

AFTER RECORDATION PLEASE RETURN TO:
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**LEASE PURCHASE AGREEMENT NO. 2012C
(DENVER PROPERTIES)**

DATED MAY [17], 2012

BETWEEN

**DENVER PROPERTIES LEASING TRUST 2012C,
AS LESSOR**

AND

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

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**LEASE PURCHASE AGREEMENT NO. 2012C
(DENVER PROPERTIES)**

This Lease Purchase Agreement No. 2012C (Denver Properties) dated May [17], 2012, is between Denver Properties Leasing Trust 2012C, 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 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 other interests in real property and appurtenances thereto 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 property.

2. 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) convey to the Trust, pursuant to the City Deed, the Sites and the Buildings constituting the six properties described on Exhibit A of this Lease and described as the Components of the Leased Property and (b) enter into this Lease to provide for the leasing of the Components of the Leased Property from the Trust for use by the City for its governmental and proprietary purposes.

3. The Trust is to accept title to the Leased Property from the City and is to lease the Leased Property to the City pursuant to this Lease.

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 Lease for such future Fiscal Year.

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

6. Neither this 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 the City Deed, this Lease and related documents set forth their entire understanding and agreement regarding the terms and conditions upon which the Trust is acquiring the Leased Property from the City and leasing the Leased Property to the City and, in turn, the City is leasing the Leased Property from the Trust.

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

Section 1.2 Definitions. All capitalized terms defined in Article 1 of the Indenture shall have the same meanings in this Lease. All capitalized terms used herein shall have the following meanings under this Lease:

“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 this Lease or the 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 Indenture, (iii) insurance deductible amounts in respect of insurance required to be maintained under this Lease if such amounts are paid by the Trust, and (iv) reasonable 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 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 Lease) which the City agrees to assume or pay as Additional Rentals under this Lease.

Payment by the City of any Additional Rentals incurred by the Trust or the Trustee requires the written approval of the Manager of Finance prior to the incurrence of such Additional Rentals. Additional Rentals shall not include Base Rentals.

“Appropriation” 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. The term “appropriates” or “appropriated” as used herein includes this collective procedure.

“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 set forth in the Tax-Exempt Base Rentals Schedule (Exhibit C-1) paid by the City under this Lease.

“Authorized Representative” means:

(a) in the case of the City, the Manager of Finance or the person or persons authorized by resolution of the City to perform any act or execute any document; and

(b) in the case of the Trust, any person authorized to perform any act or sign any document by or pursuant to the bylaws or any resolution of the governing body of the Trustee.

“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 the Leased Property, as set forth in the Base Rentals Schedules, including Tax-Exempt Base Rentals and Taxable Base Rentals. Base Rentals shall not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in the Base Rentals Schedules.

“Base Rentals Schedules” means the schedules of Base Rentals payable as set forth in Exhibits C-1, C-2 and C-3 of this Lease.

“Building(s)” means any and all of the buildings and improvements, including the fixtures attached thereto, and any portion or portions thereof, located on the Site(s), all as described in Exhibit A of this Lease.

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

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

“City” means the City and County of Denver, Colorado, only in its capacity as lessee under this 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 Deed” means the quitclaim deed dated the date hereof, from the City, as seller, to the Trust, as purchaser, conveying to the Trust the Sites and Buildings constituting the Components of the Leased Property under this Lease as of the date hereof.

“City Ordinance” means Council Bill BR 12-0281 authorizing the execution and delivery by the City of the City Deed and this Lease.

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

“Component(s)” means, individually and collectively, as the case may be, any one or more Components, including the Sites and the Buildings, of the Leased Property as such Components are denominated and set forth on Exhibit A to this Lease.

“Component(s) Allocated Amount” means the amount set forth on Exhibit A allocated to each Component of Leased Property.

“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 Lease as further defined in the 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.

“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 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 Lease.

“Event of Nonappropriation” means the termination and nonrenewal of this 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. The term also means a notice under this Lease of the City’s intention to not renew and therefore terminate this Lease or an event described in this 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. An Event of Nonappropriation may also occur under circumstances described in Section 10.3(c) of this Lease.

“Existing Leases” means the two leases in effect on the date of this Lease under which the City, as lessor, is leasing portions of the Arie P. Taylor Building, constituting a portion of a Component of the Leased Property to (a) the State of Colorado acting by and through the Department of Revenue, Division of Motor Vehicles, Driver’s License Section and (b) the United Church of Montbello to distribute food to and operate a food bank to serve indigent persons.

“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.

“Indenture” means the Declaration and Indenture of Trust (Denver Properties Leasing Trust 2012C), dated the date hereof, entered into by the Trustee, which creates the Trust, and pursuant to which the Trustee executed and delivered on behalf of the Trust, the Series 2012C-1, 2012C-2 and 2012C-3 Certificates.

“Initial Purchaser” means JPMorgan Chase Bank, N.A., and its successors and assigns, as the initial purchaser and owner of the Series 2012C-1, 2012C-2 and 2012C-3 Certificates executed and delivered pursuant to the Indenture.

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

“Interest Portion” means (a) the portion of each Base Rentals payment that represents the payment of interest as set forth in the Base Rentals Schedules, or (b) the aggregate Interest Portions remaining to be paid as set forth in the Base Rentals Schedules through the maximum Lease Term.

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

“Lease Balance” means the sum of the unpaid Principal Portions of the Base Rentals through the maximum Lease Term as set forth in the Base Rentals Schedules.

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

“Lease Term” means the Initial Term and any Renewal Terms as to which the City may exercise its option to renew this 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 Lease. “Lease Term” refers to the time during which the City is the lessee of any Component of the Leased Property under this Lease.

“Leased Property” means, collectively, all of the Components until such times as each of such Components may be released as Leased Property from this Lease and conveyed to the City, all as set forth in this Lease.

“Manager of Finance” means the Manager of Finance of the City duly appointed pursuant to the Charter or his or her successor in functions, if any, or the designee of the Manager of Finance.

“Manager of General Services” means the Manager of General Services of the City duly appointed pursuant to the Charter or his or her successor in functions, if any, or the designee of the Manager of General Services.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this Lease or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any construction or other contract relating to improvements or modifications to the Leased Property, or proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this Lease by reason of an Event of Nonappropriation or an Event of Lease Default, including, without limitation, any payments received by the Trustee from an assignment of the Existing Leases or any other subleases of 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 related 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 Lease; (b) this Lease, the Indenture, any related fixture filing and any liens arising or granted pursuant to this Lease or the Indenture; (c) utility, access and other easements and rights of way, restrictions and other matters affecting title which the Manager of General Services of the City certifies, by written certification to the Trustee, will not impair the effective use, or interfere with the operation, of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and other agreements and rights-of-way as provided in this Lease; (d) the Existing Leases and other subleases of any Component of the Leased Property that the City may enter into as permitted under the provisions of Section 13.2 hereof; and (e) existing easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Site(s) was subject when leased to the City, and listed on the title insurance policy delivered in respect of the Leased Property, as shown in Exhibit B hereto.

“Prepayment” means any amount paid by the City, in excess of the amount due in the then current Lease Term, as Base Rentals, as a prepayment of the Base Rentals due under this Lease.

“Principal Portion” means (a) the portion of each Base Rentals payment that represents the payment of principal as set forth in the Base Rentals Schedules, or (b) the aggregate Principal Portions remaining to be paid as set forth in the Base Rentals Schedules through the maximum Lease Term.

“Purchase Option Price” means the amount payable, on any date by the City to exercise its option to purchase any or all Components of the Leased Property as provided in this Lease. The Purchase Option Price for each separate Component of the Leased Property shall be an amount equal to (a) the Component Allocated Amount of the Component to be purchased, (b) plus the Component Allocated Amount of all Components previously purchased by the City and (c) less (i) the Principal Portions of Base Rentals paid by the City under all of the Base Rentals Schedules and (ii) all Prepayments made by the City to the proposed date of payment of the Purchase Option Price. Notwithstanding the foregoing, (a) the Purchase Option Price for any particular Component or Components of the Leased Property to be purchased by the City in order to accomplish the payment in full and defeasance of any particular series of the Series 2012C-1, 2012C-2 and 2012C-3 Certificates shall be the amount necessary to pay in full and defease such series of certificates of participation under the terms of the Indenture, including any related fees and expenses of the Trust and the Trustee, and (b) the Purchase Option Price for the last Component or Components of the Leased Property to be purchased by the City under this Lease shall be the amount necessary to pay in full and defease all then Outstanding Series 2012C-1, 2012C-2 and 2012C-3 Certificates and to defease and discharge the Indenture, including any related fees and expenses of the Trust and the Trustee.

“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 Lease.

“Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to this 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 the proceeds of the Certificates deposited with the Trustee 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 Indenture (except for moneys and securities held in the Rebate Fund).

“Series 2012C-1 Certificates,” “Series 2012C-2 Certificates” and “Series 2012C-3 Certificates” and the collective term “Series 2012C-1, 2012C-2 and 2012C-3 Certificates,” all shall have the respective meanings as set forth in the Indenture.

“Site(s)” means the real property described as the Site(s) in Exhibit A of this Lease.

“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.

“Taxable Base Rentals” means the portion of the Base Rentals payable by the City during the Lease Term as set forth in Exhibit C-2 and Exhibit C-3 hereto.

“Tax Certificate” means the Tax Certificate dated the date hereof, delivered by the City with respect to the Tax-Exempt Base Rentals and this Lease.

“Tax-Exempt Base Rentals” means the portion of the Base Rentals payable by the City during the Lease Term as set forth in Exhibit C-1 hereto.

“Trust” means the “Denver Properties Leasing Trust 2012C,” the trust created under the Indenture.

“Trustee” means Zions First National Bank, Denver, Colorado, as Trustee under the 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 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 Lease and to carry out its obligations under this Lease. The City has duly authorized and approved the execution and delivery of this Lease and all other documents related to the execution and delivery of this Lease.

(b) The conveyance of the Sites and the Buildings constituting the Leased Property by the City to the Trust pursuant to the City Deed 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 for the Existing Leases and to the extent that subleasing of the Leased Property by the City is permitted by Section 13.2 of this Lease) and is in the best interests of the citizens of the City.

(c) To the best knowledge of the City, neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease, nor the consummation of the transactions contemplated hereby, 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 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) There is no litigation or proceeding pending against the City affecting the right of the City to execute this Lease or the ability of the City to make the payments required hereunder or to otherwise comply with the obligations contained herein, except such litigation or proceeding as has been disclosed in writing to the Trustee and the Initial Purchaser on or prior to the date this Lease is executed and delivered.

(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 and that any expenses to defend shall constitute Additional Rentals hereunder.

(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 Indenture and in accordance with the laws of the State, formed exclusively to acquire, own and lease to the City the Leased Property 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 this Lease or the Indenture, the Trust shall not pledge or assign its right, title and interest in and to (i) this Lease, (ii) the Base Rentals, other Revenues and attendant rights and obligations which may be derived under the City Deed or this Lease and (iii) the Leased Property and any reversion therein or any of its other rights under this Lease or sell, dispose of, assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in, to and under this Lease or the Leased Property, except for Permitted Encumbrances.

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

(d) There is no litigation or proceeding pending against the Trust affecting the right of the Trust to acquire title to the Leased Property pursuant to the City Deed or the right of the Trust or the Trustee enter into this Lease or the Indenture, and perform its obligations hereunder or thereunder, except such litigation or proceeding as has been disclosed in writing to the City and the Initial Purchaser on or prior to the date this Lease is executed and delivered.

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

Section 2.3 Nature of Lease. The annually renewable obligations of the City under this Lease are payable solely from Base Rentals and Additional Rentals, which may be derived under this 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 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 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 this Lease and the Leased Property and agrees that the Trustee, pursuant to the Indenture, may exercise all rights and responsibilities of the Trust under this Lease. The City also acknowledges the execution and delivery by the Trustee, pursuant to the terms of the Indenture, of the certificates of participation evidencing proportionate interests in the Base Rentals due as set forth in this Lease.

Section 2.5 Relationship of City, Trust and Trustee. The relationship of the City, the Trust and the Trustee under this 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 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

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 Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

ARTICLE 4 LEASE TERM

Section 4.1 Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2012. This Lease may be renewed, solely at the option of the City, for the number of Renewal Terms set forth in the Base Rentals Schedules. The maximum Lease Term in respect of the Leased Property does not exceed the remaining weighted average useful life of the Leased Property at the time this Lease is being executed and delivered.

The Manager of Finance 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 Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease, including providing for the Interest Portion of Base Rentals as set forth in Section 4.3 of this Lease, until such time, if any, as the City may determine to not renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City Council 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 any Renewal Term the Manager of Finance shall give written notice (in substantially the form set forth in Exhibit D attached hereto), including a copy of that portion of the City's budget relating to this Lease for the next Fiscal Year, 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 as are estimated to become due and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of this Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year; or

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

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

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

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

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

(b) the conveyance of all Components of the Leased Property under this Lease to the City upon payment of the Purchase Option Prices in respect of all Components of the Leased Property 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 Lease; or

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

Except for an event described in subparagraph (b) above, (i) upon termination of this Lease, the City agrees to peaceful delivery of the Leased Property to the Trustee, on behalf of the Trust, and (ii) not later than immediately prior to the termination of this Lease, assign to the Trust its interests in any then current Existing Leases and subleases by the City of any portion of the Leased Property.

Termination of the Lease Term shall terminate all unaccrued obligations of the City under this Lease, and shall terminate the City's rights of possession under this Lease (except to the extent of the holdover provisions of Sections 6.5 and 14.2(d)(i) hereof, and except for any conveyance pursuant to Article 12 of this Lease). All obligations of the City accrued prior to such termination shall be continuing until the Trustee gives written notice to the Manager of Finance 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 defease and terminate the Indenture shall be paid to the City.

Section 4.3 Budget and Appropriations Procedures. If the City has determined to renew this Lease, for budgeting and appropriations purposes, the Manager of Finance shall include in the budget for the next Fiscal Year as the Interest Portion of Base Rentals for the next Fiscal Year, the amount of interest payable on all outstanding certificates of participation executed and delivered pursuant to the Indenture bearing interest at a fixed interest rate during such Fiscal Year.

In addition, to the extent that the interest on the Series 2012C-2 Certificates is being determined using the LIBOR-Based Variable Rate (as defined in the Indenture), the Manager of Finance shall also include in the budget for the next Fiscal Year an estimate of the Interest Portion of Base Rentals for the next Fiscal Year for such certificates of participation by reference to the average of interest rates borne by the Series 2012C-2 Certificates during the immediately preceding 12-month period (or in the case of the Fiscal Year ending December 31, 2021, the average of the LIBOR-Based Variable Rate during the immediately preceding 12-month period), plus a reasonable estimate taking into account current market conditions, but not in excess of 22% per annum. The aggregate Interest Portions of Base Rentals paid pursuant to the Taxable Base Rentals Schedule set forth on Exhibit C-2 for any Renewal Term shall never exceed the amount that would result from multiplying the outstanding aggregate Principal Portions of the Base Rentals set forth in Exhibit C-2 by 22% per annum. The Manager of Finance shall recalculate the Interest Portions of the Base Rentals if the aggregate interest actually borne by the Series 2012C-2 Certificates in such Fiscal Year exceeds the amount appropriated by the City to pay interest on such Series 2012C-2 Certificates in such Fiscal Year in order to present a request for supplemental Appropriation. Failure by the City to make such a supplemental Appropriation shall constitute an Event of Nonappropriation hereunder (subject to the right to cure set forth in Section 6.4(b) hereof).

The Manager of Finance shall also estimate the Additional Rentals to be due under this Lease for the applicable Renewal Term.

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 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 Lease will be renewed annually until title to each Component of the Leased Property is acquired by the City pursuant to this 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 has been effected for such purpose. The City's obligations to pay Base Rentals, Additional Rentals and any other obligations under this Lease shall be from year to year only (as further provided in Article 4 and Sections 6.2 and 6.4 hereof), shall extend only to moneys for which an Appropriation has been effected by the 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 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 Lease shall not directly or indirectly obligate the City to make any payments beyond those for which an 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 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 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 Prices, Prepayments and Additional Rentals.

(a) The City shall pay Base Rentals for which an 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 the Base Rentals Schedules. For federal and state income tax purposes, a portion of each Base Rentals payment shall be designated and paid as interest as set forth in the Base Rentals Schedules. 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 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 Indenture, is to deposit the amount of such Base Rentals in the Base Rentals Fund.

(b) The City may, on any date, (i) pay the then applicable Purchase Option Price for the purpose of terminating this Lease in whole and purchasing all Components of the Leased Property then remaining subject to this Lease or (ii) pay the Purchase Option Price for the purpose of releasing this Lease in respect of a single Component of the Leased Property and purchasing such Component of the Leased Property, all as further provided in Article 12 of this 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 purchase and conveyance is to occur and shall deposit with the Trustee the applicable Purchase Option Price on or before such date.

(c) The City may also, at any time during the Lease Term, (1) prepay any portion of the Tax-Exempt Base Rentals or the Taxable Base Rentals due under this Lease and (2) in connection with such prepayment, recalculate the Tax-Exempt Base Rentals or the Taxable Base Rentals remaining to be paid under this Lease, as the case may be. Any such revised Base Rentals Schedule shall be prepared by the Manager of Finance 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 Tax-Exempt Base Rentals or Taxable Base Rentals to be prepaid.

(d) 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.

(e) 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 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 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 check 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.

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 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 Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, SUBJECT ONLY TO THE ANNUALLY RENEWABLE NATURE OF THE 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 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 Lease, shall affect the City's obligation to pay all Base Rentals and Additional Rentals, for which a specific 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. In the event that the City gives notice that it intends to not renew the Lease as provided by Section 4.1 hereof or the City shall not effect an Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 4.1 hereof and this Article, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 4.1 hereof or evidence that an Appropriation has been effected by the City on or before December 31 of a Fiscal Year, then the Trustee shall declare and provide notice of 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 (i) the Trustee receives official, specific written notice from the City that this Lease will not be renewed or (ii) 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 to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may 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 Base Rentals or Additional Rentals shall become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Base Rentals or Additional Rentals within sixty (60) days subsequent to the date upon which such Base Rentals or 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 exercise all remedies set forth in Section 14.2 hereof and (b) the Trustee shall be entitled to all moneys then being held in all funds created under the Indenture (except the Rebate Fund) to be used as described therein. All property, funds and rights acquired

by the Trustee upon the termination of this Lease by reason of an Event of Nonappropriation are to be held by the Trustee as set forth in the Indenture.

Section 6.5 Holdover Tenant. If the City fails to vacate the Leased Property after termination of this 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 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 ACQUISITION OF THE LEASED PROPERTY

Section 7.1 Conveyance and Acquisition of the Leased Property. At the time of execution of this Lease, the City shall have conveyed, and the Trust shall have acquired, title to the Leased Property and other easements and interests in real property and other appurtenances necessary for the use and operation of the Leased Property. As further provided in Section 8.1 hereof, title to the Leased Property shall be held by the Trust, subject to this Lease.

So long as this 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 7.1, 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 certificates of participation executed and delivered in respect of this Lease, or the City.

Section 7.2 Disbursements for Acquisition of the Leased Property and to pay the Costs of Execution and Delivery of this Lease. The Indenture provides that the Trustee shall disburse the moneys held by the Trustee to pay the acquisition price of the Leased Property and to pay the Costs of Execution and Delivery of this Lease. Such disbursements shall be made by the Trustee upon receipt by the Trustee of the following:

- (a) an originally executed counterpart of the Indenture;
- (b) all documentation effecting the conveyance of the Leased Property from the City to the Trust pursuant to the City Deed, including the execution and delivery of all easements and other agreements necessary for the use and operation of the Leased Property;
- (c) the following title insurance policies, or binding commitments for such title insurance policies, with each policy being in an aggregate amount no less than the

original Lease Balance and subject only to Permitted Encumbrances: (i) an owner's title insurance policy in respect of the Leased Property under which the Trust's ownership interest in the Leased Property is insured, (ii) a leasehold title insurance policy in respect of the Leased Property under which the City's leasehold interest in the Leased Property is insured, and (iii) a loan insurance policy under which the Trustee's interest in the Leased Property under the Indenture is insured;

- (d) an originally executed counterpart of the Lease;
- (e) a certified copy of the City Ordinance; and
- (f) evidence that all insurance required by Section 9.4 of this Lease is in effect.

ARTICLE 8 TITLE TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 8.1 Title to the Leased Property. Title to the Leased Property and 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 Leased Property is conveyed as provided in Article 12 of this 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 Lease; or (d) the violation by the Trust of any provision of this Lease.

The Trustee shall not, in any way, be construed as the owner of the Leased Property.

The City shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease and other related documents.

Section 8.2 No Encumbrance, Mortgage or Pledge of the Leased Property. Except as may be permitted by this 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 title to 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 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 maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and that the City 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 additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate and the same shall be the property of the Trust subject to this Lease and the Indenture and shall be included under the terms of this Lease and the Indenture; provided, however, that such additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental or proprietary functions of the City (except to the extent of Existing Leases and subleasing permitted under Section 13.2 hereof) or cause the City to violate its tax covenant in Section 11.4 hereof; and provided that the Leased Property, as improved or altered, upon completion of such additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of additions, modifications and improvements.

Existing equipment, machinery and other tangible property currently located in or on the Leased Property that do not constitute fixtures shall remain the property of the City and have not been conveyed pursuant to the City Deed. 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 title to any such machinery, equipment and other tangible property which becomes permanently affixed to the Leased Property shall be in the Trust, subject to the Indenture, and shall be included under the terms of this Lease and the Indenture, 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.

So long as the Initial Purchaser owns any of the certificates of participation executed and delivered pursuant to the Indenture, the City shall not substitute any property for the Leased Property without the prior written consent of the Initial Purchaser.

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 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. Such insurance policy or policies, if any, may have a deductible clause in an amount not to exceed \$1 million. 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 and public liability insurance, including blanket contractual liability or specific contractual liability insurance for this 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 public liability insurance required by this Section may be by blanket insurance policy or policies.

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. 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 certificates of insurance or other appropriate evidence of self-insurance, with appropriate endorsements attached evidencing that the Trust and the Trustee have been named as loss payee, and that the 30-day required notice of cancellation 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 at closing. 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, and other agreements, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements, permits, licenses, and other agreements with respect to any property or rights included in this Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this Lease and any security interest or other encumbrance created hereunder; (b) release existing easements, permits, licenses, and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant or release any such easement, permit, license or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) a written application signed by the Manager of General Services 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 Leased Property.

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

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

(a) all Components or any Component 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, shall cause the Net Proceeds to be deposited in a separate trust fund to be created by the Trustee for the purposes described in this Section. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the effected Component of the Leased Property by the Trustee or the City upon receipt of requisitions acceptable to the Trustee signed by the Manager of General Services stating with respect to each payment to be made:

(a) the requisition number and the name of the Component of the Leased Property 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 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 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 related Base Rentals Schedules, or
- (c) accomplish a combination of (a) and (b).

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

Section 10.3 Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from the 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 all Components or any Component of the Leased Property required under Section 10.2 of this Lease, the City may elect to:

(a) complete the work or, with the written consent of the Trustee, 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 the 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 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 Lease, or, with the written consent of the Trustee, 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 Net Proceeds have been received (as certified to the Trustee by the City); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the 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 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 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.

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 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 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 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 Lease in a manner which will cause this Lease and, in turn, the Series 2012C-1 Certificates executed and delivered with respect to under this Lease and pursuant to the Indenture 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 Tax-Exempt 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.

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 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 Lease. The 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 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 Lease and until three years after the termination date of this Lease.

ARTICLE 12 PURCHASE OPTIONS

Section 12.1 Purchase Options. The City shall have the options to purchase all Components of the Leased Property, any Component of the Leased Property, separately, or any combination of Components of the Leased Property, but only if (a) an Event of Lease Default or

an Event of Nonappropriation has not occurred and is then continuing and (b) the Components of Leased Property described on Exhibit A as Denver District 1 Police Station and Denver District 2 Police Station are not purchased, released as Leased Property under this Lease and conveyed to the City prior to the purchase, release as Leased Property under this Lease and conveyance to the City of all of the other Components of Leased Property. The City may exercise its options on any date by complying with the conditions set forth in Section 12.2.

The City shall give the Trustee written notice of its intention to exercise its option or 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 date on which the purchase, release and conveyance is to occur. The written notice shall set forth the Component or Components of the Leased Property to be purchased by the City and the related Purchase Option Price or Purchase Option Prices.

If the City exercises its option to purchase all Components of the Leased Property pursuant to this Section, any amount then on hand in the Base Rentals Fund created under the Indenture 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 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 transfer and convey the related Component or Components of the Leased Property to the City in the manner provided for in Section 12.3 of this Lease; provided, however, that prior to such transfer and conveyance, the City shall have paid the then applicable Purchase Option Price and all then current Additional Rentals related to the Component of the Leased Property to be transferred and conveyed.

In the event that the City shall determine to pay the aggregate Purchase Option Prices in respect of all of the remaining Components of the Leased Property, the aggregate Purchase Option Price shall equal the sum of the amount necessary to defease and discharge the Indenture as provided in Article 6 thereof, plus any fees and expenses then owing to the Trust and the Trustee.

Section 12.3 Manner of Conveyance. At the closing of the purchase and conveyance of all Components or any Component of the Leased Property pursuant to Section 12.2 of this Lease, the Trustee, on behalf of the Trust, shall release the applicable Component or Components of the Leased Property from this Lease and deliver to the City a quitclaim deed and any related documents releasing, assigning, transferring and conveying title to and the Trust's interest in the related Component of the Leased Property, as they then exist, subject only to the following:

- (a) Permitted Encumbrances as set forth in Exhibit B, other than this Lease and the Indenture;

(b) all liens, encumbrances and restrictions created or suffered to exist by the Trust or the Trustee as required or permitted by this Lease and the 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 Lease or the 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 applicable Components of the Leased Property from this Lease and convey any Component of the Leased Property to the City as provided herein, the following forms shall be delivered to the Trustee on the date this Lease is executed and delivered: (a) a release from this Lease of each Component of the Leased Property, (b) a quitclaim deed of each Component of the Leased Property conveying the Trust's ownership interest in such Component of the Leased Property to the City, and (c) any other documentation necessary to effect such release and conveyance as reasonably required by the City.

ARTICLE 13 ASSIGNMENT AND SUBLEASING; REPLACEMENT OF THE TRUST

Section 13.1 Assignment by the Trust; Replacement of the Trust. Except as otherwise provided in this Lease or in the Indenture, this 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 Manager of Finance which consent shall not be unreasonably withheld.

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 and Subleasing by the City. This Lease may not be assigned by the City for any reason other than to a successor by operation of law.

The Trust and the City acknowledge the Existing Leases and agree that such Existing Leases shall constitute Permitted Encumbrances hereunder. In addition, each Component of the Leased Property may be subleased, in whole or in part, by the City, without the approval of the Trust or the Trustee, under any of the following circumstances: (a) the use of any portion of the Leased Property under a sublease is primarily for the purposes set forth for each related Component on Exhibit A or (b) all subleases, in the aggregate, of a single Component are for 10% or less of the usable square footage of such Component or (c) the Initial Purchaser has provided to the City and the Trust its written consent to such sublease.

Notwithstanding any sublease or the Existing Leases, this 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.

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 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.

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

(i) 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 Lease; and

(ii) 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, liquidate or otherwise dispose of the Leased Property or any part thereof in any lawful manner; or
- (c) lease or sublease the Leased Property or sell an assignment of any interest the Trust has 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) request that the City assign to the Trust its interests in any then current subleases by the City of any portion of the Leased Property which the City has agreed to do prior to the termination of the Lease Term pursuant to Section 4.2 hereof; or
- (f) 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 Lease and the 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.

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

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 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 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 by written instrument waive any Event of Lease Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Base Rentals or Additional Rentals by the City shall not constitute a waiver of any breach or default by the Trust hereunder.

Section 14.6 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. To the extent permitted by law, in the case of an Event of Nonappropriation or an Event of Lease Default neither the Trustee, 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 appraisal, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee, 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 Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the City. Nothing in this 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 all or a portion of the Leased Property 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, CO 80202

with copies to:

Manager of Finance
City and County of Denver, Colorado
201 West Colfax, Department 1110
Denver, CO 80202
(and electronically to "debtmanagement@denvergov.org")

and

Manager of General Services
City and County of Denver, Colorado
201 West Colfax Avenue, Department 608
Denver, CO 80202

and

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

If to the Trust and Trustee,

Denver Properties Leasing Trust 2012C
c/o Zions First National Bank, as Trustee
1001 17th Street, Suite 850
Denver, Colorado 80202
Attention: Corporate Trust Department
(and electronically to "denvercorporatetrust@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 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 Lease shall give or allow any such claim or right of action by any other or third person on this Lease. It is the express intention of the City and the Trust that any person other than the

City, the Trust or the Trustee receiving services or benefits under this 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 Lease, the Trustee, on behalf of the Trust and as Trustee under the 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 Lease.

Section 15.5 Binding Effect. This 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 Lease.

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

Section 15.7 Absolute Net Lease. This 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 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 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 Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 15.9 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 Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this Lease), in the event that any other provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

Section 15.11 Applicable Law. This 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 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 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 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 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 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.

[Signature page follows:

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

DENVER PROPERTIES LEASING TRUST 2012C,
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 _____, 2012, by _____, as _____ of Zions First National Bank, as Trustee for the Denver Properties Leasing Trust 2012C.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

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:

Douglas J. Friednash, Attorney for the City
and County of Denver

REGISTERED AND COUNTERSIGNED:

Manager of Finance

By _____
City Attorney

Auditor

EXHIBIT A
DESCRIPTION OF THE LEASED PROPERTY

LEGAL DESCRIPTION OF SITES*

Name/Address of Component

Legal Description of Sites*

Denver Office Building
200 W. 14th Avenue
Denver, CO 80204

LOTS 1 THROUGH 6, AND THE NORTH 21 FEET OF LOT 7, BLOCK 22, EVANS ADDITION TO THE CITY OF DENVER, CITY AND COUNTY OF DENVER, STATE OF COLORADO

* * * *

Arie P. Taylor Building and
Denver District 5 Police
Station
4685 Peoria Street
Denver, CO 80239

THAT PORTION OF BLOCK 1, MONTBELLO NO. 19, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK 1; THENCE EASTERLY ON THE NORTH LINE OF SAID BLOCK 1 A DISTANCE OF 770.93 FEET; THENCE ON AN ANGLE TO THE RIGHT OF 90 DEGREES 11 MINUTES 28 SECONDS A DISTANCE OF 200.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ON THE LAST DESCRIBED COURSE A DISTANCE OF 20.00 FEET TO A POINT OF CURVE; THENCE ON A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET, A CENTRAL ANGLE OF 37 DEGREES 20 MINUTES 49 SECONDS, AN ARC DISTANCE OF 101.03 FEET TO A POINT OF TANGENT; THENCE ON SAID TANGENT A DISTANCE OF 373.27 FEET; THENCE ON AN ANGLE TO THE LEFT OF 127 DEGREES 20 MINUTES 49 SECONDS AND ALONG THE NORTH LINE OF EXHIBIT M AS DESCRIBED IN DEED RECORDED APRIL 14, 1980 IN BOOK 2139 AT PAGE 670 A DISTANCE OF 401.00 FEET; THENCE ON AN ANGLE TO THE LEFT OF 53 DEGREES 30 MINUTES 37 SECONDS A DISTANCE OF 272.78 FEET; THENCE ON AN ANGLE TO THE LEFT OF 36 DEGREES 29 MINUTES 23 SECONDS A DISTANCE OF 109.48 FEET; THENCE ON AN ANGLE TO THE RIGHT OF 89 DEGREES 48 MINUTES 32 SECONDS A DISTANCE OF 165.00 FEET TO A POINT ON THE EAST LINE OF SAID BLOCK 1; THENCE ON AN ANGLE TO THE LEFT OF 89 DEGREES 48 MINUTES 32 SECONDS AND ON THE EAST LINE OF SAID BLOCK 1 A DISTANCE OF 41.00 FEET; THENCE ON AN ANGLE TO THE LEFT OF 90 DEGREES 11 MINUTES 28 SECONDS AND ALONG THE SOUTH LINE OF THE PARCEL OF LAND DESCRIBED IN DEED RECORDED JULY 15, 1981 IN BOOK 2412 AT PAGE 526 A DISTANCE OF 200.00 FEET; THENCE ON AN ANGLE TO THE RIGHT OF 90 DEGREES 11 MINUTES 28 SECONDS AND ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 42.00 FEET; THENCE ON AN ANGLE TO THE LEFT OF 90 DEGREES 11 MINUTES 28 SECONDS AND ALONG THE SOUTH LINE OF EXHIBIT K AS DESCRIBED IN DEED RECORDED APRIL 14, 1980 IN BOOK 2139 AT PAGE 670 A DISTANCE OF 270.00 FEET TO THE TRUE POINT OF BEGINNING, CITY AND COUNTY OF DENVER, STATE OF COLORADO.

* * * *

Denver Fire Station No. 10
3200 Steele Street
Denver, CO 80205

LOTS 4, 5 AND 6, EXCEPT THE WEST 20.7 FEET THEREOF AND LOTS 7, 8, 9, 10 AND THE NORTH ½ OF LOT 11 AND THE SOUTH ½ OF LOT 11, AND ALL OF LOTS 12, 13, 14 AND 15, EXCEPT THAT PORTION OF SAID LOTS LYING IN STEELE STREET, BLOCK 4, J. COOK, JR.'S NORTH DIVISION OF CAPITOL HILL, CITY AND COUNTY OF DENVER, STATE OF COLORADO

* * * *

Denver District 3 Police Station
1625 S. University Blvd.
Denver, CO 80210

ALL OF BLOCKS 7 AND 8, RESER'S SUBDIVISION, CITY AND COUNTY OF DENVER, STATE OF COLORADO

EXCEPTING THEREFROM THAT PORTION CONVEYED BY WARRANTY DEED RECORDED APRIL 15, 1914 IN BOOK 2410 AT PAGE 235, AND FURTHER EXCEPTING THOSE PORTIONS TAKEN BY RULE AND ORDER RECORDED JULY 11, 2002 UNDER RECEPTION NO. 2002122738, CITY AND COUNTY OF DENVER, STATE OF COLORADO

* * * * *

Denver District 1 Police Station
1311 W. 46th Avenue
Denver, CO 80211

THAT PART OF THE S1/2 NW1/4 NE1/4 OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF WEST 46TH AVENUE 33 FEET NORTH AND 641 FEET EAST OF THE SOUTHWEST CORNER OF SAID NW 1/4 NE1/4; THENCE NORTH PARALLEL TO PECOS STREET A DISTANCE OF 322.85 FEET MORE OR LESS TO A POINT 305.5 FEET SOUTH OF NORTH LINE OF SAID S1/2 NW1/4 NE1/4; THENCE EAST PARALLEL WITH NORTH LINE OF WEST 46TH AVENUE, A DISTANCE OF 654.07 FEET MORE OR LESS, TO A POINT 33 FEET WEST OF THE EAST LINE OF SAID NW1/4 NE1/4; THENCE SOUTH ALONG WEST LINE OF LIPAN STREET, A DISTANCE OF 322.85 FEET MORE OR LESS TO NORTH LINE OF WEST 46TH AVENUE; THENCE WEST ALONG NORTH LINE OF WEST 46TH AVENUE, A DISTANCE OF 653.83 FEET MORE OR LESS TO POINT OF BEGINNING,
CITY AND COUNTY OF DENVER, STATE OF COLORADO,
EXCEPTING THEREFROM THAT PORTION LAID OUT, OPENED AND ESTABLISHED AS A PART OF LIPAN STREET BY ORDINANCE NO. 454, SERIES OF 2002, RECORDED JUNE 14, 2002 UNDER RECEPTION NO. 2002107088.]

* * * * *

Denver District 2 Police Station
3921 Holly Street
Denver, CO 80205

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER CORNER OF SECTION 19, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH EAST CORNER OF SECTION 19, TOWNSHIP 3 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, THENCE NORTH 53 DEGREES 13 MINUTES 58 SECONDS WEST, A DISTANCE OF 49.93 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT ALSO BEING THE INTERSECTION OF THE WEST R.O.W. LINE OF HOLLY STREET AND THE NORTH R.O.W. LINE OF 38TH AVENUE;

THENCE SOUTH 89 DEGREES 50 MINUTES 22 SECONDS WEST, ALONG THE NORTH R.O.W. LINE OF 38TH AVENUE AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 19, A DISTANCE OF 582.00 FEET TO THE EAST R.O.W. LINE OF GRAPE STREET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE EAST R.O.W. LINE OF GRAPE STREET AND PARALLEL WITH THE EAST LINE OF SAID SECTION 19, A DISTANCE OF 950.00 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 22 SECONDS EAST, A DISTANCE OF 582.00 FEET TO A POINT 40 FEET WEST OF THE EAST LINE OF SAID SECTION 19, SAID POINT ALSO BEING ON THE WEST R.O.W. OF HOLLY STREET, WHENCE SAID POINT BEARS NORTH 01 DEGREES 22 MINUTES 12 SECONDS EAST, A DISTANCE OF 1672.95 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 19; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE WEST R.O.W. LINE OF HOLLY STREET, A DISTANCE OF 950.00 FEET TO THE TRUE POINT OF BEGINNING

***The legal descriptions of the Sites are preliminary and may be revised as set forth in Section 7 of the City Ordinance authorizing this 2012C Lease.**

DESCRIPTION OF BUILDINGS

<u>Name/Address of Component</u>	<u>Description of Buildings</u>
Denver Office Building 200 W. 14 th Avenue Denver, CO 80204	A three story brick and frame office building comprised of approximately 25,736 square feet; significantly reconstructed in 1982; primary use is as an office building housing various City offices.
Arie P. Taylor Building and Denver District 5 Police Station 4685 Peoria Street Denver, CO 80239	A two story brick and metal office building comprised of approximately 40,836 square feet; constructed in 1980; primary use is as an office building housing various offices and a Denver police station.
Denver Fire Station No. 10 3200 Steele Street Denver, CO 80205	A single story brick and frame building comprised of approximately 10,900 square feet; constructed in 1994; primary use is as a Denver fire station.
Denver District 3 Police Station 1625 S. University Blvd. Denver, CO 80210	A two story brick and metal building comprising approximately 41,765 square feet; constructed in 2003; primary use is as a Denver police station.
Denver District 1 Police Station 1311 W. 46 th Avenue Denver, CO 80211	A two story brick and metal building comprised of approximately 40,131 square feet; constructed in 2002; primary use is as a Denver police station.
Denver District 2 Police Station 3921 Holly Street Denver, CO 80205	A two story brick and metal building comprised of approximately 50,028 square feet; constructed in 2003; primary use is as a Denver police station.

COMPONENTS ALLOCATED AMOUNTS

<u>Name of Component</u>	<u>Component Allocated Amount</u>
Denver Office Building at 200 W. 14 th Avenue	\$11,780,000
Arie P. Taylor Building and Denver District 5 Police Station	\$5,040,000
Denver Fire Station No. 10	\$2,540,000
Denver District 3 Police Station	\$7,020,000
Denver District 1 Police Station	\$9,290,000
Denver District 2 Police Station	\$9,330,000

EXHIBIT B
PERMITTED ENCUMBRANCES

Denver Office Building

Arie P. Taylor Building and Denver District 5 Police Station

Denver Fire Station No. 10

Denver District 3 Police Station

Denver District 1 Police Station

Denver District 2 Police Station

EXHIBIT C-1
TAX-EXEMPT BASE RENTALS SCHEDULE*
(Relating to the Certificates of Participation, Tax-Exempt Series 2012C-1)

<u>Base Rentals Payment Date</u>	<u>Base Rentals Principal Portion¹</u>	<u>Base Rentals Interest Portion</u>	<u>Total Base Rentals</u>
12-01-12	\$ -	\$ 317,190	\$ 317,190
06-01-13	-	294,300	294,300
12-01-13	1,065,000	294,300	1,359,300
06-01-14	-	276,887	276,887
12-01-14	1,100,000	276,887	1,376,887
06-01-15	-	258,902	258,902
12-01-15	1,135,000	258,902	1,393,902
06-01-16	-	240,345	240,345
12-01-16	1,175,000	240,345	1,415,345
06-01-17	-	221,134	221,134
12-01-17	1,210,000	221,134	1,431,134
01-01-18	-	201,350	201,350
12-01-18	1,340,000	201,350	1,541,350
06-01-19	-	179,441	179,441
12-01-19	1,480,000	179,441	1,659,441
06-01-20	-	155,243	155,243
12-01-20	1,620,000	155,243	1,775,243
06-01-21	-	128,756	128,756
12-01-21	1,765,000	128,756	1,893,756
06-01-22	-	99,899	99,899
12-01-22	1,910,000	99,899	2,009,899
06-01-23	-	68,670	68,670
12-01-23	2,065,000	68,670	2,133,670
06-01-24	-	34,907	34,907
12-01-24	<u>2,135,000</u>	<u>34,907</u>	<u>2,169,907</u>
TOTALS:	<u>\$15,865,000.00</u> <u>18,000,000¹</u>	<u>\$ 4,636,860</u>	<u>\$ 22,636,860</u>

* For the purpose of providing the actual Tax-Exempt Base Rentals due under this Exhibit C-1 of the Lease, the Manager of Finance may adjust the amounts of the Principal Portions and the Interest Portions of such Tax-Exempt Base Rentals within and between each Fiscal Year set forth above; provided that the Total Aggregate Principal Portion and the total Interest Portion of Tax-Exempt Base Rentals due under this Exhibit C-1 of the Lease shall not exceed \$22,636,860.

¹ Total Aggregate Principal Portion of Tax-Exempt Base Rentals in respect of the Certificates of Participation, Tax-Exempt Series 2012C-1.

EXHIBIT C-2
TAXABLE BASE RENTALS SCHEDULE*
(Relating to the Certificates of Participation, Taxable Series 2012C-2)

<u>Base Rentals Payment Date</u>	<u>Base Rentals Principal Portion¹</u>	<u>Base Rentals Interest Portion²</u>	<u>Total Base Rentals²</u>
12-01-12	\$ -	\$ 388,808	\$ 388,808
06-01-13	-	360,750	360,750
12-01-13	-	360,750	360,750
06-01-14	-	360,750	360,750
12-01-14	-	360,750	360,750
06-01-15	-	360,750	360,750
12-01-15	-	360,750	360,750
06-01-16	-	360,750	360,750
12-01-16	-	360,750	360,750
06-01-17	-	360,750	360,750
12-01-17	-	360,750	360,750
01-01-18	-	360,750	360,750
12-01-18	-	360,750	360,750
06-01-19	-	360,750	360,750
12-01-19	-	360,750	360,750
06-01-20	-	360,750	360,750
12-01-20	-	360,750	360,750
06-01-21	-	360,750	360,750
12-01-21	-	360,750	360,750
06-01-22	-	1,650,000	1,650,000
12-01-22	-	1,650,000	1,650,000
06-01-23	-	1,650,000	1,650,000
12-01-23	-	1,650,000	1,650,000
06-01-24	-	1,650,000	1,650,000
12-01-24	-	1,650,000	1,650,000
06-01-25	-	1,650,000	1,650,000
12-01-25	1,855,000	1,650,000	3,505,000
06-01-26	-	1,445,950	1,445,950
12-01-26	1,940,000	1,445,950	3,385,950
06-01-27	-	1,232,550	1,232,550
12-01-27	2,035,000	1,232,550	3,267,550
06-01-28	-	1,008,700	1,008,700
12-01-28	2,135,000	1,008,700	3,143,700
06-01-29	-	773,850	773,850
12-01-29	2,235,000	773,850	3,008,850
06-01-30	-	528,000	528,000
12-01-30	2,345,000	528,000	2,873,000
06-01-31	-	270,050	270,050
12-01-31	<u>2,455,000</u>	<u>270,050</u>	<u>2,725,050</u>
TOTALS:	\$ <u>15,000,000</u>¹	\$ <u>30,600,508</u>	\$ <u>45,600,508</u>

* For the purpose of providing the actual Taxable Base Rentals due under this Exhibit C-2 of the Lease, the Manager of Finance may adjust the amounts of the Principal Portions and the Interest Portions of such Taxable Base Rentals within and between each Fiscal Year set forth above, provided that the Total Aggregate Principal Portion and the total Interest Portion of Taxable Base Rentals due under this Exhibit C-2 of the Lease shall not exceed \$45,600,508.

¹ Total Aggregate Principal Portion of Taxable Base Rentals in respect of the Certificates of Participation, Taxable Series 2012C-2.

² After December 1, 2021, the Interest Portion of Taxable Base Rentals due under this Exhibit C-2 shall be an amount determined by using either the Future Fixed Rate or the LIBOR Based Variable Rate as set forth in the Indenture. For the period commencing on December 2, 2021, through the December 1, 2031, the Interest Portion of Taxable Base Rentals set forth on this Exhibit C-2 is based on a maximum interest rate of 22% per annum.

EXHIBIT C-3
TAXABLE BASE RENTALS SCHEDULE*
(Relating to the Certificates of Participation, Taxable Series 2012C-3)

<u>Base Rentals Payment Date</u>	<u>Base Rentals Principal Portion¹</u>	<u>Base Rentals Interest Portion</u>	<u>Total Base Rentals</u>
12-01-12	\$ -	\$ 296,820	\$ 296,820
06-01-13	-	275,400	275,400
12-01-13	-	275,400	275,400
06-01-14	-	275,400	275,400
12-01-14	-	275,400	275,400
06-01-15	-	275,400	275,400
12-01-15	-	275,400	275,400
06-01-16	-	275,400	275,400
12-01-16	-	275,400	275,400
06-01-17	-	275,400	275,400
12-01-17	2,000,000	275,400	2,275,400
01-01-18	-	229,500	229,500
12-01-18	2,000,000	229,500	2,229,500
06-01-19	-	183,600	183,600
12-01-19	2,000,000	183,600	2,183,600
06-01-20	-	137,700	137,700
12-01-20	2,000,000	137,700	2,137,700
06-01-21	-	91,800	91,800
12-01-21	2,000,000	91,800	2,091,800
06-01-22	-	45,900	45,900
12-01-22	<u>2,000,000</u>	<u>45,900</u>	<u>2,045,900</u>
TOTALS:	<u>\$ 12,000,000¹</u>	<u>\$ 4,427,820</u>	<u>\$ 16,427,820</u>

* For the purpose of providing the actual Taxable Base Rentals due under this Exhibit C-3 of the Lease, the Manager of Finance may adjust the amounts of the Principal Portions and the Interest Portions of such Taxable Base Rentals within and between each Fiscal Year set forth above, provided that the Total Aggregate Principal Portion and the total Interest Portion of the Taxable Base Rentals due under this Exhibit C-3 of the Lease shall not exceed \$16,427,820.

¹ Total Aggregate Principal Portion of Taxable Base Rentals in respect of the Certificates of Participation, Taxable Series 2012C-3.

EXHIBIT D
FORM OF NOTICE OF LEASE RENEWAL

To: Zions First National Bank, as Trustee
of the Denver Properties Leasing Trust 2012C
1001 17th Street, Suite 850
Denver, Colorado 80202
Attention: Corporate Trust Department

The undersigned is the Manager of Finance of the City and County of Denver, Colorado (the "City"), the lessee under that certain Lease Purchase Agreement No. 2012C (Denver Properties,) dated May [17], 2012 (the "Lease"), with the Denver Properties Leasing Trust 2012C, as the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the 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 Lease, whereupon the Lease shall be renewed for the ensuing Fiscal Year;

Initial

OR

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

Initial

City and County of Denver, Colorado

Dated: _____

By: _____
Its: Manager of Finance or the Manager's Designee