which an Appropriation has been effected by the City for the payment thereof shall be absolute and unconditional, and payment of the Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee, on behalf of the Trust, under this 2015A Lease, or under any other agreement between the City and the Trust, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, on behalf of the Trust, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this 2015A Lease, it being the intention of the parties that the payments required by this 2015A Lease will be paid in full when due without any delay or diminution whatsoever, SUBJECT ONLY TO THE ANNUALLY RENEWABLE NATURE OF THE CITY’S OBLIGATION TO MAKE PAYMENTS HEREUNDER AS SET FORTH IN SECTION 6.1 HEREOF, and further subject to the City’s rights under Section 9.3 hereof. Notwithstanding any dispute between the City and the Trustee, on behalf of the Trust, or for the benefit of the owners of certificates of participation executed and delivered in respect of this 2015A Lease, the City shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Base Rentals or Additional Rentals, for which an Appropriation has been effected by the City, pending final resolution of such dispute (except to the extent permitted by Sections 8.2 and 9.3 hereof with respect to certain Additional Rentals), nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee, on behalf of the Trust or for the benefit of the owners of certificates of participation executed and delivered in respect of this 2015A Lease, shall affect the City’s obligation to pay all Base Rentals and Additional Rentals, for which a specific Appropriation or Supplemental Appropriation has been effected by the City for such purpose, in such Fiscal Years subject to this Article (except to the extent provided by Sections 8.2 and 9.3 hereof with respect to certain Additional Rentals).

**Section 6.4 Nonappropriation; Supplemental Appropriation.** In the event that the City gives notice that it intends to not renew the 2015A Lease as provided by Section 4.1 hereof or the City shall not effect an Appropriation or Supplemental Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 4.1 hereof and this Article, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 4.1 hereof or evidence that an Appropriation or Supplemental Appropriation has been effected by the City on or before December 31 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the January following such Fiscal Year or such declaration shall be made on any earlier date on which (1) the Trustee receives official, specific written notice from the City that this 2015A Lease will not be renewed or (2) the Trustee has determined that a Supplemental Appropriation has not been effected by the City to provide the Base Rentals remaining to be paid in the then current Lease Term.

(b) The Trustee shall waive any Event of Nonappropriation which is cured by the City within twenty-one (21) days of the receipt by the City of notice from the Trustee as provided in (a) above by a duly effected Appropriation or Supplemental Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the 2015A Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the City within a reasonable time after 21 days with the procedure described in (b) above.

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

If an Event of Nonappropriation occurs, the City shall not be obligated to make payment of the Base Rentals or Additional Rentals or any other payments provided for herein which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.1 and 14.3 hereof, the City shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the City shall continue to occupy, use or retain possession of the Leased Property.

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

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

The City acknowledges that, upon the occurrence of an Event of Nonappropriation (a) the Trustee shall be entitled to all moneys then being held in all funds created under the 2015A Indenture to be used as described therein and (b) all property, funds and rights acquired by the Trustee upon the termination of this 2015A Lease by reason of an Event of Nonappropriation are to be held by the Trustee as set forth in the 2015A Indenture.

**Section 6.5 Holdover Tenant.** If the City fails to vacate the Leased Property after termination of this 2015A Lease, with the written permission of the Trustee it will be deemed to be a holdover tenant on a month-to-month basis, and will be bound by all of the other terms, covenants and agreements of this 2015A Lease. Any holding over by the City without the written permission of the Trustee shall be at sufferance. The amount of rent to be paid during any period when the City is deemed to be a holdover tenant will be equal to (a) one sixth of the Interest Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date plus one twelfth of the Principal Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

## **ARTICLE 7**

### **2015A FACILITIES LEASE; DISBURSEMENTS; TITLE INSURANCE**

**Section 7.1 2015A Facilities Lease.** At the time of execution of this 2015A Lease, the City shall have leased to the Trust, and the Trust shall have leased from the City, the Facilities Leased Property pursuant to the 2015A Facilities Lease. As further provided in Section 8.1 hereof, a leasehold interest in the Leased Property shall be held by the Trust, subject to this 2015A Lease.

So long as this 2015A Lease is in full force and effect and no Event of Nonappropriation or Event of Lease Default shall have occurred, the Trustee, on behalf of the Trust, and the City shall have full power to carry out the acts and agreements provided in this Section, and such power shall not be terminated or restricted by act of the Trustee, on behalf of the Trust, the Trustee, when acting for the benefit of the owners of the 2015A Certificates executed and delivered in respect of this 2015A Lease, or the City.

**Section 7.2 Disbursements for Leasehold Consideration and Costs of Execution and Delivery of this 2015A Lease.** The 2015A Indenture provides that the Trustee shall disburse the moneys held by the Trustee to pay in advance for the rentals due to the City under the 2015A Facilities Lease and the Costs of Execution and Delivery of this 2015A Lease. Such disbursements shall be made by the Trustee upon receipt by the Trustee of the following:

- (a) an originally executed counterpart of the 2015A Indenture;

(b) a title insurance policy in respect of the Leased Property under which the Trust's leasehold interest in the Leased Property is insured, in an aggregate amount no less than the initial Lease Balance and subject only to Permitted Encumbrances;

(c) an originally executed counterparts of the 2015A Facilities Lease and this 2015A Lease; and

(d) a certified copy of the ordinance adopted by the City Council approving the 2015A Lease.

**ARTICLE 8  
TITLE TO THE LEASED PROPERTY; LIMITATIONS  
ON ENCUMBRANCES**

**Section 8.1 Title to the Leased Property.** At all times during the Lease Term, title to the Facilities Leased Property shall remain in the City, subject to the 2015A Facilities Lease, this 2015A Lease and any other Permitted Encumbrances. Except for personal property purchased by the City at its own expense pursuant to Section 9.2 of this 2015A Lease, a leasehold interest in the Leased Property, including any and all additions and modifications thereto and replacements thereof, shall be held in the name of the Trust until the Trustee has exercised Lease Remedies or until the Trust's leasehold interest in any Component of the Leased Property is released as provided in Article 12 of this 2015A Lease, notwithstanding (a) the occurrence of an Event of Nonappropriation; (b) the occurrence of one or more Events of Lease Default; (c) the occurrence of any event of damage, destruction, condemnation, or, construction, manufacturing or design defect or title defect, as provided in Article 10 of this 2015A Lease; or (d) the violation by the Trust of any provision of this 2015A Lease.

The Trustee shall not, in any way, be construed as holding a leasehold interest in the Leased Property.

**Section 8.2 No Encumbrance, Mortgage or Pledge of the Leased Property.** Except as may be permitted by this 2015A Lease, the City shall not permit any mechanic's or other lien to be established or remain against the Leased Property; provided that, if the City shall first notify the Trustee of the intention of the City to do so, the City may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the Trust's leasehold interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee, on behalf of the Trust, will cooperate in any such contest. Except as may be permitted by this 2015A Lease, the City shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The City shall promptly, at its expense, take such action as may be necessary to

duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.

**ARTICLE 9**  
**MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES**

**Section 9.1 Maintenance of the Leased Property by the City.** Subject to its right to not appropriate and as otherwise provided in Section 10.3 hereof, the City agrees that, at all times during the Lease Term, the City will (a) 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 (b) will from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. Neither the Trust nor the Trustee shall have any responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property. In addition, at all times during the Lease Term, the City shall perform all obligations of the Trust pursuant to any Permitted Encumbrances and any payments required as a result thereof shall be Additional Rentals.

**Section 9.2 Modification of the Leased Property; Installation of Furnishings and Machinery of the City.** The City shall have the privilege of making substitutions, additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate and any such substitutions, additions, modifications and improvements to the Leased Property shall be subject to the leasehold interest of the Trust, subject to the provisions of the 2015A Facilities Lease and this 2015A Lease and shall be included under the terms of the 2015A Facilities Lease and this 2015A 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 City (except to the extent of subleasing permitted under Section 13.2 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 City may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the City in which neither the Trust nor the Trustee shall have any interests; provided, however, that a leasehold ownership interest in any such machinery, equipment and other tangible property which becomes permanently affixed to the Leased Property shall be in the Trust, subject to the 2015A Facilities Lease, and shall be included under the terms of this 2015A Lease and the 2015A Facilities Lease, in the event the Trustee shall reasonably determine that the Leased Property would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

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



special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City 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 City shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the leasehold interest of the Trust), or the rentals and revenues derived therefrom or hereunder. The City shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges incurred in the operation, maintenance and upkeep of the Leased Property.

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

**Section 9.4 Provisions for Liability, Property and Worker's Compensation Insurance.** The City shall, at no expense to the Trust, cause property insurance to be carried and maintained, or, at the City's option, shall self-insure with respect to the Leased Property in an amount equal to (a) the Lease Balance or (b) the estimated replacement cost of the Leased Property, whichever is greater. The City may, in its discretion, insure the Leased Property under blanket insurance policies that 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 damage insurance policy required by this Section shall be so written or endorsed as to show the Trust and the Trustee as loss payee.

The City shall, at its own expense, cause commercial general liability insurance for this 2015A Lease to be carried and maintained or, at the City's option, shall self-insure in connection with the use and possession of the Leased Property. Insurance coverage may be limited by endorsement to the Leased Property. 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 commercial general liability insurance required by this Section may be by blanket insurance policy or policies. Any commercial general liability insurance policy required by this Section shall be so written or endorsed as to show the Trustee as an additional insured.

The City shall, at its own expense, cause worker's compensation insurance to be procured and maintained covering the City'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 at least thirty (30) days' prior written notice or, in the event of nonpayment of premiums, ten (10) days' prior written notice, to the City and the Trustee. In the event the City receives such notice of cancellation, it shall also immediately notify the Trustee of any

cancellation notice. A certificate issued by the worker's compensation carrier evidencing such coverage shall be provided by the City to the Trustee. The worker's compensation insurance required by this Section may be by blanket insurance policy or policies. The City may self insure for worker's compensation insurance provided that such self insurance (a) is approved by the Colorado Department of Labor's Division of Worker's Compensation and (b) the self insurance fund is held in a trust fund created for this purpose.

Each property and liability policy, other than worker's compensation, provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel the policy without at least thirty (30) days' prior written notice or, in the event of nonpayment of premiums, ten (10) days' prior written notice, to the City and the Trustee. In the event that the City has received such notice of cancellation it shall immediately notify the Trustee.

The City shall provide, or cause to be provided, certificates of insurance in respect of the property and commercial general liability insurance (and not the workers' compensation insurance) described herein or other appropriate evidence of self-insurance, with appropriate endorsements attached evidencing that the Trust and the Trustee have been named as additional insured or loss payee, as applicable, and that the 30-day required notice of cancellation of the policy provision is in effect. A certificate of insurance or statement of self-insurance from the City's Division of Risk Management will be acceptable evidence of insurance on the date of this 2015A Lease. Certificates evidencing all insurance policies issued and statements of self-insurance pursuant to this Section shall be deposited with the Trustee.

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

**Section 9.6 Granting of Easements.** As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee, on behalf of the Trust, shall, upon the request of the City, (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements with respect to the Leased Property (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this 2015A Lease and any security interest or other encumbrance created hereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to the Leased Property, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) in the case of the Fire Stations Component, a written application signed by the Executive Director of Safety or the Fire Chief and, if applicable, the Executive Director of Public Works, and, in the case of the Library Component, a written application signed by the City Librarian and, if applicable, the Executive Director of Public Works, in each case requesting such grant, agreement or release and stating that such

grant, agreement or release will not impair the effective use or interfere with the operation of the applicable Component of the Leased Property.

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

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

(a) all or any Components of the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or

(b) title to, or the temporary or permanent use of, all Components or any Component of the Leased Property or the estate of the City or the Trust in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or

(c) a breach of warranty or a material defect in the construction, manufacture or design of all Components or any Component of the Leased Property becomes apparent; or

(d) title to or the use of all Components or any Component of the Leased Property is lost by reason of a defect in title thereto;

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

**Section 10.2 Obligation to Repair and Replace the Leased Property.** The City and the Trustee, to the extent Net Proceeds are within their respective control and are related to the Leased Property, shall cause such Net Proceeds to be deposited in a separate trust fund. All such Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Trustee or the City upon receipt of requisitions acceptable to the Trustee signed by (i) in the case of the Fire Stations Component, the Executive Director of Safety or the Fire Chief and, if applicable, the Executive Director of Public Works, and (ii) in the case of the Library Component, the City Librarian and, if applicable, the Executive Director of Public Works, in each case stating with respect to each payment to be made:

(a) the requisition number for which the requisition is being made;

(b) the name and address of the person, firm or entity to whom payment is due;

(c) the amount to be paid; and

(d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The execution of any requisition certificate by (i) in the case of the Fire Stations Component, the Executive Director of Safety or the Fire Chief and, if applicable, the Executive Director of Public Works or (ii) in the case of the Library Component, the City Librarian and, if applicable, the Executive Director of Public Works, in each case shall constitute, unto the Trustee, an irrevocable determination shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. The City and the Trustee on behalf of the Trust shall agree to cooperate and use their best reasonable efforts to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. If there is a balance of any such Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the City, to:

- (a) add to, modify or alter the Leased Property or add new components thereto, or
- (b) prepay the Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to this 2015A Lease or
- (c) accomplish a combination of (a) and (b).

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 Trust, subject to this 2015A Lease and shall be included as part of the Leased Property under this 2015A Lease.

**Section 10.3 Insufficiency of Net Proceeds.** If such Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 10.2 of this 2015A Lease, the City 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 City are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the City agrees that, if by reason of any such insufficiency of such Net Proceeds, the City shall make any payments pursuant to the provisions of this paragraph, the City shall not be entitled to any reimbursement therefor from the Trust or the Trustee, nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, payable under Article 6 of this 2015A Lease; or
- (b) apply the Net Proceeds to the payment of the Purchase Option Price in respect of the related Component of the Leased Property in accordance with Article 12 of this 2015A Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the City shall, subject to the limitations of Section 6.1 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Component of the Leased Property for which such Net Proceeds have been received (as certified to the Trustee by the City); and in the event such Net Proceeds shall exceed such portion of the

Purchase Option Price, such excess shall be used as directed by the City in the same manner as set forth in Section 10.2 hereof; or

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

The above referenced election shall be made by the City within ninety (90) days of the occurrence of an event specified in Section 10.1 of this 2015A Lease.

**Section 10.4 Cooperation of the Trustee and the Trust.** The Trustee and the Trust shall cooperate fully with the City in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.1 of this 2015A Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property and the enforcement of all warranties relating to the Leased Property. So long as no Event of Lease Default or Event of Nonappropriation has occurred and is then existing, neither the Trust nor the Trustee shall voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim or prospective or pending condemnation proceeding with respect to the Leased Property without the written consent of the City.

**Section 10.5 Use of Lease Remedy Net Proceeds.** The Trustee shall use any Lease Remedy Net Proceeds to prepay the Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to this 2015A Lease.

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**ARTICLE 11**  
**DISCLAIMER OF WARRANTIES; OTHER COVENANTS**

**Section 11.1 Disclaimer of Warranties.** NEITHER THE TRUST NOR THE TRUSTEE HAS MADE OR WILL 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 CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT NEITHER THE TRUST NOR THE TRUSTEE HAS ANY RESPONSIBILITY THEREFOR. For the purpose of enabling the City to discharge such responsibility, the Trust constitutes and appoints the City as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the City, all manufacturers' warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Trust or the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this 2015A Lease, neither the Trust nor the Trustee shall be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this 2015A Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein.

**Section 11.2 Further Assurances and Corrective Instruments.** The Trustee, on behalf of the Trust, and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereof or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

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

**Section 11.4 Tax Covenants.** The City acknowledges that the moneys in all funds and accounts expected to be created under the 2015A Indenture are to be invested or deposited by the Trustee, at the written direction of the City. The City certifies and covenants that it will not knowingly direct, acknowledge or otherwise cause the investment or use of any moneys related to this 2015A Lease in a manner which will cause this 2015A Lease and, in turn, any certificates of participation executed and delivered with respect to this 2015A Lease to be classified as "arbitrage bonds" within the meaning of the Code.

The City further covenants that it will perform all acts within its power which are or may be necessary to insure that the Interest Portion of the Base Rentals 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. The

City has the right to enter into contracts for janitorial and other services contracts for the maintenance of the Leased Property and for the operation and management of the Leased Property; provided, however any such contracts shall be in compliance with the Code (to maintain the tax-exempt status of the Interest Portion of the Base Rentals) and be subject to termination by the Trustee acting for the Trust, if an Event of Nonappropriation or an Event of Lease Default shall occur and not be cured.

**Section 11.5 Covenant to Defend.** From and to the extent of Net Proceeds, the City shall and hereby agrees to defend the Trust and the Trustee against all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of the Leased Property or from any work or thing done on the Leased Property during the Lease Term requested by the City, or from any condition of the Leased Property. This duty to defend is not an indemnification and it is expressly understood that the City is not indemnifying the Trust or the Trustee and, as previously stated, is limited to Net Proceeds and moneys, if any, in excess of such Net Proceeds, for which there has been an Appropriation.

**Section 11.6 Access to the Leased Property; Rights to Inspect Books.** The City agrees that the Trustee shall have the right at all reasonable times to examine and inspect the Leased Property (subject to such regulations as may be imposed by the City for security purposes) and all of the City's books and records with respect thereto. The City further agrees that the Trustee shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the City to perform its obligations under this 2015A Lease. The 2015A Indenture allows the City to have the right at all reasonable times to examine and inspect all of the Trustee's books and records with respect to the Leased Property and all funds and accounts held under the 2015A Indenture.

The City and its representatives, including the City Auditor, shall have the right to examine and inspect the books and records of the Trust relating to the Leased Property at all reasonable times from the date of this 2015A Lease and until three years after the termination date of this 2015A Lease.

## **ARTICLE 12 PURCHASE OPTION**

**Section 12.1 Purchase Option.** The City shall have the option to purchase the Trust's leasehold interest in all Components of the Leased Property or any Component of the Leased Property, separately, but only if (a) an Event of Lease Default or an Event of Nonappropriation has not occurred and is then continuing and (b) in respect of the Fire Stations Component, the City has purchased the leasehold interest of the Trust in the Library Component of the Leased Property on or before the date on which the purchase by the City of the Fire Station Component of the Leased Property is effective. The City may exercise its options on any date by complying with one of the conditions set forth in Section 12.2.

The City shall give the Trustee notice of its intention to exercise its options not less than thirty-five (35) days in advance of the date of exercise and shall deposit the related Purchase Option Price with the Trustee on or before the selected Purchase Option Date.

If the City exercises its option to purchase the Trust's leasehold interest in any Component of the Leased Property pursuant to this Section, any amount then on hand in the Base Rentals Fund created under the 2015A Indenture and allocable to the Component to be purchased, shall be applied toward the payment of the applicable Purchase Option Price to be paid by the City.

If the City shall have given notice to the Trustee of its intention to purchase the Trust's leasehold interest in any Component of the Leased Property but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Base Rentals, which have been specifically appropriated by the City for such purpose, as if no such notice had been given.

**Section 12.2 Conditions for Purchase Option.** The Trustee, on behalf of the Trust, shall release the Trust's leasehold interest in the related Component or Components of the Leased Property to the City in the manner provided for in Section 12.3 of this 2015A Lease; provided, however, that prior to such release, either:

(a) the City shall have paid the then applicable Purchase Option Price related to the Component of the Leased Property to be released plus any related fees and expenses then owing to the Trust and the Trustee; or

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

In the event that the City shall determine to pay the Purchase Option Price in respect of all of the remaining Components of the Leased Property, the Purchase Option Price shall equal the sum of the amount necessary to defease and discharge the 2015A Indenture as provided in Article 6 thereof, plus all then current Additional Rentals required to be paid hereunder.

In the event that the City shall determine to pay the Purchase Option Price in respect of any Component of the Leased Property separately the Purchase Option Price shall equal the amount payable for the purpose of terminating this 2015A Lease and the 2015A Facilities Lease in respect of such Component of the Leased Property and purchasing the Trust's leasehold interest therein, which amount shall be an amount equal to the outstanding Lease Balance in Respect of a Component of Leased Property plus all Base Rentals representing interest that may be due in respect of such Component of Leased Property to the proposed date of payment of the Purchase Option Price (determined in respect of each Component of Leased Property by using the Base Rentals for each such Component as set forth on Exhibit C (Base Rentals Schedule) hereto), plus any fees and expenses then owing to the Trust and the Trustee.

**Section 12.3 Manner of Release.** At the closing of the purchase of the Trust's leasehold interest in all Components or any Component of the Leased Property pursuant to Section 12.2 of this 2015A Lease, the Trustee, on behalf of the Trust, shall release and terminate the 2015A Facilities Lease, this 2015A Lease and the 2015A Indenture in respect of the applicable Component or Components of the Leased Property and execute and deliver to the



City all necessary documents releasing the Trust's leasehold interest in the related Component of the Leased Property, as it then exists, subject only to the following:

(a) Permitted Encumbrances as set forth on Exhibit B, other than the 2015A Facilities Lease, this 2015A Lease and the 2015A Indenture and the Permitted Encumbrance numbered \_\_\_ on Exhibit B hereto;

(b) all liens, encumbrances and restrictions created or suffered to exist by the Trust or the Trustee as required or permitted by this 2015A Lease and the 2015A Indenture or arising as a result of any action taken or omitted to be taken by the Trust or the Trustee as required or permitted by this 2015A Lease or the 2015A Indenture; and

(c) any other lien or encumbrance created by action of the City.

In order to facilitate the Trust's obligations to release the 2015A Facilities Lease and this 2015A Lease in respect of the Components of the Leased Property and release the Trust's leasehold interest in any Component of the Leased Property to the City as provided herein, forms of releases of the 2015A Facilities Lease and this 2015A Lease in respect of the Components of the Leased Property shall be delivered to the Trustee on the date this 2015A Lease is executed and delivered, such forms being satisfactory to the City.

### **ARTICLE 13 ASSIGNMENT AND SUBLEASING; REPLACEMENT OF THE TRUST**

**Section 13.1 Assignment by the Trust; Replacement of the Trust.** This 2015A Lease may not be assigned by the Trust for any reason other than to a successor by operation of law or with the prior written consent of the Chief Financial Officer, which consent shall not be unreasonably withheld.

In the absence of an Event of Lease Default or an Event of Nonappropriation, upon the occurrence of any other event which in the judgment of the City (a) materially impairs the ability of the Trust to serve as lessor under this 2015A Lease or (b) causes the relationship of the City, as lessee under this 2015A Lease and the Trust as lessor under this 2015A Lease to be irreconcilable, the Trustee, with the prior written direction of the City, shall do all things necessary to replace the Trust with such other entity as it deems appropriate with Approval of Special Counsel. Upon the occurrence of any such event and related written notice thereof from the City, the Trustee, on behalf of the Trust, shall cooperate with the City in conveying title to the Leased Property and any and all other right, title and interest of the Trust in, to and under the 2015A Facilities Lease, this 2015A Lease and the 2015A Indenture to such successor entity as the City may designate. In the event the Trustee, on behalf of the Trust, refuses to cooperate as provided under this Section 13.1, the City is hereby authorized to file an appropriate action in a court of competent jurisdiction to enforce specific performance of this provision.

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

**Section 13.2 Assignment, Subleasing and Tax-Exempt Permitted Use Arrangements by the City.** This 2015A Lease may not be assigned by the City for any reason other than to a successor by operation of law. However, the Leased Property may be (1) subject to one or more Tax-Exempt Permitted Use Arrangements, in whole or in part, or (2) subleased, as a whole or in part, by the City, without the necessity of obtaining the consent of the Trust, the Trustee or any owner of such certificates of participation, subject to each of the following conditions:

(a) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or with Approval of Special Counsel, to another entity or entities;

(b) This 2015A Lease, and the obligations of the City hereunder, shall, at all times during the Lease Term remain obligations of the City, and the City shall maintain its direct relationships with the Trust and the Trustee, notwithstanding any sublease; and

(c) The City shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement.

#### **ARTICLE 14 EVENTS OF LEASE DEFAULT AND REMEDIES**

**Section 14.1 Events of Lease Default Defined.** Any one of the following shall be Events of Lease Default under this 2015A Lease:

(a) failure by the City to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the City for such purpose, during the Initial Term or any Renewal Term, within five (5) Business Days of the date on which they are due; or

(b) subject to the provisions of Section 6.5 hereof, failure by the City to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or

(c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in (a) or (b), for a period of forty-five (45) days after written notice, specifying such failure and requesting that it be remedied shall be received by the City from the Trustee unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if, in the Trustee's reasonable judgment, corrective action can be instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) failure by the City to comply with the terms of the 2015A Facilities Lease.

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

(a) the City shall be obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the City for such purpose, only during the Lease Term, except as otherwise expressly provided in this 2015A Lease; and

(b) if, by reason of *Force Majeure*, the City or the Trust shall be unable in whole or in part to carry out any agreement on their respective parts herein contained other than the City's agreement to pay the Base Rentals and Additional Rentals due hereunder, the City or the Trust, as the case may be, shall not be deemed in default during the continuance of such inability. The City and the Trust each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City or the Trust, as the case may be, from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

**Section 14.2 Remedies on Default.** Whenever any Event of Lease Default shall have happened and be continuing beyond any applicable cure period, the Trustee, on behalf of the Trust, may, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the City to vacate and surrender possession of the Leased Property which vacation and surrender the City agrees to complete within sixty (60) days from the date of such notice; or

(b) sell, trade-in, repossess or liquidate the Trust's leasehold interest in the Leased Property or any part thereof in any lawful manner; or

(c) lease or sublease the Leased Property or sell an assignment of the Trust's leasehold interest in the Leased Property; or

(d) recover from the City:

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

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

(e) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this 2015A Lease and the 2015A Indenture.

In the event the City does not vacate and surrender possession as described in (a) above, the provisions of Section 6.5 hereof may apply, at the sole discretion of the Trustee, on behalf of the Trust.

**Section 14.3 Limitations on Remedies.** The remedies in connection with an Event of Lease Default shall be limited as set forth in this section. A judgment requiring a payment of money may be entered against the City by reason of an Event of Lease Default only as to the City's liabilities described in paragraph (d) of Section 14.2 hereof. A judgment requiring a payment of money may be entered against the City by reason of an Event of Nonappropriation only to the extent that the City fails to vacate and surrender possession of the Leased Property as required by Section 6.4 of this 2015A Lease, and only as to the liabilities described in paragraph (d)(i) of Section 14.2 hereof. The remedy described in paragraph (d)(ii) of Section 14.2 of this 2015A Lease is not available for an Event of Lease Default consisting of failure by the City to vacate and surrender possession of the Leased Property by the March 1 following an Event of Nonappropriation.

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

**Section 14.5 Waivers.** The Trustee, on behalf of the Trust, may waive any Event of Lease Default under this 2015A Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Base Rentals or Additional Rentals by the City shall not constitute a waiver of any breach or default by the Trust hereunder.

**Section 14.6 Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws.** To the extent permitted by law, in the case of an Event of Nonappropriation or an Event of Lease Default neither the Trustee, on behalf of the Trust, nor the City nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the 2015A Indenture; and the Trustee, on behalf of the Trust, and the City, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws. Notwithstanding the foregoing, it is expressly understood that the City cannot and does not hereby waive its right to set up, claim or seek to take advantage of its police powers or its State constitutional or statutory right of eminent domain.

## **ARTICLE 15 MISCELLANEOUS**

**Section 15.1 Sovereign Powers of City.** Nothing in this 2015A Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the City. Nothing in this 2015A Lease shall be construed to require the City to

occupy and operate the Leased Property other than as lessee, or to require the City to exercise its right to purchase the Trust's leasehold interest in the Leased Property created by the 2015A Facilities Lease, all as provided in Article 12 hereof.

**Section 15.2 Notices.** All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered electronically or mailed by certified or registered mail, postage prepaid, addressed as follows:

If to the City:

Mayor  
City and County of Denver, Colorado  
1437 Bannock, Room 350  
Denver, Colorado 80202

With copies to:

Chief Financial Officer  
City and County of Denver, Colorado  
201 West Colfax, Department 1010  
Denver, Colorado 80202  
(and electronically to "debtmanagement@denvergov.org")

and

Executive Director of Safety  
City and County of Denver, Colorado  
201 West Colfax Avenue, Department 1110  
Denver, Colorado 80202

and

Fire Chief  
745 W. Colfax Avenue  
PO Box 40385  
Denver, CO 80204

and

City Librarian  
10 W. 14<sup>th</sup> Avenue Parkway  
Denver, Colorado 80204

and

Executive Director of Public Works  
City and County of Denver, Colorado  
201 West Colfax Avenue, Department 608  
Denver, Colorado 80202

and

City Attorney  
City and County of Denver, Colorado  
201 West Colfax, Department 1207  
Denver, Colorado 80202

If to the Trust and Trustee:

Denver Public Facilities Leasing Trust 2015A  
c/o Zions First National Bank, as Trustee  
1001 - 17th Street Suite #850  
Denver, Colorado 80202  
Attention: Corporate Trust Department  
(and electronically to [Stephanie.Nicholls@zionsbank.com](mailto:Stephanie.Nicholls@zionsbank.com))

The City, the Trustee and the Trust may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 15.3 No Third Party Beneficiaries.** It is expressly understood and agreed that enforcement of the terms and conditions of this 2015A Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the City, as lessee, and the Trust, as lessor, and the Trustee, on behalf of the Trust and their respective successors and assigns, and nothing contained in this 2015A Lease shall give or allow any such claim or right of action by any other or third person on this 2015A Lease. It is the express intention of the City and the Trust that any person other than the City, the Trust or the Trustee receiving services or benefits under this 2015A Lease shall be deemed to be an incidental beneficiary only.

**Section 15.4 No Discrimination in Employment.** In connection with the performance of work under this 2015A Lease, the Trustee, on behalf of the Trust and as Trustee under the 2015A Indenture, shall not refuse to hire, nor discharge, promote or demote, nor to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, age, national origin, gender, military status, sexual orientation, marital status, or physical or mental disability; and shall insert the foregoing provisions in all contracts and subcontracts entered into with respect to this 2015A Lease.

**Section 15.5 Binding Effect.** This 2015A Lease shall inure to the benefit of and shall be binding upon the Trust and the City and their respective successors and assigns, subject, however, to the limitations contained in Article 13 of this 2015A Lease.

**Section 15.6 Amendments.** This 2015A Lease may only be amended, changed, modified or altered as provided in the 2015A Indenture.

**Section 15.7 Absolute Net Lease.** This 2015A Lease shall be deemed and construed to be an "absolute net lease" and, subject to the prior appropriation requirements hereof, the City shall pay absolutely net during the Lease Term, the Base Rentals, the Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the City under this 2015A Lease, for which a specific Appropriation has been effected by the City

for such purpose, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this 2015A Lease).

**Section 15.8 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 2015A 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 2015A Lease.

**Section 15.9 Severability.** Except for the requirement of the City to pay Base Rentals for which a specific Appropriation has been effected by the City for such purpose and the requirement of the Trust to provide quiet enjoyment of the Leased Property and to convey the Leased Property to the City under the conditions set forth in Article 12 of this 2015A Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this 2015A Lease), in the event that any other provision of this 2015A Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 15.10 Execution in Counterparts.** This 2015A Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 15.11 Applicable Law.** This 2015A Lease shall be governed by and construed in accordance with the laws of the State.

**Section 15.12 No Indemnification by City.** Except as otherwise expressly provided herein, the City cannot and does not agree to indemnify, hold harmless or exonerate the Trust, the Trustee or any other person for any purpose whatsoever.

**Section 15.13 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 2015A Lease.

**Section 15.14 No Conflict of Interest of City Employees.** The Trust represents that, to the best of its knowledge, no officer or employee of the City is either directly or indirectly a party or in any manner interested in this 2015A Lease except as such interest may arise as a result of the lawful discharge of the responsibilities of such official or employee.

**Section 15.15 Electronic Signatures and Electronic Records.** The Trust consents to the use of electronic signatures by the City. This 2015A Lease and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The City and the Trust agree not to deny the legal effect or enforceability of this 2015A Lease solely because it is in electronic form or because an electronic record was used in its formation. The City and the Trust agree not to object to the admissibility of this 2015A Lease in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**Contract Control Number: FINAN-201521757-00**

**Contractor name: DENVER PUBLIC FACILITIES LEASING TRUST 2015A**

IN WITNESS WHEREOF, the parties have executed this 2015A Lease the day and year first above written.

**DENVER PUBLIC FACILITIES LEASING TRUST 2015A, as Lessor**

By its Trustee:  
**ZIONS FIRST NATIONAL BANK**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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

The foregoing instrument was acknowledged before me this June \_\_, 2015, by \_\_\_\_\_, as \_\_\_\_\_ of Zions First National Bank, Denver, Colorado, as Trustee for the Denver Public Facilities Leasing Trust 2015A.

WITNESS my hand and official seal.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires:





**Contract Control Number: FINAN-201521757-00**

**Contractor name: DENVER PUBLIC FACILITIES LEASING TRUST 2015A**

IN WITNESS WHEREOF, the parties have executed this 2015A Lease the day and year first above written.

ATTEST:

**CITY AND COUNTY OF DENVER,  
COLORADO, as Lessee**

\_\_\_\_\_  
Debra Johnson,  
Clerk and Recorder, *Ex-Officio*  
Clerk of the City and County of Denver

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

D. Scott Martinez, Attorney for the  
City and County of Denver

\_\_\_\_\_  
Chief Financial Officer/Manager of Finance

By \_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Auditor



**EXHIBIT A  
DESCRIPTION OF  
THE LEASED PROPERTY  
(Fire Station and Library Facilities)**

**Legal Description of the Land:**

<b>FIRE STATIONS COMPONENT</b>
------------------------------------

**STATION NO. 18 PROPERTY**

PARCEL A (8701 EAST ALAMEDA PARKWAY):

A PART OF THE NE 1/4 OF SECTION 16, TOWNSHIP 4 SOUTH, RANGE 67 WEST OF THE 6TH P.M., DENVER COUNTY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 16;  
THENCE S21°09'07"W, A DISTANCE OF 1073.79 FEET TO A POINT ON THE EASTERLY LINE OF THAT PARCEL OF LAND RECORDED AT RECEPTION NO. 2000140490 OF THE CITY AND COUNTY OF DENVER CLERK AND RECORDER'S OFFICE AND THE POINT OF BEGINNING;  
THENCE DEPARTING SAID EASTERLY LINE N83°45'11"E, A DISTANCE OF 100.56 FEET;  
THENCE S59°00'00"E, A DISTANCE OF 199.21 FEET;  
THENCE S42°10'43"E, A DISTANCE OF 101.75 FEET TO A POINT OF CURVATURE;  
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A LENGTH OF 212.80 FEET, A RADIUS OF 410.00 FEET, A DELTA ANGLE OF 29°44'16", A CHORD WHICH BEARS S36°14'14"W, A CHORD DISTANCE OF 210.42 FEET;  
THENCE S21°22'08"W, A DISTANCE OF 9.11 FEET;  
THENCE S63°51'33"W, A DISTANCE OF 20.30 FEET TO A POINT OF CURVATURE AND THE NORTHERLY RIGHT OF WAY LINE OF ALAMEDA AVENUE;  
THENCE ALONG SAID NORTHERLY RIGHT OF WAY LINE AND THE ARC OF A CURVE TO THE RIGHT HAVING A LENGTH OF 190.18 FEET, A RADIUS OF 860.29 FEET, A DELTA ANGLE OF 12°39'59", A CHORD WHICH BEARS N60°11'01"W, A CHORD DISTANCE OF 189.80 FEET TO A POINT ON SAID EASTERLY LINE OF THAT PARCEL OF LAND DESCRIBED IN RECEPTION NO. 2000140490;  
THENCE DEPARTING SAID NORTHERLY RIGHT OF WAY LINE AND ALONG SAID EASTERLY LINE N06°14'49"W, A DISTANCE OF 261.39 FEET TO THE POINT OF BEGINNING.

THE BEARINGS HEREIN ARE BASED ON THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 4 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN. THE BEARING OF SAID LINE IS SHOWN ON THE CITY AND COUNTY OF DENVER LOWRY AIR FORCE BASE BOUNDARY SURVEY FILED IN BOOK 23, AT PAGES 102-103 OF THE COUNTY SURVEYOR'S LAND SURVEY/RIGHT OF WAY SURVEY'S. SAID LINE IS THE LINE BETWEEN THE 3" CITY OF AURORA BRASS CAP IN A RANGE BOX STAMPED "LS 16419" AT THE NORTHEAST CORNER OF SECTION 16 AND THE 3.25" ALUMINUM CAP STAMPED URS "PLS 20683" MARKING THE NORTH QUARTER CORNER OF SECTION 15, AS SHOWN HEREON. SAID LINE BEARS S89°58'53"E, WITH ALL BEARING CONTAINED HEREIN RELATIVE THERETO.

**STATION NO. 19 PROPERTY**

PARCEL B (300 SOUTH IVY STREET):

LOTS 1 THROUGH 6, INCLUSIVE, BLOCK 6, SOUTH CAPITOL HILL, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**STATION NO. 22 PROPERTY**

PARCEL C (3530 SOUTH MONACO PARKWAY):

LOT 20, BLOCK 1, SOUTHMOOR PARK, FILING NO. TWO, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

<b>LIBRARY COMPONENT</b>
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PARCEL D (2401 WELTON STREET):

LOTS 17 THROUGH 26, INCLUSIVE, BLOCK 153, STILES ADDITION TO THE CITY OF DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

**EXHIBIT A**  
**DESCRIPTION OF**  
**THE LEASED PROPERTY**  
**(Fire Station and Library Facilities)**

FIRE STATIONS COMPONENT
----------------------------

Description of Fire Station No. 18: the building and other improvements located on the land described above as Parcel A (8701 East Alameda Parkway)

Description of Fire Station No. 19: the building and other improvements located on the land described above as Parcel B (300 South Ivy Street)

Description of Fire Station No. 22: the building and other improvements located on the land described above as Parcel C (3530 South Monaco Parkway)

LIBRARY COMPONENT
----------------------

Description of Blair-Caldwell African American Research Library: the building and other improvements located on the land described above as Parcel D (2401 Welton Street)

**EXHIBIT B**  
**PERMITTED ENCUMBRANCES**

Note: The Permitted Encumbrances identified in this Exhibit B are preliminary and subject to revision prior to the execution and delivery of the 2015A Lease.

FIRE STATIONS COMPONENT
----------------------------

Description of Fire Station No. 18: the building and other improvements located on the land described above as Parcel A (8701 East Alameda Parkway)

1. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT FOR THE OPERATION, REPAIR AND MAINTENANCE OF A FLOOD PROTECTION PROJECT, AS GRANTED TO URBAN DRAINAGE AND FLOOD CONTROL DISTRICT IN INSTRUMENT RECORDED JANUARY 23, 1996 AT RECEPTION NO. 960009634.

AMENDMENT THERETO RECORDED JANUARY 23, 1996 UNDER RECEPTION NO. 960009635.

PARTIAL RELEASE OF EASEMENT RECORDED OCTOBER 12, 2006 UNDER RECEPTION NO. 2006164468.

2. TERMS, CONDITIONS AND PROVISIONS OF EASEMENT FOR OPERATION AND MAINTENANCE OF A SANITARY SEWER LINE, AS GRANTED TO THE CITY AND COUNTY OF DENVER IN INSTRUMENT RECORDED JUNE 07, 1994 AT RECEPTION NO. 9400093804.

3. UTILITY EASEMENT AS GRANTED BY LOWRY ECONOMIC REDEVELOPMENT AUTHORITY TO PUBLIC SERVICE COMPANY OF COLORADO IN INSTRUMENT RECORDED JANUARY 20, 2000, UNDER RECEPTION NO. 2000009929.  
QUIT CLAIM DEED OF A PORTION OF SAID EASEMENT FROM PUBLIC SERVICE COMPANY OF COLORADO TO LOWRY ECONOMIC REDEVELOPMENT AUTHORITY RECORDED FEBRUARY 28, 2011 UNDER RECEPTION NO. 2011021205.

4. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN RESERVATION BY LOWRY ECONOMIC REDEVELOPMENT AUTHORITY OF PEDESTRIAN RIGHT OF WAY AGREEMENT RECORDED JANUARY 26, 2006 UNDER RECEPTION NO. 2006016800.

**EXHIBIT B**  
**PERMITTED ENCUMBRANCES**

5. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN ENVIRONMENTAL COVENANT FROM THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE SECRETARY OF THE AIR FORCE TO THE HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION OF THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, RECORDED JANUARY 18, 2006 UNDER RECEPTION NO. 2006011844.

6. COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATIONS AS SET FORTH IN DEEDS BY THE UNITED STATES OF AMERICA RECORDED JANUARY 18, 2006 UNDER RECEPTION NOS. 2006011847 AND 2006011849.

7. RESERVATION OF ALL OIL, GAS AND OTHER MINERALS UNDERLYING THE PROPERTY AND ALL WATER RIGHTS BY THE LOWRY ECONOMIC REDEVELOPMENT AUTHORITY IN DEED RECORDED JANUARY 26, 2006 UNDER RECEPTION NO. 2006016801, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

8. ANY TAX, LIEN, FEE, OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE LOWRY VISTA METROPOLITAN DISTRICT, AS EVIDENCED BY INSTRUMENT RECORDED DECEMBER 08, 2008, UNDER RECEPTION NO. 2008165246.

9. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN LOWRY VISTA GENERAL DEVELOPMENT PLAN RECORDED JANUARY 13, 2010 UNDER RECEPTION NO. 2010004765.

10. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN ZONING ORDINANCE RECORDED JANUARY 29, 2010 UNDER RECEPTION NO. 2010010410.

11. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN DEVELOPMENT AND VESTING AGREEMENT RECORDED MARCH 06, 2012 UNDER RECEPTION NO. 2012029404.

12. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN EASEMENT RECORDED JUNE 27, 2012 UNDER RECEPTION NO. 2012084069, AS AMENDED BY INSTRUMENT RECORDED DECEMBER 14, 2012 UNDER RECEPTION NO. 2012173364.

13. EASEMENT GRANTED TO CITY AND COUNTY OF DENVER, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS, FOR WATER PIPELINES, APPURTENANCES, AND INCIDENTAL PURPOSES, BY INSTRUMENT RECORDED APRIL 26, 2013, UNDER RECEPTION NO. 2013059311.

**EXHIBIT B**  
**PERMITTED ENCUMBRANCES**

Description of Fire Station No. 19: the building and other improvements located on the land described above as Parcel B (300 South Ivy Street)

1. EASEMENT GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO, FOR PIPE LINE, AND INCIDENTAL PURPOSES, BY INSTRUMENT RECORDED JUNE 19, 1963, IN BOOK 9048 AT PAGE 466.

Description of Fire Station No. 22: the building and other improvements located on the land described above as Parcel C (3530 South Monaco Parkway)

1. ALL COAL THAT MAY BE UNDERNEATH THE SURFACE OF THE LAND ALSO SUCH RIGHT OF WAY AND OTHER GROUNDS AS MAY BE NECESSARY FOR THE PROPER WORKING OF ANY COAL MINES THAT MAY BE DEVELOPED UPON SAID PREMISES AND FOR THE TRANSPORTATION OF THE COAL FROM THE SAME, AS RESERVED BY UNION PACIFIC RAILWAY IN DEED DATED APRIL 27, 1887, AND RECORDED JUNE 14, 1887 IN BOOK 317 AT PAGE 525, ARAPAHOE COUNTY RECORDS, AND ANY AND ALL ASSIGNMENTS THEREOF OR INTERESTS THEREIN.

BY INSTRUMENT RECORDED DECEMBER 31, 1964 IN BOOK 9360 AT PAGE 166, UNION PACIFIC RAILWAY COMPANY RELINQUISHED ITS RIGHT TO USE THE SURFACE OF SUBJECT PROPERTY.

2. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF SOUTHMOOR PARK, FILING NO. TWO RECORDED MAY 17, 1965 UNDER RECEPTION NO. 87555.

NOTE: DEED RELINQUISHING THAT CERTAIN EASEMENT THROUGH THE WESTERLY 6 FEET OF SUBJECT PROPERTY WAS RECORDED MAY 20, 1966 IN BOOK 9601 AT PAGE 446.

3. EASEMENT GRANTED TO PUBLIC SERVICE COMPANY OF COLORADO AND THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY, FOR UTILITY LINES, AND INCIDENTAL PURPOSES, BY INSTRUMENT RECORDED MAY 20, 1966, IN BOOK 9601 AT PAGE 452.

4. TERMS, CONDITIONS, PROVISIONS AND COVENANTS AS SET FORTH IN DEED RECORDED JUNE 6, 1966 IN BOOK 9607 AT PAGE 677.

5. RESTRICTIONS, PERTAINING TO THE PRESERVATION OF MOUNTAIN VIEWS AS CONTAINED IN ORDINANCE NO. 376, SERIES OF 1982, RECORDED JULY 26, 1983 IN BOOK 2865 AT PAGE 631.

**EXHIBIT B**  
**PERMITTED ENCUMBRANCES**

6. REQUEST FOR NOTIFICATION OF SURFACE DEVELOPMENT FROM MINERAL ESTATE OWNER AS EVIDENCED BY INSTRUMENT RECORDED MAY 16, 2002 UNDER RECEPTION NO. B2090727.

7. TERMS, CONDITIONS, PROVISIONS, BURDENS, OBLIGATIONS AND EASEMENTS AS SET FORTH AND GRANTED IN SHARED ACCESS EASEMENT AGREEMENT RECORDED APRIL 01, 2004 UNDER RECEPTION NO. 2004081460.

LIBRARY COMPONENT
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Description of Blair-Caldwell African American Research Library: the building and other improvements located on the land described above as Parcel D (2401 Welton Street)

1. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN ORDINANCE 113, SERIES OF 2002, AN ORDINANCE DESIGNATING THE WELTON STREET COMMERCIAL CORRIDOR CULTURAL DISTRICT AS A DISTRICT FOR PRESERVATION, RECORDED FEBRUARY 15, 2002 UNDER RECEPTION NO. 2002033014.

2. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN SPECIAL PLAN FOR THE LOCATION OF OFF-STREET PARKING RECORDED APRIL 26, 2002 UNDER RECEPTION NO. 2002077809.

3. TERMS, CONDITIONS, PROVISIONS, BURDENS AND OBLIGATIONS AS SET FORTH IN THE AFRICAN AMERICAN RESEARCH LIBRARY, A PLANNED DEVELOPMENT SITE PLAN RECORDED OCTOBER 28, 2002 UNDER RECEPTION NO. 2002203309.

**EXHIBIT C**  
**BASE RENTALS SCHEDULE - ALL COMPONENTS OF LEASED PROPERTY**  
**(Relating to Certificates of Participation, Series 2015A)**

Base Rentals Payment Date	Base Rentals Principal Portion	Base Rentals Interest Portion	Total Base Rentals	Base Rentals Payment Date	Base Rentals Principal Portion	Base Rentals Interest Portion	Total Base Rentals
12/1/2015	\$ -	\$ 525,000	\$ 525,000	12/1/2025	870,000	307,450	1,177,450
6/1/2016	-	547,825	547,825	6/1/2026	-	283,525	283,525
12/1/2016	985,000	547,825	1,532,825	12/1/2026	915,000	283,525	1,198,525
6/1/2017	-	523,200	523,200	6/1/2027	-	258,363	258,363
12/1/2017	1,030,000	523,200	1,553,200	12/1/2027	965,000	258,363	1,223,363
6/1/2018	-	497,450	497,450	6/1/2028	-	231,825	231,825
12/1/2018	1,085,000	497,450	1,582,450	12/1/2028	1,020,000	231,825	1,251,825
6/1/2019	-	470,325	470,325	6/1/2029	-	203,775	203,775
12/1/2019	1,135,000	470,325	1,605,325	12/1/2029	1,075,000	203,775	1,278,775
6/1/2020	-	441,950	441,950	6/1/2030	-	174,213	174,213
12/1/2020	1,195,000	441,950	1,636,950	12/1/2030	1,135,000	174,213	1,309,213
6/1/2021	-	412,075	412,075	6/1/2031	-	143,000	143,000
12/1/2021	1,255,000	412,075	1,667,075	12/1/2031	1,195,000	143,000	1,338,000
6/1/2022	-	380,700	380,700	6/1/2032	-	110,138	110,138
12/1/2022	1,315,000	380,700	1,695,700	12/1/2032	1,265,000	110,138	1,375,138
6/1/2023	-	347,825	347,825	6/1/2033	-	75,350	75,350
12/1/2023	790,000	347,825	1,137,825	12/1/2033	1,335,000	75,350	1,410,350
6/1/2024	-	328,075	328,075	6/1/2034	-	38,638	38,638
12/1/2024	825,000	328,075	1,153,075	12/1/2034	1,405,000	38,638	1,443,638
6/1/2025	-	307,450	307,450	Totals	\$ 20,975,000	\$ 12,076,400	\$ 32,871,400

*For the purpose of providing the actual Base Rentals due under this Exhibit C of the Lease, the Chief Financial Officer may adjust the amounts of the Principal Portions and the Interest Portions of such Base Rentals within and between each Fiscal Year set forth above; provided that the Total Aggregate Principal Portion and the total Interest Portion of Base Rentals due under this Exhibit C of the Lease shall not exceed \$32,871,400.*

\* Total Aggregate Principal Portion of Base Rentals in respect of all Components of the Leased Property is to be added together to equal the Total Aggregate Principal Portion of Base Rentals due under this 2015A Lease.

**STATEMENT REGARDING THE LEASED PROPERTY**

The duration of the 2015A Lease, throughout the Lease Term, does not exceed the weighted average useful life of the Leased Property and, to the extent that the Leased Property constitutes items of personal property, including equipment, such items are considered paid from the first Base Rentals described above hereof.



**EXHIBIT C**

**BASE RENTALS SCHEDULE - FIRE STATIONS COMPONENT  
(Relating to Certificates of Participation, Series 2015A)**

Base Rentals Payment Date	Base Rentals Principal Portion	Base Rentals Interest Portion	Total Base Rentals	Base Rentals Payment Date	Base Rentals Principal Portion	Base Rentals Interest Portion	Total Base Rentals
12/1/2015	\$ -	\$ 330,000	\$ 330,000	12/1/2025	870,000	307,450	1,177,450
6/1/2016	-	347,825	347,825	6/1/2026	-	283,525	283,525
12/1/2016	-	347,825	347,825	12/1/2026	915,000	283,525	1,198,525
6/1/2017	-	347,825	347,825	6/1/2027	-	258,363	258,363
12/1/2017	-	347,825	347,825	12/1/2027	965,000	258,363	1,223,363
6/1/2018	-	347,825	347,825	6/1/2028	-	231,825	231,825
12/1/2018	-	347,825	347,825	12/1/2028	1,020,000	231,825	1,251,825
6/1/2019	-	347,825	347,825	6/1/2029	-	203,775	203,775
12/1/2019	-	347,825	347,825	12/1/2029	1,075,000	203,775	1,278,775
6/1/2020	-	347,825	347,825	6/1/2030	-	174,213	174,213
12/1/2020	-	347,825	347,825	12/1/2030	1,135,000	174,213	1,309,213
6/1/2021	-	347,825	347,825	6/1/2031	-	143,000	143,000
12/1/2021	-	347,825	347,825	12/1/2031	1,195,000	143,000	1,338,000
6/1/2022	-	347,825	347,825	6/1/2032	-	110,138	110,138
12/1/2022	-	347,825	347,825	12/1/2032	1,265,000	110,138	1,375,138
6/1/2023	-	347,825	347,825	6/1/2033	-	75,350	75,350
12/1/2023	790,000	347,825	1,137,825	12/1/2033	1,335,000	75,350	1,410,350
6/1/2024	-	328,075	328,075	6/1/2034	-	38,638	38,638
12/1/2024	825,000	328,075	1,153,075	12/1/2034	1,405,000	38,638	1,443,638
6/1/2025	-	307,450	307,450	Totals	\$ 12,795,000	\$ 10,203,900	\$ 22,998,900

*For the purpose of providing the actual Base Rentals due under this Exhibit C of the Lease, the Chief Financial Officer may adjust the amounts of the Principal Portions and the Interest Portions of such Base Rentals within and between each Fiscal Year set forth above; provided that the Total Aggregate Principal Portion and the total Interest Portion of Base Rentals due under this Exhibit C of the Lease shall not exceed \$22,998,900.*

\* Total Aggregate Principal Portion of Base Rentals in respect of all Components of the Leased Property is to be added together to equal the Total Aggregate Principal Portion of Base Rentals due under this 2015A Lease.

**STATEMENT REGARDING THE LEASED PROPERTY**

The duration of the 2015A Lease, throughout the Lease Term, does not exceed the weighted average useful life of the Leased Property and, to the extent that the Leased Property constitutes items of personal property, including equipment, such items are considered paid from the first Base Rentals described above hereof.

**EXHIBIT C**  
**BASE RENTALS SCHEDULE – LIBRARY COMPONENT**  
**(Relating to Certificates of Participation, Series 2015A)**

Base Rentals Payment Date	Base Rentals Principal Portion	Base Rentals Interest Portion	Total Base Rentals
12/1/2015	\$ -	\$ 195,000	\$ 195,000
6/1/2016	-	200,000	200,000
12/1/2016	985,000	200,000	1,185,000
6/1/2017	-	175,375	175,375
12/1/2017	1,030,000	175,375	1,205,375
6/1/2018	-	149,625	149,625
12/1/2018	1,085,000	149,625	1,234,625
6/1/2019	-	122,500	122,500
12/1/2019	1,135,000	122,500	1,257,500
6/1/2020	-	94,125	94,125
12/1/2020	1,195,000	94,125	1,289,125
6/1/2021	-	64,250	64,250
12/1/2021	1,255,000	64,250	1,319,250
6/1/2022	-	32,875	32,875
12/1/2022	1,315,000	32,875	1,347,875
Totals	\$ 8,000,000	\$ 1,872,500	\$ 9,872,500

*For the purpose of providing the actual Base Rentals due under this Exhibit C of the Lease, the Chief Financial Officer may adjust the amounts of the Principal Portions and the Interest Portions of such Base Rentals within and between each Fiscal Year set forth above; provided that the Total Aggregate Principal Portion and the total Interest Portion of Base Rentals due under this Exhibit C of the Lease shall not exceed \$9,872,500.*

\* Total Aggregate Principal Portion of Base Rentals in respect of all Components of the Leased Property is to be added together to equal the Total Aggregate Principal Portion of Base Rentals due under this 2015A Lease.

**STATEMENT REGARDING THE LEASED PROPERTY**

The duration of the 2015A Lease, throughout the Lease Term, does not exceed the weighted average useful life of the Leased Property and, to the extent that the Leased Property constitutes items of personal property, including equipment, such items are considered paid from the first Base Rentals described above hereof.

**EXHIBIT D**  
**FORM OF NOTICE OF LEASE RENEWAL**

To: Zions First National Bank, as Trustee  
1001 - 17th Street Suite #850  
Denver, Colorado 80202  
Attention: Corporate Trust Department

The undersigned is the Chief Financial Officer of the City and County of Denver, Colorado (the "City"), the lessee under that certain Lease Purchase Agreement No. 2015A (Fire Station and Library Facilities) (the "2015A Lease") dated June \_\_, 2015, with the Denver Public Facilities Leasing Trust 2015A, the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2 and 6.4 of the 2015A Lease, whereupon the 2015A Lease shall be renewed for the ensuing Fiscal Year;

\_\_\_\_\_  
Initial

OR

(b) the City has determined not to renew the 2015A Lease for the ensuing Fiscal Year.

\_\_\_\_\_  
Initial

City and County of Denver, Colorado

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Its: Chief Financial Officer or the Officer's Designee