Loveland Fire Rescue Authority Board Meeting

Virtual Meeting:
https://lfra.zoom.us/s/98738354723
Passcode: 3312021
Call-in Number: (346) 248-7799
Meeting ID: 987 3835 4723

Wednesday, March 31, 2021

1:30 PM
The Loveland Fire Rescue Authority (LFRA) is committed to providing an equal opportunity for services, programs and activities and does not discriminate on the basis of disability, race, age, color, national origin, religion, sexual orientation or gender. LFRA contracts with the City of Loveland for assistance with translation, discrimination concerns, and Americans with Disabilities Act accommodations. Please contact the City of Loveland Title VI Coordinator at TitleSix@cityofloveland.org or 970-962-2372 for translation services and discrimination concerns. LFRA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act (ADA). For more information on ADA or accommodations, please contact the City of Loveland ADA Coordinator at Jason.smitherman@cityofloveland.org or 970-962-3319.

La Autoridad de Rescate de Incendios de Loveland (LFRA, por sus iniciales en inglés) se compromete a proveer oportunidades equitativas para servicios, programas, y actividades, y no discrimina basándose en discapacidades, raza, edad, color, origen nacional, religión, orientación sexual, o género. La LFRA tiene contratos con la Ciudad de Loveland para recibir asistencia para traducciones, en caso de preocupaciones de discriminación, y de acomodaciones de la Ley de Americanos con Discapacidades. Por favor comuníquese con el Coordinador del Título VI de la Ciudad de Loveland en TitleSix@cityofloveland.org o al 970-962-2372 si necesita servicios de traducción o tiene preocupaciones de discriminación. La LFRA organizará acomodaciones razonables para ciudadanos de acuerdo con la Ley de Americanos con Discapacidades (ADA, por sus iniciales en inglés). Si desea más información acerca de la ADA o acerca de las acomodaciones, por favor comuníquese con la Coordinadora de la Ciudad de Loveland en Jason.smitherman@cityofloveland.org o al 970-962-3319.

Wireless access: COLGuest, accesswifi

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL
APPROVAL OR AMENDMENT
AWARDS AND PRESENTATIONS - NONE
PUBLIC COMMENT (LIMITED TO 3 MINUTES PER SPEAKER)

CONSENT AGENDA

Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. You will be given an opportunity to speak to the item before the Board acts upon it.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items. Anyone making a comment during any portion of today's meeting should come forward state your name and address for the record before being recognized by the Chair. Please do not interrupt other speakers. Side conversations should be moved outside the meeting room. Please limit your comments to no more than five minutes.
1. Consider a Motion to Approve the Minutes from the Loveland Fire Rescue Authority Board for February 24, 2021 Regular Board Meeting

**End of Consent Agenda**

**REGULAR AGENDA**

Anyone who wishes to address the Board on any item on this part of the agenda may do so when the Chair calls for public comment. All public hearings are conducted in accordance with Board By-Laws. When Board is considering approval, the Authority’s By-laws only requires that a majority of the Board quorum be present to vote in favor of the item.

2. Conduct a Public Hearing and Consider a Motion to Adopt Resolution R-127, Adopting a Supplemental Budget Regarding the Appropriation of Monies to and the Expenditure of Monies from the General Fund for the Loveland Fire Rescue Authority, State of Colorado, for the Calendar Year Beginning on the First Day of January 2021 and Ending on the Last Day of December 2021

3. Consider a Motion to Approve Resolution R-126, Authorizing Fire Station 10 Financing Transaction

4. Review Briefing Papers and Correspondence
   a. Chief’s Report

5. Other Business for Board Consideration

6. Executive Session pursuant to C.R.S. 24-6-402(4)(b) to Receive Advice of Legal Counsel Regarding Matters Related to the Volunteer Firefighter Pension Fund

7. Possible executive session pursuant to C.R.S. 24-6-402(4)(b) to Receive Advice of Legal Counsel Regarding a Citizen Complaint

8. Possible Action on Any Matter Discussed in Executive Session

**ADJOURN**
TITLE

Consider a Motion to Approve the Minutes from the February 24, 2021 Loveland Fire Rescue Authority (LFRA) Regular Board Meeting

EXECUTIVE SUMMARY

The attached document, prepared by Kristen Cummings, is a record of the February 24, 2021 regular meetings of the LFRA Board.

The document details the discussions at the meeting including: approval of December 30 minutes, approval of Resolutions R-125, and the Chief’s Report.

BACKGROUND

Standard meeting protocol

STAFF RECOMMENDATION

Approve as written

FINANCIAL/ECONOMIC IMPACTS

N/A

ASSOCIATED STRATEGIC GOALS

N/A

ATTACHMENTS

February 24, 2021 Minutes
Members Present:
Chairman Jeff Swanty, Director of the Loveland Rural Fire Protection District (“Rural District”)
Director Dave Legits, Rural District President
Director Steve Adams, Loveland City Manager
Vice Chairman John Fogle, City of Loveland Council Member
Director Richard Ball, City of Loveland Council Member

Members Absent:
None

Staff Present:
Mark Miller, Fire Chief
Greg Ward, Division Chief
Kristen Cummings, Business Services Coordinator
Cheryl Cabaruvias, Administrative Analyst
Ned Sparks, Division Chief
Emily Powell, Legal Counsel to the Authority
Kelley Duke, Legal Counsel to the Authority
Michael Cerovski, Division Chief
Jason Goodale, Battalion Chief

Visitors:
Kammy Tinney, District Manager, Rural District
Alicia Calderon, Loveland Deputy City Attorney
Julia Holland, Loveland Human Resources Director

Call to Order:
Chairman Swanty called the Loveland Fire Rescue Authority (“LFRA”) Board meeting to order on the above date at 1:31 p.m.

Approval or Amendment of Agenda:
It was the consensus of the Board to approve the agenda as presented.

Awards and Presentation:
Swearing In:
None

Public Comment:
None

Consent Agenda:

1. Consider a Motion to Approve the Minutes from the Loveland Fire Rescue Authority January 27, 2021 Regular Board Meeting

Motion made by Director Legits to approve the consent agenda. Seconded by Director Ball; motion carried unanimously.

Regular Agenda:

2. Conduct a Public Hearing and Consider a Motion to Adopt Resolution R-125, Adopting a Supplemental Budget Regarding the Appropriation of Monies to and the Expenditure of Monies from the General Fund and the Fleet Replacement Fund and the Capital Projects Fund for the Loveland Fire Rescue Authority, State of Colorado, for the Calendar Year Beginning on the First Day of January 2021 and Ending on the Last Day of December 2021

Motion made by Director Adams to open the public hearing on the proposed Resolution R-125. Seconded by Director Legits; motion carried unanimously. Attorney Powell certified for the record that notice of the public hearing had been published in the newspaper as required by law. No public comment was received prior to the public hearing, and no members of the public present at the hearing desired to provide comment. Cheryl Cabaruvias stated that this Resolution is to roll over unexpended money from the 2020 budget to the 2021 budget to continue work on incomplete projects, and for 2021 critical purchases. The appropriation also includes the balance of Engines 41 and 45, and moving Station 10 funds from Impact Fee Revenue to Capital Projects.

Motion made by Director Adams to close the public hearing. Seconded by Director Ball; motion carried unanimously.

Motion made by Director Legits to adopt Resolution R-125. Seconded by Director Ball; motion carried unanimously.

3. Chief’s Report

Chief Miller stated that LFRA closed on the land donation for Station 10 on February 11, 2021, that the Station 10 design is complete, and that the project is being submitted to the Johnstown Building Department for plan review. Regarding lease-purchase financing for the Station 10 construction, RFPs were sent to 25 institutions, and proposals were received that have interest rates between 2.29% and 3.15%. One of the proposals, from Sterling National Bank, met all of the criterion requested by LFRA: a $10 million loan, a 20-year term, no pre-pay penalty, lowest
interest rate of 2.29%, the ability to include payoff of the Station 7 loan, and a $636,000 annual payment. He stated that the financing collateral would include Station 7 among other collateral, and that LFRA would have to maintain an escrowed contingency account of $800,000. He stated that the financing could close at the end of March. Chief Miller asked the Board for permission to lock in the rate and take the next steps with Sterling National Bank. The Board consensus was to lock in the rate and take the next steps. Attorney Powell stated that she had not reviewed any of the proposals, but could if that was the Board direction.

Chief Miller stated that by March 23rd, 73% of LFRA employees will have received both COVID-19 vaccinations. He stated that the department is well-stocked on personal protective equipment. He asked if the Board would be comfortable meeting in person again, with hybrid meetings allowing for a virtual option. Chairman Swanty and Vice Chairman Fogle were supportive of having hybrid meetings that allow for in-person or virtual attendance. Director Adams stated that the City of Loveland is still not having in-person meeting for quite some time.

Chief Miller presented a SWOT analysis of LFRA for 2020. Strengths included Station 7, CRISP Dispatch project, cancer prevention and automated alerting. Weaknesses included Fire Station 3, span of control, revenue allocation formula and emergency management. Opportunities include Battalion 2, self-contained breathing apparatus (“SCBA”), Quick-Response Vehicle (“QRV”), and Canyon Battalion. Threats include the Johnstown service area, CAD administration, rural mill levy and unfunded needs.

Chief Miller stated that 2021 Facilities Planning goals will be to develop a plan and funding for replacing Station 3, developing a plan and funding for renovating Station 5, developing funding for Station 4 renovations and staffing, and Station 10 which has a plan, tentative funding, and construction set to begin in 2021. Chief Miller talked about a consideration for the City to deed all fire station property to LFRA, which would relieve the City from approximately $25 million in future infrastructure and maintenance, and allow LFRA to develop that timeline based on needs and priorities. Vice Chairman Fogle asked what a property transfer timeline would be if LFRA were to become a special district. Attorney Powell stated the transfer could occur before or during the development of a special district, each with its own benefits and drawbacks. Director Adams stated that the City of Loveland has a job posting for a Senior Financial Analyst who will be assigned to helping with LFRA maturation and the cost allocation formula.

Chief Miller stated that for the 2022 budget development, there will be additional funding needed for additional salary adjustments. There will also be a need to work in a $150,000 per year SCBA lease, which LFRA will cover from the General Fund for 2021 and 2022, but will need to be worked into the budget for 2023. Additional needs are apparatus for Station 10, for which staff will also request assistance from the Rural District, and staffing for Station 10 based on the Strategic Plan.

Chief Miller stated that the Impact Fee increase would be going to City Council for approval on March 2, 2021.

Chief Miller stated that LFRA has an opportunity to apply for a SAFER grant which is a three-year, no-match grant to provide staffing, but after those three years, the full cost of the additional staff would be LFRA’s expense to cover. The immediate staffing need is 12 new firefighters, which would value the grant at $1.5 million. LFRA reserves could cover $500k for the first year after expiration of the grant period. He stated that the Strategic Plan contains 21 new positions to be hired by the expiration of the Plan, and those positions are currently unbudgeted by the City, but are budgeted by the Rural District. The positions are in the City’s 10-year plan, but funding for them is just not appropriated. Vice Chairman Fogle stated that kind of commitment was concerning to him due to potential COVID-caused economic issues. Chief Miller stated that instead of 12 positions, the grant application could be for three to nine
positions, or whatever amount the City would be comfortable absorbing in 2025. Chief Miller stated that he would put together numbers for all the options for the next Board meeting.

Chief Miller stated that an IGA between the Rural District and Front Range Fire Rescue is being developed that would establish agreement on the issues surrounding the jurisdictional boundaries.

Chief Miller stated the top three priorities for 2021 are Station 10 construction and staffing, salary adjustments and a Station 3 replacement plan.

Chief Miller stated that as part of the City financial audit, a possible discrepancy was discovered regarding volunteer firefighter pension amounts. Further research is being conducted, and work is being done with Attorney Powell and the auditors on the issue.

Division Chief Cerovski presented incident statistics for 2020. Vice Chairman Fogle asked if Division Chief Cerovski could provide a comparison of the cost of service delivery for the City incidents versus the Rural District incidents.

4. Other Business for Board Consideration

None.

5. Executive Session Pursuant to C.R.S. 24-6-402(4)(b) to Receive Advice of Legal Counsel Regarding the Fire Station 3 Investigation

Motion made by Vice Chairman Fogle to go into executive session pursuant to C.R.S. § 24-6-402(4)(b) to receive legal advice related to the Station 3 investigation. Seconded by Director Adams; motion carried unanimously. Executive session began at 3:03 p.m. Attorney Powell certified for the record that the executive session constitutes privileged attorney-client communications and would not be recorded.

Upon motion duly made and seconded, the Board came out of executive session at 3:30 pm.

6. Possible Action on Any Matter Discussion in Executive Session

None.

With no further business to come before the Board, Chairman Swanty adjourned the meeting at 3:38 p.m.

The foregoing minutes, having been approved by the LFRA Board of Directors, constitute the official minutes of the meeting held on the date stated above.

____________________________   __________________________
Jeffrey M. Swanty, Chairman    Kristen Cummings, Secretary

I hereby attest that the information communicated during the executive session, which was not recorded, constituted privileged attorney-client communications.
Emily J. Powell, Esq.

I hereby attest that the executive session, which was not recorded, was confined to the topics authorized for discussion in Executive Session pursuant to C.R.S. § 24-6-402(4)(b).

Jeffrey M. Swanty, Chairman
TITLE
Conduct a Public Hearing and Consider a Motion to Adopt Resolution R-127, Adopting a Supplemental Budget Regarding the Appropriation of Monies to and the Expenditure of Monies from the General Fund for the Loveland Fire Rescue Authority, State of Colorado, for the Calendar Year Beginning on the First Day of January 2021 and Ending on the Last Day of December 2021

EXECUTIVE SUMMARY
This resolution would approve an increase to the 2021 LFRA budget with offsetting expenditures in the General Fund for Dive training to add additional divers, essential for the success of the Dive team.

BACKGROUND
A resolution is attached to provide detail for this request. Per the fourth amendment to the IGA, if the Board adopts the supplemental appropriation resolution, then it will become effective. Supplemental Budget Requests that do not affect partner contributions are not required to be presented to City Council or the Loveland Rural Fire Protection District Board.

The appropriation of $11,000 from 604 General Fund will enable the Dive team to equip four new divers. LFRA will provide in house training for these new divers to ensure they are prepared. Having a sufficient number of trained divers is critical for the team to be able to respond to dive emergencies.

STAFF RECOMMENDATION
Staff recommends approval of the resolution as written.

FINANCIAL/ECONOMIC IMPACTS
The resolution would add a total of $11,000 additional funding for 2021 operating expenditures to advance the LFRA mission.

ASSOCIATED STRATEGIC GOALS
Deploy an effective emergency response to minimize damage and loss. Minimize and mitigate the risks of an emergency occurrence in the community. Deliver cost effective services.

ATTACHMENTS
Resolution R-127
CERTIFIED RECORD

OF

PROCEEDINGS RELATING TO

LOVELAND FIRE RESCUE AUTHORITY
LARIMER COUNTY, COLORADO

HEARING ON THE SUPPLEMENTAL BUDGET REGARDING
THE APPROPRIATION OF MONEYS TO
AND THE EXPENDITURE OF MONEYS FROM THE
LFRA GENERAL FUND

FOR FISCAL YEAR

2021
The Board of Directors ("Board") of the Loveland Fire Rescue Authority ("Authority"), Larimer County, Colorado, held a regular meeting and public hearing on March 31, 2021, at the hour of 1:30 pm concerning the proposed Supplemental Budget regarding the appropriation of funds to and expenditure of funds from the Authority’s General Fund for fiscal year 2021. In order to protect the public health and safety, the regular meeting and public hearing were conducted by videoconference. The following Board members were present:

________________________________________
________________________________________
________________________________________
________________________________________
________________________________________
Absent:________________________________________
________________________________________

Chairperson __________________________ reported that, prior to the meeting and public hearing, each Director was notified of the date, time, and place of the meeting and public hearing, and the purpose for which they were called. He further reported that a Notice of the public hearing on the proposed Supplemental Budget was published in the Loveland Reporter Herald on March 26, 2021. Notice of the public hearing also was duly posted. Thereupon, Director ________________ introduced and moved for the adoption of the following Resolution:

RESOLUTION R-127

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET REGARDING THE APPROPRIATION OF MONEYS TO AND EXPENDITURE OF MONEYS FROM THE GENERAL FUND FOR THE LOVELAND FIRE RESCUE AUTHORITY, LARIMER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Authority Board, after complying with notice and other statutory requirements, duly adopted a budget for fiscal year 2021:
WHEREAS, after adopting the 2021 budget and making appropriations thereunder, the Authority Board determined that a supplement to the 2021 budget is required as the result of a reduction in the number of qualified divers for the dive team;

WHEREAS, the Authority Board authorized its administrative staff and consultants to prepare and submit a proposed 2021 Supplemental Budget reflecting the additional appropriation of moneys to, and expenditures of moneys from the LFRA General Fund;

WHEREAS, a proposed 2021 Supplemental Budget has been submitted to the Authority Board for its consideration. A copy of the 2021 Supplemental Budget is attached to this Record of Proceedings;

WHEREAS, due and proper notice, published and posted in accordance with the law, advised the public that (1) the proposed 2021 Supplemental Budget was available for inspection by the public at a designated public office; (2) a public hearing would be held on March 31 at 1:30 pm by videoconference; and (3) interested electors could comment on or to file or register objections to the proposed 2021 Supplemental Budget any time before the public hearing; and

WHEREAS, a public hearing was held on March 31, 2021, and interested electors were given the opportunity to comment on or to file or register any objections to the attached proposed 2021 Supplemental Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND FIRE RESCUE AUTHORITY, LARIMER COUNTY, COLORADO:

Section 1. **Appropriation of Moneys to the LFRA General Fund.** The Board hereby authorizes and approves the transfer of $11,000 from the 2021 budget fund balance to the LFRA General Fund, and recognizes the receipt and appropriation in 2021 of the additional $11,000 in moneys to the LFRA General Fund.

Section 2. **Expenditures of Money from the LFRA General Fund.** The Board hereby ratifies and approves the expenditure of an additional $11,000 from the LFRA General Fund during fiscal year 2021.

Section 3. **Purposes of 2021 Supplemental Budget Could Not Have Been Reasonably Foreseen.** At the time the Board adopted the 2021 budget in the fall of 2020, it could not have reasonably foreseen circumstances requiring the adoption of a Supplemental Budget.
The foregoing Resolution was seconded by Director.

ADOPTED AND APPROVED this ____ day of ___________________, 20__.

ATTEST:

__________________________ , Chairperson

__________________________ , Secretary
I, _______________ , Secretary of the Board of Directors of the Loveland Fire Rescue Authority, Larimer County, Colorado, do hereby certify that the foregoing pages numbered 1 through 4, inclusive, constitute a true and accurate copy of the record of proceedings of the Board held by videoconference on March 31, 2021, at the hour of 1:30 pm, insofar as said proceedings relate to the Supplemental Budget regarding the appropriation of funds to and expenditure of funds from the Loveland Fire Rescue Authority’s General Fund; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name this _____ day of __________ , 20___.

_______________________
___________________________ , Secretary
Funds Appropriated for Use by the Authority for fund 604 General Fund:

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Account Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Sources of Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund Balance</td>
<td></td>
<td>11,000</td>
<td>New Diver Training</td>
</tr>
<tr>
<td>Total Funds</td>
<td></td>
<td>11,000</td>
<td></td>
</tr>
</tbody>
</table>

2021 Supplemental Authority Appropriations and Expenditures for fund 604 General Fund:

<table>
<thead>
<tr>
<th>Account Title</th>
<th>Account Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses of Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dive</td>
<td>604-22-225-1618-43270</td>
<td>11,000</td>
<td>New Diver Training</td>
</tr>
</tbody>
</table>
TITLE
Consider a Motion to Approve Resolution R-126, Authorizing Fire Station 10 Financing Transaction

EXECUTIVE SUMMARY
A Resolution authorizing the Fire Station 10 lease-purchase financing transaction, including the financing documents required to close the transaction, will be presented to the Board for its consideration. Pending the Board’s approval of the Resolution, closing on the financing transaction is currently scheduled for April 9. Dino Ross of Ireland Stapleton will be available at the meeting to present the Resolution and answer questions of the Board.

BACKGROUND
The Authority engaged the services of loan arranger Piper Sandler to assist in soliciting proposals for the lease-purchase financing of Fire Station 10. Proposals were returned and evaluated by Fire Chief Miller and representatives from Piper Sandler. The recommendation to accept the proposal from Sterling National Bank was presented to the Board at its meeting on February 24, and it was the consensus of the Board to move forward with the proposal.

STAFF RECOMMENDATION
Consider and, if appropriate, adopt the Resolution authorizing the Fire Station 10 lease-purchase financing transaction.

FINANCIAL/ECONOMIC IMPACTS
Annual payment to repay the $11 million loan. The estimated annual payment is $690,000.

ASSOCIATED STRATEGIC GOALS
Deploy an effective emergency response to minimize loss/damage.

ATTACHMENTS
Resolution R-126
Lease Purchase Agreement
Site Lease Document
RESOLUTION NO. R-126

LOVELAND FIRE RESCUE AUTHORITY

RESOLUTION

A RESOLUTION AUTHORIZING A LEASE PURCHASE AGREEMENT FINANCING

WHEREAS, the Loveland Fire Rescue Authority, Colorado (the “Authority”) is a political subdivision of the State of Colorado (the “State”) and a duly organized and existing authority pursuant to Section 29-1-203.5, C.R.S.; and

WHEREAS, pursuant to applicable law, the Authority is authorized to acquire, dispose of and encumber real and personal property, including without limitation rights and interest in property and leases necessary to the functions and operation of the Authority; and

WHEREAS, the Authority has previously entered into a Lease Purchase Agreement dated March 30, 2018 (the “2018 Lease”) between the Authority, as lessee and ZMFU II, Inc., as lessor, for the purpose of refunding on a current refunding basis an outstanding loan of the Authority and financing the acquisition, construction, improvement and equipping of Fire Station No. 7, located in Larimer County, State of Colorado (“Station No. 7”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) finds that it is in the best interests of the Authority to: (i) prepay all Base Rents and Additional Rents (as such terms are defined in the 2018 Lease) due under the 2018 Lease (the “Refunding Project”); (ii) finance the acquisition, construction, improvement and equipping of a new fire station to be known as Fire Station No. 10 (the “Construction Project” and, together with the Refunding Project, the “Project”); and (iii) pay costs of issuance in connection with the Lease (as defined below); and

WHEREAS, the Board has determined that for the purposes of financing the Authority’s Project and paying costs of issuance in connection with the Lease (as defined below), the Authority may, pursuant to a Site Lease to be dated its date of execution and delivery and executed by the Authority (the “Site Lease”), lease to Sterling National Bank (“SNB” or the “Site Lessee”) Station No. 7 consisting of the real property located in Larimer County, State of Colorado more particularly described in the legal description set forth in Exhibit A attached hereto, as such Exhibit may be amended from time to time pursuant to Section 9.05 of the Lease (the “Site”) together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently existing thereon (collectively, the “Leased Property”), and the Authority shall lease the Leased Property from SNB (the “Lessor”) pursuant to a Lease Purchase Agreement between the Authority and the Lessor (the “Lease”); and

WHEREAS, all financial obligations of the Authority under the Lease, including the obligation to pay Base Rentals (as defined in the Lease) and Additional Rentals (as defined in the Lease) shall be from year to year only; shall constitute currently budgeted expenditures of the Authority; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation, direct or indirect multiple-fiscal year obligation or
WHEREAS, neither the Lease nor the Site Lease shall directly or indirectly obligate the Authority to make any payments beyond those appropriated for any fiscal year during which the Lease and the Site Lease shall be in effect; and

WHEREAS, the Board has also determined and hereby determines that it is necessary, convenient and in furtherance of the governmental purposes of the Authority and in the best interests of the Authority and its inhabitants that the Authority finance the Project; and

WHEREAS, there will be delivered to the Authority prior to closing, substantially final forms of the following:

(1) the Site Lease; and

(2) the Lease.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority as follows:

1. **Authorization of Site Lease.** The Authority shall enter into the Site Lease with the Site Lessee. The Authority shall work with Site Lessee's representatives to prepare a final form Site Lease that is mutually acceptable to Site Lessee and the Board acting by and through the Chairman or any other officer or director authorized by the Board to act on behalf of the Authority, in consultation with the Authority’s legal counsel.

2. **Authorization of Lease.** The Authority shall enter into the Lease with the Lessor. The Authority shall work with Lessor's representatives to prepare a final form Lease that is mutually acceptable to Lessor and the Board acting by and through the Chairman or any other officer or director authorized by the Board to act on behalf of the Authority, in consultation with the Authority’s legal counsel. The Board approves the leasing of the Leased Property for an annual rental amount not to exceed $717,600 (the “Rental Payment”).

3. **Execution of Miscellaneous Documents.** The Secretary, Assistant Secretary, Treasurer, or any other officer of the Authority is directed to attest all signatures and acts of any official of the Board or the Authority in connection with the matters authorized by this Resolution, and to place the Authority’s seal on the Site Lease and the Lease and all other additional certificates, documents and other papers associated with the transactions and other matters authorized by this Resolution, including the termination and release of the 2018 Lease. The Chairman and any other official, employee and agent of the Authority are hereby authorized to execute and deliver the Site Lease, the Lease and any and all additional agreements, certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate to implement and carry out the transactions and other matters authorized or contemplated by this Resolution for and on behalf of the Authority.

4. **Lease Subject to Annual Appropriation.** No provision of this Resolution, the Site
Lease or the Lease shall be construed as creating or constituting a general obligation or multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The term of the Lease shall not extend beyond December 31, subject to annual renewal if such Rental Payment is appropriated by the Board for the Authority budget in the subsequent fiscal year. The aggregate renewal period shall not exceed twenty (20) years, and the Authority shall have no obligation to make any payment except in connection with the payment of the Rent Payment and other amounts due under the Lease in accordance with the provisions the Lease.

5. **Declarations and Findings.** The Board hereby determines and declares that:

(a) The Rental Payment represents the fair market value of the use of the Leased Property.

(b) The Authority is under no economic or practical compulsion to appropriate moneys to make payments under the Lease pursuant to the Lease. In making such determinations, the Board has considered the current fair market value of the Leased Property, the cost of acquiring, constructing or equipping property similar to the Leased Property, the Construction Project’s uses and purposes, the benefit of the Construction Project to the Authority residents and taxpayers, and the expected eventual vesting of the full title to the Leased Property in the Authority.

(c) The duration of the Lease, including all optional renewal terms authorized under this Resolution does not exceed the weighted average useful life of the Leased Property.

6. **Supplemental Act.** The Board hereby elects to apply all of the Supplemental Act to the Site Lease and the Lease and in connection therewith delegates to each of the Chairman or any other officer, employee or director approved by the Board of the Authority the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease and the Site Lease.

7. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

8. **Ratification of Prior Actions.** All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board or by the officers, employees and agents of the Authority regarding the Project are hereby ratified, approved and confirmed.

9. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the Board.
ADOPTED this 31st day of March, 2021.

[AUTHORITY SEAL]

____________________________
Jeff Swanty, Chairman

ATTEST:

________________________
Kristen Cummings, Secretary to the Board
EXHIBIT A

DESCRIPTION OF LEASED PROPERTY (STATION NO. 7)

The real property located in Larimer County, Colorado more particularly described as follows, together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently existing thereon:

A portion of the Northwest ¼ of Section 12, Township 5 North, Range 70 West of the 6th P.M., Larimer County, Colorado, being more particularly described as follows:

Considering the North line of the Northwest ¼ of Section 12, Township 5 North, Range 70 West of the 6th P.M., Larimer County, Colorado, as bearing N 88°58′11″ E and with all bearings contained herein being relative thereto.

Beginning at a point on the Westerly right of way line of North County Road 27 (aka Masonville Road) whence the Northwest corner of the Northwest ¼ of Section 12, Township 5 North, Range 70 West of the 6th P.M., Larimer County, Colorado, bears N 48°57′49″ W, a distance of 1397.57 feet;
Thence S 70°11′11″ W for a distance of 268.79 feet;
Thence N 21°48′49″ W for a distance of 26.54 feet;
Thence S 81°05′11″ W for a distance of 95.20 feet;
Thence S 21°48′49″ E for a distance of 160.10 feet;
Thence N 81°05′11″ E for a distance of 95.20 feet;
Thence S 21°48′49″ E for a distance of 26.54 feet;
Thence N 70°11′11″ E for a distance of 268.79 feet to the aforesaid Westerly right of way line of North County Road 27 (aka Masonville Road);
Thence N 21°48′49″ W for a distance of 160.10 feet along said Westerly right of way line to the Point of Beginning.
LEASE PURCHASE AGREEMENT

by and between

STERLING NATIONAL BANK,
 as Lessor

and

LOVELAND FIRE RESCUE AUTHORITY, COLORADO,
 as Lessee

Dated April 9, 2021
# Lease Purchase Agreement

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I</strong></td>
<td>DEFINITIONS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 1.01. Terms Defined in Recitals</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Section 1.02. Additional Definitions</td>
<td>2</td>
</tr>
<tr>
<td><strong>II</strong></td>
<td>REPRESENTATIONS, COVENANTS AND WARRANTIES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 2.01. Representations, Covenants and Warranties of the Authority</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Section 2.02. Representations, Covenants and Warranties of SNB</td>
<td>7</td>
</tr>
<tr>
<td><strong>III</strong></td>
<td>LEASE OF LEASED PROPERTY</td>
<td>8</td>
</tr>
<tr>
<td><strong>IV</strong></td>
<td>LEASE TERM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 4.01. Duration of Lease Term</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Section 4.02. Expiration of Lease Term</td>
<td>8</td>
</tr>
<tr>
<td><strong>V</strong></td>
<td>ENJOYMENT OF LEASED PROPERTY</td>
<td>8</td>
</tr>
<tr>
<td><strong>VI</strong></td>
<td>PAYMENTS BY THE AUTHORITY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 6.01. Base Rentals and Additional Rentals; Annual Appropriation</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Section 6.02. Interest Component</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Section 6.03. Manner of Payment</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Section 6.04. Budget and Appropriation of Sums</td>
<td>11</td>
</tr>
<tr>
<td><strong>VII</strong></td>
<td>THE PROJECT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 7.01. Acquisition, Construction, Improving and Equipping of the Construction Project</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Section 7.02. Project Fund</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Section 7.04. Defeasance of Refunding Project</td>
<td>11</td>
</tr>
<tr>
<td><strong>VIII</strong></td>
<td>THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Section 8.01. The Leased Property</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Section 8.02. No Encumbrace, Mortgage or Pledge of Leased Property</td>
<td>12</td>
</tr>
</tbody>
</table>
ARTICLE IX
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES
Section 9.01. Maintenance of the Leased Property by the Authority ........................................ 12
Section 9.02. Modification of the Leased Property; Installation of Furnishings and Machinery of the Authority ...................................................... 12
Section 9.03. Taxes, Other Governmental Charges and Utility Charges .................................... 13
Section 9.04. Provisions Regarding Liability, Property and Workers’ Compensation Insurance .......................................................... 13
Section 9.05. Granting of Easements .......................................................................................... 15

ARTICLE X
DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS
Section 10.01. Damage, Destruction and Condemnation .......................................................... 15
Section 10.02. Obligation of the Authority To Repair and Replace the Leased Property .............. 16
Section 10.03. Insufficiency of Net Proceeds ............................................................................. 16
Section 10.04. Cooperation of SNB .......................................................................................... 17

ARTICLE XI
DISCLAIMER OF WARRANTIES; OTHER COVENANTS
Section 11.01. Disclaimer of Warranties .................................................................................... 17
Section 11.02. Further Assurances and Corrective Instruments .................................................. 17
Section 11.03. Compliance With Requirements ........................................................................ 18
Section 11.04. Covenant To Comply With Internal Revenue Code .......................................... 18
Section 11.05. Access To Leased Property ................................................................................ 18
Section 11.06. Further Assurances ............................................................................................ 18
Section 11.07. Conditions Precedent ......................................................................................... 18
Section 11.08. Records and Accounts ....................................................................................... 19
Section 11.09. Rules, Regulations and other Details ................................................................... 19
Section 11.10. Payment of Governmental Charges .................................................................... 19
Section 11.11. Federal Income Tax Exclusion ............................................................................ 19
Section 11.12. Audits Required .................................................................................................. 21
Section 11.13. Environmental Matters ...................................................................................... 21
Section 11.14 Indemnification .................................................................................................... 22

ARTICLE XII
CONVEYANCE OF THE LEASED PROPERTY
Section 12.01. Prepayment ....................................................................................................... 23
Section 12.02. Conveyance of the Leased Property .................................................................... 23
Section 12.03. Manner of Conveyance ....................................................................................... 23

ARTICLE XIII
ASSIGNMENT AND SUBLEASING
Section 13.01. Assignment and Subleasing by the Authority ....................................................... 23
Section 13.02. Assignment by SNB ........................................................................................... 23
ARTICLE XIV
EVENTS OF DEFAULT AND REMEDIES

Section 14.01. Events of Default Defined ................................................................. 24
Section 14.02. Remedies Upon an Event of Default ............................................... 25
Section 14.03. No Remedy Exclusive ............................................................... 25
Section 14.04. Waivers ........................................................................... 25
Section 14.05. Attorneys’ Fees, Costs and Expenses; Jurisdiction and Venue .... 25

ARTICLE XV
MISCELLANEOUS

Section 15.01. Sovereign Powers of Authority ....................................................... 26
Section 15.02. Notices ........................................................................ 26
Section 15.03. Binding Effect ........................................................................ 26
Section 15.04. Net Lease ........................................................................ 26
Section 15.05. Payments Due on Holidays .............................................................. 26
Section 15.06. Severability; Integration ............................................................... 26
Section 15.07. Execution in Counterparts ............................................................... 27
Section 15.08. Applicable Law; Uniform Commercial Code Security Agreement .... 27
Section 15.09. Captions ........................................................................ 27
Section 15.10 Gender ......................................................................... 27
Section 15.11 No Merger ....................................................................... 27
Section 15.12 Amendment ...................................................................... 27
Section 15.13 Role of SNB ...................................................................... 27
Section 15.14 Participation of Lease from SNB to SNFC ........................................... 27
Section 15.15 Authority’s Notice Filings Related to this Lease for SEC Rule 15c2-12 ...... 27

EXHIBIT A - DESCRIPTION OF THE LEASED PROPERTY (STATION NO. 7) ............... A-1
EXHIBIT B - BASE RENTALS SCHEDULE .......................................................... B-1
EXHIBIT C - PERMITTED ENCUMBRANCES ..................................................... C-1
THIS LEASE PURCHASE AGREEMENT (this “Lease”) dated April 9, 2021, by and between STERLING NATIONAL BANK, a national banking association (and its assigns and successors) (“SNB”) as lessor, and LOVELAND FIRE RESCUE AUTHORITY, a Colorado political subdivision (the “Authority”), as lessee. SNB and the Authority are collectively referred to as the “Parties” and individually as a “Party.”

RECITALS:

WHEREAS, the Authority is a political subdivision of the State of Colorado (the “State”) and a duly organized and existing authority pursuant to 29-1-203.5, C.R.S.; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has the power, pursuant to the Colorado Revised Statutes, as amended, to acquire, dispose of, and encumber real and personal property including, without limitation, rights and interests in property, leases, and easements necessary to the functions or the operations of the Authority; and

WHEREAS, the Authority has previously entered into a Lease Purchase Agreement dated March 30, 2018 (the “2018 Lease”) between the Authority, as lessee and ZMFU II, Inc., as lessor, for the purpose of refunding on a current refunding basis an outstanding loan of the Authority and financing the acquisition, construction, improvement and equipping of Fire Station No. 7, located in Larimer County, State of Colorado (“Station No. 7”); and

WHEREAS, pursuant to a resolution duly adopted on March 31, 2021 the Board determined to: (i) prepay all Base Rents and Additional Rents (as such terms are defined in the 2018 Lease) due under the 2018 Lease (the “Refunding Project”); (ii) finance the acquisition, construction, improvement and equipping of a new fire station to be known as Fire Station No. 10 (the “Construction Project” and, together with the Refunding Project, the “Project”); and (iii) pay costs of issuance in connection with this Lease; and

WHEREAS, for the purposes of financing the Authority’s Project and paying costs of issuance in connection with this Lease, the Authority will, pursuant to a Site Lease dated its date of execution and delivery and executed by the Authority (the “Site Lease”), lease to SNB (“SNB” or “Site Lessee”) the real estate or interests in real estate, if any, the legal description of which is set forth in Exhibit A-1 of this Lease, as such Exhibit may be amended from time to time pursuant to Section 9.05 hereof (the “Site”) together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently existing thereon (collectively, the “Leased Property”) and the Authority shall lease the Leased Property from SNB (the “Lessor”) pursuant to this Lease; and

WHEREAS, the Base Rentals and Additional Rentals, as defined in this Lease, shall be payable from all legally available revenues of the Authority and are expressly subject to annual appropriation by the Board.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the Parties agree as follows:
ARTICLE I

DEFINITIONS

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

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Lease</td>
<td>Parties</td>
</tr>
<tr>
<td>Authority</td>
<td>Project</td>
</tr>
<tr>
<td>Board</td>
<td>Refunding Project</td>
</tr>
<tr>
<td>Construction Project</td>
<td>Site</td>
</tr>
<tr>
<td>Lease</td>
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</tr>
<tr>
<td>Leased Property</td>
<td>Site Lessee</td>
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<tr>
<td>Lessor</td>
<td>State</td>
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<tr>
<td>Party</td>
<td>SNB</td>
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Section 1.02. Additional Definitions. The following additional terms shall have the meanings specified below:

“Additional Rentals” means the cost of all (a) reasonable expenses and fees of SNB related to the performance of the provisions of this Lease or otherwise incurred at the request of the Authority, except for expenses and fees incurred as a result of the negligent acts or omissions of SNB or its employees or agents; (b) taxes, insurance premiums, utility charges, maintenance, upkeep, repair, improvements and replacements in respect of the Leased Property; and (c) all other charges and costs (together with all interest and penalties expressly provided for in this Lease that may accrue thereon in the event that the Authority shall fail to pay the same, as specifically set forth herein) which the Authority assumes or agrees to pay as Additional Rentals hereunder with respect to the Leased Property. Additional Rentals do not include Base Rentals.

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

“Base Rentals” means the payments payable by the Authority during the Lease Term pursuant to Section 6.01 of this Lease, as set forth in Exhibit B in the column titled “total payment”, which constitute the payments payable by the Authority for and in consideration of the right to use the Leased Property during the Lease Term.

“Base Rental Payment Date” means April 1 and October 1 in each Fiscal Year during the Lease Term, commencing October 1, 2021.

“City” means the City of Loveland, Colorado.

“Costs of the Project” means all costs and expenses in connection with the Project, including without limitation:

(a) obligations incurred or assumed for labor, materials and equipment;

(b) the cost of performance and payment bonds and of insurance of all kinds (including, without limitation, title insurance) that may be necessary or appropriate;

(c) administrative costs incurred in the performance of the duties required by or consequent upon the Project;

(d) administrative costs relating to this Lease, costs of publication, printing and engraving, accountants’ fees and recording and filing fees, and any legal fees and expenses, but specifically excluding the fees, costs and expenses incurred by SNB’s attorneys and accountants;

(e) all costs which are considered to be a part of the costs of the Project in accordance with generally accepted accounting principles; and

(f) any and all other costs necessary to effect the financing of the Project to the extent the same are permitted by the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest portion of Base Rentals.

“Counsel” means an attorney at law or law firm (who may be counsel for SNB or the Authority) who is satisfactory to SNB.

“Event of Default” means one or more events of default as defined in Section 14.01 of this Lease. An Event of Default does not include an Event of Nonappropriation.

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

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

“Fiscal Year” means the fiscal or budget year of the Authority, which begins on January 1 of each 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; epidemic or pandemic; or any other cause or event not within the control of the Authority.
“Independent Accountant” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Authority, who (a) is, in fact, independent and not under the domination of the Authority or the Board; (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Authority; and (c) is not connected with the Authority as a member, officer or employee of the Board, but who may be regularly retained to make annual or similar audits of any books or records of the Authority.

“Initial Term” means the period commencing on April 9, 2021 and ending on December 31, 2021.

“Insurance Consultant” means an independent person or firm acceptable to SNB experienced in providing the specific type of insurance in question and capable of making an evaluation of the actuarial risk of loss from the types of events customarily covered by such insurance policies.

“Interest Component” means the interest portion of each Base Rental payment, which amount is set forth in Exhibit B hereto in the column titled “interest” and is calculated by applying the Interest Rate to the Lease Balance.

“Interest Rate” means the interest rate on the Lease Balance which shall be 2.29% per annum.

“Lease Balance” means the amount equal to $11,365,000 less the aggregate amount of the principal portion of Base Rentals paid or prepaid by the Authority pursuant to this Lease, which amount is set forth in Exhibit B hereto in the column titled “principal balance”.

“Lease Effective Date” means April 9, 2021.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in Section 14.02 of this Lease whenever an Event of Default has happened and is continuing.

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

“Leased Property” means the Site, together with the facilities, improvements, fixtures, equipment, furnishings and support facilities located thereon, as described on Exhibit A hereto.

“Maturity Date” means April 1, 2041.

“Net Proceeds” when used with respect to any performance or payment bond proceeds, or proceeds of insurance, including self-insurance, required by this Lease, or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any contract relating to the Leased Property or proceeds from any Lease Remedy means the amount remaining after deducting from such proceeds (a) all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the Authority or SNB.
“Permitted Encumbrances” means, as of any particular time, the liens and encumbrances described on Exhibit C hereto.

“Project Fund” means the Project Fund established in Section 7.02 herein.

“Renewal Term” means the optional twelve-month renewal terms of this Lease, commencing on January 1 and ending on December 31 of each year.

“Special Counsel” means Kline Alvarado Veio, P.C. or any other counsel experienced in matters of municipal law, satisfactory to the Authority and SNB, and listed in the “Red Book” listing of municipal bond attorneys published semiannually by The Bond Buyer or any successor publication.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The Authority is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State. The Authority is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations under this Lease, subject to all applicable constitutional and statutory requirements and limitations. The Board has duly authorized and approved the execution and delivery of this Lease and all other documents necessary to be executed in connection with the execution of this Lease.

(b) The Project, under the terms and conditions provided for in this Lease, is necessary, convenient, in furtherance of and will at all times be used in connection with the Authority’s governmental and proprietary purposes and functions (except to the extent that subleasing of the Leased Property by the Authority is permitted by Section 13.01 of this Lease) and is in the best interests of the inhabitants of the Authority, and no portion of the Leased Property or the Project will be used directly or indirectly in any trade or business carried on by any person other than a governmental unit of the State.

(c) Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the Authority, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon the Leased Property, except for Permitted Encumbrances.
(d) To the best of its knowledge and belief, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute this Lease or the ability of the Authority to make the annual appropriations for payments required hereunder or to otherwise comply with the obligations contained herein, except such litigation or proceeding as has been disclosed to SNB on or prior to the date this Lease is executed and delivered.

(e) The Authority’s financial statements previously supplied to SNB are true and correct in all material respects and there has not been a material adverse change in the Authority’s financial condition as of the date of this Lease.

(f) The insured value of the Leased Property as of the date of this Lease is not less than $11,365,000.

(g) During the Lease Term, the Authority shall maintain reserves at least equal to $800,000, which such amount shall be measured no more frequently than every six months.

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

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

(j) This Lease will be secured by the payment of Base Rentals by the Authority.

(k) The Authority will, at closing, and pursuant to the Site Lease, transfer a leasehold interest in the Leased Property to SNB for a term of thirty (30) years, subject to prior termination as provided therein.

(l) The Authority shall submit to SNB an annual audit within two hundred and seventy (270) days of the end of the Fiscal Year and its annual budget no later than December 31 of each Fiscal Year, which annual audit may be (i) an annual audit of the City with the Authority as component unit thereof or (ii) an annual audit of the Authority.

(m) The Authority agrees to provide and maintain fire and casualty insurance on the Leased Property.

(n) Title to the Leased Property is and shall remain in the Authority, or a permitted assignee of the Authority, subject to the rights of SNB hereunder and under the Site Lease.

(o) All taxes and assessments levied or imposed upon the Leased Property, except for current taxes, have been paid in full. The Authority agrees to promptly pay
and discharge all taxes and assessments levied or imposed upon the Leased Property or its income as well as other claims that if unpaid, might, by law, become a lien or charge upon the Leased Property.

(p) The Site is properly zoned for the purpose of the Leased Property.

(q) The Authority agrees to execute any additional documents that SNB or SNB’s legal counsel deem necessary to perfect SNB’s collateral and/or lien position.

(r) The Authority agrees not to allow any other encumbrance, lien or pledge on the Leased Property securing this Lease (other than Permitted Encumbrances), without the prior written consent of SNB, while this Lease is in effect.

(s) The Authority agrees that if a Standard Flood Hazard Determination report on the Leased Property, ordered by SNB, indicates that the Leased Property is located in a flood hazard area, the Authority shall procure a Flood Insurance Policy prior to the Lease Effective Date.

(t) The Authority agrees that an acceptable Title Insurance Commitment showing the Leased Property to be free of encumbrances, except for Permitted Encumbrances, shall be provided to SNB prior to the Lease Effective Date.

(u) The Authority shall submit to SNB any other financial information reasonably required by SNB.

Section 2.02. Representations, Covenants and Warranties of SNB. SNB represents, covenants and warrants as follows:

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

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

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

(d) There is no litigation or proceeding pending or threatened against SNB or any other person affecting the right of SNB to execute this Lease and to perform its obligations hereunder.
(e) SNB acknowledges that all financial obligations of the Authority under this Lease, including its obligation to pay Base Rentals and Additional Rentals hereunder, are expressly subject to annual appropriation by the Board.

ARTICLE III

LEASE OF LEASED PROPERTY

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

ARTICLE IV

LEASE TERM

Section 4.01. Duration of Lease Term. The Lease Term shall be comprised of the Initial Term and successive one-year Renewal Terms, subject to Section 4.02 of this Lease. The Lease Term may be renewed, solely at the option of the Authority, at the end of the Initial Term or any Renewal Term for an additional Renewal Term; provided that the final Renewal Term will not extend beyond the Maturity Date. At the end of the Initial Term and at the end of each Renewal Term, the Authority will be deemed to have exercised its option to continue this Lease for the next Renewal Term unless the Lease has been terminated pursuant to Section 4.02 of this Lease. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Initial Term, except that the Base Rentals will be as provided in Exhibit B to this Lease. The Lease Term does not exceed the weighted average useful life or the estimated term of usefulness of the Leased Property.

Section 4.02. Expiration of Lease Term. The Lease Term shall terminate and expire (a) upon the termination of SNB’s leasehold interest, as provided in Section 12.02 of this Lease, upon payment of all Base Rentals and Additional Rentals and all other amounts, if any, due hereunder; (b) upon the expiration of the Initial Term or any Renewal Term of this Lease and the nonrenewal of this Lease following an Event of Nonappropriation pursuant to Section 6.01(f) of this Lease; or (c) at the option of SNB following an Event of Default, pursuant to Section 14.02 of this Lease.

ARTICLE V

ENJOYMENT OF LEASED PROPERTY

Except as expressly required or as otherwise permitted by this Lease, SNB will not do anything to prevent the Authority from peaceably and quietly having, holding and enjoying the Leased Property without suit, trouble, or hindrance from SNB during the Lease Term. SNB shall, at the request of the Authority and at the cost of the Authority, join and cooperate fully in any legal action in which the Authority asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Authority may at its own expense join in any legal
action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article V shall be subject to SNB’s right to inspect the Leased Property at any time during normal business hours upon 24 hours prior written notice to the Authority. The Authority also hereby consents to the inspection by SNB of all books, accounts and records maintained by the Authority with respect to the Leased Property and this Lease at any time during normal business hours upon 24 hours prior written notice to the Authority.

ARTICLE VI

PAYMENTS BY THE AUTHORITY

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

(a) The Authority shall pay all Base Rentals directly to SNB, or its successors or assigns, on the Base Rental Payment Dates and in amounts as set forth in Exhibit B attached hereto and made a part hereof. Any Base Rental payment not received on or before its due date will bear interest at the rate of 8% per annum from its due date, calculated on the basis of a 360-day year comprised of twelve 30-day months.

(b) In the event that, as a result of an intentional act or omission of the Authority, it is determined that any of the Interest Component of Base Rentals may not be excluded from gross income for purposes of federal income taxation, the Authority agrees to pay to SNB promptly after any such determination and on each Base Rental Payment Date thereafter an additional amount determined by SNB to compensate SNB for the reasonable, documented loss of such excludability (including without limitation, compensation relating to interest penalties or additions to tax), which determination shall be conclusive absent manifest error.

(c) The Authority shall pay Additional Rentals during the Lease Term as herein provided, subject to the Authority’s right of nonappropriation. All Additional Rentals shall be paid by the Authority on a timely basis directly to the person or entity to which such Additional Rentals are owed.

(d) The Base Rentals, Additional Rentals and the other amounts, if any, due hereunder shall be payable from and limited to legally available funds or revenues of the general fund or the capital reserve fund of the Authority.

(e) It is the intention of the Parties that this Lease, and all of the Authority’s financial obligations under this Lease, are subject to annual appropriation by the Board. This Lease (and the Base Rentals, Additional Rentals and the other amounts, if any, due hereunder) do not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the Authority within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be general obligations of the Authority.
(f) Not later than October 15 in each year, the Authority’s authorized officer, or other official charged with responsibility for preparation of the budget, shall include or cause to be included in the Authority’s proposed budget for the ensuing Fiscal Year, for consideration by the Board, the amount of Base Rentals and Additional Rentals estimated to become due hereunder in such ensuing Fiscal Year. The Board shall determine in its absolute discretion whether such items shall be included in the final budget as adopted. In the event that the Board has either (i) not adopted a proposed budget for the ensuing Fiscal Year which includes such items by December 15 of the then current year; or (ii) notifies SNB in writing of its intent not to appropriate for Base Rentals or Additional Rentals in the ensuing Fiscal Year, an Event of Nonappropriation shall be deemed to have occurred. If an Event of Nonappropriation occurs, this Lease will be deemed terminated at the end of the then current Initial Term or Renewal Term and the Authority shall not be obligated to make payment of Base Rentals or Additional Rentals for the ensuing Fiscal Year or thereafter. The Authority agrees to deliver notice to SNB of such termination at least 30 days prior to the end of the then current Initial Term or Renewal Term, but failure to give such notice will not affect the Board’s right of nonappropriation and will not extend the term beyond such Initial Term or Renewal Term. If an Event of Nonappropriation occurs, and in addition to any other remedy to which it is entitled at law or in equity:

i. SNB may demand that the Authority surrender the possession and management of the Leased Property to SNB or its assignees or lessees, with which such demand the Authority shall comply immediately.

ii. Following any such surrender of possession, SNB may lease or sublease the Leased Property or any portion thereof or sell an assignment of any interest SNB has in the Leased Property.

iii. SNB may proceed by appropriate court action to recover for the payment of all amounts legally due from the Authority to the extent such funds were appropriated by the Authority Board during the year in which the Event of Nonappropriation occurred.

Section 6.02. Interest Component. A portion of the Base Rentals paid by the Authority on each Base Rental Payment Date is the Interest Component. The column titled “interest” set forth in Exhibit B hereto identifies the Interest Component of each payment of Base Rentals.

Section 6.03. Manner of Payment. The Base Rentals shall be paid or prepaid by the Authority by certified funds or other method of payment acceptable to SNB in lawful money of the United States of America to SNB at its principal office.

The obligation of the Authority to pay the Base Rentals and Additional Rentals during the Lease Term shall be absolute and unconditional, payable from all legally available sources, and payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances, or by SNB under this Lease, or under any other agreement between the Authority and SNB, or for any other reason, including without limitation, failure to complete the acquisition, improvement and equipping of the Construction Project, 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 SNB to perform and observe
any agreement, whether express or implied, or any duty, liability or obligation arising out of or
connected with this Lease, it being the intention of the Parties that the payments required by this
Lease will be paid in full when due without any delay or diminution whatsoever, subject only to
the special and limited nature of the Authority’s obligation to make payments hereunder and the
right of the Board to decline to appropriate funds as set forth in Sections 2.02(e) and 6.01(e)
above, and further subject to the Authority’s rights under Sections 8.02 and 9.03 hereof.
Notwithstanding any dispute between the Authority and SNB, the Authority shall, during the
Lease Term, make all payments of Base Rentals and Additional Rentals when due and shall not
withhold any Base Rentals or Additional Rentals pending final resolution of such dispute (except
to the extent permitted by Sections 8.02 and 9.03 hereof with respect to certain Additional
Rentals), nor shall the Authority assert any right of setoff or counterclaim against its obligation
to make such payments required hereunder. No action or inaction on the part of SNB shall affect
the Authority’s obligation to pay all Base Rentals and Additional Rentals (except to the extent
provided by Sections 8.02 and 9.03 hereof with respect to certain Additional Rentals), during the
Lease Term. By making such payments, the Authority does not waive any rights at law or in
equity to recover all or a portion of such funds that a court of competent jurisdiction within the
State determines the Authority did not owe SNB.

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

ARTICLE VII
THE PROJECT

Section 7.01. Acquisition, Construction, Improving and Equipping
of the Construction Project. The Authority hereby agrees that it will make all contracts, take
all other actions and do all things necessary for the acquisition, improvement, equipping and
maintenance of the Construction Project and, in connection therewith, will comply with all
applicable provisions of State and local law.

Section 7.02. Project Fund. There is hereby created a Project Fund to be held by the
Authority. On the Lease Effective Date, SNB will deposit into the Project Fund the sum of
$7,657,214.68, comprised of $109,825 which will be used to pay the costs of issuance in
connection with execution of this Lease and $7,547,389.68 which will be used to pay the costs of
the Construction Project.

Section 7.03. Defeasance of Refunding Project. On the Lease Effective Date, SNB
shall pay directly to ZMFU II, as Lessor under the 2018 Lease, pursuant to a closing
memorandum, an amount of proceeds equal to $3,707,785.32 which is the amount necessary to
refund and defease the 2018 Lease.
ARTICLE VIII
THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

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

Section 8.02. No Encumbrance, Mortgage or Pledge of Leased Property. The Authority shall not permit any mechanic’s lien, verified statement of claim, or other lien to remain against the Leased Property; provided that, if the Authority shall first notify SNB of the intention of the Authority to so do, the Authority may in good faith contest any mechanic’s lien, verified statement of claim 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 SNB shall notify the Authority that, in the opinion of Counsel, by nonpayment of any such items SNB title to or lien on 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 Authority 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). SNB will cooperate fully with the Authority in any such contest, upon the request and at the expense of the Authority. Except as may be permitted by this Lease, neither SNB nor the Authority shall directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The Authority and SNB shall promptly, at their own respective expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which each shall respectively have created, incurred, or suffered to exist.

ARTICLE IX
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

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

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

The Authority may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on any Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Authority in which SNB shall not have any interests; provided, however, that any such machinery, equipment and other tangible property which becomes permanently affixed to any Leased Property shall be subject to this Lease, and shall be included under the terms of this Lease, in the event SNB shall reasonably determine that such Leased Property would be materially damaged or impaired by the removal of such machinery, equipment or other tangible property.

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

The Authority 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 SNB shall notify the Authority that, in the opinion of Counsel, by nonpayment of any such items the security afforded pursuant to the Lease will be materially endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, or SNB 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 9.04. Provisions Regarding Liability, Property and Workers’ Compensation Insurance. The Authority shall, at its own expense, cause casualty and/or property insurance to
be carried and maintained with respect to the Leased Property in an amount equal to the maximum insurable value of the Leased Property. Such insurance policy may have a deductible clause in an amount not to exceed $50,000. The Authority may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other property as well, as long as such blanket insurance policies comply with the requirements hereof. Any property insurance policy required by this Section 9.04 shall be so written or endorsed as to show SNB as loss payee and/or additional insureds and to make losses exceeding $50,000, if any, payable to the Authority and SNB as their respective interests may appear.

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

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

If the Authority shall insure against similar risks by self-insurance, the Authority, at its election and in accordance with the standards of the State relating thereto, may in lieu of obtaining policies for property and public liability insurance coverage as required by this Section 9.04, provide such coverage by an actuarily established self-insurance fund so long as the Authority provides an annual audited financial statement and actuarial analysis of the self-insurance fund.

Each property and liability insurance policy provided for in this Section 9.04 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of SNB without first giving written notice thereof to the Authority and SNB at least 10 days in advance of such cancellation or modification. In the event that the Authority has received such notice of cancellation or modification, it shall immediately furnish to SNB a new insurance policy or certificate evidencing such policy replacing the canceled or modified policy and effective on or before the effective date of such cancellation or modification.

The Authority shall, at its own expense, cause an Owner’s policy of title insurance to be procured, insuring SNB’s leasehold interest under the Site Lease, in the amount set forth on
Exhibit B, on the standard ALTA forms, subject only to such exceptions as will be acceptable to SNB, with such endorsements and affirmative coverages as may be reasonably required by SNB, including endorsements respecting zoning and access to public roads and an endorsement deleting the coinsurance provisions of the standard leasehold owner’s policy, and otherwise in form and substance satisfactory to SNB and issued by a company acceptable to SNB and authorized to issue such insurance in the State.

The Authority shall provide certified copies of all insurance policies required under this Section or certificates of insurance with appropriate endorsements attached evidencing that the Parties have been named as loss payee and/or additional insureds and that the 10 days’ notice of cancellation provision is in effect. A certificate of insurance will be acceptable evidence of insurance at closing, with the understanding that the Authority shall furnish the policy or endorsements within 45 days after closing. All insurance policies issued pursuant to this Section 9.04 or certificates evidencing such policies, shall be deposited with SNB. No agent or employee of the Authority shall have the power to adjust or settle any loss with respect to the Leased Property, whether or not covered by insurance, without the prior written consent of SNB; except that losses not exceeding $50,000 may be adjusted or settled by the Authority without SNB’s consent.

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

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION;
USE OF NET PROCEEDS

Section 10.01. Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property or any portion thereof shall be destroyed, in whole or in part, or damaged by fire or other casualty; (b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Authority or SNB in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; (c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall
be lost by reason of a defect in title thereto; then the Authority shall continue to be obligated to continue to pay the amounts specified in Section 6.01 of this Lease.

Section 10.02. Obligation of the Authority To Repair and Replace the Leased Property. The Authority and, to the extent such Net Proceeds are within its control, SNB shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards, to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Authority upon receipt of requisitions acceptable to SNB, and with the written approval of SNB, signed by an Authorized Officer of the Authority (a) stating with respect to each payment to be made, (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against such funds and has not been the basis of any previous withdrawal; (v) that all conditions required by this Lease to be met prior to such payment have been satisfied; and (vi) that the disbursement requested will be used for the cost of such repair, restoration, modification, improvement or replacement of the Leased Property; (b) specifying in reasonable detail the nature of the obligation; and (c) accompanied by a bill, invoice or a statement of account for such obligation.

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

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

(a) complete the work or replace such Leased Property, or portion thereof, with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the Authority are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the Authority agrees that, if by reason of any such insufficiency of the Net Proceeds, the Authority shall make any payments pursuant to the provisions of this Section 10.03(a), the Authority shall not be entitled to any reimbursement therefor from SNB, nor shall the Authority be entitled to any diminution of the Base Rentals and Additional Rentals payable under Section 6.02 of this Lease; and
(b) apply the Net Proceeds to the payment of the Lease Balance plus accrued interest to the date of payment. In the event of an insufficiency of the Net Proceeds for such purpose, the Authority shall pay such amounts as may be necessary to equal the then applicable Lease Balance, plus accrued interest to the date of payment; and in the event the Net Proceeds shall exceed the Lease Balance, plus accrued interest to the date of payment, such excess shall be retained by the Authority.

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

Section 10.04. Cooperation of SNB. At the expense of the Authority, SNB shall cooperate fully with the Authority in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.01 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the prosecution of any action relating to the enforcement of all warranties relating to the Leased Property. In no event shall SNB voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim performance or payment bond claim, prospective or pending condemnation proceeding, or any action with respect to the Leased Property or any portion thereof without the written consent of the Authority.

ARTICLE XI

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 11.01. Disclaimer of Warranties. SNB does not make any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Leased Property or the Construction Project or any other representation or warranty with respect to the Leased Property or Construction Project. The Authority hereby acknowledges and declares that the Authority is solely responsible for the design, acquisition, improvement, equipping, maintenance and operation of the Leased Property and the Construction Project, and that SNB shall have no responsibility therefor. For the purpose of enabling the Authority to discharge such responsibility, SNB constitutes and appoints the Authority as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the Authority, all manufacturer’s warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights SNB may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. In no event shall SNB 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 Authority of any item, product or service provided for herein.

Section 11.02. Further Assurances and Corrective Instruments. SNB and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the
Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

**Section 11.03. Compliance With Requirements.** During the Lease Term, the Authority and SNB shall observe and comply promptly to the extent possible with all current and future orders of the District Court for Larimer County, Colorado; provided that the Authority or SNB may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

**Section 11.04. Covenant To Comply With Internal Revenue Code.** The Authority certifies and covenants that it will not knowingly direct or otherwise cause the investment or use of any moneys in any fund or account in connection with this Lease (including any moneys reasonably expected to be used to pay the Base Rentals thereon, whether or not held by SNB; and regardless of whether any such moneys were derived from the proceeds disbursed by SNB in connection with this Lease or from any other source), in a manner which will cause this Lease to be classified as an “arbitrage bond” within the meaning of the Code.

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

**Section 11.05. Access to Leased Property.** The Authority agrees that during the Lease Term, SNB and any authorized representative of SNB shall have the right during normal business hours and 24 hours prior written notice to the Authority to examine and inspect the Leased Property and all of Authority’s books and records with respect thereto. The Authority further agrees that SNB and any such representative shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Authority to perform its obligations under this Lease.

**Section 11.06. Further Assurances.** At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, and any other funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this Lease.

**Section 11.07. Conditions Precedent.** Upon the date of execution and delivery of this Lease, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Code and this Lease to exist, to have happened, and to have been performed precedent to or in the execution and delivery of this Lease shall exist, have happened and have been performed, and this Lease, together with all other obligations of the Authority, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State, or the Code.
Section 11.08. Records and Accounts. The Authority will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds referred to herein.

Section 11.09. Rules, Regulations and other Details. The Authority shall observe and perform all of the terms and conditions contained in this Lease and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Authority.

Section 11.10. Payment of Governmental Charges. The Authority shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Authority, or upon any part thereof, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Authority, or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The Authority shall not create or suffer to be created any lien or charge upon the Authority, or any part thereof, except as herein otherwise permitted. The Authority shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 90 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Authority, or any part thereof, but nothing herein requires the Authority to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.


(a) General. The Authority intends that the interest on this Lease shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Income Tax Regulations (the “Regulations”). The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on this Lease to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes. In particular, the Authority covenants and agrees to comply with each requirement of this Section 11.11; provided, however, that the Authority shall not be required to comply with any particular requirement of this Section 11.11 if the Authority has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on this Lease or if the Authority has received a Counsel’s Opinion to the effect that compliance with some other requirement set forth in this Section 11.11 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel’s Opinion shall constitute compliance with the corresponding requirement specified in this Section 11.11.

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

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

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

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

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

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

(h) Continuing Obligation. Notwithstanding any other provision of this Lease, the Authority’s obligations under the covenants and provisions of this Section 11.11 shall survive the defeasance and discharge of this Lease.

Section 11.12. Audits Required. Before February 28 of each Fiscal Year, the Authority shall retain an independent auditing firm to conduct an audit of the Authority’s financial statements for the preceding Fiscal Year. Such annual audit may be (i) an annual audit of the City with the Authority as component unit thereof or (ii) an annual audit of the Authority. The Authority or its auditor shall provide SNB with a copy of the annual audit within 270 days of each Fiscal Year end. During the Lease Term, the Authority covenants and agrees to provide SNB: (i) a copy of the Authority’s final annual budget no later than December 31 of each Fiscal Year; and (ii) any other financial reports SNB may reasonably request from time to time.

Section 11.13. Environmental Matters. The real property included in the Leased Property is properly zoned for its current and anticipated use and such use will not violate any applicable zoning, land use, environmental or similar law or restriction. The Authority has all licenses and permits to use the Leased Property. The Authority has obtained all permits, licenses and other authorizations which are required under federal, State and local laws relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes (“Environmental Laws”) at, on or near the Leased Property or in connection with the operation of its Leased Property. The Authority and all activities of the Authority at its facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to the Authority with respect thereto. The Authority is also in compliance with all limitations,
restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and
timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or
notice of which the Authority is aware. The Authority is not aware of, nor has the Authority
received notice of, any events, conditions, circumstances, activities, practices, incidents, actions
or plans which may interfere with or prevent continued compliance with, or which may give rise
to any liability under, any Environmental Laws.

The Authority shall carry on its business and operations so as to comply in all respects,
and will remain in compliance with, all applicable United States, State, regional, county or local
laws, statutes, rules, regulations or ordinances, concerning public health, safety or the
environment, and all rules, regulations and guidance documents promulgated or published
thereunder, and any State, regional, county or local statute, law, rule, regulation or ordinance
relating to public health, safety or the environment, including, without limitation, those relating
to (a) releases, discharges, emissions or disposals to air, water, land or groundwater; (b) to the
use, handling or disposal of polychlorinated biphenyls (PCB’s), asbestos or urea formaldehyde;
(c) to the treatment, storage, disposal or management of hazardous substances (including,
without limitation, petroleum, crude oil or any fraction thereof), and any other solid, liquid or
gaseous substance, exposure to which is prohibited, limited or regulated, or may or could pose a
hazard to the health and safety of the occupants of the adjacent or surrounding property; (d) to
the exposure of persons to toxic, hazardous, or other controlled, prohibited or regulated
substances; and (e) to the transportation, storage, disposal, management or release of gaseous or
liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand
issued thereunder.

To the extent permitted by law, the Authority will indemnify, defend and hold SNB
harmless from and against any claims, loss or damage to which SNB may be subjected as a result
of any past, present or future existence, use, handling, storage, transportation or disposal of any
hazardous waste or substance or toxic substance by the Authority or on the Leased Property or
the breach of any representations and warranties contained in this Section 11.13. This
indemnification shall survive the termination of this Lease.

Section 11.14. Indemnification. To the extent permitted by applicable law, the
Authority agrees to indemnify and hold harmless SNB, its directors, officers, shareholders,
employees, agents, and successors from and against any loss, claim, damage, expense, and
liability resulting from or attributable to: (a) entering into this Lease or the Site Lease; (b) the
acquisition, improvement and equipping, or use of the Construction Project; (c) injury, actual or
claimed, of whatsoever kind or character, to property or persons, occurring or allegedly
occurring in, on or about the Leased Property or otherwise arising as a result of SNB’s interest in
the Leased Property; or (d) the breach of any covenant by the Authority herein or any material
misrepresentation by the Authority contained herein. This indemnification shall survive the
termination of this Lease. Notwithstanding the foregoing, SNB shall not be indemnified for any
liability resulting from the intentional or negligent action or omission of SNB or its employees or
agents.
ARTICLE XII

CONVEYANCE OF THE LEASED PROPERTY

Section 12.01. Prepayment. The Authority may prepay Base Rentals due hereunder at any time during the Lease Term, in whole but not in part, on any payment date with thirty (30) days prior written notice to SNB by paying the prepayment price (expressed as a percentage of the sum of the then outstanding Lease balance) as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 9, 2021 – March 31, 2026</td>
<td>102%</td>
</tr>
<tr>
<td>April 1, 2026 – March 31, 2031</td>
<td>101%</td>
</tr>
<tr>
<td>April 1, 2031 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

Section 12.02. Conveyance of the Leased Property. SNB shall transfer, convey and release the Leased Property to the Authority in the manner provided for in Section 12.03 of this Lease; provided, however, that prior to such transfer, conveyance and release, the Authority shall have paid all Base Rentals set forth in Exhibit B, all then current Additional Rentals required to be paid hereunder and all other amounts, if any, due hereunder, in which case SNB shall transfer, convey and release the Leased Property to the Authority by releasing the Lease.

Section 12.03. Manner of Conveyance. At the closing of any release of the Leased Property pursuant to Section 12.02 of this Lease, SNB shall execute and deliver to the Authority such releases of the Lease and other documents necessary to terminate SNB’s leasehold interest.

ARTICLE XIII

ASSIGNMENT AND SUBLEASING

Section 13.01. Assignment and Subleasing by the Authority. This Lease may not be assigned by the Authority for any reason other than to a successor by operation of law. The Leased Property may not be subleased, as a whole or in part, by the Authority, for any reason.

Section 13.02. Assignment by SNB. SNB may pledge or assign its right, title and interest in and to this Lease (and the Base Rentals due hereunder) or any of its other rights under this Lease in whole or in part to (i) one or more legal affiliates of SNB without the necessity of obtaining the consent of the Authority; or (ii) non-affiliated banks, insurance companies or other financial institutions or their affiliates with the prior written consent of the Authority, which such consent shall not be unreasonably withheld. No assignments of this Lease will be effective against the Authority until the Authority has received written notice of the name and address of the assignee.
ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.01. Events of Default Defined. Subject to Section 6.01, any one of the following shall be an Event of Default under this Lease:

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

(b) failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder or under any certificates executed and delivered by the Authority in connection with the delivery of this Lease, other than as referred to in clause (a) or (c), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, shall be given to the Authority by SNB, unless SNB shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, SNB shall not withhold its consent to an extension of such time if, in SNB’s judgment, corrective action can be instituted by the Authority within the applicable period and diligently pursued until the default is corrected. Such consent by SNB shall not be unreasonably withheld;

(c) failure by the Authority to reinstate insurance as required hereunder within 10 business days of receiving written notice from SNB specifying such failure and requesting that it be remedied;

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

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

The foregoing provisions of this Section 14.01 are subject to the following limitations: if, by reason of Force Majeure, the Authority shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the Authority contained in Article VI and Sections 9.04, 11.13 and 13.01 of this Lease, the Authority shall not be deemed in default during the continuance of such inability. The Authority agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Authority from carrying out its agreement; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Authority.
Section 14.02. Remedies Upon an Event of Default. Subject to Section 6.01, whenever any Event of Default shall have happened and is continuing, SNB will have the right, at its option and without any further demand or notice, to take any one or more of the following remedial steps:

(a) By written notice to the Authority, SNB may declare all Base Rentals and Additional Rentals and other amounts payable by the Authority hereunder to the end of the then current Initial Term or Renewal Term to be due.

(b) With or without terminating this Lease, immediately take possession of the Leased Property.

(c) Following any such surrender of possession, SNB may lease or sublease the Leased Property or any portion thereof or assign any interest SNB has in the Leased Property, with the Authority remaining liable for the difference between the Base Rentals Additional Rentals and other amounts payable by the Authority during the then current Initial Term or Renewal Term, as the case may be, and the net proceeds of any purchase price, rents or other amounts paid by the purchaser, new lessee or sublessee of the Leased Property.

(d) Proceed by appropriate court action at law or in equity to recover for the breach thereof, including the payment of all Base Rentals and Additional Rentals and other amounts payable by the Authority during the current Initial Term or Renewal Term.

Section 14.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to SNB 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 SNB to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 14.04. Waivers. SNB may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either Party and thereafter waived by the other Party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 14.05. Attorneys’ Fees, Costs and Expenses; Jurisdiction and Venue. In any civil action or proceeding arising from or relating to this Lease or a Party’s performance under this Lease, the prevailing Party shall be awarded its reasonable attorneys’ fees, costs and expenses, including the reasonable attorneys’ fees, costs and expenses incurred in collecting or executing upon any judgment, order or award. Jurisdiction and venue shall lie exclusively in the District Court for Larimer County, Colorado.
ARTICLE XV

MISCELLANEOUS

Section 15.01. Sovereign Powers of Authority. Nothing in this Lease shall be construed as diminishing, delegating or otherwise restricting any of the sovereign powers of the Authority. Nothing in this Lease shall be construed to require the Authority to exercise its right to terminate SNB’s leasehold interest in the Leased Property as provided in Article XII hereof.

Section 15.02. Notices. All notices, certificates or other communications hereunder shall be given, and shall be deemed given, when hand delivered or mailed by certified or registered mail, postage prepaid, addressed as follows: if to the Authority, to Loveland Fire Rescue Authority, Colorado, 410 East 5th Street, Loveland, Colorado 80537, Attention: Fire Chief, and if to SNB, to Sterling National Bank, 500 Seventh Avenue, 3rd Floor, New York, New York 10018, Attention: Public Sector Finance. The Authority and SNB may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon SNB and the Authority and their respective successors and assigns, subject, however, to the limitations contained in Article XIII of this Lease.

Section 15.04. Net Lease. This Lease shall be deemed and construed to be a “net lease,” and, subject to Section 6.01, the Authority shall pay absolutely net during the Lease Term, the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 15.05. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a day on which SNB is open for business, such payment may be made or act performed or right exercised on the next succeeding day that SNB is open for business, with the same force and effect as if done on the nominal date provided in this Lease.

Section 15.06. Severability; Integration. In the event that any provision of this Lease, (other than the requirement of the Authority to pay Base Rentals in accordance with Section 6.01 and the requirement of SNB to provide quiet enjoyment of the Leased Property under the conditions set forth in Article V of this Lease, and the requirement that the obligation of the Authority to pay Base Rentals and Additional Rentals under this Lease are subject to the limitations of Section 6.01 hereof) shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

This Lease constitutes the entire agreement between the Authority and SNB concerning the subject matter hereof, and supersedes all prior agreements, whether written or oral, between such Parties as to such subject matter.
Section 15.07. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts and by electronic pdf, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.08. Applicable Law; Uniform Commercial Code Security Agreement. This Lease shall be governed by and construed in accordance with the laws of the State. This Lease shall be deemed a security agreement for purposes of the Colorado Uniform Commercial Code with respect to any filings of financing statements covering the Leased Property.

Section 15.09. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 15.10. Gender. Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever and wherever appropriate.

Section 15.11. No Merger. The Authority and SNB intend that the respective interests created by the Site Lease and this Lease shall be separate and distinct, and this Lease and the Site Lease shall not be deemed merged in any respect or for any purpose.

Section 15.12. Amendment. This Lease may be amended only by a written document executed by the Parties. Course of conduct, no matter how long, shall not constitute an amendment to this Lease.

Section 15.13. Role of SNB. SNB has not acted and will not act as a fiduciary for the Authority or as the Authority’s agent or municipal advisor. SNB has not and will not provide financial, legal, tax, accounting or other advice to the Authority or to any financial advisor or placement agent engaged by the Authority with respect to this Lease. The Authority, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Lease from its own advisors (including as it relates to structure, timing, terms and similar matters).

Section 15.14. Participation of Lease from SNB to SNFC. SNB hereby notifies the Authority, and the Authority hereby acknowledges such notification, that simultaneously with the execution and delivery of this Lease, SNB will enter into a participation agreement with Sterling National Funding Corp., a New York corporation and a wholly-owned subsidiary of SNB (“SNFC”), whereby SNB will sell to SNFC a 100% participation interest in this Lease at par. SNB will continue to service this Lease and collect all Base Rentals Payments and payment of the purchase price hereunder.

Section 15.15. Authority’s Notice Filings Related to this Lease for SEC Rule 15c2-12. In connection with the Authority’s compliance with any continuing disclosure undertakings (each, a “Continuing Disclosure Agreement”) entered into by the Authority on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the “Rule”), SNB acknowledges that the Authority may be required to file with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, or its successor (“EMMA”), notice that the Authority has incurred obligations under this Lease and notice of certain subsequent events reflecting financial difficulties in
connection with this Lease. The Authority agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about SNB or its affiliates: address and account information of SNB or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of SNB or its affiliates, or any account information, unless otherwise required for compliance with the Rule or otherwise required by law. The Authority acknowledges that SNB is not responsible for the Authority’s compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

[Next page is the signature page]
WITNESS the due execution hereof as of the day and the year first mentioned above.

STERLING NATIONAL BANK, as lessor

By __________________________
    Kevin C. King, Senior Managing Director

LOVELAND FIRE RESCUE AUTHORITY,
COLORADO, as lessee

[SEAL]

By __________________________
    Jeff Swanty, Chairman

Attest:

Kristen Cummings, Secretary to the Board
STATE OF OHIO )
 ) ss.
______ COUNTY )

The foregoing instrument was acknowledged before me this ___ day of ______, 2021 by Kevin C. King, as Senior Managing Director of Sterling National Bank.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My commission expires:

________________________________________
STATE OF COLORADO   
) ss.
LARIMER COUNTY  
) ss.

The foregoing instrument was acknowledged before me this ___ day of ______, 2021, by Jeff Swanty, as Chairman to the Board of the Loveland Fire Rescue Authority, Colorado and by Kristen Cummings, as Secretary to the Board of the Loveland Fire Rescue Authority, Colorado.

WITNESS my hand and official seal.

[SEAL]

My commission expires:
EXHIBIT A-1

DESCRIPTION OF THE LEASED PROPERTY (STATION NO. 7)

The real property located in Larimer County, Colorado more particularly described as follows, together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently existing thereon:

[Legal description to be provided]
EXHIBIT B

BASE RENTALS SCHEDULE

[To be attached]
1. Liens for ad valorem taxes and special assessments not then delinquent, if applicable.

2. The Site Lease.

3. This Lease.

[Permitted Encumbrances continue on following page]
SITE LEASE

This SITE LEASE, dated April 9, 2021 (the “Site Lease”), by and between LOVELAND FIRE RESCUE AUTHORITY, a Colorado political subdivision, as lessor (the “Authority”), and STERLING NATIONAL BANK, a national banking association (and its assigns and successors) (“SNB”). SNB and the Authority are collectively referred to as the “Parties” and individually as a “Party.”

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the State of Colorado (the “State”) and a duly organized and existing authority pursuant to Section 29-1-203.5 of the Colorado Revised Statutes; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has the power, pursuant to the Colorado Revised Statutes, as amended, to acquire, dispose of, and encumber real and personal property including, without limitation, rights and interests in property, leases, and easements necessary to the functions or the operations of the Authority; and

WHEREAS, the Authority has previously entered into a Lease Purchase Agreement dated March 30, 2018 (the “2018 Lease”) between the Authority, as lessee and ZMFU II, Inc., as lessor, for the purpose of refunding on a current refunding basis an outstanding loan of the Authority and financing the acquisition, construction, improvement and equipping of Fire Station No. 7, located in Larimer County, State of Colorado (“Station No. 7”); and

WHEREAS, pursuant to a resolution duly adopted on March 31, 2021, the Board has determined to: (i) prepay all Base Rents and Additional Rents (as such terms are defined in the 2018 Lease) due under the 2018 Lease (the “Refunding Project”); (ii) finance the acquisition, construction, improvement and equipping of a new fire station to be known as Fire Station No. 10 (the “Construction Project” and, together with the Refunding Project, the “Project”); and (iii) pay costs of issuance in connection with the Lease (as defined below); and

WHEREAS, for the purposes of financing the Project and paying costs of issuance in connection with the Lease (as defined below), the Authority shall, pursuant to this Site Lease, lease to SNB the real property located in Larimer County, State of Colorado more particularly described in the legal description set forth in Exhibit A attached hereto, as such Exhibit may be amended from time to time pursuant to Section 9.05 of the Lease (the “Site”) together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently located thereon (collectively, the “Leased Property”); and
WHEREAS, at the time of the execution and delivery of this Site Lease the Authority, as lessee, shall enter into that certain Lease Purchase Agreement dated April 9, 2021 (the “Lease”) with SNB, as lessor, for the Base Rentals and Additional Rentals provided in Exhibit B to the Lease; and

WHEREAS, the Authority proposes to enter into this Site Lease with SNB as a material consideration for SNB’s agreement to finance the Project.

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

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

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

The term of this Site Lease shall commence on the date hereof and shall end on April 1, 2051 (the “Site Lease Termination Date”), unless such term is sooner terminated as hereinafter provided. If prior to the Site Lease Termination Date, (a) all of the Leased Property has been conveyed to the Authority pursuant to the Lease as a result of the Authority’s payment of all Base Rentals and Additional Rentals as provided in Section 12.02 of the Lease; and (b) the Lease has been discharged, then the term of this Site Lease shall end immediately thereafter.

Section 3. Site Lease Rental. SNB has paid to the Authority and the Authority hereby acknowledges receipt from SNB as and for rental hereunder, paid in advance, the sum of $11,365,000, as and for all rent due hereunder, and other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged. The Authority hereby determines that such amount is reasonable consideration for the leasing of the Leased Property to SNB for the term of this Site Lease.

Section 4. Purpose. SNB shall use the Leased Property solely for the purpose of leasing the Leased Property to the Authority pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease, the Authority shall vacate the Leased Property, including the Site, as provided in the Lease and SNB may exercise the remedies provided in the Lease.

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

Section 6. Assignments and Subleases. SNB may assign its interest in this Site Lease in whole or in part to (i) one or more legal affiliates of SNB without the necessity of obtaining the consent of the Authority; or (ii) non-affiliated banks, insurance companies or other financial institutions or their affiliates with the prior written consent of the Authority, which such consent shall not be unreasonably withheld. No assignments of this Site Lease will be effective against the Authority until the Authority has received written notice of the name and address of the
assignee. Unless an Event of Nonappropriation or an Event of Default under the Lease shall have occurred and except as may otherwise be provided in the Lease, SNB may not sublet the Leased Property without the written consent of the Authority.

In the event that (a) the Lease is not renewed for any reason; and (b) this Site Lease is not terminated, SNB may lease the Leased Property or any portion thereof, or assign its interest in this Site Lease, pursuant to the terms of the Lease. The Authority and SNB (or any assignee or lessee of SNB) agree that, except for Permitted Encumbrances, neither the Authority, SNB, nor any lessee or assignee of SNB will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.

**Section 7. Right of Entry.** The Authority reserves the right, so long as no Event of Nonappropriation or Event of Default shall have occurred under the Lease, for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

**Section 8. Termination.** SNB agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property and agrees that any permanent improvements and structures existing upon the Leased Property or the Project at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the Authority.

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

**Section 9. Default.** In the event SNB shall be in default of its rental payment obligation under Section 3 of this Site Lease, which default continues for thirty (30) days following notice and demand for payment thereof to SNB, the Authority may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof.

**Section 10. Quiet Enjoyment and Acknowledgment of Ownership.** SNB at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property subject to the provisions of the Lease.

**Section 11. Waiver of Personal Liability.** All rental payment obligation under Section 3 of this Site Lease on the part of SNB are solely liabilities of SNB, and the Authority hereby releases each and every member, director, employee and officer of SNB of and from any personal or individual liability under this Site Lease. No member, director, employee or officer of SNB shall at any time or under any circumstances be individually or personally liable for rental payment obligation under Section 3 of this Site Lease.

**Section 12. Taxes; Maintenance; Insurance.** During the Lease Term of the Lease and in accordance with the provisions of the Lease, the Authority covenants and agrees to pay any and all assessments of any kind or character and all taxes, including possessory interest taxes,
levied or assessed upon the Leased Property, and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, (b) this Site Lease is not terminated; and (c) SNB leases all or any portion of the Leased Property or sells an assignment of its interest in the Site Lease, SNB, or any lessee or assignee of the Leased Property shall pay or cause to be paid when due, solely from the proceeds of such leasing or sale, all taxes and assessments imposed thereon and maintain the Leased Property in good condition.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that (a) the Lease is not renewed for any reason; (b) this Site Lease is not terminated; and (c) SNB leases all or any portion of the Leased Property or assigns its interest in the Site Lease, SNB, or any lessee or assignee of the Leased Property shall obtain and keep in force, solely from the proceeds of such leasing or sale, comprehensive general public liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount equal to the maximum insurable value of the Leased Property. All such insurance shall name SNB, any lessee or assignee and the Authority as insured. SNB and the Authority shall waive any rights of subrogation with respect to SNB, any lessee or assignee, and the Authority, and their members, directors, officers, agents, employees and volunteers while acting within the scope of their employment/volunteerism, and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Section 13. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is not renewed for any reason; and (b) this Site Lease is not terminated, and either (i) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by casualty; or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, the Authority, SNB and any lessee or assignee of SNB shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article X of the Lease.

Section 14. Partial Invalidity; Integration. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law. This Site Lease contains the entire agreement between the Authority and SNB concerning the subject matter hereof, and supersedes all prior agreements, whether written or oral, between such Parties as to said subject matter.

Section 15. Warranty and Indemnity Regarding Environmental Matters. The real property included in the Leased Property is properly zoned for its current and anticipated use and such use will not violate any applicable zoning, land use, environmental or similar law or restriction. The Authority has all licenses and permits to use the Leased Property. The Authority has obtained all permits, licenses and other authorizations which are required under federal, State
and local laws relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes ("Environmental Laws") at, on or near the Leased Property or in connection with the operation of its Leased Property. The Authority and all activities of the Authority at its facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to the Authority with respect thereto. The Authority is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which the Authority is aware. The Authority is not aware of, nor has the Authority received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws.

The Authority shall carry on its business and operations so as to comply in all respects, and will remain in compliance with, all applicable United States, State, regional, county or local laws, statutes, rules, regulations or ordinances, concerning public health, safety or the environment, and all rules, regulations and guidance documents promulgated or published thereunder, and any State, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation, those relating to (a) releases, discharges, emissions or disposals to air, water, land or groundwater; (b) to the use, handling or disposal of polychlorinated biphenyls (PCB’s), asbestos or urea formaldehyde; (c) to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof), and any other solid, liquid or gaseous substance, exposure to which is prohibited, limited or regulated, or may or could pose a hazard to the health and safety of the occupants of the adjacent or surrounding property; (d) to the exposure of persons to toxic, hazardous, or other controlled, prohibited or regulated substances; and (e) to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

To the extent permitted by law, the Authority will indemnify, defend and hold SNB harmless from and against any claims, loss or damage to which SNB may be subjected as a result of any past, present or future existence, use, handling, storage, transportation or disposal of any hazardous waste or substance or toxic substance by the Authority or on the Leased Property.

Section 16. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either Party to the other shall be in writing and shall be given by hand delivery or mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease, or to such other addresses as the respective Parties may from time to time designate in writing, and shall be deemed given upon hand delivery or deposit in the mail.

Section 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.
Section 18. Execution. This Site Lease may be executed in any number of counterparts and by electronic pdf, each of which shall be deemed to be an original but all of which together shall constitute but one and the same Site Lease.

Section 19. No Merger. SNB and the Authority intend that the respective interests created by this Site Lease and the Lease shall be separate and distinct and the Lease and this Site Lease shall not be deemed merged in any respect or for any purpose.

Section 20. Amendment. This Site Lease may be amended only by a written document signed by the Parties. Course of conduct, no matter how long, shall not constitute an amendment to this Site Lease.

Section 21. Attorneys’ Fees, Costs and Expenses; Jurisdiction and Venue. In any civil action or proceeding arising from or relating to this Site Lease or a Party’s performance under this Site Lease, the prevailing Party shall be awarded its reasonable attorneys’ fees, costs and expenses, including the reasonable attorneys’ fees, costs and expenses incurred in collecting or executing upon any judgment, order or award. Jurisdiction and venue shall lie exclusively in the District Court for Larimer County, Colorado.

[Remainder of Page Intentionally Blank.]
IN WITNESS WHEREOF, the Authority and SNB have caused this Site Lease to be executed by their respective officers thereunto duly authorized, and the Authority has affixed its corporate seal hereto all as of the day and year first above written.

[SEAL]

LOVELAND FIRE RESCUE AUTHORITY, as lessor

By _____________________________
Jeff Swanty, Chairman

Attest:

By _____________________________
Kristen Cummings, Secretary to the Board

STERLING NATIONAL BANK, as lessee

By _____________________________
Kevin C. King, Senior Managing Director

[Signature Page to Site Lease]
STATE OF COLORADO  
)  
) ss.  
LARIMER COUNTY  
)  

The foregoing instrument was acknowledged before me this ___ day of _______, 2021, by Jeff Swanty, as Chairman to the Board of the Loveland Fire Rescue Authority, Colorado and by Kristen Cummings, Secretary to the Board of the Loveland Fire Rescue Authority, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public

My Commission expires:

________________________________________
STATE OF OHIO )
 ) ss.
_____ COUNTY )

The foregoing instrument was acknowledged before me this ____ day of ________, 2021 by Kevin C. King, as Senior Managing Director of Sterling National Bank.

WITNESS my hand and official seal.

[SEAL]

My Commission expires:

_____________________________
Notary Public
EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY (STATION NO. 7)

The real property located in Larimer County, Colorado more particularly described as follows, together with the facilities, improvements, fixtures, equipment, furnishings and support facilities currently existing thereon:

[Legal description to be provided]
EXHIBIT B

PERMITTED ENCUMBRANCES

1. Liens for ad valorem taxes and special assessments not then delinquent, if applicable.

2. The Lease.

3. This Site Lease.

[Permitted Encumbrances continue on next page]
TITLE
Review Briefing Papers and Correspondence

EXECUTIVE SUMMARY
The Chief’s report includes a variety of general updates from the Monthly Report and more current topics of interest.

<table>
<thead>
<tr>
<th>February Monthly Reports</th>
<th>Additional Topics For Board Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations, CSD, Budget, HR</td>
<td>Lynn Minor Sculptor Dedication – 4/5/21</td>
</tr>
<tr>
<td></td>
<td>Leadership Transition</td>
</tr>
<tr>
<td></td>
<td>Request for Special Meeting Discussion</td>
</tr>
</tbody>
</table>

BACKGROUND
This section of the agenda is intended to provide general information to keep board members apprised of various project status and department updates.

AGREEMENTS SIGNED DURING THE MONTH

STAFF RECOMMENDATION
N/A

FINANCIAL/ECONOMIC IMPACTS
N/A

ASSOCIATED STRATEGIC GOALS
N/A

ATTACHMENTS
Monthly reports
February 2021 LFRA Operations Report

**TOTAL INCIDENTS BY MONTH**

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Incidents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2021</td>
<td>689</td>
<td>732</td>
</tr>
</tbody>
</table>

**Revenue Allocation Analysis (YTD)**

- **City Incidents**: 572 (84%)
- **Rural Incidents**: 111 (13%)
- **Aid Given**: 14 (3%)

**February 2021 Revenue Allocation Analysis**

- **City Incidents**: 620 (85%)
- **Rural Incidents**: 85 (11%)
- **Aid Given**: 27 (4%)

**Total Incidents**: 732 (100%)

**Date Range**

- **February 2021**
- **February 2020**
## DEVELOPMENT REVIEW STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>County</th>
<th>Johnstown</th>
<th>Totals</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conceptual Design Reviews</td>
<td>137</td>
<td>0</td>
<td>0</td>
<td>137</td>
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<td>Previous Month</td>
<td>126</td>
<td>0</td>
<td>0</td>
<td>126</td>
<td>39.00</td>
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<td>YTD Total</td>
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<td>0</td>
<td>263</td>
<td>121.00</td>
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<tr>
<td>Previous YTD</td>
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<td>255</td>
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<td>Building Permit Reviews</td>
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<td>13</td>
<td>76</td>
<td>86.00</td>
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<td>2</td>
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<td>40</td>
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<td>YTD Total</td>
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<td>4</td>
<td>14</td>
<td>116</td>
<td>148.00</td>
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<td>2</td>
<td>3</td>
<td>109</td>
<td>118.00</td>
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<td>16</td>
<td>30.00</td>
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<td>YTD Total</td>
<td>29</td>
<td>0</td>
<td>3</td>
<td>32</td>
<td>63.00</td>
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<tr>
<td>Previous YTD</td>
<td>28</td>
<td>2</td>
<td>5</td>
<td>35</td>
<td>35.00</td>
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<td>Planning Project Reviews</td>
<td>27</td>
<td>2</td>
<td>2</td>
<td>31</td>
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<td>53</td>
<td>4</td>
<td>2</td>
<td>59</td>
<td>83.00</td>
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<tr>
<td>Previous YTD</td>
<td>75</td>
<td>4</td>
<td>3</td>
<td>82</td>
<td>87.00</td>
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<td>TOTAL REVIEWS YTD</td>
<td>443</td>
<td>8</td>
<td>19</td>
<td>470</td>
<td></td>
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<tr>
<td>PREVIOUS YEAR YTD</td>
<td>462</td>
<td>8</td>
<td>11</td>
<td>481</td>
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### INSTRUCTION STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Rural</th>
<th>Johnstown</th>
<th>Total</th>
<th>Hours</th>
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<tbody>
<tr>
<td>Eng. Co. Safety Visit 2 &amp; 3 Yr.**</td>
<td>11</td>
<td>0</td>
<td>N/A</td>
<td>11</td>
<td>11.00</td>
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<tr>
<td>Safety Re-Visit</td>
<td>1</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>-</td>
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<td>YTD Total</td>
<td>19</td>
<td>0</td>
<td>N/A</td>
<td>19</td>
<td>19.00</td>
</tr>
<tr>
<td>Previous YTD</td>
<td>2</td>
<td>0</td>
<td>N/A</td>
<td>2</td>
<td>2.00</td>
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<tr>
<td>Business Inspections</td>
<td>8</td>
<td>3</td>
<td>N/A</td>
<td>11</td>
<td>11.00</td>
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<td>Previous Month</td>
<td>12</td>
<td>7</td>
<td>N/A</td>
<td>19</td>
<td>15.00</td>
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<tr>
<td>YTD Total</td>
<td>20</td>
<td>10</td>
<td>N/A</td>
<td>30</td>
<td>30.00</td>
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<tr>
<td>Previous YTD</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>0</td>
<td>-</td>
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<tr>
<td>New Bldg./Fire Protection Insp</td>
<td>41</td>
<td>2</td>
<td>13</td>
<td>56</td>
<td>86.00</td>
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<tr>
<td>Previous Month</td>
<td>35</td>
<td>1</td>
<td>13</td>
<td>49</td>
<td>63.00</td>
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<tr>
<td>YTD Total</td>
<td>76</td>
<td>3</td>
<td>26</td>
<td>105</td>
<td>168.00</td>
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<td>Previous YTD</td>
<td>131</td>
<td>16</td>
<td>20</td>
<td>167</td>
<td>257.00</td>
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<td>TOTAL INSPECTIONS YTD</td>
<td>96</td>
<td>13</td>
<td>26</td>
<td>135</td>
<td></td>
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<tr>
<td>Previous Year</td>
<td>131</td>
<td>16</td>
<td>20</td>
<td>167</td>
<td></td>
</tr>
</tbody>
</table>

*New Measure. Prior year data not available for New Bldg./Fire Protection

**Engine Company Safety Visits are not included in YTD Totals

## CSD OTHER ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Rural</th>
<th>Mo. Total</th>
<th>Prev. Mo.</th>
<th>Prev. YTD</th>
<th>YTD Total</th>
</tr>
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<tbody>
<tr>
<td>Hazmat Permits</td>
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<td>3</td>
<td>20</td>
<td>31</td>
<td>45</td>
<td>51</td>
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<tr>
<td>Tents/Special Events*</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Burn Permits Issued</td>
<td>0</td>
<td>35</td>
<td>35</td>
<td>30</td>
<td>50</td>
<td>65</td>
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<tr>
<td>Investigations</td>
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<td>Service Call/Complaints</td>
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<td>YFS Program</td>
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<td>Public Education Events</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*This also includes Pyrotechnics permits

## Highlights/Projects

- Resolved Lockard building permit issues in Johnstown
February 2021
Welcome to the February issue of the monthly budget report for the Loveland Fire Rescue Authority (LFRA). This report is designed to provide information related to fiscal accountability. It is available on the website and accessible to anyone that is interested. It is designed to assist the LFRA Board with monitoring the budget status for all resources that assist with delivering service to the citizens of the City of Loveland and the Loveland Rural Fire Protection District. This report has been consolidated for ease of use to include the Budget Status section which highlights the budget status for revenues and expenditures for the Fire Authority Fund from year to date, through December 2021. The expenditures will be presented by program and account category at the department level.

February at 16% of 2021
☐ 23.4 of the revenue budget has been collected to date compared to 16.3% last year for the same timeframe.
☐ 17.9% of the expenditure budget has been spent compared to 11.3% last year for the same timeframe.

Loveland Fire Rescue Authority
Summary General Fund - 604
Month Ending 02/28/2021 16% of the Year

<table>
<thead>
<tr>
<th>General Fund - 604</th>
<th>Original Budget</th>
<th>Current Budget</th>
<th>Expenditure</th>
<th>Enc</th>
<th>Total Available</th>
<th>Total % Available</th>
<th>Total % Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>14,107,338</td>
<td>14,185,668</td>
<td>2,091,777</td>
<td>-</td>
<td>12,093,911</td>
<td>85.25</td>
<td>14.75</td>
</tr>
<tr>
<td>Supplies</td>
<td>280,728</td>
<td>505,316</td>
<td>15,455</td>
<td>124,420</td>
<td>365,442</td>
<td>72.32</td>
<td>27.68</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>3,967,088</td>
<td>4,068,112</td>
<td>902,935</td>
<td>205,521</td>
<td>2,959,656</td>
<td>72.75</td>
<td>27.25</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100.00</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>141,961</td>
<td>218,961</td>
<td>20,229</td>
<td>17,275</td>
<td>181,457</td>
<td>82.87</td>
<td>17.13</td>
</tr>
<tr>
<td>Grand Total :</td>
<td>18,497,115</td>
<td>18,978,077</td>
<td>3,030,397</td>
<td>347,215</td>
<td>15,600,465</td>
<td>82.20</td>
<td>17.80</td>
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</table>

<table>
<thead>
<tr>
<th>General Fund - 604 Revenue</th>
<th>Original Budget</th>
<th>Current Budget</th>
<th>Total Revenue</th>
<th>Total Uncollected</th>
<th>Total % Uncollected</th>
<th>Total % Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses &amp; Permits :</td>
<td>159,350</td>
<td>159,350</td>
<td>17,034</td>
<td>142,316</td>
<td>89.31</td>
<td>10.69</td>
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<tr>
<td>Intergovern :</td>
<td>18,073,415</td>
<td>18,073,415</td>
<td>4,272,734</td>
<td>13,800,681</td>
<td>76.36</td>
<td>23.64</td>
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<td>Charges For Services :</td>
<td>27,600</td>
<td>27,600</td>
<td>5,850</td>
<td>21,750</td>
<td>76.80</td>
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<td>Miscellaneous :</td>
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<td>750</td>
<td>304</td>
<td>446</td>
<td>94.97</td>
<td>5.03</td>
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<td>Interest Income :</td>
<td>15,000</td>
<td>15,000</td>
<td>9,179</td>
<td>5,821</td>
<td>60.90</td>
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<td>Gain/Loss On Assets :</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Canyon Battalion Revenue :</td>
<td>-</td>
<td>-</td>
<td>38,528</td>
<td>-</td>
<td>(38,528)</td>
<td>(38,528)</td>
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<tr>
<td>Grand Total :</td>
<td>18,276,115</td>
<td>18,276,115</td>
<td>4,343,630</td>
<td>-</td>
<td>13,932,485</td>
<td>76.23</td>
</tr>
</tbody>
</table>

Intergovern revenue is higher due to City of Loveland and Rural District's practice of paying one month advance in February at 16% of 2021

Loveland Fire Rescue Authority
Contingency Reserve Fund Balance 365,522
Revenue Reserve Fund Balance 347,514
Strategic Plan Initiative Fund Balance 370,709
Total ESTIMATED Fund Balance 2/28/2021 1,083,745 2020 Unspent budget balance is not included
Canyon Battalion Fund Balance 6,891

Loveland Fire Rescue Authority
General Fund Expenditure Detail
Month Ending 02/28/2021 16% of the Year

<table>
<thead>
<tr>
<th>General Fund - 604</th>
<th>Original Budget</th>
<th>Current Budget</th>
<th>Expenditure</th>
<th>Enc</th>
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<th>Total % Available</th>
<th>Total % Spent</th>
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<tr>
<td>Community Safety</td>
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### General Fund - 604

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<th>Current Budget</th>
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<th>Total Available</th>
<th>Total % Available</th>
<th>Total % Spent</th>
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<td>-</td>
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<td>18,978,077</td>
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<td>148,081</td>
<td>15,600,465</td>
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<td>17.80</td>
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### Loveland Fire Rescue Authority

#### Month Ending 02/28/2021 16% of the Year

<table>
<thead>
<tr>
<th>General Fund - 604 Revenue</th>
<th>Original Budget</th>
<th>Current Budget</th>
<th>Total Revenue</th>
<th>Total Uncollected</th>
<th>Total % Uncollected</th>
<th>Total % Collected</th>
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<tr>
<td>Community Safety</td>
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<td>750</td>
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<td>722</td>
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<td>211,700</td>
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<td>76.43</td>
<td>23.57</td>
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<td>Technical Response and Systems</td>
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<td>Hazmat Mitigation</td>
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</tr>
<tr>
<td>SubTotal : Technical Response and Systems</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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</tr>
<tr>
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<td>14,721,585</td>
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#### Unaudited Fund Balance Totals as of 02/22/2021

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<td>606 Fleet Replacement Fund</td>
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<td>608 Impact Fee Fund</td>
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2020 Unspent budget balances are not included
# Loveland Fire Rescue Authority

**Month Ending 02/28/2021   16% of the Year**

<table>
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<th>Employee Benefit Fund - 605</th>
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<th>Current Budget</th>
<th>Actual</th>
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<th>Remaining Budget</th>
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<td><strong>Other Benefits (Short Term Disability, Long Term Disability, Life)</strong></td>
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<td><strong>DOLA Grant</strong></td>
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<tr>
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<td>-</td>
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<td></td>
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<tr>
<td>Difference</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td>Revenue</td>
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<td>2,043,037</td>
<td>300,775</td>
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<td>1,742,262</td>
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<td>386,605</td>
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<td>(160,289)</td>
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<td>2,004</td>
<td>(85,830)</td>
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<td>87,834</td>
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Revenue is a combination of Employee contributions and Employer contributions.
### Fleet Replacement Fund - 606

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<th>Original Budget</th>
<th>Current Budget</th>
<th>Total Revenue</th>
<th>Total Uncollected</th>
<th>Total % Uncollected</th>
<th>Total % Collected</th>
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<tr>
<td><strong>Revenues</strong></td>
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<td>Rural District Paymnt</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Proceeds on internal loan</td>
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<tr>
<td>LFRA Contribution</td>
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<td>982,294</td>
<td>163,716</td>
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<td>Interest/Gains</td>
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<tr>
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<td>18,000</td>
<td>6,126</td>
<td>11,874</td>
<td>65.97</td>
<td>34.03</td>
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<tr>
<td>Proceeds on sale of asset</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>1,026,263</td>
<td>1,026,263</td>
<td>169,861</td>
<td>-</td>
<td>856,402</td>
<td>83.45</td>
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<table>
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<th>Current Budget</th>
<th>Expenditure</th>
<th>Enc</th>
<th>Total Available</th>
<th>Total % Available</th>
<th>Total % Spent</th>
</tr>
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<tbody>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Apparatus Replacements</td>
<td>982,294</td>
<td>2,020,855</td>
<td>4,739</td>
<td>720,722</td>
<td>1,295,395</td>
<td>64.10</td>
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<td><strong>Total Expenditure</strong></td>
<td>982,294</td>
<td>2,071,255</td>
<td>13,058</td>
<td>759,981</td>
<td>1,298,216</td>
<td>62.68</td>
<td>37.32</td>
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</table>

Apparatus Replacements Encumbrance includes purchase orders that were rolled over into 2021.

Revenue less expenditures: (1,044,992)

Fleet replacement includes:
- Battalion 42
- Completing one Spartan Type 1 engine - Engine 41
- Completing one Spartan Type 1 engine - Engine 45

### Station 7 Construction Fund - 607

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Current Budget</th>
<th>Total Revenue</th>
<th>Total Uncollected</th>
<th>Total % Uncollected</th>
<th>Total % Collected</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on investments</td>
<td>-</td>
<td>-</td>
<td>1,322</td>
<td>(1,322)</td>
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<tr>
<td>Gain/Loss on Investments</td>
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<td>-</td>
<td>4</td>
<td>(4)</td>
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<td></td>
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<tr>
<td>Transfer from LFRA Impact Fee</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>-</td>
<td>-</td>
<td>1,326</td>
<td>-</td>
<td>(1,326)</td>
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<th>Current Budget</th>
<th>Expenditure</th>
<th>Enc</th>
<th>Total Available</th>
<th>Total % Available</th>
<th>Total % Spent</th>
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<tbody>
<tr>
<td><strong>Expenditures</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Office Furn/eq (Non-Cap)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computer Supply &amp; Equipmt</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Parts &amp; Supplies</td>
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<tr>
<td>Professional Services</td>
<td>-</td>
<td>233,900</td>
<td>-</td>
<td>232,634</td>
<td>1,266</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Services</td>
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<tr>
<td>Office Furn/eq (capital)</td>
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</tr>
<tr>
<td>Design/Architect</td>
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<td>-</td>
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<tr>
<td>Construction</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Other Capital</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>-</td>
<td>233,900</td>
<td>-</td>
<td>232,634</td>
<td>1,266</td>
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Professional Services includes architectural and related services for the design of Station 10.

### LFRA Impact Fees Fund - 608

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<th>Actual</th>
<th>Enc</th>
<th>Remaining Budget</th>
<th>% Budget Remaining</th>
<th>Total % Collected / Spent</th>
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<td>Fire Protection</td>
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<td>276,612</td>
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<td>(4)</td>
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<td>285,493</td>
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<th>Enc</th>
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<th>Total % Available</th>
<th>Total % Spent</th>
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<tbody>
<tr>
<td><strong>Expenditures</strong></td>
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</tr>
<tr>
<td>Principal</td>
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</tr>
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<td>100.00</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
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<td>-</td>
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<td>383,000</td>
<td>100.00</td>
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### PROPERTY & LIABILITY CLAIMS

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</thead>
<tbody>
<tr>
<td></td>
<td># Claims</td>
<td>Paid</td>
<td># Claims</td>
<td>Paid</td>
<td># Claims</td>
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<td>$0</td>
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### WORKERS’ COMPENSATION CLAIMS

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<td>$852</td>
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<tr>
<td>2020</td>
<td>56</td>
<td>$128,441</td>
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<td>2019</td>
<td>37</td>
<td>$120,503</td>
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<td>2016</td>
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### 2021 CORA Requests

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<th>Fees Collected</th>
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<tr>
<td>January</td>
<td>8</td>
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<td>$0.00</td>
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