



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
303-681-2050
perryparkwsd.colorado.gov

Regular Board Meeting and Budget Hearing
Wednesday, December 10, 2025 – 2:00pm
Location: 5676 Red Rock Drive, Larkspur, Colorado or via Zoom:

<https://us02web.zoom.us/j/82635804570?pwd=1xgaynYRd4T5dVhGZY0aQLXjabDwhf.1>

Meeting ID: 826 3580 4570
Passcode: 166402

One tap mobile
+17193594580,,82635804570#,,,,*166402# US

Disclaimer - This packet is provided for informational purposes only and is subject to change. Some documents may have been unavailable at the time this agenda was prepared. For additional information, contact the District Manager.

Time	Topic
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2:00-2:01pm	Call to Order
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	A. Approval of/ Additions to/ Deletions from/ the Agenda
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2:02-4:00pm	New Business
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| | A. Approve November 12, 2025 Regular Board Meeting Minutes |
| | B. Approve December 1, 2025 Work Session Minutes |
| | C. Disbursements |
| | D. Approve Loan (Lease Purchase Agreement) |
| | E. Funding and Rates |
| | F. 2026 Budget |
| | G. District Systems Report |
| | H. Capital Improvement Report Update – Distributed |
| | I. Waucondah WWTP Improvements Project – Change Order – Notice to Proceed |
| | J. District Staff Report |
| | K. Smart Meters Update |
| | L. Audience Participation (3 minutes per participant) |
| | M. Board Member Discussion Items |
| | Proposed Board Meeting Schedule 2026 |
| | Overview of Castle Rock Water Meeting |

Adjourn Meeting



Perry Park Water and Sanitation District
5676 West Red Rock Drive
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Regular Meeting – November 12, 2025

Board Members Present

Gary Peterson
Brian Arthurs
Tony Lucas
Julia McCusker
James Maras (virtual)

In-Person Guests

1. Jill Arthurs
2. Fred Bennett
3. Pati Walton
4. Mitch Seybold
5. Aaron Mathewson
6. Terry Haling

Virtual Guests

1. Lloyd Riddle
2. Pat
3. Norman
4. Rob Womelsdorf
5. Geronimo Perez
6. London Perez
7. Stacie Sneider

Staff / Consultants in Attendance

Diana Miller – District Manager (virtual)
Melissa Keathley – Utility Assistant

1.0 Call To Order

The Regular Board Meeting was called to order at 14:00.

The District Manager requested that an agenda item be added for the execution of the Schilling and Company contract. Board members agreed to the addition.

Director Peterson requested that an agenda item be added for questions from the Perry Park Water Together Alliance. Board members agreed to the addition.

Director Maras requested two additions to the agenda; 1. continued conversations regarding Colorado Waterwise and the Colorado Water Loss Initiative, and 2. training opportunities offered through the UNC School of Government Environmental Finance Center. Board members agreed to the addition.

Director Arthurs requested that an agenda item be added for a review of recently conducted oversight measures. Board members agreed to the addition.

2.0 New Business, Open Items and Operational Status

2.1 Meeting Minutes – A motion was made and seconded; (RESOLUTION 25-088) TO APPROVE THE MINUTES OF THE OCTOBER 6, 2025, WORK SESSION OF THE PERRY PARK WATER AND SANITATION DISTRICT (PPWSD) AS PRESENTED. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 25-089) TO APPROVE THE MINUTES OF THE OCTOBER 15, 2025, BOARD MEETING OF THE PERRY PARK WATER AND SANITATION DISTRICT (PPWSD) AS PRESENTED. The motion passed unanimously with grammatical corrections to pages 2 & 6.

- 2.2 Disbursements – A motion was made and seconded; (RESOLUTION 25-090) TO APPROVE ELECTRONIC PAYMENTS DATED OCTOBER 20, 2025, IN THE AMOUNT OF \$22,857.58 AND ELECTRONIC PAYMENTS DATED OCTOBER 21, 2025 IN THE AMOUNT OF \$227.19 THAT WERE PREVIOUSLY DISBURSED FROM 1ST BANK. The motion passed unanimously.

A motion was made and seconded; (RESOLUTION 25-091) TO APPROVE CHECKS 14636 THRU 14656 IN THE AMOUNT OF \$139,102.58 TO BE DISBURSED FROM 1ST BANK. The motion passed unanimously.

In reference to check 14655, issued to TST Infrastructure, Director Maras requested additional information regarding the description associated with the check. The District Manager explained that the PFAS testing was for secondary contaminants that are now being required by the state. The check in question also included payment for an ISO map which was requested by the Larkspur Fire Department.

A motion was made and seconded; (RESOLUTION 25-092) TO RATIFY CONSENT AGENDA ITEMS DATED October 24, 2025, IN THE AMOUNT OF \$8,096.13 WHICH WERE PREVIOUSLY DISBURSED FROM WELLS FARGO BANK. The motion passed unanimously.

The District Manager asked that the board recall check 14620, issued to Fischer Enterprises and commented on at the October Board Meeting. She reported that the check was issued in error and had been voided.

- 2.3 Engagement Letter – Fiscal Focus Partners – The board reviewed the engagement letter from Fiscal Focus Partners, LLC for the annual audit. Director Arthurs commented that the letter was a standard engagement letter outlining the services provided for a flat fee of \$8,500. A motion was made and seconded; (RESOLUTION 25-093) TO AUTHORIZE DIRECTOR ARTHURS TO SIGN THE ENGAGEMENT LETTER WITH FISCAL FOCUS PARTNERS FOR THE AUDIT OF 2025 FINANCIAL STATEMENTS. The motion passed unanimously.
- 2.4 Engagement Letter – Butler Snow, LLC – The board reviewed the engagement letter from Butler | Snow LLP for bond counsel in connection with a lease purchase agreement for Waucondah Wastewater Treatment Plant Upgrades. Director Arthurs commented that the most recent bond counsel contract was for \$30,000, and although several years later, the fee for the same service is \$65,000. Director McCusker offered that the fee is reasonable by today's standards and the organization is reputable. A motion was made and seconded; (RESOLUTION 25-094) TO SIGN THE ENGAGEMENT LETTER WITH BUTLER SNOW LLP FOR THE BOND COUNSEL FOR THE LEASE AGREEMENT FOR THE WAUCONDAH WASTEWATER TREATMENT PLANT UPGRADES. The motion passed unanimously.
- 2.5 Engagement Letter – Schilling and Company – The board reviewed the engagement letter from Schilling and Company for year-end accounting services. Director Arthurs commented that the quoted rate of \$155/hour is reasonable and

answered questions from Director Maras regarding the specifics of the terms. A motion was made and seconded; (RESOLUTION 25-095) TO AUTHORIZE DIRECTOR ARTHURS TO SIGN THE ENGAGEMENT LETTER WITH SCHILLING AND COMPANY FOR YEAR-END ACCOUNTING SERVICES. The motion passed unanimously.

- 2.6 Perry Park Water Together Alliance – Aaron Mathewson, PPWSD customer, thanked Director Maras and Director Jim for meeting with the Perry Park Water Together Alliance earlier in the month. He then addressed the board regarding questions from the community gathered by the Alliance, an organization aimed at strengthening communication and collaboration between District customers and the PPWSD Board of Directors.

Question 1 – Regarding the Capital Improvement Report, have the discrepancies found in the report been addressed and if so, can clarification be offered?

Board response – The draft Capital Improvement Report has been posted to the District's website, and as written in the report, it is a living document that will potentially require revisions due to unforeseen circumstances. It is intended to evolve and offer flexibility when deemed necessary. The District Manager offered that clarification of any points in the Capital Improvement Report can be addressed by Mark Morton at the December Board Meeting.

Question 2 – Regarding the unaccounted-for water loss, how is the water loss measured and are their reports available with the specifics of the loss?

Board response – Director Peterson responded that after consulting leak detection experts and running internal analysis, it was found that leaks in the system were not likely the cause of the unaccounted-for water loss. He continued that the aging meters could be responsible for a percentage of the loss and that the effort to replace the meters would be discussed later in the meeting. Director Arthurs suggested that if the Alliance would like to address the possibility of hydrant water theft as a culprit of the loss, that would be a very effective way for the community to take part in the issue. Director Lucas provided an explanation regarding how the percentage of water-loss is accounted for but disclosed that the calculation is difficult to obtain with full certainty.

Question 3 – Is there are summary of the grants and/or funding the District has applied for recently?

Board response – Director Arthers offered that there is not an official report available that outlines the history of grant submissions and funding efforts.

Question 4 – Regarding the questionnaire that the Alliance requested completion of by the Perry Park Water and Sanitation District board and staff, the responses were posted at perryparkwatertogether.com, as are biographies from some of the board of directors. Can the biographies for the other directors be made available to post?

Board response – The biographies have been made available to the public at the time of the election to the board and published in the Sentinel. The board has not been required to update said biographies since election.

Question 5 – Can the Alliance schedule another meeting with one or two board members on or before December 2nd?

Board response – Director Peterson responded that this is a difficult time of year for board members to allocate time above and beyond their regular voluntary board commitment.

Question 6 – In the board’s opinion, what is the likelihood that an election to increase the mill levy would pass?

Board Response – The board indicated reluctance to proceed with an election to increase the mill levy due to the associated costs and the lack of assurance that such an increase would be approved. Historically, the board has observed that obtaining a loan to finance a large expenditure incurs costs comparable to those of holding an election but does not entail the same level of risk. Director Lucas noted that only approximately 10% of households who itemize deductions could potentially benefit from a tax increase.

2.7 Request for Board Consideration – The Board evaluated an accommodation request submitted by a customer who incurred a high bill resulting from an exterior leak. A motion was duly made and seconded; (RESOLUTION 25-095) TO APPROVE THE ACCOMMODATION REQUEST BY ALLOWING THE CUSTOMER’S CONSUMPTION IN THE JULY/AUG BILLING PERIOD TO BE BILLED AT THE FIRST TIER AS A ONE-TIME EXCEPTION. The motion passed unanimously.

2.8 Rate Study – The board reviewed rate study results presented by Raftelis. An initial analysis was conducted to assess the impact of future bond issuance and committed capital improvement expenditures planned over the next five years. Director Peterson noted that any discussion at this stage is very preliminary and indicated that formal deliberations will continue over the next 30–60 days. The decision regarding the bond issuance will be a pivotal factor in finalizing the proposed rate increase.

Director McCusker expressed concern about the projected 58 days of cash on hand in 2027, considering this level unacceptably low. In response, Director Peterson emphasized that increasing revenue prior to 2027 will be essential. Director Maras recommended that the District develop a strategy for annual incremental rate increases, at minimum, to keep pace with inflation. He also suggested implementing a capital improvement fee specifically for customers utilizing sewer services, as opposed to septic systems. Director Peterson agreed that allocating the capital improvement fee proportionally between water-related and sewer-related capital projects would be prudent.

Director Maras concluded by stating that while the rate study analysis is nearing completion, the existing imbalance between expenses and income remains a significant concern. Additional issues include the repayment of the forthcoming bond issuance, rising operating expenses, and the timing of recommended capital improvements.

2.9 Waucondah Wastewater Treatment Plant Funding Update – The board evaluated the term sheets submitted by DA Davidson and emphasized the necessity of reaching a final decision regarding the principal amount. Director Peterson highlighted that this determination was critical for completing the budget in light of the imminent deadline. Director Maras reiterated the contracted sum for the Waucondah Wastewater Treatment Plant Upgrades and noted the remaining engineering expenses. Subsequently, a motion was made and seconded:

(RESOLUTION 25-096) to authorize a bond issuance with NBH Bank's Option A for a 20-year term in the amount of \$8.25 million. The motion was approved unanimously.

The board agreed to meet on Monday, December 1st at 9am for a 2-hr work session to discuss the 2026 budget.

- 2.10 2026 Budget – The Board conducted a review of the proposed 2026 budget, referencing actual year-end figures for 2024 and estimated entries for 2025. Director Maras emphasized the necessity for balanced expenditure and revenue, noting that, from the perspective of state oversight, accuracy in expenditure projections holds greater importance than revenue estimates.

Director Peterson clarified that implementing a rate increase would necessitate convening a meeting after the first of the year, with a 30-day advance notice published on the District website and distributed to customers via the United States Postal Service. The potential rate adjustment could be effective as of March 1, 2026.

Operations Manager, Mr. Parker presented the schedule for the RBC replacement, while the District Manager advised that payment for this replacement is scheduled for 2026 and will not impact consideration of projected 2025 expenditures.

Director McCusker observed that several budget items lack adjustments for inflation and suggested the board consider a uniform percentage increase across all categories. Director Peterson encouraged board members to thoroughly assess the proposed budget before the upcoming work session and to prepare a list of topics for discussion.

- 2.11 District Systems Report – The members of the Board reviewed the District Systems Report that was prepared by Mr. Parker. Mr. Parker reported that valves at the Glen Grove Water treatment plant needed replacement at an estimated cost of \$6,000. He reported that since his last report, four fire hydrants had been raised, even though they were operational prior to work. Board members directed their attention to the 3rd page of the report, where it was noted that the RBC #2 at the Sageport Plant needs new bearing and that a crane is being sourced to complete the work. Also on page 3, Mr. Parker highlighted the note that the pump shaft on #1 pump at Red Rock Lift Station is under replacement, however, not affecting normal operation. Mr. Parker informed board members that they worked with Douglas County to correct and prevent a minor issue with the School House hydrant which is used for construction water. Director Peterson asked about the unexpected expenses related to generators over the last 11 months. Mr. Parker responded that multiple generators showed unpredictable signs of aging this year. He continued that the District is still renting one generator, with one portable generator in inventory reserve as an emergency back-up.

- 2.12 District Staff Report – The board members conducted a review of the Monthly Staff Report presented by the District Manager. The District Manager consented to incorporate a financial update on the Radium Mitigation Project—paralleling the

regular updates provided for the Waucondah Wastewater Treatment Plant—in future reports.

- 2.13 Smart Meters Update – The board members conducted a review of the sales quotes submitted by Zenner for Smart Meters, noting that these meters have undergone testing and demonstrated adequate functionality. Mr. Parker indicated that the current sales quotes pertain to a portion of the overall project, with an additional order anticipated once the project commences and quantity requirements are more accurately determined. He also stated that the installation schedule will be established based on the optimal communication pathway for the transmitters.

For the December board meeting, Director McCusker requested the preparation of a project management document as well as a coded map detailing the proposed installation plan. She further observed that it would be appropriate to discuss the transition to a monthly billing cycle. The District Manager suggested that implementation would occur sequentially, beginning with one side of the district prior to transitioning to the other. Director Peterson confirmed that payment to Zenner would be processed within the current calendar year.

A motion was duly made and seconded: (RESOLUTION 25-097) TO APPROVE THE SALES QUOTES FROM ZENNER AND PROCEED WITH THE DISTRICT-WIDE TRANSITION TO SMART METERS. The motion was unanimously approved.

- 2.14 Audience Participation – Customer, Fred Bennett, offered that he was recently retired and hopes be a more regular attendee at upcoming meetings.

A virtual attendee inquired about the cost of producing 1,000 gallons of water. Board members provided calculations based on both marginal and direct costs.

Mr. Mathewson asked about ongoing discussions with the Castle Rock Water Department regarding potential future partnerships. The board confirmed that these conversations are underway and noted that similar discussions are being held with the Town of Larkspur's water and sanitation department. Additionally, Mr. Mathewson sought information concerning the possible sale of District properties, specifically the gravel pit and the prospective reservoir site. The board stated that no definitive decisions have been made at this time.

In response to a question regarding bond issuance terms previously addressed in the meeting, Directors Maras and McCusker outlined the drawbacks of extending terms beyond twenty years, clarifying that a twenty-year term is consistent with industry standards.

- 2.15 Board Member Discussion Items – Director Maras reminded board members to review case studies from Colorado Waterwise related to their Colorado Water Loss Initiative.

Director Maras reminded board members of an opportunity offered by the UNC School of Government Environmental Finance Center. He encouraged board

members and the utility assistant to attend webinars related to core responsibilities of managing a public water/wastewater utility.

Director Arthurs provided an update on completed tasks since the previous board meeting. These included supplying information about the Special District Grant Accessibility Act to the Perry Park Water Together Alliance, conducting a random bank account reconciliation and presenting findings to the auditor, and continuing discussions with the Perry Park Water Together Alliance concerning monitoring activity at the hydrants designated for construction water.

3.0 Adjournment - A motion was made and seconded: (RESOLUTION 25-098) TO ADJOURN THE REGULAR MEETING. The motion passed unanimously. The meeting was adjourned at 16:56.

Jim Maras, Secretary



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Work Session – December 1, 2025

Board Members Present

Gary Peterson
Brian Arthurs
Tony Lucas
Julia McCusker
James Maras

In-Person Guests

Aaron Matthewson

Staff / Consultants in Attendance

Diana Miller – District Manager
Will Parker – President, Semocor, Inc.
Melissa Keathley – Utility Assistant
Ashley Zahedi – Curtis, Justus & Zahedi

1.0 Call To Order

The Work Session was called to order at 9:00.

2.0 Funding Options and 2026 Budget

The board evaluated recent findings from the rate study conducted by Raftelis and discussed the framework for the necessary rate increase to support loan payments associated with completing the Waucondah Wastewater Treatment Plant (WWTP) upgrades. Members considered strategies to help customers better understand the details of their bills, including an additional category and the re-design or improvement to the existing postcard format to improve transparency. The board also briefly reviewed the Capital Improvement Plan and examined how its recommended improvements could impact both rates and funding needs. The District Manager noted that further information regarding the WWTP upgrade loan would be available for the December Board meeting.

Director Peterson proposed a strategy to address the anticipated rate increase by lowering the Radium Water Treatment Plant Upgrade Fee. Mr. Parker updated the board, stating that the radium mitigation project is proceeding according to schedule. Although State approval of the plans is still pending, he does not expect any delays given the project's scope. He recommended that the board maintain the scheduled collection of project funds, as construction may commence in January.

Director Peterson facilitated a board discussion concerning a potential adjustment to tap and development fees. To efficiently address the matter, the board considered implementing a uniform percentage increase across all segments of the tap fee

schedule. Director McCusker volunteered to prepare and present a draft of the revised tap and development fee schedule at the next board meeting.

A motion was made and seconded: (RESOLUTION 25-099) TO ADJOURN THE WORK SESSION AND ENTER THE EXECUTIVE SESSION. The motion passed unanimously. The meeting was adjourned at 10:21.

Board members entered the Executive Session to conference with an attorney for the public entity and for the purpose of receiving legal advice on specific legal questions as authorized by §24-6-402(4)(b) C.R.S., specifically to obtain legal advice regarding a potential water tank site on the east side of the district.

Upon conclusion of the Executive Session, the board returned to the Work Session.

The board members addressed the remaining procedures and logistical details required to secure the loan for the WWTP upgrades.

Director Arthurs outlined several important factors for the board's attention concerning the finalization of the 2026 budget, including the integration of the proposed rate increase and the management of incoming loan funds alongside their related expenditures.

3.0 Adjournment – The work session adjourned at 11:10.

Jim Maras, Secretary



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Payment Resolutions – December 10, 2025

Resolution: To approve electronic payments dated 11/7/2025 in the amount of \$2,559.51 and electronic payments dated 11/20/2025 in the amount of \$7,807.11 and electronic payments dated 11/21/2025 in the amount of \$505.33 that were previously disbursed from 1st Bank.

Note to check signers: The auditor recommends that the 1st Bank and Wells Fargo Credit Card statements be signed as well as the check.

Resolution: To approve checks 14657 through 14668 in the amount of \$137,892.45 that were previously disbursed from 1st Bank. (Yellow: Capital Improvement Project)

Resolution: To approve checks 14669 through 14683 in the amount of \$128,029.34 to be disbursed from 1st Bank. (Green: To be reimbursed, Yellow: Capital Improvement Project)

Resolution: To ratify consent agenda items dated 11/7/2025 in the amount of \$7,557.88 and consent agenda items dated 11/21/2025 in the amount of \$8,096.13 and consent agenda items dated 12/5/2025 in the amount of \$8,096.13 which were previously disbursed from Wells Fargo Bank.



Perry Park Water and Sanitation District - Electronic Payments

Check Summary for Date: 11/7/2025

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				Invoice	
Vendor	Vendor Name	Description	Amount	Check #	
6	WM Corporate Services, Inc.*	6 Yard Frontload,5121 CC Dr.,10/1 - 10/31/25	760.62	2878	
Check #: 2878		WM Corporate Services, Inc.*	11/7/2025	\$ 760.62	
6	WM Corporate Services, Inc.*	6 Yard Frontload,5121 CC Dr.,11/1 - 11/30/25	759.18	2879	
Check #: 2879		WM Corporate Services, Inc.*	11/7/2025	\$ 759.18	
6	WM Corporate Services, Inc.*	6 Yd Frontload,501 Tenderfoot,10/1 -10/31/25	520.34	2880	
Check #: 2880		WM Corporate Services, Inc.*	11/7/2025	\$ 520.34	
6	WM Corporate Services, Inc.*	6 Yd Frontload,501 Tenderfoot,11/1 -11/30/25	519.37	2881	
Check #: 2881		WM Corporate Services, Inc.*	11/7/2025	\$ 519.37	
Grand Total:			\$2,559.51		



Perry Park Water and Sanitation District - Electronic Payments

Check Summary for Date: 11/20/2025

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Vendor	Vendor Name	Description	Invoice Amount	Check #
176	Comcast*	Business Internet, 11/11 - 12/10/25	448.59	2893
Check #: 2893 Comcast* 11/20/2025 \$ 448.59				
6	WM Corporate Services, Inc.*	Trash Service, District Office, 12/1 - 2/28/26	225.18	2894
Check #: 2894 WM Corporate Services, Inc.* 11/20/2025 \$ 225.18				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Dakota #1	82.43	2895
Check #: 2895 CORE Electric Cooperative* 11/20/2025 \$ 82.43				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Hog John Pump Sta.	861.33	2896
Check #: 2896 CORE Electric Cooperative* 11/20/2025 \$ 861.33				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, District Office	172.91	2897
Check #: 2897 CORE Electric Cooperative* 11/20/2025 \$ 172.91				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Glen Grove Well	308.77	2898
Check #: 2898 CORE Electric Cooperative* 11/20/2025 \$ 308.77				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, 6221 Perry Park Blvd.	34.30	2899
Check #: 2899 CORE Electric Cooperative* 11/20/2025 \$ 34.30				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Glen Grove WTP	1,310.73	2900
Check #: 2900 CORE Electric Cooperative* 11/20/2025 \$ 1,310.73				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Waucondah WWTP	3,309.94	2901
Check #: 2901 CORE Electric Cooperative* 11/20/2025 \$ 3,309.94				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, 5121 Country Club Dr.	31.45	2902
Check #: 2902 CORE Electric Cooperative* 11/20/2025 \$ 31.45				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Echo Hills Tank	41.14	2903
Check #: 2903 CORE Electric Cooperative* 11/20/2025 \$ 41.14				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, WP Well	67.87	2904
Check #: 2904 CORE Electric Cooperative* 11/20/2025 \$ 67.87				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, E/W PRV Vault	32.39	2905
Check #: 2905 CORE Electric Cooperative* 11/20/2025 \$ 32.39				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Grant Ditch Well	59.45	2906
Check #: 2906 CORE Electric Cooperative* 11/20/2025 \$ 59.45				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Lift Station #1	305.63	2907
Check #: 2907 CORE Electric Cooperative* 11/20/2025 \$ 305.63				
13	CORE Electric Cooperative*	10/7 - 11/10 Electric, Lift Station #2	515.00	2908

Vendor		Description	Invoice	
Vendor Name			Amount	Check #
Check #:	2908	CORE Electric Cooperative*	11/20/2025	\$ 515.00

Grand Total:	\$7,807.11
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Perry Park Water and Sanitation District - Electronic Payments

Check Summary for Date: 11/21/2025

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Vendor	Vendor Name	Description	Invoice Amount	Check #
17	Black Hills Energy*	Gas Service, District Office, 10/1 - 11/3/25	69.44	2889

Check #:	2889	Black Hills Energy*	11/21/2025	\$ 69.44
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17	Black Hills Energy*	Gas Service, Waucondah WW, 10/1 - 11/3/25	84.21	2890
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Check #:	2890	Black Hills Energy*	11/21/2025	\$ 84.21
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17	Black Hills Energy*	Gas Service, Sageport WTP, 10/2 - 11/3/25	162.75	2891
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Check #:	2891	Black Hills Energy*	11/21/2025	\$ 162.75
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17	Black Hills Energy*	Gas Service, Sageport WWTP, 10/1 - 11/4/25	188.93	2892
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Check #:	2892	Black Hills Energy*	11/21/2025	\$ 188.93
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Grand Total:	\$505.33
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Perry Park Water and Sanitation District

Check Summary for Date: 11/17/2025

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Vendor	Vendor Name	Description	Invoice Amount	Check #
65	CEBT*	Medical Premiums - December 2025	2,053.39	14657
Check #: 14657 CEBT* 11/17/2025			\$ 2,053.39	
544	Denali Water Solutions LLC*	Sludge Removal - Waucondah 11/3/25	4,344.00	14658
544	Denali Water Solutions LLC*	Sludge Removal - Sageport 11/3/25	2,172.00	14658
Check #: 14658 Denali Water Solutions LLC* 11/17/2025			\$ 6,516.00	
645	First Integrity Title Co.*	File#105-2515188-S/Overpayment of final bill	50.00	14659
Check #: 14659 First Integrity Title Co.* 11/17/2025			\$ 50.00	
592	FirstBank*	Office Supplies, Gas/Oil change, Landscape	588.01	14660
Check #: 14660 FirstBank* 11/17/2025			\$ 588.01	
141	Fischer Enterprises, Inc.*	!Poncho Well Phase 2	56,610.20	14661
141	Fischer Enterprises, Inc.*	Clean Culverts Waucondah Rear Land	338.20	14661
Check #: 14661 Fischer Enterprises, Inc.* 11/17/2025			\$ 56,948.40	
546	Frontier Communications Corporation	Copier Maint./Srv Agreement-10/30 -11/29/25	248.10	14662
Check #: 14662 Frontier Communications Corporation* 11/17/2025			\$ 248.10	
531	Gen-Tech of Colorado, LLC*	Generator Maintenance - Sageport WWTP	1,079.20	14663
Check #: 14663 Gen-Tech of Colorado, LLC* 11/17/2025			\$ 1,079.20	
20	Hydro Resources - Rocky Mountain, A4 Well - Flow Meter Display		840.00	14664
Check #: 14664 Hydro Resources - Rocky Mountain, Inc.* 11/17/2025			\$ 840.00	
541	Meyer & Sams, Inc.*	Monthly progress reports-SPWWTP expansion	1,277.20	14665
541	Meyer & Sams, Inc.*	Capital Improvements Plan Report	48,000.00	14665
541	Meyer & Sams, Inc.*	!Waucondah WWTP Improvements Phase 2	12,064.56	14665
Check #: 14665 Meyer & Sams, Inc.* 11/17/2025			\$ 61,341.76	
526	Principle Electric, LLC*	Installed new transformer - Waucondah WWTP	4,260.00	14666
Check #: 14666 Principle Electric, LLC* 11/17/2025			\$ 4,260.00	
585	Raftelis*	Rate Study	3,820.00	14667
Check #: 14667 Raftelis* 11/17/2025			\$ 3,820.00	
92	T-Mobile*	Cellular Access and Service, Oct./Nov.	147.59	14668
Check #: 14668 T-Mobile* 11/17/2025			\$ 147.59	
Grand Total:			\$137,892.45	



Perry Park Water and Sanitation District

Check Summary for Date: 12/10/2025

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			Page 1 of 2	
Vendor	Vendor Name	Description	Invoice Amount	Check #
5	CDPHE*	WQCD Permit for Sage Port WWTF	92.00	14669
5	CDPHE*	WQCD Permit for Waucondah WWTP	92.00	14669
Check #: 14669 CDPHE* 12/10/2025			\$ 184.00	
544	Denali Water Solutions LLC*	Sludge transport	2,172.00	14670
544	Denali Water Solutions LLC*	Sludge transport	4,344.00	14670
Check #: 14670 Denali Water Solutions LLC* 12/10/2025			\$ 6,516.00	
441	Distribution System Resources, Ltd.* Hydrant Repair @ 1023 Silverheels		716.05	14671
Check #: 14671 Distribution System Resources, Ltd.* 12/10/2025			\$ 716.05	
18	Excell Pump Services*	Pump servicing at Red Rock Lift Station	6,823.47	14672
18	Excell Pump Services*	Gate valve service at Glen Grove WTP	4,849.02	14672
Check #: 14672 Excell Pump Services* 12/10/2025			\$ 11,672.49	
546	Frontier Communications Corporation	Ricoh Copier	226.14	14673
Check #: 14673 Frontier Communications Corporation* 12/10/2025			\$ 226.14	
531	Gen-Tech of Colorado, LLC*	Generater Rental	4,311.58	14674
Check #: 14674 Gen-Tech of Colorado, LLC* 12/10/2025			\$ 4,311.58	
1001	Guardian Pest Management*	District Office Pest Control	120.00	14675
1001	Guardian Pest Management*	Pest Bi-Monthly - Regular Service Charge	69.00	14675
Check #: 14675 Guardian Pest Management* 12/10/2025			\$ 189.00	
626	Haven Rock Productions, LLC*	Independent Contractor Agreement	2,603.00	14676
Check #: 14676 Haven Rock Productions, LLC* 12/10/2025			\$ 2,603.00	
558	Level Engineering & Inspection*	! Poncho Well	2,870.00	14677
558	Level Engineering & Inspection*	! Dakota Well - Phase II	485.00	14677
558	Level Engineering & Inspection*	General Consultation	920.00	14677
Check #: 14677 Level Engineering & Inspection* 12/10/2025			\$ 4,275.00	
628	Moore Engineering, Inc.*	CO Analytical Lab water quality analysis	8,790.90	14678
Check #: 14678 Moore Engineering, Inc.* 12/10/2025			\$ 8,790.90	
526	Principle Electric, LLC*	Digester Blower Motors - Sageport	15,166.63	14679
526	Principle Electric, LLC*	Heater Install Hang	1,354.77	14679
Check #: 14679 Principle Electric, LLC* 12/10/2025			\$ 16,521.40	
1000	Semocor, Inc.*	Monthly Contract	36,524.00	14680
1000	Semocor, Inc.*	Sampling, Repairs, Service Calls, Supplies	4,612.39	14680
Check #: 14680 Semocor, Inc.* 12/10/2025			\$ 41,136.39	

			Invoice	Check #
Vendor	Vendor Name	Description	Amount	
901	Sigler Communications, Inc.*	Newsletter	360.00	14681
Check #: 14681 Sigler Communications, Inc.*			12/10/2025	\$ 360.00
279	TST Infrastructure, LLC*	! Water Meter Planning	3,010.00	14682
279	TST Infrastructure, LLC*	#Bear Ridge Construction Services	2,586.50	14682
279	TST Infrastructure, LLC*	General Consultation - 2025	1,275.40	14682
279	TST Infrastructure, LLC*	! Sageport Rad Removal-Approvals	3,135.00	14682
279	TST Infrastructure, LLC*	!Sageport Rad Remove - Utility Investigation	1,160.00	14682
279	TST Infrastructure, LLC*	! Sageport WTP Radium Removal-Design	19,293.84	14682
Check #: 14682 TST Infrastructure, LLC*			12/10/2025	\$ 30,460.74
57	Utility Notification Center of Colorado	811 Utility Notification	66.65	14683
Check #: 14683 Utility Notification Center of Colorado*			12/10/2025	\$ 66.65
			Grand Total:	\$128,029.34

RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PERRY PARK WATER AND SANITATION DISTRICT, DOUGLAS COUNTY, COLORADO:

WHEREAS, the Perry Park Water and Sanitation District, Douglas County, Colorado (the "District") is a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State of Colorado (the "State"); and

WHEREAS, the members of the Board of Directors of the District (the "Board") have been duly elected and qualified; and

WHEREAS, Section 32-1-1001(1)(f) of the Colorado Revised Statutes ("C.R.S."), as amended, authorizes the District 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 operation of the District; and

WHEREAS, the Board has determined that it is in the best interests of the District and its residents and taxpayers to execute a Site Lease and a Lease (each as defined below) between the District and NBH Public Finance, LLC, as lender (the "Lender") in order to finance (i) the making of improvements to the Waucondah Wastewater Treatment Plant, and (ii) the payment of the costs of execution and delivery in connection therewith (collectively, the "Project"); and

WHEREAS, the District owns, in fee title, the Site (the "Leased Property"), as further described in the Site Lease and the Lease; and

WHEREAS, the Board has determined, and now hereby determines, that it is in the best interests of the District and its residents and taxpayers that the District lease the Leased Property to the Lender pursuant to the terms of a site lease agreement between the District, as lessor, and the Lender, as lessee (the "Site Lease"), and that the District lease the Leased Property back from the Lender pursuant to the terms of a lease agreement between the Lender, as lessor, and the District, as lessee (the "Lease"); and

WHEREAS, pursuant to the Site Lease, the Lender shall prepay certain rent to the District, and the District shall use such funds to finance the Project; and

WHEREAS, pursuant to the Lease, and subject to the right of the District to annually terminate the Lease and other limitations as therein provided, the District will pay certain Rent (as such term is defined in the Lease) payments in consideration for the right of the District to use the Leased Property; and

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

obligation of the District in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect; and

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

WHEREAS, there has been presented to the Board and are on file at the District offices the following: (i) the proposed form of the Site Lease; and (ii) the proposed form of the Lease; and

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

WHEREAS, no member of the Board has any conflict of interest or is interested in any pecuniary manner in the transactions contemplated by this resolution.

Section 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Board or the officers or agents of the Board or the District relating to the Lease and the Site Lease is hereby ratified, approved, and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution and the laws of the State, that effecting the Project, including financing the costs thereof pursuant to the terms set forth in the Site Lease and the Lease, is necessary, convenient, and in furtherance of the District's purposes and is in the best interests of the District and the residents and taxpayers of the District and the Board hereby authorizes and approves the same.

Section 3. Supplemental Act; Parameters. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Site Lease and the Lease and in connection therewith delegates to any member of the Board or the Manager of the District (the "District Manager") the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), C.R.S., in relation to the Lease, subject to the following parameters and restrictions:

- (a) the aggregate prepaid rent to be paid by the Lender to the District pursuant to the Site Lease shall not be greater than \$[9,250,000];
- (b) the maximum total amount of the Rent shall not exceed \$[_____];
- (c) the maximum amount of the Rent payable in any year shall not exceed \$[_____];
- (d) the interest rate on the interest component of the Rent under the Lease shall not exceed [_____]%, provided, however, that upon the occurrence and continuation of an Event of Taxability (as defined in the Lease), the interest rate on the interest component of the Rent under the Lease shall not exceed [_____]%; and

(e) the Lease Term (as defined in the Lease) shall end no later than [January 16, 2046].

Any member of the Board or the District Manager is authorized to execute a sale certificate setting forth such determinations.

Section 4. Approval of Documents. The Site Lease and the Lease, in substantially the forms presented to the Board, are in all respects approved, authorized, and confirmed. The President of the Board or, in the absence of the President, the Vice President of the Board, is hereby authorized and directed for and on behalf of the District to execute and deliver the Site Lease and the Lease in substantially the forms and with substantially the same content as presented to the Board.

Section 5. Authorization to Execute Collateral Documents. The Secretary of the Board or, in the absence of the Secretary, an Assistant Secretary of the Board, is hereby authorized and directed to attest all signatures and acts of any official of the District in connection with the matters authorized by this resolution, and to place the seal of the District on any document authorized and approved by this resolution. The President of the Board, or in the absence of the President, the Vice President or Secretary/Assistant Secretary of the Board, and other appropriate officials or employees of the Board or the District, are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including without limiting the generality of the foregoing, executing, attesting, authenticating, and delivering for and on behalf of the District any and all necessary documents, instruments, or certificates, and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any document or instrument by the aforementioned officials or employees of the District shall be conclusive evidence of the approval by the District of such document or instrument in accordance with the terms hereof and thereof.

Section 6. No General Obligation Debt. No provision of this resolution, the Site Lease, or the Lease shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory provision, nor a mandatory charge or requirement against the District in any ensuing fiscal year beyond the then current fiscal year. The District shall have no obligation to make any Rent payment under the Lease and certain other payments under the Lease, which payments may be terminated by the District in accordance with the provisions of the Lease. Neither the Site Lease nor the Lease shall constitute a mandatory charge or requirement of the District in any ensuing fiscal year beyond the then current fiscal year, or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the District within the meaning of any constitutional or statutory debt limitation and shall not constitute a multiple fiscal year direct or indirect District debt or other financial obligation whatsoever. No provision of the Site Lease or the Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the State Constitution. Neither the Site

Lease nor the Lease shall directly or indirectly obligate the District to make any payments beyond those budgeted and appropriated for the District's then current fiscal year.

Section 7. Lease of Leased Property to the Lender. The Board hereby determines that the rent received from the Lender pursuant to the Site Lease constitutes reasonable and adequate consideration for the leasing of the Leased Property to the Lender.

Section 8. Reasonableness of Rent. The Board hereby determines and declares that the Rent payments under the Lease do not exceed a reasonable amount so as to place the District under an economic compulsion to renew the Lease or to exercise its option to prepay the Lease. The Board hereby determines and declares that the period during which the District has an option to prepay the Lease (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Project.

Section 9. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Rent under the Lease. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise.

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

Section 11. District Representatives. The Board hereby authorizes the President and the District Manager to act as District Representatives under the Lease, or such other person or persons who may be so designated in writing from time to time by the President, as further provided in the Lease.

Section 12. Severability. If any section, subsection, paragraph, clause, or provision of this resolution or the documents hereby authorized and approved (other than provisions as to the payment of Rent by the District during the Lease Term, provisions for the quiet enjoyment of the Leased Property by the District during the Lease Term, and provisions for the conveyance of the Leased Property to the District under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution or such documents, the intent being that the same are severable.

Section 13. Interpretation. This resolution shall be so interpreted and construed as to effectuate its general purpose.

Section 14. Effective Date. This resolution shall be in full force and effect upon its passage and adoption.

ADOPTED AND APPROVED this 10th day of December, 2025.

PERRY PARK WATER AND
SANITATION DISTRICT,
DOUGLAS COUNTY, COLORADO

By _____
President

(SEAL)

Attest:

Secretary or Assistant Secretary

STATE OF COLORADO)
) SS.
DOUGLAS COUNTY)

I, Jim Maras, the Secretary of the Board of Directors (the “Board”) of the Perry Park Water and Sanitation District, Douglas County, Colorado (the “District”), do hereby certify that:

1. The foregoing pages are a true and correct copy of a resolution (the “Resolution”) passed and adopted by the Board at a regular meeting held on December 10, 2025.

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

Name	“Yes”	“No”	Absent	Abstain
Gary Peterson, President				
Tony Lucas, Vice President				
Brian Arthurs, Treasurer				
Jim Maras, Secretary				
Julia McCusker, Director				

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the President of the Board.

5. I sealed the Resolution with the District seal, attested to the Resolution, and recorded the Resolution in the minutes of the Board.

6. There are no bylaws, rules, or regulations of the Board which might prohibit the adoption of the Resolution.

7. Notice of the meeting of December 10, 2025, in the form attached hereto as Exhibit A was posted at least 24 hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said District affixed this 10th day of December, 2025.

(SEAL)

Secretary

Exhibit A
(Form of Notice of Meeting)

AFTER RECORDATION PLEASE RETURN TO:

Butler Snow LLP
1801 California Street, Suite 5100
Denver, Colorado 80202
Attention: Courtney L. Diguardi, Esq.

SITE LEASE AGREEMENT

SITE LEASE AGREEMENT (together with any amendments hereto made in accordance herewith, this “Site Lease”), made as of [CLOSING DATE] (the “Dated Date”), between the **PERRY PARK WATER AND SANITATION DISTRICT, DOUGLAS COUNTY, COLORADO**, as lessor hereunder, a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State of Colorado (the “District”), and **NBH PUBLIC FINANCE, LLC**, a wholly owned subsidiary of NBH Bank duly organized and validly existing under the laws of the United States of America, as lessee hereunder (“NBH”).

RECITALS:

A. The District is the owner of certain land described in Exhibit A attached hereto and made apart hereof (the “Site”), and the premises, buildings, and improvements situated or to be situated on the Site, as described in Exhibit A attached hereto (collectively, the “Leased Property”).

B. NBH desires to lease the Leased Property from the District pursuant to this Site Lease.

C. Immediately after the lease of the Leased Property pursuant to this Site Lease, the District will sublease the Leased Property from NBH under that certain lease agreement by and between NBH, as sublessor, and the District, as sublessee, dated as of the Dated Date (the “Lease”).

D. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Lease.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto hereby formally covenant, agree, and bind themselves as follows:

ARTICLE I
REPRESENTATIONS AND WARRANTIES

Section 1.1 Representations and Warranties of the District. The District represents and warrants to NBH:

- (a) The District has good and merchantable fee simple title to the Site;
- (b) Except to the extent reflected in the title insurance policy to be delivered to NBH in accordance with the Lease, to the best knowledge of the District, the Site is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien, or encumbrance that would prohibit or would interfere materially with the use of or operations being conducted on the Leased Property;
- (c) All taxes, assessments, or impositions of any kind with respect to the Site, except current taxes, have been paid in full; and
- (d) The Site is properly zoned or approved for the uses thereof contemplated by the Lease.

Section 1.2 Reference to Lease Representations and Warranties. Reference is made to the representations and warranties made by the District and NBH in Article 2 of the Lease. Those representations and warranties are incorporated herein and will have the same force and effect as if they were fully set forth in this Site Lease.

ARTICLE II
LEASE OF PROPERTY

The District hereby demises and leases to NBH and NBH hereby accepts and leases from the District for the sum of [NINE MILLION TWO HUNDRED FIFTY THOUSAND] DOLLARS (\$[9,250,000]), as and for all rent due hereunder, and other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, the Leased Property, for a term commencing on the Dated Date and ending on the date the term of this Site Lease is terminated in accordance with Section 3.1 hereof. The District hereby acknowledges that the rent paid by NBH hereunder shall be deposited into a fund of the District established for the Project (herein, the "Project Fund"). The Board of Directors of the District hereby determines that such amount is reasonable consideration for the leasing of the Leased Property to NBH for the lease term as provided herein.

ARTICLE III TERMINATION

Section 3.1 Termination. Subject to the other provisions of this Site Lease, this Site Lease shall terminate upon the occurrence of the earliest of any one of the following events:

- (a) The payment by the District of all Rent owing to NBH under the Lease.
- (b) The exercise by the District of its option to prepay the Lease in accordance with the terms and conditions of the Lease as set forth in Article XI thereof.
- (c) The termination of the Lease Term upon the occurrence of an Event of Default by the District under Article X of the Lease and the receipt by NBH of amounts from the sublease of NBH's interest in the Leased Property sufficient to:
 - (1) Reimburse NBH for all reasonable administrative costs and expenses, including reasonable attorneys' fees, incurred by NBH as a result of the Event of Default and the termination of the Lease and the sublease of the Leased Property by NBH, including without limitation costs and expenses incurred by NBH pursuant to Sections 6.6, 6.7 and 6.8 hereof (the "Administrative Costs"); and
 - (2) Reimburse NBH for all reasonable capital costs and expenses incurred by NBH with respect to making the Leased Property suitable for sublease for commercial or other lawful purposes, provided, however, that the District shall have no obligation to reimburse NBH for any capital costs and expenses incurred in (a) changing the intended use of the Leased Property to another use (subject to applicable State law or regulations or restrictions to which the District is subject), or (b) otherwise materially altering the Leased Property from the description thereof contained in Exhibit B to the Lease.
- (d) [January 16, 2046].

Notwithstanding the foregoing, if NBH has subleased the Leased Property or sold or assigned its leasehold interest in the Leased Property and has received payment of the Administrative Costs and of the amounts referred to in numbered paragraph (2) of Subsection 3.1(c) above (the "Reimbursement Amount"), this Site Lease shall nevertheless continue for such period of time as is contemplated in such sublease, sale or assignment agreement made with the sublessee, purchaser, or assignee.

Section 3.2 Use of Sublease Rentals. In the event of a termination of the Lease Term due to an Event of Nonappropriation or Event of Default under the Lease, the Reimbursement Amount shall be recovered by NBH as contemplated in Subsection 3.1(c) by allowing NBH first to retain from any sublease rentals an amount necessary to recover ongoing Administrative Costs and to pay costs and expenses incurred pursuant to Sections 6.6, 6.7 and 6.8 hereof. Thereafter, NBH shall be entitled to interest on the outstanding Reimbursement Amount at the Applicable

Rate. Any amounts received by NBH pursuant to this Section after payment of such Administrative Costs, the costs and expenses incurred pursuant to Sections 6.6, 6.7 and 6.8 hereof, and interest shall be credited to the payment of the Reimbursement Amount. To the extent that NBH receives an amount in excess of the Reimbursement Amount, any such excess shall be remitted by NBH to the District.

Use of the Leased Property by NBH or any subsidiary or affiliate of NBH, other than for the purpose of assuming control, making necessary changes in the Leased Property, and the initial subleasing thereof, shall be treated as the sublease thereof on a monthly basis at market value.

Section 3.3 Reports. In the event of a termination of the Lease Term due to an Event of Nonappropriation or Event of Default under the Lease, NBH shall keep complete and accurate records regarding any sublease of the Leased Property and shall, within ninety (90) days after the end of each Fiscal Year of the District, deliver a written report to the District showing: (a) all amounts received by NBH from any sublease of all or any part of the Leased Property; (b) an analysis as to whether NBH has received the Reimbursement Amount, with all supporting calculations; and (c) the date, if any, in the next Fiscal Year of the District on which NBH expects to receive the Reimbursement Amount. The District shall have the right, at its own expense, to examine NBH's records insofar as they relate to the Leased Property. Such examination shall be made at NBH's offices during normal business hours.

ARTICLE IV EASEMENT, USE

Section 4.1 Granting Easements. Upon the request of NBH, the District shall promptly grant such permanent easements in the Site and in such form and content as are determined by NBH to be reasonably necessary:

- (a) To maintain the Leased Property; and
- (b) To exercise NBH's rights and obligations under the Lease and this Site Lease including, but not limited to, its rights to exercise its remedies under the Lease and its rights in the event of termination of the Lease.

Section 4.2 Quiet Use and Enjoyment. Subject to the terms of the Lease, the District hereby covenants to provide NBH during the term of this Site Lease with quiet use and enjoyment of the Leased Property, and NBH shall during such term peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the District.

ARTICLE V
USE OF LEASED PROPERTY; SURRENDER, ASSIGNMENT

Section 5.1 Use of Leased Property. NBH agrees to use the Leased Property solely for the purpose of leasing the Leased Property pursuant to the Lease unless the Lease Term is terminated by the District because of nonappropriation or is terminated by NBH as a result of an Event of Default by the District, in which event NBH may use and/or may sublease the Leased Property for any purpose authorized by applicable zoning laws and permitted by the restrictions applicable to the Site.

Section 5.2 Surrender of Leased Property. NBH agrees that upon the termination of this Site Lease it will surrender the Leased Property to the District free and clear of all liens and encumbrances, except Permitted Encumbrances (other than this Site Lease), and all right, title and interest of NBH or any sublessee or assignee in and to the Leased Property, including any and all improvements and fixtures which shall at the time be situated thereon or attached thereto, shall vest in the District. NBH and any sublessee or assignee shall execute and deliver, upon request by the District, any instrument of transfer, conveyance or release necessary or appropriate to confirm the vesting of such right, title, and interest in the District. If the Leased Property is subject to the rights of any sublessee of NBH granted under any sublease entered into in accordance with the terms of this Site Lease after the termination of the Lease because of nonappropriation or as a result of an Event of Default by the District, upon termination of this Site Lease any such sublease, by the terms thereof, shall also terminate.

ARTICLE VI
COMPLIANCE WITH REQUIREMENTS; OTHER COVENANTS

Section 6.1 Further Assurances and Corrective Instruments. The District and NBH 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 or for otherwise carrying out the intention hereof.

Section 6.2 Use, Compliance with Laws, Waste. NBH or its sublessee or assignee shall use the Leased Property only in a careful, safe and proper manner in compliance with all applicable federal, State, county and municipal laws, ordinances, resolutions, rules, or regulations, and in a manner that would not reasonably give rise to liability pursuant to any environmental laws. NBH or its sublessee or assignee shall not commit any waste or nuisance on the Leased Property.

Section 6.3 Inspection, Access, Records. The District shall have the right at reasonable business hours (or at any hour if necessary in an emergency) to enter upon the Leased Property for the purposes of inspecting the Leased Property or performing obligations of NBH or its sublessee or assignee under this Site Lease which NBH or its sublessee or assignee neglects to perform and which the District elects to undertake. The District agrees that, after an Event of Nonappropriation or an Event of Default under the Lease, and if this Site Lease has not been terminated pursuant to Section 3.1 hereof, NBH or any sublessee or assignee shall have full rights of ingress and egress to the Leased Property, and the District hereby agrees to execute and deliver any easements or rights-of-way that may be reasonably necessary to confirm such rights. The District agrees that

NBH and its duly authorized agents shall have the right at all reasonable times to examine the books, records, reports and other papers of the District with respect to the Leased Property. NBH or its sublessee or assignee agree that the District and its duly authorized agents shall have the right at all reasonable times to examine the books, records, reports, and other papers of NBH or its sublessee or assignee with respect to the Leased Property. The District may, at its own cost, not more frequently than once in any twelve-month period, cause an audit to be made of the books, records, reports, and other papers of NBH or its sublessee or assignee with respect to the Leased Property.

Section 6.4 Compliance with Environmental Laws. Any person or entity who subleases the Leased Property after an Event of Nonappropriation or an Event of Default under the Lease shall covenant that its use and operation of the Leased Property, and all activities conducted on the Leased Property during the term of the sublease, shall be in compliance with, and conducted in a manner so as not to give rise to liability under, any applicable environmental law. Further, any person or entity who subleases the Leased Property after an Event of Nonappropriation or an Event of Default under the Lease shall covenant that, in the event the District reasonably believes (i) the sublessee is conducting or has conducted activities on the Leased Property which are or were in violation of applicable environmental laws, or (ii) the sublessee's use or operation of the Leased Property has resulted or may result in environmental conditions on or emanating from the Leased Property which could give rise to liability under applicable environmental laws, such sublessee shall promptly undertake all appropriate response actions necessary to come into compliance with and mitigate any potential liability arising under applicable environmental laws. In the event of a violation of an applicable environmental law or the occurrence of an environmental condition requiring remediation under an applicable environmental law, the person or entity who subleases the Leased Property shall indemnify, defend, and hold the District harmless from and against any claims, losses, liabilities, charges, actions, suits, proceedings, deficiencies, taxes, interest, penalties, and reasonable costs and expenses (including, without limitation, reasonable attorneys' fees, removal costs, remediation costs, closure costs, fines, penalties, and expenses of investigations and ongoing remediation) relating to or arising out of such violations or occurrences.

Section 6.5 Restrictions on Mortgage or Sale of the Site. Except as provided in the Lease and except for Permitted Encumbrances, the District and NBH and any sublessee or assignee of NBH agree that neither the District, NBH, nor any sublessee or assignee of NBH will sell, mortgage, or encumber the Leased Property or any portion thereof during the term of this Site Lease.

Section 6.6 Taxes, Utilities. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the payment of taxes and utility charges shall be governed by the Lease. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, NBH or its sublessee or assignee shall promptly pay or cause to be paid when due all taxes and assessments which may be imposed on the Leased Property and all costs or charges for utility service supplied to the Leased Property.

Section 6.7 Maintenance. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the maintenance of the Leased Property shall be governed by the Lease. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, NBH or its sublessee or assignee shall maintain the Leased Property in good

condition, provided that on the date of such an Event of Nonappropriation or an Event of Default, the Leased Property was in good condition, and, excepting normal wear and tear, shall repair any damage to the Leased Property resulting from its occupancy. Upon termination of this Site Lease, NBH or its sublessee or assignee shall promptly remove all personal property from the Leased Property.

Section 6.8 Insurance. Prior to an Event of Nonappropriation or an Event of Default under the Lease, the provisions of the Lease shall govern with respect to the maintenance of insurance with respect to the Leased Property. After an Event of Nonappropriation or an Event of Default under the Lease and if this Site Lease has not been terminated, NBH or its sublessee or assignee shall obtain and keep in force, at its own expense (i) comprehensive general public liability insurance against claims for personal injury, death or property damage occurring on the Leased Property in an amount not less than \$1,000,000, and (ii) fire and extended coverage insurance in an amount not less than the replacement cost of the Leased Property (excluding foundations). All such insurance shall name the District, NBH, and any sublessee or assignee as insureds. Proceeds of such fire and extended coverage insurance shall be payable to the District, NBH, and any sublessee or assignee as their respective interests may appear. All such insurance policies shall provide that the insurance company shall not cancel such insurance without first giving at least 30 days' advance written notice to the District and NBH and any sublessee of any portion of the Leased Property. Each insurance policy required by this Section shall contain a waiver of subrogation by the issuer of such policy with respect to the District, NBH, and any sublessee or assignee, and their officers, agents, and employees, while acting within the scope of their employment. Each such insurance policy may have a deductible clause in an amount not to exceed \$250,000.

Section 6.9 Advances by the District. In the event that NBH or its sublessee or assignee shall fail to make any payments required by, or perform any of its obligations under Sections 6.6, 6.7 or 6.8 hereof, the District may (but shall be under no obligation to) make such payments or perform any of such obligations; and any payments so made or costs or expenses so incurred by the District, together with interest thereon at the Applicable Rate per annum, shall be reimbursed to the District by any sublessee or assignee, or by NBH from any proceeds of subleasing of the Leased Property or any portion thereof or sale or assignment of its interest in this Site Lease or, upon written agreement, may be deducted from the Reimbursement Amount.

Notwithstanding any other provision of this Site Lease, any obligations of NBH to make payments pursuant to Sections 6.6, 6.7 or 6.8 hereof shall be limited to any proceeds of subleasing of the Leased Property or any portion thereof or sale or assignment of its leasehold interest in this Site Lease.

ARTICLE VII MISCELLANEOUS

Section 7.1 Definitions. All capitalized terms not otherwise defined in this Site Lease shall have the meanings set forth therein in the Lease.

Section 7.2 Damage, Destruction, Condemnation. The provisions of Article VI of the Lease shall govern with respect to any damage, destruction, or condemnation of the Leased Property during the term of this Site Lease.

Section 7.3 Severability. If any term or provisions of this Site Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Site Lease or the application of such term or provision to persons or to circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 7.4 Doctrine of Merger. The Doctrine of Merger shall not apply. To the extent there is any discrepancy or inconsistency between the terms and provisions contained in this Site Lease and the terms and provisions contained in the Lease, the terms and provisions contained in the Lease shall control.

Section 7.5 Notices and Demands. Any notice, demand, or other communication under this Site Lease by either party to the other shall be sufficiently given or delivered if dispatched by registered or certified mail, postage prepaid and return receipt requested or delivered personally and, in the case of either the District or NBH, at the address for such party set forth in the Lease.

Section 7.6 Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon NBH and the District and their respective successors and assigns. In the event that NBH subleases all or any portion of the Leased Property or sells or assigns its leasehold interest in the Leased Property and this Site Lease, NBH shall require its sublessee or assignee to consent in writing to, and to undertake compliance with, all provisions of this Site Lease.

Section 7.7 Counterparts. This Site Lease may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 7.8 Amendments, Changes and Modifications. This Site Lease may not be effectively amended, changed, modified, or altered without the prior written consent of the District and NBH.

Section 7.9 Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties hereto have executed this Site Lease as of
this _____ day of _____, 2026.

PERRY PARK WATER AND SANITATION
DISTRICT, DOUGLAS COUNTY, COLORADO,
as Lessor

[SEAL]

By: _____
Chairman, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 2026, by Gary Peterson, Chairman of the Board of Directors of the Perry Park Water and Sanitation District, Douglas County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by Jim Maras, Secretary of the Board of Directors of the Perry Park Water and Sanitation District, Douglas County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY

Legal Description of the Site:

A parcel of land for sewage treatment purposes located in the East ½ of the Southeast ¼ of Section 15, Township 9 South, Range 68 West, 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 15;

Thence N24°10'44"W, 2,185 feet to the center line intersection of Perry Park Boulevard and Country Club Drive;

Thence N50°04'04"E, 650.00 feet;

Thence S39°55'56" E, 50.00 feet to the True Point of Beginning;

Thence S39°55'56"E, 300.00 feet;

Thence S50°04'04"W, 600.00 feet;

Thence N39°55'56"W, 300.00 feet along the Northerly right-of-way of Country Club Drive;

Thence N50°04'04"E, 600.00 feet along the Easterly right-of-way of Perry Park Boulevard to the True Point of Beginning.

Leased Property Address:

5121 Country Club Drive, Larkspur, Colorado 80118

AFTER RECORDATION PLEASE RETURN TO:

Butler Snow LLP
1801 California Street, Suite 5100
Denver, Colorado 80202
Attention: Courtney L. Diguardi, Esq.

LEASE AGREEMENT

LEASE AGREEMENT (this "Lease"), made as of [CLOSING DATE] (the "Dated Date") between **NBH PUBLIC FINANCE, LLC**, a wholly owned subsidiary of NBH Bank duly organized and validly existing under the laws of the United States of America, as sublessor ("NBH"), and the **PERRY PARK WATER AND SANITATION DISTRICT, DOUGLAS COUNTY, COLORADO**, as sublessee hereunder, a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State of Colorado (the "District").

RECITALS:

A. The District is a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State of Colorado (the "State").

B. The members of the Board of Directors of the District (the "Board") have been duly elected and qualified.

C. Section 32-1-1001(1)(f) of the Colorado Revised Statutes ("C.R.S."), as amended, authorizes the District 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 operation of the District.

D. The Board has determined that it is in the best interests of the District and its residents and taxpayers to execute a Site Lease (as defined below) and this Lease with NBH in order to finance (i) the making of improvements to the Waucondah Wastewater Treatment Plant, and (ii) the payment of the costs of execution and delivery in connection therewith (collectively, the "Project").

E. The District owns, in fee title, the Site (the "Leased Property"), as further described in the Site Lease and the Lease.

F. The Board has determined, and now hereby determines, that it is in the best interests of the District and its residents and taxpayers that the District lease the Leased Property to NBH pursuant to the terms of a site lease agreement between the District, as lessor, and NBH, as lessee (the "Site Lease"), and that the District lease the Leased Property back from NBH pursuant to the terms of a lease agreement between NBH, as lessor, and the District, as lessee (the "Lease").

G. Pursuant to the Site Lease, NBH shall prepay certain rent to the District, and the District shall use such funds to finance the Project.

H. Pursuant to the Lease, and subject to the right of the District to annually terminate the Lease and other limitations as therein provided, the District will pay certain Rent payments (as such term is defined in the Lease) in consideration for the right of the District to use the Leased Property.

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

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

ARTICLE I

DEFINITIONS

Section 1.01 Defined Terms Generally. In addition to the words and terms elsewhere defined in this Lease, including the Recitals hereto, the following words and terms as used in this Lease shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Applicable Rate” means the rate per annum set forth in Exhibit A hereto, representing the embedded rate per annum used to determine the interest portion of Rent.

“Authorized District Representative” means (i) the Chairman of the Board and the President of the District (the “President”), (ii) the Manager of the District (the “District Manager”), or (iii) such other person duly authorized to act on behalf of the District, who shall be designated by written certification of the President furnished to NBH and containing the specimen signature of such other person.

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

“Business Day” means any day other than a Saturday, a Sunday, a day on which banking institutions or governmental offices are authorized by law to close for general banking purposes in Denver, Colorado or a day on which the principal office of NBH or the District is unable to open or be open for reasons not related to its financial condition.

“Certification” or “Certificate” means a written certification required or permitted by the provisions of this Lease or the Site Lease, signed and delivered to NBH or other proper person or persons.

“Dated Date” means the date set forth in Exhibit A hereto.

“Default” means default by the District in the performance or observance of any of the covenants, agreements, or conditions on its part contained in this Lease or the Site Lease, exclusive of any notice or period of grace required to constitute a default an “Event of Default” as described in Section 9.01 of this Lease.

“District” means the Perry Park Water and Sanitation District, Douglas County, Colorado, a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State.

“District Manager” means the Manager of the District, or any successor in function.

“Event of Default” means an Event of Default described in Section 9.01 of this Lease, which has not been cured or waived in accordance with the terms hereof.

“Event of Taxability” means that the District has violated the tax covenants set forth in Section 7.09 hereof and, as a result thereof, there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest payable on the interest component of the Rent under

this Lease is includable in the gross income (for federal income tax purposes) of NBH or, if applicable, any assignee or transferee under Section 7.08 hereof, pursuant to Section 103(b) of the Code and the rules and regulations promulgated thereunder. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

“Event of Nonappropriation” has the meaning given that term in Section 4.06 hereof.

“Exhibit A” means Exhibit A attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Exhibit B” means Exhibit B attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Exhibit C” means Exhibit C attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Fiscal Year” means the District’s fiscal year, and shall initially mean the 12-month period commencing on the first day of January in each year and ending on the 31st day of December in the same calendar year.

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

“Independent Counsel” means any attorney who (i) is duly admitted to practice law before the highest court of the State of Colorado, (ii) is not an officer or an employee of NBH or the District, (iii) is engaged by the District at its sole expense, and (iv) is acceptable to NBH.

“Independent Engineer” means a person who is not an employee, or a firm comprised of persons who are not employees, of the District, engaged by the District at the sole expense of the District and satisfactory to NBH, and qualified to provide engineering advice concerning the construction, use and operations of structures and improvements of similar kind and nature to the Leased Property.

“Initial Term” has the meaning given to such term in Section 3.02 hereof.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended from time to time and the rules and regulations from time to time promulgated thereunder.

“Lease” means this Lease Agreement, as the same may be amended from time to time pursuant to Section 12.06 hereof.

“Lease Term” means, together, the Initial Term and each Renewal Term, comprising the period during which this Lease is in effect, as specified in Section 3.02 hereof.

“Leased Property” means the Site and the premises, buildings, and improvements situated or to be situated thereon, as described in Section 3.01 hereof and Exhibit B hereof, together with all additions thereto and substitutions therefor in accordance with an amendment or supplement to this Lease, less such real estate and interests in real estate as may be released pursuant to Section 7.03 hereof or taken by the exercise of the power of eminent domain as provided in Section 6.02 hereof.

“NBH” means NBH Public Finance, LLC, a wholly owned subsidiary of NBH Bank duly organized and validly existing under the laws of the United States of America and its successors or assigns, as lessor hereunder.

“Net Proceeds,” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses (including attorney’s fees and any extraordinary expenses of NBH) incurred in the collection of such gross proceeds.

“Notice Address” means the addresses set forth in Section 12.04 hereof or such further or different address as an authorized officer or representative of NBH may designate to the District or an Authorized District Representative may designate to NBH, as the case may be.

“Opinion of Counsel” means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the District or NBH.

“Payment Date” means June 1 and December 1 of each year during the Lease Term, commencing June 1, 2026.

“Permitted Encumbrances” means, as of any particular time, (i) the Site Lease, this Lease, and the liens and encumbrances relating to the Site on the Dated Date, set forth in Exhibit C hereto, (ii) any utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions to the leasehold interest demised herein, arising after the Dated Date, that will not materially interfere with or impair the use of or operations being conducted on the Leased Property, (iii) such minor defects, irregularities, encumbrances, easements, rights-of-way, and clouds on the leasehold interest demised herein, arising after the Dated Date, as normally exist with respect to properties similar in character to the Leased Property and as do not in the aggregate materially impair the property affected thereby for the purposes for which it was acquired or is held by the District and (iv) any other encumbrances or defects to the leasehold interest demised herein approved in writing by NBH at its sole discretion.

“Prepayment Date” means any payment date on which the District chooses to exercise its prepayment option pursuant to Section 10.01 of this Lease.

“President” means the Chairman of the Board and the President of the District.

“Project” means, collectively, (i) the making of improvements to the Waucondah Wastewater Treatment Plant, and (ii) the payment of the costs of execution and delivery in connection therewith.

“Renewal Term” has the meaning given to such term in Section 3.02 hereof.

“Rent” has the meaning given to such term in Section 4.01 hereof.

“Resolution” means the resolution duly adopted by the Board authorizing the execution and delivery of the Site Lease, and this Lease, as the same may be amended, modified, or supplemented by any amendments or modifications thereof.

“Schedule I” means Schedule I attached to this Lease, which is incorporated in and made a part of this Lease and given the same force and effect as if the same were fully set forth herein.

“Site” has the meaning given to such term in the Recitals hereto. A legal description of the Site is set forth in Exhibit B.

“Site Lease” means that certain Site Lease Agreement dated as of [CLOSING DATE], between the District, as lessor, and NBH, as lessee, as the same may be amended from time to time in accordance with its terms.

“State” means the State of Colorado.

“Tax Certificate” means the Federal Tax Exemption Certificate, dated the Dated Date and executed by the District, as the same may be amended from time to time in accordance with its terms.

“Taxable Rate” means the rate per annum set forth in Exhibit A hereto, representing the embedded rate per annum used to determine the interest portion of Rent following an Event of Taxability.

Section 1.02 Additional Provisions as to Interpretation.

The words “herein” and “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Lease as a whole rather than to any particular section or subdivision hereof.

References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties by the District. The District makes the following representations and warranties:

(a) The District is a quasi-municipal corporation and political subdivision duly organized and existing under the laws of the State.

(b) The District has fee simple title to the Leased Property.

(c) The District has the full right, power, and authority (i) to adopt the Resolution, (ii) to execute and deliver, and to perform any obligations under, and to accept the benefits conferred to the District under, the Site Lease and this Lease, (iii) to undertake and complete the Project and to use and operate the Leased Property, and (iv) to carry out and consummate all other transactions contemplated by the Resolution, the Site Lease, and this Lease, and the District has complied and is in compliance with all provisions of applicable law in all matters relating to such transactions.

(d) The District (i) has duly adopted the Resolution, and the Resolution remains in full force and effect and has not been amended, modified, waived, rescinded, cancelled, revoked, terminated, or determined to be invalid in whole or in part, and (ii) has duly executed and delivered the Site Lease and this Lease.

(e) The Resolution, the Site Lease, and this Lease constitute valid and binding obligations of the District and are enforceable against the District in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors generally.

(f) No event of default has occurred and is continuing, and there has not occurred nor is continuing any event or condition which with the passage of time or giving of notice or both would constitute an event of default under, any indenture, mortgage, note, lease agreement, or other agreement or instrument to which the District is a party or by which it is bound, and the District has not committed any violation that is continuing, and the District has not taken any action or allowed any action or inaction or is aware of any condition affecting the District which in any of such instances with the passage of time or giving of notice or both would constitute a violation of, any provision of the Colorado Constitution or any existing law, rule, regulation, resolution, judgment, order, or decree to which the District is subject.

(g) Neither the adoption of the Resolution nor the execution and delivery of, or performance by the District of its obligations under, or acceptance by the District of the benefits conferred by, the Site Lease or this Lease or the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof or thereof conflicts with, or constitutes on the part of the District a violation of, or a breach of or default under (i) any indenture, mortgage, note, lease agreement, or other agreement or instrument to which the District is a party or by which it is bound, (ii) any provision of the Colorado Constitution, or (iii) any existing law, rule, regulation, ordinances, resolutions, judgment, order, or decree to which the District is subject.

(h) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, which has been served on the District or, to the best knowledge of the District, threatened, which in any way questions the existence of the District or the powers of the District referred to in paragraph (b) above, or the validity of the Resolution or any other proceeding taken by the District in connection with the execution and delivery of the Site Lease or this Lease, or wherein an unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated hereby or thereby, or which, in any way, could adversely affect the validity or enforceability of the Resolution, the Site Lease, or this Lease, or, to the best knowledge of the District, which in any way questions the excludability from gross income of the recipients thereof of the interest portion of the Rent for federal income tax purposes.

(i) The District is not relying on any warranty of NBH, either express or implied, as to the title or condition of the Leased Property or that it will be suitable to the District's needs and recognizes that NBH is not obligated to operate or maintain the Leased Property or to expend any funds thereon, except as provided in the Site Lease.

(j) No bankruptcy proceedings, liquidation proceedings, or dissolution proceedings are pending or threatened against the District; and no such proceedings have been commenced or are expected to be commenced by the District.

Section 2.02 Representations and Warranties by NBH. NBH makes the following representations and warranties:

(a) NBH is a wholly owned subsidiary of NBH Bank organized under the laws of the United States of America.

(b) Neither the execution and delivery of the Site Lease or this Lease, nor the covenants, agreements, or obligations of NBH under the Site Lease or this Lease constitute a material default (or an event which, with notice or the lapse of time, or both, would constitute a material default) under any contract, agreement, or other instrument or document to which NBH is a party or by which NBH or its property is bound.

(c) NBH possesses all requisite authority, power, licenses, permits, and franchises to conduct all business contemplated in the Site Lease and this Lease to be conducted by it, to execute and deliver the Site Lease and this Lease and to observe and perform its covenants, agreements, and obligations under the Site Lease and this Lease.

(d) The execution and delivery of the Site Lease and this Lease by NBH and the observance and performance by NBH of its covenants, agreements, and obligations under the Site Lease and this Lease do not require the consent or approval of any governmental authority which has not been obtained.

(e) NBH has duly authorized by proper action its execution, delivery, observance, and performance of the Site Lease and this Lease.

(f) Assuming the due authorization, execution, and delivery thereof by the District, this Lease and all instruments and documents contemplated in this Lease, including without limitation, the Site Lease which is executed and delivered by NBH constitute and will constitute legal, valid, binding, and enforceable obligations or representations, as the case may be,

of NBH, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors generally.

(g) Neither the Site Lease or this Lease, nor the covenants, agreements, or obligations of NBH under the Site Lease or this Lease contravene NBH's charter documents, or violate in any material respect any statute, rule, regulation, or other law, or any court or administrative order, applicable to NBH.

(h) NBH acknowledges and recognizes that this Lease will be terminated in the event that funds are not specifically budgeted and appropriated by the Board to continue paying Rent during the next occurring Fiscal Year, and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the Board.

ARTICLE III

LEASE OF THE LEASED PROPERTY

Section 3.01 Demise of the Leased Property. NBH hereby demises and leases to the District, and the District hereby accepts and leases from NBH, the Leased Property, according to the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term. NBH and the District acknowledge that (i) the District owns fee title to the Leased Property, subject only to Permitted Encumbrances, (ii) the District has leased the Leased Property to NBH under the Site Lease, and (iii) this Lease constitutes a sublease of the Leased Property from NBH to the District.

Section 3.02 Term. The Lease Term shall commence on the Dated Date. The initial Lease Term shall terminate on December 31, 2026 (the "Initial Term"). The Lease Term may be extended at the option of the District, for additional one-year terms commencing on the day immediately following the end of the Initial Term; *provided, however*, the Lease Term may be continued, solely at the option of the District, for no more than 20 additional terms, each ending on and not later than the next December 31 following the end of the Initial Term or the then-current Renewal Term, as the case may be, but not later than the final expiration date set forth in Exhibit A hereto (each additional one-year term after the Initial Term being referred to herein as a "Renewal Term"). The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Initial Term. Any appropriation of amounts due hereunder shall be deemed a determination by the District to exercise its option to renew this Lease for the next ensuing Renewal Term. Notwithstanding the foregoing, this Lease will terminate upon the occurrence of the earliest of the following events:

(a) Termination hereof by the District because of an Event of Nonappropriation pursuant to Section 4.06 hereof.

(b) The occurrence of an Event of Default and termination of this Lease by NBH pursuant to Article X hereof.

(c) The exercise by the District of its option to prepay this Lease in whole pursuant to Article XI hereof.

(c) The payment by the District of all Rent and other amounts required to be paid by the District hereunder.

ARTICLE IV

RENT, PREPAYMENT; NONAPPROPRIATION

Section 4.01 Rent. During the Lease Term, in consideration for the use and occupancy of the Leased Property, the District agrees to pay and shall pay as rent (the "Rent"), except as provided in Section 4.06 hereof and except to the extent the Rent may be prepaid under Sections 4.05 and 10.01 hereof, on the following terms:

(a) The District shall pay to NBH in immediately available funds the amounts set forth as the Total Payment Due in Schedule I hereto on the respective Payment Dates therein set forth, said amounts to represent payment of principal and payment of interest thereon as designated in said Schedule I; and

(b) The District shall pay such amounts, if any, as and when the same may become payable under Sections 6.01, 6.02 or 10.01 hereof; and

(c) The District shall pay into any fund designated by NBH moneys in the amount determined by NBH to be necessary to comply with the District's obligations under Section 7.09(b) hereof.

(d) Upon the occurrence of an Event of Taxability hereunder, the principal portion of the balance of the Rent then outstanding shall bear interest at the Taxable Rate, beginning on the date that there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect interest payable on the principal portion of the Rent due under the Lease is includable in the gross income (for federal income tax purposes) of NBH or, if applicable, any assignee or transferee under Section 7.08 hereof, pursuant to Section 103(b) of the Code and the rules and regulations promulgated thereunder. The principal portion of the Rent due under the Lease shall bear interest at the Taxable Rate until such time, if at all, the interest payable under the Lease is again excludable from federal income taxation, as evidenced by an opinion of nationally recognized bond counsel to such effect, at which time the principal portion of the Rent due under the Lease shall bear interest at the Applicable Rate.

Section 4.02 Place of Payment of Rent. The parties acknowledge and agree that the Rent provided for in Section 4.01 shall be paid to NBH, at its principal corporate office located in Greenwood Village, Colorado, or in accordance with written instructions for wire transfer of funds to NBH for the account of NBH. The parties acknowledge and agree that neither presentation nor surrender is required for the payment of principal or interest payments, including the final principal payment.

Section 4.03 Net Lease. This is a net lease, and NBH shall not be required to make any expenditures whatsoever in connection with this Lease or the Leased Property (except as otherwise provided in this Lease to make any repairs or to maintain the Leased Property). The obligations of the District to make the payments of Rent required in Section 4.01 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, except as provided in Section 4.06 hereof; and the District (i) will not, subject to the provisions of Sections 4.05 and 4.06 hereof, suspend or discontinue any payments of Rent

provided for in Section 4.01 hereof, and shall not withhold any payment of Rent or other payment required hereunder pending resolution of any dispute or assert any right of set-off or counterclaim against its obligation to make such payment of Rent or other payments required under this Lease; (ii) will perform and observe all of its other agreements contained in this Lease; and (iii) except as provided in Sections 4.06 and 10.01 hereof or under Article III herein, will not terminate the Lease Term for any cause including, without limiting the generality of each of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of NBH to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release NBH from the performance of any of the agreements on its part contained in this Lease; and in the event NBH should fail to perform any such agreement on its part, the District may institute such action against NBH as the District may deem necessary to compel the performance of such agreement or to recover damages therefor, so long as no judgment or court order sought or obtained in such action shall result in the termination hereof or interfere with the prompt and full payment of the Rent as contemplated hereby.

Section 4.04 Interest on Unpaid Rent. In the event the District shall fail to make any payment of Rent required to be paid under Section 4.01 and an Event of Default under Section 9.01(a) hereof results, the item or installment so in Default shall continue as an obligation of the District until the amount in Default shall have been fully paid, and the District agrees to pay interest on any Rent in Default at a rate of interest equal to the Applicable Rate.

Section 4.05 Prepayment of Rent.

(a) *Optional Prepayment.* Rent is callable at par after the ten (10) year anniversary of closing. Any prepayments prior to ten (10) years shall be subject to the Prepayment Penalty as follows in this Section 4.05(a). Rent is subject to redemption and payment prior to maturity, at the option of the District, which shall be exercised upon prior written direction from the District, on any Interest Payment Date prior to the ten (10) year anniversary of closing, in whole at a redemption price equal to 100% of the principal amount of the redeemed Rent, plus accrued interest thereon to the redemption date, plus administrative fees as applicable, plus a make-whole fee, if any, equal to present value of the difference between (i) the total amount of interest based on the Original Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred and (ii) the amount of interest based on the Current Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred, both (i) and (ii) discounted at the then "Current Interest Rate Swap Rate", as determined by NBH. The "Original Interest Rate Swap Rate" is the quotation in effect at the time of issuance maturing on the stated Maturity Date. The "Current Interest Rate Swap Rate" is the quotation in effect at the time of the redemption maturing on the stated Maturity Date. Should the present value have no value or a negative value, the Rent may be optionally redeemed with no make-whole fee. The make-whole fee shall apply in the event of any prepayment, whether by acceleration, prepayment, or otherwise. All calculations and determinations by NBH of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error. [FOR DISCUSSION]

(b) *Extraordinary Prepayment.* This Lease is also subject to extraordinary prepayment, in whole, at the option of the District in the event that the Leased Property is damaged or destroyed in whole or in part by fire or other casualty or if title to, or the temporary or permanent use of the Leased Property has been taken by eminent domain by any governmental body as provided in Article VI and Article XI hereof.

Section 4.06 Renewal of Lease; Nonappropriation. This Lease shall terminate at the end of the Initial Term, subject to the District's right to renew this Lease for Renewal Terms as set forth in Section 3.02 hereof. In the event that the Board fails to appropriate money sufficient for the continued performance of this Lease by the District in respect of any next succeeding Fiscal Year (an "Event of Nonappropriation"), and the District shall not cure the Event of Nonappropriation by the last day of the then-current Renewal Term, this Lease shall automatically terminate and the District shall give NBH written notice of an Event of Nonappropriation and pay to NBH any Rent and other amounts which are due and have not been paid at or before the end of the then current Renewal Term. In the event of non-renewal of this Lease as provided in this Section, the District shall deliver possession of the Leased Property to NBH within forty-five (45) days after the end of the then current Renewal Term.

Upon termination of this Lease as provided in this Section, the District shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, but if the District has not delivered possession of the Leased Property to NBH within forty-five (45) days after the termination of this Lease, the termination shall nevertheless be effective, and the District shall be responsible for the payment of damages in an amount equal to the amount of the Rent thereafter coming due during the current Fiscal Year under Section 4.01 hereof which is attributable to the number of days after termination during which the District fails to surrender possession of the Leased Property.

Section 4.07 Payments to Constitute Currently Budgeted Expenditures; Certain Findings. The District and NBH acknowledge and agree that the Rent due hereunder shall constitute currently budgeted and appropriated expenditures of the District and may be paid from any legally available funds. The District's obligations under this Lease shall be subject to the District's annual right to terminate this Lease, and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the District within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the District within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. Neither this Lease nor the Site Lease shall directly or indirectly obligate the District to make any payments beyond those duly budgeted and appropriated for the District's then current Fiscal Year. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of District moneys, nor shall any provision of this Lease restrict the future issuance of any District bonds or obligations payable from any class or source of District moneys.

The District hereby determines that the Rent due hereunder during the Lease Term represents the fair value of the use of the Leased Property. The District hereby determines that the Rent does not exceed a reasonable amount so as to place the District under an economic compulsion to renew this Lease. In making such determinations, the District has given consideration to the estimated current value of the Leased Property, the uses and purposes for

which the Leased Property will be employed, the benefit to the citizens and inhabitants of the District, and the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease and the Site Lease.

ARTICLE V

USE, MAINTENANCE, CHARGES AND INSURANCE

Section 5.01 Use of Leased Property. The District covenants that throughout the term hereof, it will use and operate the Leased Property as public property in furtherance of its essential governmental functions, as further provided herein, and in compliance with all laws, regulations applicable thereto.

Section 5.02 Quiet Enjoyment. The District acknowledges that it is now in possession of the Leased Property. NBH agrees that the District, upon paying the Rent and performing the covenants herein agreed by it to be performed, and any subtenant claiming under the District, shall and may peaceably and quietly have, hold, and enjoy the said Leased Property for the term specified. NBH or its agents shall have the right at all reasonable times during the Lease Term to enter the Leased Property for the purpose of examining or inspecting the Leased Property. Nothing in this Section shall imply any duty upon the part of NBH to examine the Leased Property or to do or pay for any work which under any provision of this Lease the District is required to perform, and the performance thereof by NBH shall not constitute a waiver of the District's default in failing to perform the same.

Section 5.03 Maintenance of Leased Property by the District. The District agrees that during the Lease Term it will keep the Leased Property, including all appurtenances thereto, in good repair and good operating condition at its own cost.

Section 5.04 Alterations. The District shall have the privilege of remodeling or making alterations, additions, modifications, and improvements to the Leased Property from time to time as the District, in its discretion, may deem to be desirable for its uses and purposes, provided that such alterations, additions, modifications, and improvements shall not in any way damage the Leased Property or materially adversely affect the value of the Leased Property. The cost of such alterations, additions, modifications, and improvements shall be paid by the District, and the same shall be the property of the District and be included under the terms of this Lease as and shall become part of the Leased Property.

Section 5.05 Liens. The District will not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, charge, lien, encumbrance, or claim, except the respective rights of NBH and the District as herein provided and Permitted Encumbrances, to be established or remain on or against the Leased Property, including any mechanics' liens for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals, or replacements; provided, however, that if the District shall first notify NBH of its intention so to do, the District may in good faith contest any mechanics' or other liens 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 NBH shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of NBH will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District shall promptly pay and cause to be satisfied and discharged all such unpaid items. NBH will cooperate promptly and fully with the District in any such contest. Except as expressly provided in this Section, the District will promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, charge, lien, encumbrance, or claim if the same

shall arise at any time and shall reimburse NBH for any expense incurred by NBH in order to discharge or remove any such mortgage, pledge, charge, lien, encumbrances, or claim. Nothing herein shall be deemed to require District to deal with statutory claims other than in the manner prescribed by statute.

Section 5.06 Certification as to Alterations. The District agrees that it will file with NBH, from time to time upon written request of NBH, a Certification of the Authorized District Representative setting forth the description of any fixtures which have become a part of the Leased Property, and if requested in writing by NBH, a description of any additions, remodeling, modifications, or improvements to the Leased Property which have been made during the Fiscal Year next preceding the filing of such Certification.

Section 5.07 Taxes, Other Governmental Charges and Other Charges. The District is tax-exempt and does not expect that any taxes, special assessments or governmental charges will be levied against the Leased Property. However, the District agrees that it will pay, as the same respectively become due, all taxes, special assessments, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property or any furnishings, equipment or other property installed or brought by the District therein or thereon, including sales, use, and other excise taxes, and all claims for rent, royalties, labor, materials, supplies, utilities, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Leased Property.

The District may, at its expense and in its own name and behalf or in the name and behalf of NBH, in good faith contest any such taxes, payments in lieu of taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, payments in lieu of taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal there from unless NBH shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items the rights or interest of NBH in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such taxes, payments in lieu of taxes, assessments or charges shall be paid promptly. NBH will cooperate with the District in permitting the District to conduct any such contest.

Section 5.08 Insurance.

(a) Casualty and Property Damage Insurance. Upon the execution and delivery of this Lease, the District shall, at its own expense, cause casualty and property damage insurance to be carried and maintained with respect to the Leased Property in an amount at not less than the replacement cost of the Leased Property. The District may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, as long as such blanket insurance policies comply with the requirements hereof. The District, at its election, and upon written notice to NBH, may provide for casualty and property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance program. Such policy or policies may contain such reasonable deductible and coinsurance provisions as the District may deem necessary or appropriate and prudent.

(b) Public Liability Insurance. The District agrees that it will carry or cause to be carried public liability insurance with reference to the Leased Property in the amounts required by law. NBH shall be named as an additional insured under any such policies. The

insurance required by this Section may be provided by actuarially sound self-insurance or by a blanket insurance policy or policies.

(c) Worker's Compensation Coverage. Throughout the Lease Term, the District shall maintain or cause to be maintained Worker's Compensation Coverage or cause the same to be maintained to the extent required by law. The insurance required by this Section may be provided by self-insurance.

(d) Additional Provisions Respecting Insurance. Any insurance policy issued pursuant to Article V hereof shall be so written or endorsed as to make losses, if any, payable to the District and NBH as their respective interests may appear. All such policies shall be obtained from companies authorized to conduct insurance business in the State. Each insurance policy procured in accordance with this Section 5.08 shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the District at least thirty (30) days in advance of such cancellation, and the District shall deliver to NBH duplicate copies of certificates of insurance pertaining to each such policy of insurance procured by the District and agrees to keep such duplicate copies of certificates up to date.

Section 5.09 Title Insurance. In connection with the execution and delivery of this Lease, NBH shall receive a standard leasehold title insurance policy or policies, issued to NBH, insuring NBH's leasehold interest in the Leased Property pursuant to the Site Lease, subject only to Permitted Encumbrances. Such commitment for such policy or policies shall be delivered to NBH concurrently with delivery of this Lease and the policy or policies shall be delivered to NBH as soon as practicable thereafter.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.01 Damage and Destruction. If, during the Lease Term (i) the Leased Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (ii) a material defect or breach of warranty with respect to the Leased Property shall become apparent; or (iii) 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 following provisions shall apply:

(a) There shall be no abatement or reduction in the Rent payable by the District under this Lease; and

(b) Unless the District shall have elected to exercise its option to prepay pursuant to the provisions of Article X of this Lease by the 120th day following such damage or destruction, the following shall apply:

(i) *Duty to Repair and Replace the Leased Property*. (A) Subject to the provisions of Section 6.01(b)(ii), the District will proceed to repair, rebuild, or restore the property damaged or destroyed with changes, deletions, alterations, and modifications (including the substitution and addition of other property and removal of existing property), whether or not such changes, deletions, alterations, and modifications result in changes in the character of the operations which may be conducted or in the productive capacity of the Leased Property, as may be desired by the District, and

(B) NBH will apply the Net Proceeds of insurance received by NBH to payment of the cost of any such repair, rebuilding, or restoration, either on completion thereof or as the work progresses, provided that the District delivers or causes to be delivered to NBH of the following:

(1) if the Net Proceeds of the insurance exceeds 10% of the original After Payment Principal Balance set forth in Schedule I hereto, a Certification of an Independent Engineer (the "Cost Certificate") (x) setting forth the estimated cost of the repair, rebuilding, or restoration, (y) confirming that the Net Proceeds shall be sufficient to pay the estimated costs of such repair, rebuilding, or restoration, or, to the extent such Net Proceeds are less than such estimated costs, the amount of such deficiency and (z) the expected completion date for any such repair, rebuilding, or restoration;

(2) if and to the extent the District has incurred or paid costs to repair, rebuild, or restore the Leased Property, a Certification signed by the Authorized District Representative setting forth the costs theretofore incurred or paid;

(3) if and to the extent any repair, rebuilding, or restoration work is to be performed, a contract or contracts, including plans and specifications and other contract documents necessary and usual for the

work involved, for the furnishing of all work and materials required for the restoration, and, if reasonably requested by NBH, a payment and performance bond issued by a corporate surety satisfactory to NBH; and

(4) if and to the extent repair, rebuilding, and restoration are substantially complete, a Certification of an Independent Engineer confirming that the repair, rebuilding, and restoration have been substantially completed and all costs thereof have been paid, with the exception of any amounts reasonably withheld to insure completion, and setting forth the amount withheld and schedule for disbursement thereof.

(C) Any amounts held by NBH and remaining at the completion of, and payment for, any such repair, rebuilding, or restoration, shall be deposited with NBH and applied to payments of Rent due or to become due under Section 4.01 of this Lease.

(ii) *Insufficiency of Net Proceeds.* In the event the Cost Certificate states an expected deficiency between costs of repair, rebuilding or restoration and Net Proceeds, the District shall have the option to either (a) complete the repair, rebuilding, and restoration and provide for payment of the portion of the cost thereof in excess of the amount of said Net Proceeds made available, under arrangements reasonably satisfactory to NBH, subject to appropriation by the Board, or (b) prepay unpaid Rent pursuant to Section 10.01 hereof, subject to appropriation by the Board. The District shall not, by reason of the payment of any excess costs over the available Net Proceeds, be entitled to any reimbursement from NBH or any diminution or abatement of the Rent payable under this Lease. If, by the last day of the Fiscal Year in which an event specified in Section 6.01 of this Lease occurs (or the last day of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Leased Property becomes apparent), the District has not budgeted and appropriated amounts sufficient to proceed under either clause (a) or clause (b) of this paragraph, an Event of Nonappropriation shall be deemed to have occurred. In such event, the unspent Net Proceeds shall be deposited with NBH and shall be applied by NBH to the payment of all fees and expenses due to NBH and to the payment of the After Payment Termination Value. Any excess moneys remaining after such payments shall be paid to the District.

Section 6.02 Condemnation.

(a) *Condemnation of All or Substantially All of the Leased Property.* Unless the District shall exercise its option to prepay this Lease pursuant to Article X hereof, if at any time during the Lease Term title to all or substantially all of the Leased Property shall be taken in any proceeding (hereinafter referred to as a "Proceeding") involving exercise of the right of eminent domain, this Lease (except as to the following provisions of this Section 6.02 and the provisions of Section 7.09(c) hereof) and the Lease Term, and all right, title and interest of the District in the Leased Property, shall come to an end at the time of the vesting of title pursuant to the Proceeding, and NBH shall be entitled to receive the Net Proceeds of the award, which the District hereby assigns to NBH, subject to the terms and provisions hereinafter provided.

If the Net Proceeds of the award available to NBH together with any amount then held by NBH for the account of the District shall be insufficient to prepay all Rent, the District shall pay such deficiency as additional Rent prior to the prepayment date, subject to appropriation by the Board. If the available Net Proceeds of the award available to NBH together with any amount then held by NBH for the account of the District is in excess of the amount required to prepay all Rent as aforesaid, such excess shall be paid in full to the District. The available Net Proceeds of the award received by NBH (less any excess amount paid to the District, as hereinabove provided), together with any additional amounts paid by reason of any insufficiency and with any amounts then held by NBH for the account of the District, shall be applied to the prepayment of all Rent at the earliest possible date.

(b) *Condemnation of Less Than All or Substantially of the Leased Property.* Unless the District shall exercise its option to prepay this Lease pursuant to the provisions of Article X hereof, if at any time during the Lease Term title to less than all or substantially all of the Leased Property shall be taken in a Proceeding involving exercise of the right of eminent domain, neither the terms of this Lease nor any of the obligations of either party under this Lease shall be reduced or affected in any way, and the District shall promptly repair, rebuild, or restore the Leased Property to the extent necessary to render the Leased Property a complete architectural unit, but if the portion of the Leased Property remaining after such taking is in itself a complete architectural unit, subject to appropriation by the Board, the District need make only such repair, rebuilding, or reconstruction as it may in its discretion deem necessary for its operation of the Leased Property. If the amount of the Net Proceeds of the award received by NBH together with any amount then held by NBH for the account of the District is insufficient to repair, rebuild, or restore the Leased Property to the extent necessary to render the Leased Property a complete architectural unit, then the District shall have the option either (a) to complete the repair, rebuilding, or restoration and provide for payment of the portion of the cost thereof in excess of the amount of said Net Proceeds made available, under arrangements reasonably satisfactory to NBH, subject to appropriation by the Board, or (b) to prepay unpaid Rent pursuant to Section 10.01 hereof, subject to appropriation by the Board. If, by the last day of the Fiscal Year in which a condemnation occurs (or the last day of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve, or replace the Leased Property becomes apparent), the District has not budgeted and appropriated amounts sufficient to proceed under either clause (a) or clause (b) of this paragraph, an Event of Nonappropriation shall be deemed to have occurred. In such event, the unspent Net Proceeds shall be deposited with NBH and shall be applied by NBH to the payment of all fees and expenses due to NBH and to the payment of the After Payment Termination Value. Any excess moneys remaining after such payments shall be paid to the District.

For purposes of this Section 6.02, "all or substantially all of the Leased Property" shall be deemed to have been taken if the taking under any Proceeding shall involve such an area, or such impairment of access to the Leased Property over public highways, that the District cannot in its opinion, evidenced by written notice to NBH, given within 30 days after the commencement of the Proceeding, reasonably operate its business in the remainder of the Leased Property substantially in the same manner and as satisfactorily as before.

(c) *Cooperation.* NBH and the District shall cooperate fully in the handling and conduct of any prospective or pending Proceeding with respect to the Leased Property or any part thereof, and NBH will join with the District to the extent it may lawfully do so and at the District's expense, in maintaining or permitting the District to maintain a defense or

contest of the amount of the award in any such Proceeding. In no event will NBH voluntarily settle, or consent to the settlement of, any prospective or pending Proceeding with respect to the Leased Property or any part thereof without the written consent of the District.

Section 6.03 Proceeds of Insurance or Condemnation of District-Owned Property. The District shall also be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or taking of its own property or for damages on account of the taking of or interference with the District's right to possession, use of, or occupancy of the Leased Property. Similarly, the District shall also be entitled to the Net Proceeds of any fire and extended coverage or similar insurance on its own property not constituting part of the Leased Property.

ARTICLE VII

SPECIAL COVENANTS

Section 7.01 No Warranty of Condition or Suitability; Indemnification. NBH has not made and does not make any representation or warranty whatsoever, either express or implied, as to the merchantability, condition, fitness, design, operation, workmanship, performance, capability, or capacity of the leased property; as to the suitability for operation of the leased property; or as to the condition of the leased property or that it will be suitable for the District's purposes or needs. The District assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the leased property, for any repair, maintenance, or operating costs of any part of the leased property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the District or to third parties, and whether such property damage be to the District's property or the property of others, which is proximately caused by the negligent conduct of the District, its officers, employees and agents. The District hereby assumes responsibility for and agrees, subject to annual appropriation by the Board and to the extent permitted by law, to reimburse NBH for all liabilities, obligation, losses, damages, penalties, claims, actions, costs, and expenses (including reasonable attorney's fees) of whatever kind and nature, imposed on, incurred by, or asserted against NBH that in any way relate to or arise out of a claim, suit, or proceeding based in whole or in part upon the negligent conduct of the District, its officers, employees, and agents, but not including any liabilities, obligation, losses, damages, penalties, claims, actions, costs, and expenses (including reasonable attorney's fees) of whatever kind and nature, imposed on, incurred by or asserted against NBH that in any way relate to or arise out of a claim, suit, or proceeding based in whole or in part upon the negligent conduct of NBH, its officers, employees, and agents.

Section 7.02 District to Maintain its Existence Or Assure Assumption of Obligations. The District agrees that during the Lease Term it will maintain its existence or assure the assumption of its obligations under this Lease by any public body succeeding to its powers.

Section 7.03 Granting Easements. If the District is not then in default, NBH at the request of the District from time to time shall 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 the Site, or may release existing easements, licenses, rights-of-way, and other rights or privileges with or without consideration, and NBH agrees that it shall execute and deliver any instrument necessary or appropriate to grant or release any such easement, licenses, right-of-way, or other right or privilege upon receipt of: (a) a copy of the instrument of grant or release; and (b) a written application signed by the Authorized District Representative requesting such instrument, and certifying that (i) such grant or release is not detrimental to the proper use or operation of the Leased Property, and (ii) such grant or release will not impair the character or productive capacity of the Leased Property. NBH will not grant or release any easements, licenses, rights-of-way, or other rights or privileges in the nature of easements with respect to the Leased Property, without the prior written consent of the District. No release or grant effected under the provisions of this Section shall entitle the District to any abatement of the Rent payable under Section 4.01 hereof, except that any moneys payable to NBH pursuant to this Section shall be paid to NBH and credited against subsequent Rent due or to become due hereunder.

Section 7.04 Reports. The District agrees to obtain and to furnish to NBH such reports concerning the repair, maintenance, and condition of the Leased Property as lessor may from time to time reasonably request.

Section 7.05 District to Maintain Machinery and Movable Equipment. The District agrees that during the Lease Term it will provide and maintain all machinery, personal property, and movable equipment necessary in the judgment of the District to permit the full use, operation, and occupancy of the Leased Property, and NBH shall be under no obligation to provide or maintain any such equipment. The District may from time to time, for that purpose and at its own expense, install additional movable personal property, equipment, and machinery on the Leased Property which shall remain the sole property of the District and not be subject to this Lease. Nothing contained in the preceding provisions of this Section shall prevent the District from purchasing, after delivery hereof, movable personal property, equipment, furniture or fixtures, notwithstanding that such movable personal property may be subject to a purchase money security interest, as security for the unpaid portion of the purchase price thereof.

Section 7.06 Compliance with Laws and Regulations. The District will comply with all applicable laws, regulations, and orders of the United States of America, the State and agencies and political subdivisions thereof and each department or agency thereof, applicable to this Lease and the Leased Property. The District shall have the right to contest by appropriate procedures the adoption, validity, or applicability of any laws, regulations, and orders referred to in this Section and to delay compliance therewith, without violating the provisions of this Section, if (a) NBH shall consent to such delay in writing, or (b) a court of competent jurisdiction shall so order or determine, or (c) in the opinion of Independent Counsel furnished to NBH, the procedures taken by the District to contest the validity or applicability of any such law, regulation, or order are appropriate and have the effect of staying the finality and enforceability thereof against the District.

Section 7.07 Further Assurances. The District will execute or cause to be executed any and all further instruments that may reasonably be requested by NBH and be authorized by law to evidence the transaction contemplated by this Lease and the Site Lease, and NBH's rights provided or intended to be provided hereby or thereby, or to vest in NBH or any participant with or assignee of NBH or any agent of either the right to receive and apply the payments of Rent required hereunder, and will cause this Lease and the Site Lease and any supplemental instruments to be filed, registered, or recorded in the real estate records of the County in which the Site is located, and the shall pay or cause to be paid all expenses incidental to the preparation, execution, acknowledgment, filing, registering, and recording of this Lease and the Site Lease.

Section 7.08 Participations. The District hereby acknowledges the right of NBH to create and sell participations or other interests in this Lease, and to assign its rights hereunder to any purchasers of such participations or other interests. The District agrees to cooperate with NBH in the creation and sale of any such participations or other interests herein and to execute such instruments and documents as are reasonably requested by NBH to accomplish such creation and sale or to evidence the succession of any servicer to the rights of NBH hereunder.

Section 7.09 Tax Covenants; Bank Qualified. It is the intention of the parties hereto that the interest component of the Rent payable under Section 4.01(a) hereof will be excludable from gross income of the recipients thereof for federal income tax purposes.

(a) The District covenants that it will not take any action or omit to take any action with respect to this Lease, the proceeds of the Site Lease or this Lease, any other funds of the District or any facilities financed or refinanced with the proceeds of the Site Lease or this Lease (except for the possible exercise of the District's right to terminate this Lease as provided herein) if such action or omission (i) would cause the interest component of the Rent to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code, or (ii) would cause the interest component of the Rent to become a specific item of tax preference for purposes of the alternative minimum tax, however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations, or (iii) would cause the interest component of the Rent to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present State law. Subject to the District's right to terminate this Lease as provided herein, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full of the Lease, until the date on which all obligations of the District in fulfilling the above covenant under the Internal Revenue Code and State law have been met

(b) The District hereby acknowledges and confirms its obligations under Section 148(f) of the Internal Revenue Code. Specifically, the District agrees to comply with the rebate requirements imposed under said Section 148(f) and regulations thereunder, including (if applicable) the requirement to make or cause to be made annual calculations of the amount subject to rebate thereunder (at least once every year and upon termination of this Lease), and to maintain or cause to be maintained records of such determinations until six years after the termination hereof, and the requirement to make all required rebates to the United States of America not later than 30 days after the end of the fifth year and no later than each fifth anniversary thereof, to and until the date which is 30 days after the termination hereof. In construing the District's obligations hereunder, all terms used in this paragraph shall have the meanings provided in said Section 148(f) and regulations thereunder. Notwithstanding any other provision of this paragraph, no requirement shall be imposed hereunder if an Opinion of Counsel is rendered, by nationally recognized bond counsel engaged by the District subject to the prior written consent of NBH or engaged by NBH, at the expense of the District, and acceptable to NBH and the District, to the effect that the failure to impose such requirement will not adversely affect the excludability of such interest component from gross income for federal income tax purposes. The District agrees to make all required rebate payments to the United States, as and when required, and such payments shall constitute additional Rent under Section 4.01 hereof.

(c) The District shall comply with the Tax Certificate.

(d) The District hereby designates this Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code.

(e) The District shall be the registrar for this Lease. NBH shall be the initial "Registered Owner" of the rights to receive Rent hereunder. If NBH assigns and transfers its rights to receive the Rent hereunder, it shall so notify the District of such assignment or transfer and the District shall note on this Lease the name and address of the assignee or transferee.

Section 7.10 Financial Statements. The District shall provide NBH with audited financial reports within two hundred seventy (270) days of each Fiscal Year so long as this Lease

is outstanding. Such audited financial reports shall be conducted by a certified public accountant. The District shall provide NBH with the District's annual operating budget as approved within sixty (60) days of approval so long as this Lease is outstanding.

Section 7.11 Notices as to Hazardous Materials. The District agrees to promptly:

(i) transmit to NBH copies of any governmental citations, orders, or notices received with respect to Hazardous Materials which may result in a penalty, liability, or cost greater than \$10,000;

(ii) observe and comply with any and all applicable laws, ordinances, rules, regulations, licensing requirements, or conditions relating to the use, maintenance, or disposal of Hazardous Materials and all orders or directives from any official, court, or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment, or other disposal of such Hazardous Material; and

(iii) pay or otherwise dispose of any lawfully due and owing fine, charge, or imposition relating thereto which, if unpaid, would constitute a lien upon Leased Property or any part thereof.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND SELLING

Section 8.01 Assignment and Subleasing by the District. This Lease may be assigned in whole or in part, and the Leased Property may be subleased as a whole or in part, by the District only upon the conditions that:

(a) No assignment (other than pursuant to this section hereof) or subletting shall relieve the District from primary liability for any of its obligations hereunder, and in the event of any such assignment or subletting the District shall continue to remain primarily liable for the payment of the Rent specified in Section 4.01 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it; and

(b) Any assignment or sublease from the District must retain for the District such rights and interests as will permit it to perform its obligations under this Lease, and any assignee from the District shall assume the obligations of the District hereunder to the extent of the interest assigned; and

(c) In the opinion of nationally recognized bond counsel engaged by the District subject to the prior written consent of NBH or engaged by NBH, at the expense of the District, and acceptable to NBH and the District, such assignment or sublease shall not adversely affect the excludability of the interest component of the Rent payable under Section 4.01(a) from gross income for federal income tax purposes.

Section 8.02 Assignment by NBH. NBH may assign its rights and interest in, and pledge any moneys receivable under or pursuant to this Lease, upon written consent by the District, which shall not be unreasonably withheld.

Section 8.03 Restrictions on Transfer and Encumbrances of Leased Property by the District. The District agrees that, except as otherwise provided in this Lease, it will not sell, assign, transfer, convey, or otherwise dispose of the Leased Property or any portion thereof during the Lease Term and that it will not, to the extent permitted by law, create or suffer to be created any debt, lien, or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the rents, revenues, and receipts derived from the sale, lease, or other disposition of the Leased Property other than the Permitted Encumbrances and other than as provided in Section 8.01 hereof.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Events of Default. The following shall be “Events of Default” under this Lease and the term “Event of Default” shall mean, whenever used in this Lease, any one or more of the following events:

- (a) If the District fails to pay the Rent required to be paid under Section 4.01 hereof when due and such Default continues for five (5) business days after written notice thereof shall have been given to the District by NBH; or
- (b) Failure by the District to materially comply with the terms of the Site Lease; or
- (c) If the District shall default in the due and punctual performance of any of the other covenants, conditions, agreements, and provisions contained in this Lease or in any instrument supplemental hereto on the part of the District to be performed, and such Default shall have continued for a period of thirty (30) days after written notice, specifying such Default and requiring the same to be remedied, shall have been given to the District by NBH.

The provisions of paragraph (c) of this Section are subject to the following limitations: If by reason of force majeure the District is unable in whole or in part to carry out its agreements on its part contained herein, the District shall not be deemed in default during the continuance of such disability. The term “force majeure” as used herein includes the following: acts of God; strikes, lockouts, or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes, storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions, breakage, or accident to machinery, transmission pipes, or canals; partial or entire failure of utilities; fuel shortage; unavailability of materials; or any other cause or event not reasonably within the control of the District. The provisions of paragraph (c) of this Section are subject to the further limitation that if the Default can be remedied but not within a period of thirty (30) days after notice and if the District has taken all action reasonably possible to remedy such default within such 30 day period, the default shall not become an Event of Default for so long as the District shall diligently proceed to remedy such Default and in accordance with any directions or limitations of time made by NBH. The District agrees, however, to use good faith and reasonable efforts to remedy with all reasonable dispatch any cause or causes preventing the District from carrying out its agreements.

Section 9.02 Remedies on Default. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be continuing, NBH or a receiver may:

- (i) enter the Leased Property and take possession of the Leased Property without terminating this Lease, holding the District liable for the difference in the net income derived from such possession and the rents and other amounts payable by the District hereunder during the then-current Renewal Term, or

(ii) terminate the Lease Term and give notice to the District to vacate the Leased Property within forty-five (45) days from the date of such notice, and proceed to use its best efforts to again lease the Leased Property or sell NBH's leasehold interest in the Leased Property in accordance with applicable law, but holding the District liable for all Rent and other payments otherwise due under this Lease during the then-current Renewal Term, or

(iii) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the District under this Lease. Notwithstanding the foregoing or any other provision of this Lease, the maximum amount of contractual payments or damages that NBH may recover from the District under this Lease is limited to the amount duly budgeted and appropriated by the District for the payment of Rent in the Fiscal Year in which the Event of Default occurs.

Any amounts collected pursuant to action taken under this Section shall be applied first to advances and expenses as provided in Section 9.05 hereof, and next to the payment or prepayment of Rent (principal and interest), and any excess to the District.

Whenever any Event of Default shall occur, NBH may take any action at law or in equity which may appear necessary or desirable to collect the payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement, or covenant of the District under this Lease.

Upon termination of this Lease as provided in this Section, the District shall not be responsible for the payment of any Rent coming due with respect to succeeding Fiscal Years, except that if the District has not delivered possession of the Leased Property to NBH by December 31 in the year in which an Event of Nonappropriation has occurred, NBH shall be entitled to recover from the District, to the extent permitted by applicable law, an amount equal to the amount of the Rent thereafter coming due during the current Fiscal Year under Section 4.01 hereof which is attributable to the number of days after December 31 during which the District fails to surrender possession of the Leased Property, which amount is hereby determined and stipulated to be just compensation for the occupancy or use of the Leased Property for any such period.

The provisions of this Section 9.02 and the exercise of any remedy by NBH or a receiver pursuant to this Section 9.02 are expressly subject to the provisions of Sections 4.06 and 10.03 hereof.

Section 9.03 Remedies Cumulative, Delay Not to Constitute Waiver. No remedy conferred upon or reserved to NBH or a receiver by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, and any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle NBH or a receiver to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to a particular breach so waived and shall not be deemed to waive any other breach hereunder. In case NBH shall have proceeded to enforce any right under this Lease and such

proceedings shall have been determined adversely to NBH, NBH shall be restored to its former position and rights hereunder and all rights, remedies, and powers of NBH shall continue as if no such proceedings had been taken.

Section 9.04 Agreement to Pay Attorney's Fees and Expenses. In the event of default by either NBH and/or the District under any of the provisions of this Lease and should NBH/District employ attorneys or incur other expenses for the collection of Rent or the enforcement of performance or observance of any obligation or agreement contained in this Lease, both NBH and the District agree that, unless a court of competent jurisdiction orders otherwise, NBH/the District will on demand therefor reimburse the reasonable fee of such attorneys and such other expenses so incurred. In the event of a dispute between parties, in addition to all other remedies, the prevailing party will be entitled to the award of attorney fees.

Section 9.05 Advances. In the event the District shall fail to maintain or repair, rebuild, or restore any of the Leased Property, or shall fail to maintain any insurance as required by the provisions of this Lease, or to do any other thing or make any other payment required to be done or made by any other provision of this Lease, NBH, in its sole discretion, may do or cause to be done any such thing or make or cause to be made any such payment at the expense or as an advance for the account of the District, and the District shall pay to NBH, upon demand, and subject to appropriation by the Board, all costs and expenses so incurred and advances so made, with interest at a rate equal to the prime interest rate accrued from the date of demand.

Section 9.06 Waiver of Appraisalment, Valuation, Etc. In the event the District should default under any of the provisions of this Lease, the District agrees to waive, to the extent it may lawfully do so, the benefit of all appraisalment, valuation, stay, extension, or redemption laws now or hereafter in force, and all right of appraisalment and redemption to which it may be entitled, and covenants that it will not hinder, delay, or impede the execution of any power herein granted to NBH, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE X

OPTION TO PREPAY; DEFEASANCE; RELEASE OF LEASED PROPERTY

Section 10.01 Option to Prepay Lease. The District shall have and is hereby granted the option to prepay the Rent due under this Lease in accordance with Section 4.05(a) hereof. [FOR DISCUSSION]

Notwithstanding the foregoing, this Lease shall be considered to be paid in full within the meaning and with the effect expressed in the preceding paragraph, if there shall have been deposited in trust or with NBH either money in an amount which shall be sufficient, or Federal Securities the principal of and interest on which when due, and without any reinvestment thereof, will provide moneys which, together with other moneys, if any, concurrently deposited in trust or with NBH, shall be sufficient to pay the principal of and interest remaining due on the Rent payments then outstanding.

In the event that this Lease shall be deemed to have been paid in full from any Net Proceeds of insurance or condemnation paid to the District, notwithstanding any provision of Sections 6.01 and 6.02 hereof, and NBH will deliver to the District the documents referred to in Section 10.02 hereof.

The mutual agreements contained in this Section 10.01 are independent of, and constitute an agreement separate and distinct from, any and all provisions of this Lease and shall be unaffected by any fact or circumstance which might impair or be alleged to impair the validity of any other provisions.

Section 10.02 Release of Leased Property. Upon any prepayment in whole of this Lease, or if the Lease is deemed to be paid in full in accordance with the provisions of Section 10.01 hereof, or upon the expiration of all Renewal Terms available hereunder (if full payment or prepayment of all Rent has been made or provided for in accordance with the provisions hereof and any other conditions precedent to the termination of the Lease Term fulfilled and all payments other than Rent payable hereunder shall have been paid), the Site Lease and this Lease shall terminate and the Leased Property shall be released from the provisions thereof. Thereupon, NBH shall deliver or cause to be delivered to the District such documents as the District may reasonably require releasing the Leased Property from the provisions of the Site Lease and this Lease, subject to the following: (i) Permitted Encumbrances, other than this Lease or the Site Lease; (ii) those liens and encumbrances created by the District or to the creation or suffering of which the District consented; and (iii) those liens and encumbrances resulting from the failure of the District to perform or observe any of the agreements on its part contained in this Lease.

Section 10.03 Relative Position of this Article and Article IX. The rights and options granted to the District in this Article shall be and remain prior and superior to Article IX hereof and may be exercised whether or not the District is in default hereunder.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Surrender of Leased Property. In the event the District should default under this Lease and the Lease Term is terminated or in the event of a termination of this Lease pursuant to Section 4.06 hereof, the District agrees to surrender possession of the Leased Property peaceably and promptly, within 45 days, to NBH in as good condition as prevailed at the time it was put in full possession thereof, loss by fire or other casualty covered by insurance, ordinary wear and tear, obsolescence, and acts of God excepted.

Section 11.02 Amounts Remaining. It is agreed by the parties hereto that any amounts remaining on deposit with NBH for the account of the District hereunder upon termination of the Lease Term, as provided in this Lease, after payment in full of all Rent and all other amounts required to be paid hereunder, shall belong to and be paid to the District as overpayment of rents.

Section 11.03 Doctrine of Merger. The Doctrine of Merger shall not apply.

Section 11.04 Notices. All notices, certificates, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

To NBH	-	NBH Public Finance, LLC 7800 East Orchard Road, Suite 300 Greenwood Village, Colorado 80222 Attention: Maren Eckert
To the District -		Perry Park Water and Sanitation District 5676 Red Rock Drive Larkspur, Colorado 80118 Attention: District Manager

The District or NBH may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent.

Section 11.05 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon NBH, the District, and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01, 8.02 and 8.03 hereof.

Section 11.06 Amendments, Changes, and Modifications. Except as otherwise provided in this Lease, this Lease may not be effectively amended, changed, modified, altered, or terminated without the prior written consent of the District and NBH.

Section 11.07 Governing Law. This Lease shall be interpreted and enforced in accordance with and governed by the laws of the State.

Section 11.08 Counterparts. This Lease may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same Lease.

Section 11.09 Severability. In case any section or provision of this Lease, or in case any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under the Lease, or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Lease or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under this Lease, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability or any application thereof affect any legal and valid and operable application therefor from time to time, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent from time to time permitted by law.

Section 11.10 Captions. The captions or headings in this Lease 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 11.11. No Rating, DTC, or CUSIP. This Lease shall not be (a) assigned a separate rating by any rating agency, (b) registered with the Depository Trust Company or any other securities depository, (c) issued pursuant to any type of offering document or official statement, or (d) assigned a CUSIP number by Standard & Poor's CUSIP service.

PERRY PARK WATER AND SANITATION
DISTRICT, as Sublessee

[SEAL]

By: _____
Chairman, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2026 by Gary Peterson, Chairman of the Board of Directors of the Perry Park Water and Sanitation District, Douglas County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2026,
by Jim Maras, Secretary of the Board of Directors of the Perry Park Water and Sanitation District,
Douglas County, Colorado.

WITNESS my hand and official seal.

[SEAL]

Notary Public, State of Colorado

SCHEDULE I
Rental Schedule

					After Payment Termination
<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Rent</u>	<u>Value</u>

Rent payments are due on June 1 and December 1 of each year during the Lease Term. The Rent has been calculated on the basis of a 360-day year of twelve 30-day months and any recalculation of Rent under Section 4.01(d) or hereof shall be done on the same basis. If Rent is stated to be due on any date that is not a Business Day, such Rent shall be due on the next day that is a Business Day without the accrual of interest on Rent between such dates.

EXHIBIT A

GENERAL TERMS

1. Name of Sublessee: Perry Park Water and Sanitation District, Douglas County, Colorado
2. Notice Address: 5676 Red Rock Drive, Larkspur, Colorado 80118
3. Final Expiration Date: [January 16, 2046]
4. Payment Dates: each June 1 and December 1 of each year during the lease term, with interest payments commencing on June 1, 2026.
5. Applicable Rate: [_____]%
6. Taxable Rate: [_____]%

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Legal Description of the Site:

A parcel of land for sewage treatment purposes located in the East ½ of the Southeast ¼ of Section 15, Township 9 South, Range 68 West, 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of said Section 15;

Thence N24°10'44"W, 2,185 feet to the center line intersection of Perry Park Boulevard and Country Club Drive;

Thence N50°04'04"E, 650.00 feet;

Thence S39°55'56" E, 50.00 feet to the True Point of Beginning;

Thence S39°55'56"E, 300.00 feet;

Thence S50°04'04"W, 600.00 feet;

Thence N39°55'56"W, 300.00 feet along the Northerly right-of-way of Country Club Drive;

Thence N50°04'04"E, 600.00 feet along the Easterly right-of-way of Perry Park Boulevard to the True Point of Beginning.

Leased Property Address:

5121 Country Club Drive, Larkspur, Colorado 80118

EXHIBIT C

PERMITTED ENCUMBRANCES ON THE DATED DATE

1. Liens for ad valorem taxes and special assessments not then delinquent, if applicable.
2. The Site Lease.
3. The Lease.
4. All other encumbrances appearing of record on the date hereof.

NOTICE OF MEETING TO
CONSIDER INCREASE IN RATES, FEES AND CHARGES

PERRY PARK WATER AND SANITATION DISTRICT

NOTICE IS HEREBY GIVEN, pursuant to Section 32-1-1001(2)(a), C.R.S., to the customers of the Perry Park Water and Sanitation District and all other interested persons that the Board of Directors of the Perry Park Water and Sanitation District may consider increasing the District's rates, fees and other charges at open public meeting to be held at 2:00 p.m. on Wednesday, January 21, 2026 and at District office located at 5676 Red Rock Drive, Larkspur, Colorado 80118 or via Zoom.

<https://us02web.zoom.us/j/89846942286?pwd=zY3SNlUm74eA32OXuaiV9hKcBStTA9.1>

Meeting ID: 898 4694 2286
Passcode: 130988

One tap mobile
+17193594580,,89846942286#,,,,*130988# US

NOTICE IS FURTHER GIVEN that any customer or other interested person may appear at said time and place for the purpose of providing input, comments or objections regarding any proposed increase. Information regarding any proposed increase may be obtained from the District office located at 5676 Red Rock Drive, Larkspur, Colorado 80118, telephone number 303-681-2050, Monday through Friday during normal business hours (i.e. 8:00 a.m. to 4:30 p.m.).

Dated this 10th day of December, 2025.

PERRY PARK WATER AND SANITATION DISTRICT

By: Gary F. Peterson
President, Board of Directors



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

BUDGET MESSAGE

(Pursuant to 29-1-103(1)(e), C.R.S.)

Perry Park Water and Sanitation District

The Perry Park Water and Sanitation District provides water and sewer service to mainly properties inside of the District boundary. The District currently provides service to approximately 1575 units, with an expected buildout of approximately 2,500 units.

In 2025 the District focused on radium reduction in drinking water, increasing water supply, long term improvements to the Waucondah Wastewater Treatment Plant, and compliance triggered improvements to the Sageport Wastewater Treatment Plant.

The current sources of revenue for the Perry Park Water and Sanitation District are from user charges, capital improvement fees, tap fees, development fees and property taxes. These revenue sources continue to fund the capital improvements included in this Budget.

The District uses an accrual basis for accounting.

The District Office is open Monday thru Friday, except Holidays and other posted events, from 8am to 4:30pm.

For more information please visit perryparkwsd.colorado.gov.



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

RESOLUTION TO ADOPT BUDGET

(Pursuant to 29-1-108, C.R.S.)

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE PERRY PARK WATER AND SANITATION DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2026, AND ENDING ON THE LAST DAY OF DECEMBER, 2026.

WHEREAS, the Board of Directors of the Perry Park Water and Sanitation District has appointed Diana Miller, District Manager, to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Diana Miller, District Manager, has submitted a proposed budget to this governing body on September 17, 2025, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 10, 2025, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget, and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS of the Perry Park Water and Sanitation District, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Perry Park Water and Sanitation District for the year stated above.

Section 2. That the budget hereby approved and adopted shall be signed by Brian Arthurs, Treasurer and made a part of the public records of the Perry Park Water and Sanitation District.

ADOPTED, this 10th day of December, A.D., 2025.

Attest:

Gary F. Peterson, President

Brian Arthurs, Treasurer



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

RESOLUTION TO SET MILL LEVIES

(Pursuant to 39-5-128, C.R.S. and 39-1-111, C.R.S.)

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2026, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE PERRY PARK WATER AND SANITATION DISTRICT, DOUGLAS COUNTY, COLORADO, FOR THE 2026 BUDGET YEAR.

WHEREAS, the Board of Directors of the Perry Park Water and Sanitation District, has adopted the annual budget in accordance with the Local Government Budget Law, on December 10, 2025 and;

WHEREAS, the amount of money necessary to balance the budget for **general operating** purposes from property tax revenue is \$657,987 and;

WHEREAS, the 2025, valuation for assessment for the Perry Park Water and Sanitation District as certified by the County Assessor is \$117,204,740.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PERRY PARK WATER AND SANITATION DISTRICT, COLORADO:

Section 1. That for the purpose of meeting all **general operating** expenses of the Perry Park Water and Sanitation District during the 2026 budget year, there is hereby levied a tax of 5.614 mills upon each dollar of the total valuation for assessment of all taxable property within the Perry Park Water and Sanitation District for the year 2026.

Section 2. That the Treasurer is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the Perry Park Water and Sanitation District as hereinabove determined and set.

ADOPTED this 10th day of December, A.D. 2025.

Attest: _____
Gary F. Peterson, President

Brian Arthurs, Treasurer



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

RESOLUTION/ORDINANCE TO APPROPRIATE SUMS OF MONEY

(Pursuant to Section 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE PERRY PARK WATER AND SANITATION DISTRICT, COLORADO, FOR THE 2026 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on December 10, 2025, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the Perry Park Water and Sanitation District.

NOW, THEREFORE, BE IT RESOLVED/ORDAINED BY THE BOARD OF DIRECTORS OF THE PERRY PARK WATER AND SANITATION DISTRICT, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenue of each fund, to each fund, for purposes stated:

GENERAL FUND:

Current Operating Expenses	\$2,513,563
Capital Outlay	\$11,032,000
Debt Service	\$1,122,601
TOTAL GENERAL FUND	<u>\$14,668,164</u>

ADOPTED THIS 10th day of December, A.D. 2025.

Brian Arthurs, Treasurer

Anthony Lucas, Vice President

Attest: _____
Gary F. Peterson, President

PERRY PARK WATER & SANITATION DISTRICT
SUMMARY
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

12/3/25

Section 1

	ACTUAL 2024	BUDGET 2025	ACTUAL 11/30/25	ESTIMATED 2025	ADOPTED 2026
BEGINNING FUNDS AVAILABLE	\$ 5,806,213	\$ 4,784,231	\$ 4,850,061	\$ 4,850,061	\$ 4,804,459
REVENUE					
Capital Improvements Fee Sewer	-	-	-	-	230,760
Capital Improvements Fee Water	671,723	620,000	667,284	682,000	744,000
Development Fees	203,493	215,000	68,592	150,000	150,000
Proceeds From Capital Asset Sale	422,787	-	-	-	-
Property taxes	677,062	679,390	673,211	687,121	657,987
Specific ownership tax	51,468	47,000	48,569	49,000	47,000
Investment income	150,122	168,273	129,801	168,273	168,273
Radium WTP Upgrade fee	-	-	321,593	429,456	858,912
Tap Fees	147,946	155,000	37,346	100,000	100,000
Other Financing Sources	-	12,700,000	-	-	8,250,000
Operating revenue	2,397,747	2,316,500	2,123,001	2,358,700	2,515,000
Total revenue	4,722,348	16,901,163	4,069,398	4,624,550	13,721,932
Total funds available	10,528,561	21,685,394	8,919,459	9,474,611	18,526,391
EXPENDITURES					
Administration expenses	416,760	587,290	442,014	549,365	614,790
Operating expenses	1,619,540	1,885,008	1,591,093	1,772,347	1,898,774
Debt Service	222,930	960,934	25,220	223,440	1,122,601
Capital outlay	3,419,271	10,270,000	1,108,258	2,125,000	11,032,000
Total expenditures	5,678,500	13,703,231	3,166,585	4,670,152	14,668,164
Total expenditures and transfers out requiring appropriation	5,678,500	13,703,231	3,166,585	4,670,152	14,668,164
ENDING FUNDS AVAILABLE	\$ 4,850,061	\$ 7,982,163	\$ 5,752,874	\$ 4,804,459	\$ 3,858,227

PERRY PARK WATER & SANITATION DISTRICT
OPERATIONS FUND
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

	12/3/25 Section 2				
	ACTUAL 2024	BUDGET 2025	ACTUAL 11/30/25	ESTIMATED 2025	ADOPTED 2026
BEGINNING FUND BALANCE	\$ 5,806,213	\$ 4,784,231	\$ 4,850,061	\$ 4,850,061	\$ 4,804,459
REVENUE					
Operating Revenue					
Construction Water Sales	126,477	115,000	91,238	100,000	115,000
Leased Water Sales	132	2,500	-	-	2,500
Other Income, Permit Fees	17,246	17,000	12,744	13,000	10,000
Reimbursements, Feasibility Studies	27,754	50,000	4,443	30,000	50,000
Service Calls	3,750	7,000	3,740	5,700	7,000
Service Late Charges	-	4,500	-	-	-
Sewer Service Fees	1,062,713	1,000,000	1,002,749	1,100,000	1,155,000
Stub Out and Lift Station Fees	3,800	5,500	-	-	5,500
Water Meter Sales	14,250	15,000	6,500	10,000	15,000
Water Service Fees	1,141,624	1,100,000	1,001,588	1,100,000	1,155,000
Non-Operating Revenue					
Capital Improvement Fee Sewer					230,760
Capital Improvement Fee Water	671,723	620,000	667,284	682,000	744,000
Development/Core Fees	203,493	215,000	68,592	150,000	150,000
Interest Earned	150,122	168,273	129,801	168,273	168,273
Proceeds from Capital Asset Sale	422,787	-	-	-	-
Property Tax	677,062	679,390	673,211	687,121	657,987
Radium WTP Upgrade Fee	-	-	321,593	429,456	858,912
Specific Ownership Tax	51,468	47,000	48,569	49,000	47,000
Tap Fees	147,946	155,000	37,346	100,000	100,000
Other Financing Sources					
Certificates of Participation Proceeds		12,700,000	-	-	8,250,000
Total revenue	4,722,348	16,901,163	4,069,398	4,624,550	13,721,932
Total funds available	10,528,561	21,685,394	8,919,459	9,474,611	18,526,391

PERRY PARK WATER & SANITATION DISTRICT
OPERATIONS FUND
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

				12/3/25
				Section 2
ACTUAL 2024	BUDGET 2025	ACTUAL 11/30/25	ESTIMATED 2025	ADOPTED 2026

EXPENDITURES

Administration

Accounting	-	2,000	-	-	2,000
Audit	10,759	12,000	12,275	12,275	14,000
Bank Charges	2,311	4,200	3,501	4,200	4,200
Community Relations	126	3,000	3,870	4,000	40,000
Computer Software & Support	17,972	20,000	14,781	15,000	15,000
Consultants	69,571	100,000	54,528	74,000	100,000
Contract Labor	8,374	50,000	30,580	50,000	50,000
Development/Core Fee Rebate	-	17,700	17,700	17,700	17,700
Director's fees	8,600	10,000	7,775	10,000	10,000
Dues and Subscriptions	6,011	10,000	4,966	5,500	10,000
Election Expense	-	20,000	3,189	-	-
Insurance	59,700	65,000	72,738	74,000	80,000
Legal Fees	42,839	50,000	42,817	50,000	50,000
Miscellaneous Expense	1,669	5,000	3,719	6,000	5,000
Office Supplies and Postage	20,405	21,000	18,514	21,000	21,000
Payroll - Administrative (includes Tax & Benefit	98,279	122,890	69,841	122,890	122,890
Perry Park Water News Letter	9,028	10,000	5,780	10,000	10,000
Perry Park Website Design & Maintenance	8,133	10,000	480	5,000	5,000
Professional Communications	9,263	10,000	9,814	10,000	10,000
Rate Study	-	-	25,993	15,000	-
Repair & Maintenance, Misc.	16,116	20,000	11,544	15,300	20,000
Travel and Education	-	1,000	400	500	1,000
Treasurers' Fees (Douglas County)	10,174	7,500	10,085	11,000	11,000
Utilities - Office	17,429	16,000	17,125	16,000	16,000

CONTINUED:

PERRY PARK WATER & SANITATION DISTRICT
OPERATIONS FUND
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

12/3/25

Section 2

ACTUAL 2024	BUDGET 2025	ACTUAL 11/30/25	ESTIMATED 2025	ADOPTED 2026
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CONTINUED:

Operations

Capital Improvement Plan	68,000	50,000	125,336	90,000	-
Chemical Expense	49,210	58,000	57,992	58,000	58,000
Cyber Security	-	10,000	-	-	-
Feasibility Study Expense & Reimbursements	51,692	60,000	10,516	15,000	20,000
Generator & Cathodic Maintenance	21,293	23,000	138,286	150,000	150,000
Hydrant Repair & Replacement	26,590	26,000	11,481	26,000	26,000
Operations Additional Services	8,483	12,000	3,768	10,000	12,000
Operations Contractor	429,696	438,291	401,764	417,182	447,057
Parts and Minor Equipment Expense	38,599	40,000	20,697	40,000	40,000
Payroll - Operations (including Tax & Benefits)	157,260	146,417	134,902	139,365	146,417
Permits	6,714	7,300	6,443	7,300	7,300
Repair & Maintenance - Infrastructure	128,072	210,000	162,243	200,000	210,000
Risk Mitigation	775	50,000	-	1,000	20,000
Rules and Regulations	69,762	30,000	-	-	30,000
Service Line Locates	2,403	2,000	10,061	10,000	10,000
Sewer Cleaning	37,901	40,000	33,927	33,000	40,000
Sludge Disposal	167,794	170,000	145,400	170,000	170,000
Testing - Water & Sewer	24,190	27,000	18,173	21,000	27,000
Uniforms	-	-	-	-	-
Unscheduled/Emergency Repairs	32,104	200,000	46,578	100,000	200,000
Utilities - Infrastructure	285,748	260,000	240,769	260,000	260,000
Vehicle Expense	2,201	5,000	1,162	2,500	5,000
Water Meter, PRV, Yokes, Rem.	10,696	20,000	21,594	22,000	20,000
Clearing Account (temporary)	358	-	-	-	-

Debt Service

Certificates of Participation - Issuance Costs (2nd)	-	213,000	-	-	241,250
Certificates of Participation - Principal	167,500	173,000	-	173,000	178,500
Certificates of Participation - Interest	55,430	50,440	25,220	50,440	41,917
Certificates of Participation - Principal (2nd)	-	-	-	-	290,000
Certificates of Participation - Interest (2nd)	-	524,494	-	-	370,934
Capital outlay	3,419,271	10,270,000	1,108,258	2,125,000	11,032,000

Total Expenditures

5,678,500	13,703,231	3,166,585	4,670,152	14,668,164
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Total Expenditures and Transfers Out
Requiring Appropriation

5,678,500	13,703,231	3,166,585	4,670,152	14,668,164
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ENDING FUND BALANCE

\$ 4,850,061	\$ 7,982,163	\$ 5,752,874	\$ 4,804,459	\$ 3,858,227
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PERRY PARK WATER & SANITATION DISTRICT
OPERATIONS FUND
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

					12/3/25
					Section 2
	ACTUAL 2024	BUDGET 2025	ACTUAL 11/30/25	ESTIMATED 2025	ADOPTED 2026
EMERGENCY RESERVE	\$ 14,200	\$ 51,900	\$ 57,300	\$ 65,000	\$ 85,700

PERRY PARK WATER & SANITATION DISTRICT
CAPITAL PROJECTS SCHEDULE
2026 BUDGET AS ADOPTED, WITH 2024 ACTUALS AND 2025 ESTIMATED

For the Years Ended and Ending December 31, 2026

12/3/25

Section 3

EXPENDITURES

Capital outlay

Water System

Wells

Arapahoe No. 3					210,000
Dakota Well Replacement	103,618	100,000	2,151	5,000	-
Glen Grove					
Grant Ditch					
Poncho Well	2,353,504	100,000	451,902	800,000	-
West Plum No.2					72,000
Well Improvements - Various	277,373	-	310,287	500,000	-

Water Treatment Plant (WTP)

Sageport WTP (Radium Removal)	7,673	-	139,900	150,000	1,500,000
Glen Grove WTP	91,171	200,000	10,248	40,000	-

Pressure Reducing Valve Vault (PRV)

Tenderfoot PRV

Silverheels PRV

Booster Pump Station (BPS)

Fox Way/Pike Drive BPS

Water Storage Tank

School House Tank

Water Meters	4,196	1,000,000	7,251	25,000	1,250,000
SCADA	160,640	150,000	17,136	50,000	-
GIS (Geographic Information System)	3,178	10,000	3,413	5,000	
Gove Ditch Weir	166,115	10,000	-	-	-

Wastewater Systems

Wastewater Treatment Plant (WWTP)

Sageport WWTP	4,783	4,200,000	10,000	50,000	
Waucondah WWTP	247,021	3,500,000	155,972	500,000	7,000,000

Contingency	-	1,000,000	-	-	1,000,000
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Total expenditures	3,419,271	10,270,000	1,108,258	2,125,000	11,032,000
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Perry Park Water & Sanitation District Systems Report November 2025

Presented by:

Semocor, Inc.

3995 Castlewood Canyon Rd.

Castle Rock CO, 80104

Water Treatment

		Nov.2024	Nov.2025	
Arapahoe	1	0.000	0.000	Emergency use only
Arapahoe	2	1.340	0.000	Normal Operation
Arapahoe	3	5.905	2.951	Normal Operation
Arapahoe	4	0.000	3.777	Normal Operation
Denver	4	0.000	0.000	Normal Operation
Grant Ditch	1	0.000	0.000	Normal Operation
W. Plum	1	0.000	0.000	Normal Operation
W. Plum	2	0.000	0.000	Normal Operation
Glengrove	1	2.773	3.731	Normal Operation
Dakota	1	0.000	0.000	Off line
Dakota	2	0.000	0.000	Normal Operation
Total MG/Month		10.018	10.459	

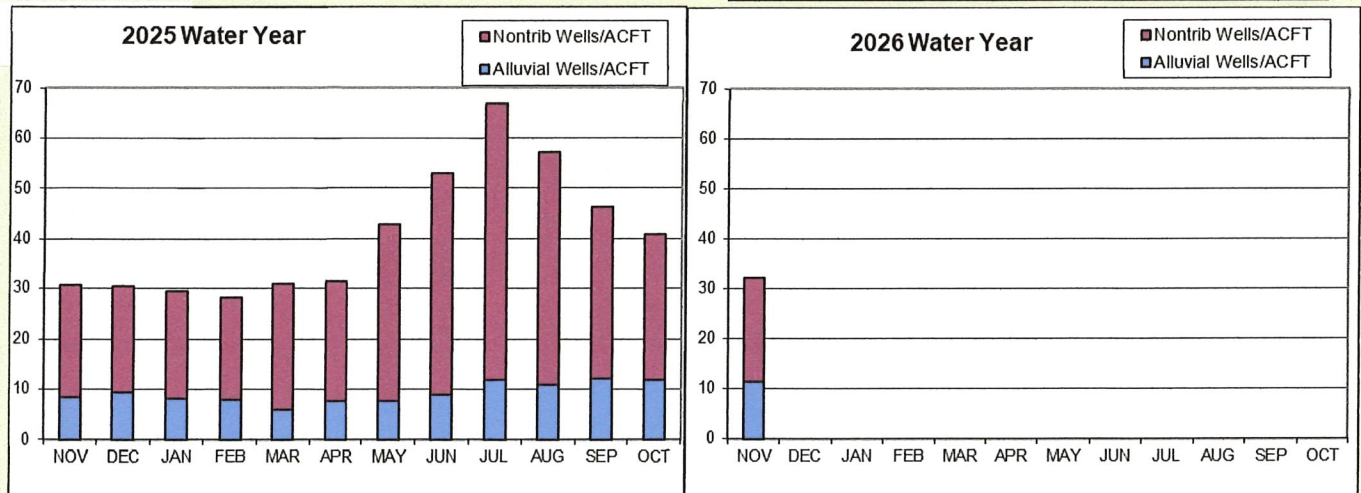
Gallons/day 333,933 348,633 272.08

Monthly Precipitation 2.56 0.10 (PPWSD Reservoir Storage = 0 (acre/feet))

Water YTD Precipitation 2.56 0.10

Total MG/Water Year 10.018 10.459

Water Year is from 11-1-2025 through 10-31-2026



YTD 28% Renewable

YTD 36% Renewable

Glengrove Water Plant – 3,970,000 gallons/month and the Daily Avg. = 41.77%, maximum day demand = 46.83% of capacity. **New valves for high service pumps have been replaced for isolation.**

Sageport Water Plant – 6,714,000 gallons/month and the Daily Avg. = 23.82%, maximum day demand = 31.94% of capacity. **Valve's on the filters needed Scada work completed.**

Distribution System-Nov. 2025

All Water Samples in November are good.

Sageport water

Hog john Pump Station – Normal Operation

East/West Pipeline – Transferred 1.593 MG in normal Operation.

(2026 water YTD transfer is 1.593 MG to the west side.)

Water Tanks – Normal Operation

Tenderfoot PRV – Normal Operation

Silverheels PRV – Normal Operation

Poncha PRV – Normal Operation

N. Pike PRV – Normal Operation

Quartz Mountain PRV – Normal Operation

Independence PRV – Normal Operation

Remuda PRV – Normal Operation

Meter Readings – Submitted 11-30-2025.

Fire Hydrants – Normal Operation

Water Mains – Normal Operation

Miscellaneous

Generators – Normal Operation

Locates – 32

Work Orders – 27

Failed Inspections – 0

Emergency call outs - 1

Non-payment shut off - 0.

Tag hangings (normal work orders) – 0.

Turn off and turn on (normal work orders) – 0.

Final and meter Re-reads – 8

Short notice inspection – 0

Curb-stop valves/meter pit repairs – 0

Meter test – 0

Extra work-

Wastewater Systems

Sewage Treatment— Nov. 2025

Sageport Plant,	Results	Effluent Limits % capacity.	
Flow	.078 MGD	.100 MGD	78.0%
BOD	2 mg/L	30 mg/l	
TSS	10 mg/L	30 mg/l	
pH	6.8 – 7.3	6.5 – 9.0	
Phosphorous	0.39 mg/l	1.0 mg/l	
E-Coli	15/100 ml	419/100 ml	
Ammonia	11.9 mg/l	12 mg/l	
Total Inorganic Nitrogen	29.2 mg/l	23 mg/l	
Sludge hauled	13,000 gallons	NA	

Operation – *RBC #2 needs new bearings and bearings are on site we will need a crane working on bids.*

Waucondah Plant,	Results	Effluent Limits % capacity.	
Flow	.168 MGD	.320 MGD	52.5%
BOD	3 mg/L	30 mg/l	
TSS	11 mg/L	30 mg/l	
pH	6.8 -7.2	6.5 - 9.0	
Phosphorous	0.45 mg/l	1.0 mg/l	
E-Coli	17/100 ml	224/100 ml	
Ammonia	0.19 mg/l	12.6 mg/l	
Sludge hauled	24,000 gallons	NA	

Operation-

Collection System

Red Rock Lift Station – Normal Operation

Bannock Lift Station – Normal Operation

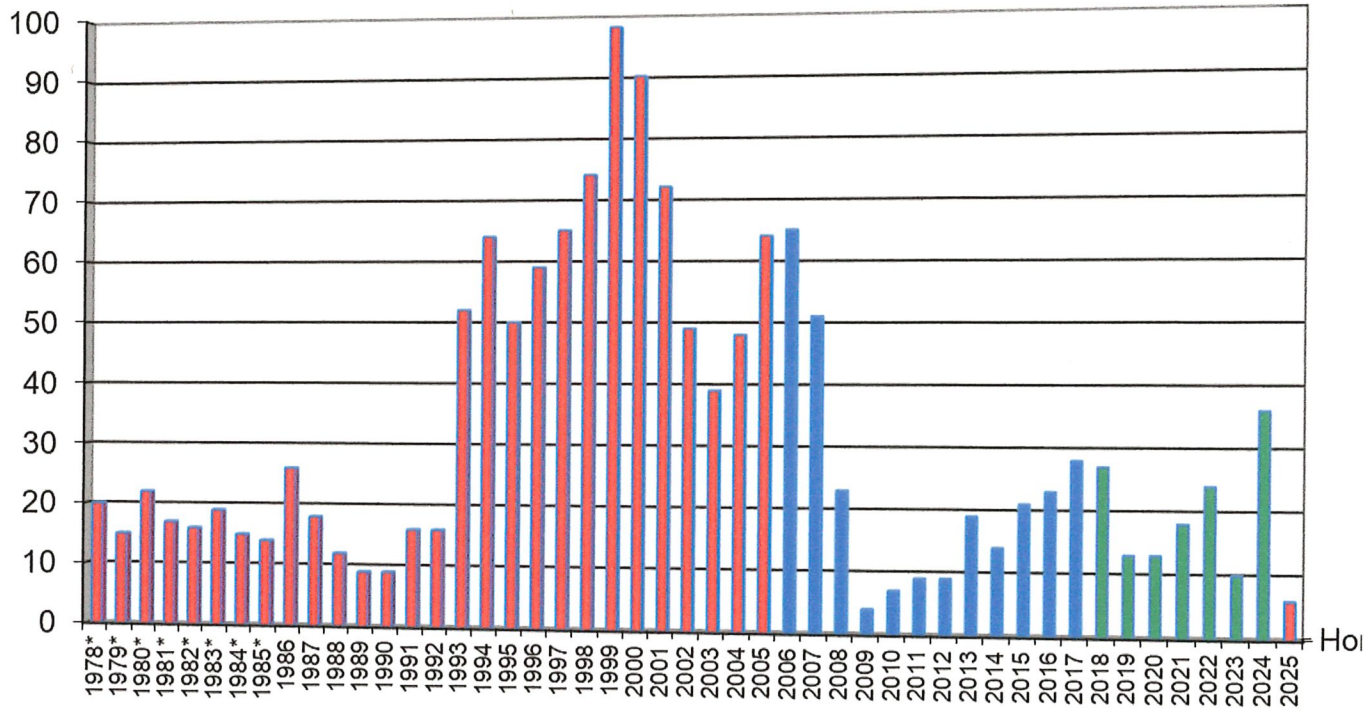
Boreas Lift Station – Normal Operation

Sewer Mains – Normal Operation

Nov-25

<u>Taps</u>	West Side: 888		East Side: 688	
	<u>Water & Septic</u>	<u>Water & Sewer</u>	<u>Water & Septic</u>	<u>Water & Sewer</u>
New	0	0	0	0
Total	33	855	264	424
Total Water Taps 1576				
Total Sewer Taps 1279				
Total Septic Systems 297				
YTD Homes thru 11-30-2025				

Homes Permitted 1978 - 2005 / Homes tapped in 2006 - 2025



GMS, INC.
CONSULTING ENGINEERS
611 NORTH WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903-1074

TELEPHONE (719) 475-2935
TELEFAX (719) 475-2938

EDWARD D. MEYER, P.E.
ROGER J. SAMS, P.E.
JASON D. MEYER, P.E.
DAVID R. FRISCH, P.L.S.

THOMAS A. McCLENNAN, P.E.
MARK A. MORTON, P.E.
KEN L. WHITE, P.L.S.

MEMORANDUM VIA EMAIL

TO: Ms. Diana Miller, District Manager
Board of Directors
Perry Park Water and Sanitation District

DATE: July 8, 2025
UPDATED: August 19, 2025

FROM: Mr. Mark A. Morton, P.E.
GMS, Inc., Consulting Engineers

RE: Waucondah WWTF Improvements – Phase 2
Bid Negotiations

GMS, Inc. has prepared this correspondence to summarize our initial negotiation efforts with the low bidder since the bid opening of this project on June 26, 2024. Of the three bids received, the low bidder was Moltz Construction, Inc. (MCI) with a base bid total of \$6,496,000 and an additive alternate cost of \$510,000. With the bids coming in higher than expected, we wanted to collaborate with the low bidder to see if there were any areas of savings that could be identified to lower the construction cost of the project. Generally speaking, the purpose of negotiating with the low bidder was threefold: advocate for the District to reduce costs as much as possible, identify the specific areas where cost savings could be realized to evaluate the pros and cons of those options, vet the bid costs for reasonable pricing. After initial negotiations with MCI, we have identified areas that could be considered to reduce the total construction cost. These items are presented below, along with a rough cost savings estimate and list of pros and cons for each item for the District to consider. The color coding of the dollar amounts presents a prioritization of the options to be considered by the District: **green is priority 1 with high benefit and/or low negative impacts, blue is priority 2 with less benefit and/or more negative impacts, red is priority 3 which is not feasible or has high negative impacts.**

1. Raise digester and sludge holding tanks higher out of the ground.
 - a. Estimated cost savings = \$0 – upon further evaluations, tanks cannot be raised any more than currently shown
 - b. Pros: Reduce excavation, shoring and dewatering costs
 - c. Cons: Site aesthetics decline with tanks higher above the ground; higher head requirements for primary sludge and waste activated sludge pumping equipment
2. Lower the blower building ceiling height by two feet
 - a. Estimated cost savings = \$negligible
 - b. Pros: Reduce material and labor costs for framing, drywall, painting and siding; Reduce door costs by converting overhead door to double door and deleting one man door
 - c. Cons: Double door becomes main entry door to blower room and is not as wide as overhead door for major equipment removal

3. Remove the blower master control panel and allow blower local control panels to communicate to the digester control panel
 - a. Estimated cost savings = \$31,000 for master panel, but additional costs for integrator to incorporate blowers into Digester Master Control Panel are unknown at this time and may offset most of the savings
 - b. Pros: Save cost of fabricating Blower Master Control Panel
 - c. Cons: Local control panel at each blower will need to communicate with Digester Master Control Panel for basic alarm monitoring only; adding the Blower Master Control Panel, or expanding the Digester Master Control Panel, will be needed for migration to automated control of blowers in the future
4. Utilize excavated material for Class C pipe bedding
 - a. Estimated cost savings = \$14,000
 - b. Pros: Save costs for importing bedding material
 - c. Cons: Minor screening of excavated material required for use as bedding
5. Install asphalt pavement surfacing for replacement of access roadway in lieu of concrete pavement surfacing
 - a. Estimated cost savings = \$30,000 for 8" asphalt, \$53,000 for 6" asphalt, \$64,000 for 6" millings
 - b. Pros: Reduce initial pavement replacement costs
 - c. Cons: Asphalt will not last as long as concrete with regular truck traffic, turning movements of heavy truck traffic will degrade asphalt quickly, crane for RBC repairs would damage asphalt; more maintenance and repairs will be needed, initial cost savings may be less than long term maintenance, repairs and replacement costs
6. Install gravel surfacing for replacement of parking area in lieu of asphalt millings surfacing
 - a. Estimated cost savings = \$negligible
 - b. Pros: Save on cost of materials
 - c. Cons: Gravel is less stable, more maintenance required and less operator friendly
7. Raise the bottom of the WAS lift station vault or relocate vault next to cast-in-place sludge tank
 - a. Estimated cost savings = \$30,000
 - b. Pros: Reduce excavation, shoring and dewatering costs
 - c. Cons: Potential to reduce effectiveness of sludge removal; unless pump type is changed the new WAS pumps can no longer be used to drain secondary clarifier tank, need another submersible pump in clarifier to dewater the tank and perform maintenance; need to add air relief valves in vault piping
8. Collapse and fill in the existing below-grade steel digester tanks in lieu of complete removal
 - a. Estimated cost savings = \$46,000
 - b. Pros: Save demolition costs
 - c. Cons: Likely have more settlement issues over time; steel tank and materials would still be left in the ground and buried, unknown impact to Bear Creek; all buried items would have to be excavated and removed if the area was ever used for construction in the future
9. Consider cheaper tank cover systems
 - a. Estimated cost savings = \$100,000 (waiting for supplier confirmation) for Alt FRP, \$200,000 for cast-in-place lids, \$100,000 for precast concrete planks (waiting for supplier confirmation) **UPDATE: additional \$75,000 savings for precast concrete planks**
 - b. Pros: Save material costs
 - c. Cons: Potential for reduced life span for alternate FRP covers; difficult to remove precast concrete planks to access equipment; no removal possible for cast-in-place concrete lids to access equipment; alternate FRP covers not as air-tight as specified system for containment of air/gas/odors; if odor control equipment is needed in the

future, air leakage through alternate FRP covers would not be directed into the odor control system

10. Relocate new transformer and switchgear
 - a. Estimated cost savings = **\$15,000**
 - b. Pros: Save shoring costs
 - c. Cons: Electrical gear locations have been scrutinized and set for best site accessibility, relocation would compromise accessibility; **consider using excavated material to fill areas as needed to eliminate shoring requirements for current locations**
11. Anticipated spoil material disposal on District property to north
 - a. Estimated cost = **\$24,800**
 - b. Pros: Save costs for longer hauling routes to alternate site
 - c. Cons: Overexcavation is required for stabilization materials below tank slabs
12. Delete payment and performance bonds
 - a. Estimated cost savings = **\$45,000**
 - b. Pros: Save bonding costs
 - c. Cons: Potential exposure to claims from subcontractors or suppliers, potential liability for completion of unfinished or inadequate work
13. Delete lightning protection system at digester tanks and blower building
 - a. Estimated cost savings = **\$33,000**
 - b. Pros: Save material and equipment costs
 - c. Cons: Potential exposure to lightning strikes damaging equipment, electrical gear and instrumentation
14. Reduce lighting at digester tanks
 - a. Estimated cost = **\$5,000**
 - b. Pros: Save material costs
 - c. Cons: Reduces visibility during nighttime hours, potential safety issues and need for auxiliary lighting for operators
15. Delete manual transfer switch from generator equipment package
 - a. Estimated cost = **\$13,000**
 - b. Pros: Save material costs
 - c. Cons: Removes flexibility for maintenance or repair and ability to connect mobile generator in case of generator failure; NEC requirements mandate the manual transfer switch
16. Delete smoke detectors in blower building
 - a. Estimated cost savings = **\$4,500**
 - b. Pros: Save material costs
 - c. Cons: Removes warnings for fire in Blower Building, potential safety and equipment protection concerns
17. Potential instrumentation and control changes (need further refinement for total scope)
 - a. Estimated cost savings = **\$41,000**
 - b. Pros: Save material, equipment and programming costs
 - c. Cons: Potentially remove flexibility or ease of automation in the future, need to further define potential changes proposed with integrator

Priority 1 total savings = **\$176,200**

Priority 2 total savings = **\$76,000**

Priority 1+2 total savings = **\$252,200**

UPDATE for additional savings for precast concrete plank covers

Priority 1 total savings = **\$251,200**

Priority 2 total savings = **\$76,000**

Priority 1+2 total savings = **\$327,200 >> basis for Change Order No. 1**

The above items are presented for the District's consideration and discussion. The project design was aimed at minimizing costs while still providing systems that function properly and can be operated with ease and flexibility. In discussing the bid costs with MCI, it was apparent that their pricing was reasonable and did not include overinflated costs for the bid items. They were helpful in the negotiating process and willing to work with us to brainstorm and investigate all possible options for cost savings. Because the project design and the bid were both lean from the start, more significant cost reduction is not possible without drastically changing the project scope or removing large scope items all together. As the pros and cons given above are brief summarized points, we are happy to discuss any of these items, or additional items, in greater detail. If certain items from above are selected by the District to pursue, we will coordinate with MCI to refine the scope of the changes and the associated cost savings for eventual inclusion in a change order to the project to lower the total construction cost.

CHANGE ORDER

Order No: One (1)

Date: December 10, 2025

Agreement Date: August 21, 2025

Name of Project: Waucondah Wastewater Treatment Facility Improvements - Phase 2
(Base Bid Schedule and the Additive Alternate along with Change Order No. One (1) for cost savings.)

Owner: Perry Park Water and Sanitation District

Contractor: Moltz Construction Inc.

The following changes are hereby made to the CONTRACT DOCUMENTS: See attached.

Justification: Adjustments to original bid quantities and scope of work to reduce the total construction cost. See attached documents for detailed descriptions.

Change to CONTRACT PRICE:

Original CONTRACT PRICE: \$ 7,006,000.00

Current CONTRACT PRICE adjusted by previous CHANGE ORDER: \$ 7,006,000.00

The CONTRACT PRICE due to this CHANGE ORDER will be DECREASED: \$ (268,800.00)

The new CONTRACT PRICE including this CHANGE ORDER will be: \$ 6,737,200.00

Change to CONTRACT TIME:

The CONTRACT TIME will be UNCHANGED.

The date for completion of all work will be March 9, 2027.

Approvals Required:

To be effective this Order may require approval from the District's funding support agency if it changes the scope or objective of the PROJECT, or as may otherwise be required by the SUPPLEMENT GENERAL CONDITIONS.

Requested by: _____

Recommended by: _____ GMS, Inc., Consulting Engineers

Ordered by: _____

Accepted by: _____

Funding Support Agency Approval (where applicable): _____

CHANGE ORDER NO. ONE (1)
Waucondah Wastewater Treatment Facility Improvements - Phase 2
 (Base Bid Schedule and the Additive Alternate
 along with Change Order No. One (1) for cost savings.)
 Owner: Perry Park Water and Sanitation District
 Contractor: Moltz Construction Inc.
 Engineer: GMS, Inc., Consulting Engineers

A. QUANTITY ADJUSTMENTS

Bid Item No.	Description	Quantity	Unit	Unit Price	Total
Base Bid Schedule:					
3.	Site work for the new facilities throughout the WWTF	(0.16644295)	LS	\$149,000.00	(\$24,800.00)
5.	Installation of the new blower building				
d.	All electrical systems of the blower building	(0.05694761)	LS	\$439,000.00	(\$25,000.00)
6.	Precast concrete waste activated sludge (WAS) pumping vault	(0.06038647)	LS	\$414,000.00	(\$25,000.00)
7.	Process yard piping				
a.	6" unlined ductile iron process air piping (pressure piping)	(0.15909091)	LS	\$88,000.00	(\$14,000.00)
12.	Demolition of the existing building and equipment	(0.27027027)	LS	\$74,000.00	(\$20,000.00)
Total Base Bid Schedule Quantity Adjustments:					(\$108,800.00)
Additive Alternate:					
1.	Installation of the cover system on the aerobic digester process tanks	(0.31372549)	LS	\$510,000.00	(\$160,000.00)
Total Additive Alternate:					(\$160,000.00)
TOTAL QUANTITY ADJUSTMENTS:					(\$268,800.00)

B. ADDITIONAL WORK

No.	Description	Quantity	Unit	Unit Price	Total
1.	None in this Change Order		LS		\$0.00
2.			LS		\$0.00
3.			LS		\$0.00
4.			LS		\$0.00
Total Additional Work:					\$0.00

TOTAL CHANGE ORDER NO. ONE (1): **(\$268,800.00)**

Moltz Construction, Inc.



PROPOSED CHANGE ORDER	001	ROUTING	DATE SENT	DATE RECEIVED
OWNER: Perry Park Water & Sanitation District		Contractor/ Owner	December 5, 2025	
PROJECT: Waucondah WWTF Improvements Phase 2		Engineer/ Owner		
CONTRACTOR / SUBCONTRACTOR: Moltz Construction		REQUESTED RESPONSE DATE	December 12, 2025	
Construction Package or Proposal #: n/a				

CONTRACTOR REQUEST

The following changes to the contract are being considered:

The following changes to the contract are being considered: VE Ideas for lowering the cost of the original bid as stated in contract documents. Please see items 1-17 on the included table for descriptions of VE items included in this deduction. An additional amount from the I&C contractor will be considered after the final NTP after approval of owner & operator regarding the changes.

☐ This change is associated with a Work Change Directive (WCD), Proposal Request (PR) or Change Order (CO)

☐ Have submitted quotation for performing change

☒ Other: This Change Order is to reconcile the VE ideas presented and included in the Notice of Award.

Requested Change Value: \$ (268,800.00)

Requested Additional Contract Time days

	<u>Costs</u> <u>(Dollars)</u>	<u>Time</u> <u>(Days)</u>
<input type="checkbox"/> Add	<u>\$0.00</u>	<u>0</u>
<input checked="" type="checkbox"/> Deduct	<u>-\$268,800.00</u>	<u> </u>

Submitted by: Digitally signed by Casey Reymann
DN: cn=Casey Reymann, ou=Moltz, ou=USA,
ou=Graham USA, DC=Graham, DC=local
Date: 2025.12.05 14:01:34-0700

Approved by: _____

Date: 12/05/2025

Date: _____

NOTES:

Value Engineering Change Order Determination

Sequence # from NOA	Value Engineering Description	Acceptable Change?	Original ROM Value	Actual Value	Comments
1	Raise Digester & Holding Tank	No	N/A	N/A	See pros/cons from NOA memorandum.
2	Lower Building Ceiling Height	No	N/A	N/A	See pros/cons from NOA memorandum.
3	Remove Master Control Panel from Blowers	Yes	\$ 31,000.00	\$ 25,000.00	Utilizing Aerzen for blower supply in place of Atlas Copco for better lead times in order to meet schedule. Aerzen is also believed to be the superior product and customer service provider. Their number was slightly lower. Additional programming may be required.
4	Utilize excavated material for Class C Pipe Bedding	Yes	\$ 14,000.00	\$ 14,000.00	See pros/cons from NOA memorandum.
5	Asphalt in Place of Exterior Concrete flatwork	No	N/A	N/A	See pros/cons from NOA memorandum.
6	Gravel in Lieu of Millings for Parking Area	No	N/A	N/A	See pros/cons from NOA memorandum.
7	Raise WAS Lift Station	Yes	\$ 30,000.00	\$ 25,000.00	Received preliminary design. Still need final design. Original ROM didn't consider additional electrical & HVAC components. This assumes 10x10 concrete foundation (per Sam's email on 10/30/25), standard tuff shed, 3" self-priming WEMCO pumps, minimal interior finishes, and basic HVAC (EUH). No additional permitting included.
8	Collapse & Fill in Steel Digester Tank in Lieu of Complete Removal	?	\$ 46,000.00	\$ 20,000.00	This number will allow us to demo all of the equipment and above grade structure and dispose of materials. Also, wash down tank and fill with existing spoils. We made a mistake in the original VE value.
9	Cheaper Tank Cover System- Precast Concrete Lid	Yes	\$ 175,000.00	\$ 160,000.00	Original ROM didn't consider the additional caulking requirements or embeds for all of the precast panels.
10	Relocate new XFMR & Switchgear	No	\$ 15,000.00	N/A	This item was for the shoring of the electrical gear, and was included in the #08 deduct if taken. Kept separate in case #8 was not acceptable but gear could be relocated to avoid shoring still.
11	Spoil Material to District Property	Yes	\$ 24,800.00	\$ 24,800.00	See pros/cons from NOA memorandum.
12	Delete P&P Bonds	No	N/A	N/A	See pros/cons from NOA memorandum.
13	Delete Lightning Protection	No	N/A	N/A	See pros/cons from NOA memorandum.
14	Reduce Lighting at Digester Tanks	No	N/A	N/A	See pros/cons from NOA memorandum.
15	Delete MTS from Generator	No	N/A	N/A	See pros/cons from NOA memorandum.
16	Delete Smoke Detectors in Blower Building	No	N/A	N/A	See pros/cons from NOA memorandum.
17	Potential I&C Changes	Yes	\$ 41,000.00	?	Needs controls meeting to discuss changes in conjunction with blower MCP deletion. This will need to take place after contracts are in place, then final value can be determined.
Total			\$ 376,800.00	\$ 268,800.00	Additional value of #17 (\$41,000) are TBD during construction.
Current Contract Value				\$ 7,006,000.00	
New Contract Value				\$ 6,737,200.00	

**Memo referenced in
Initial Notice to Proceed
and Final Notice to
Proceed**

THOMAS A. MOOLERNAN, P.E.
MARK A. MORTON, P.E.
KEN L. WHITE, P.L.B.

[illegible]

FINAL NOTICE TO PROCEED

TO: Mr. Cole Philips, Southern Division Manager

DATE: December 5, 2025

Moltz Construction Inc.

PROJECT: Waucondah Wastewater

8807 CR 175

Treatment Facility Improvements - Phase 2

Salida, CO 81201

(Base Bid Schedule and the Additive Alternate along with Change Order No. One (1) for cost savings to be incorporated into the project based on the Notice of Award and attached Memorandum dated October 1, 2025)

You are hereby notified to commence WORK in accordance with the Agreement dated August 21, 2025, on or before December 15, 2025 and you are to complete the WORK within forty hundred fifty (450) consecutive calendar days thereafter. The date of completion of all WORK is therefore March 9, 2027.

Perry Park Water and Sanitation District
Owner

By _____

Title _____ President _____

ACCEPTANCE OF NOTICE

Receipt of the above **NOTICE TO PROCEED**
is hereby acknowledged by

Moltz Construction Inc.

this the _____ day

of _____, 2025.

By: _____

Title: _____



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
perryparkwsd.colorado.gov

Monthly Staff Report – December 10, 2025

For Your Information:

Attached is the Permit Applications report.

Attached is the Monthly Residential and Commercial Customer Consumption report.

Attached is the Waucondah Wastewater Treatment Plant – Electrical/Odor Related Expenses Summary Report for 2020, 2021, 2022, 2023, 2024 and 2025.

Attached is the Month End Cash Balances report.

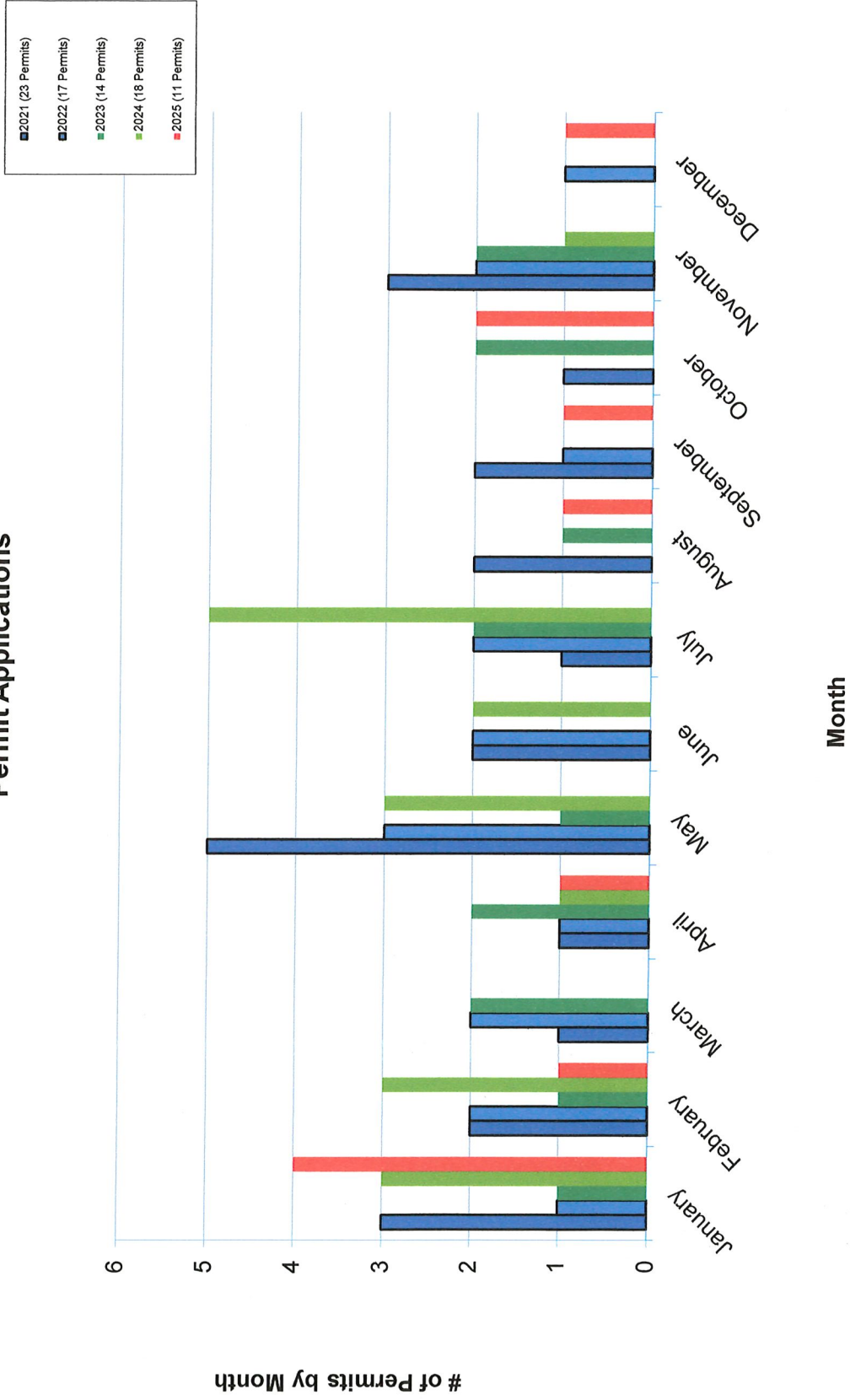
Attached is the Capital Improvement Projects report.

Attached is the YTD Revenue Budget report.

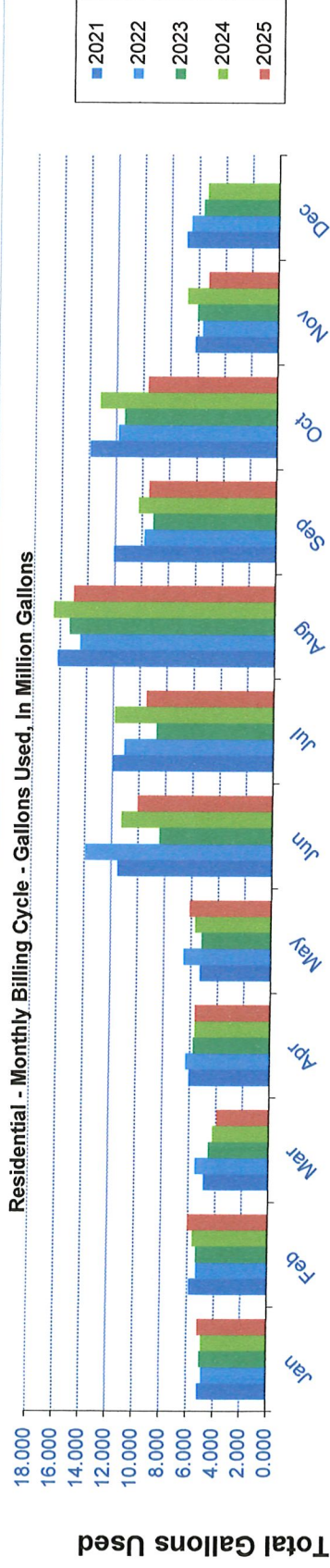
Attached is the YTD Expense Budget report.

Attached is the Radium Removal Funds report.

Permit Applications



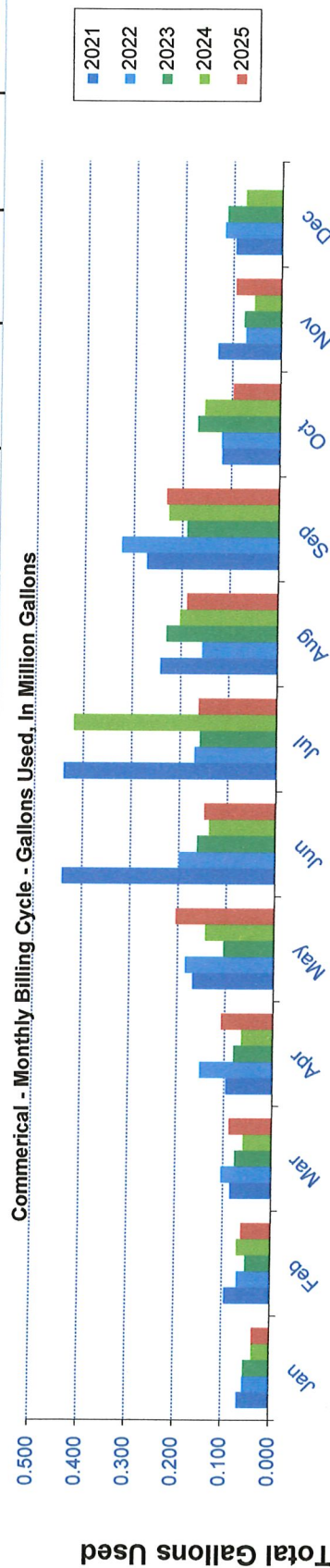
Residential - Monthly Billing Cycle - Gallons Used, In Million Gallons



Residential-MGD		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Average Usage		0.007	0.007	0.006	0.007	0.009	0.012	0.013	0.017	0.013	0.011	0.008	0.000
Total Usage		5.185	6.023	3.924	5.648	6.095	10.047	9.490	15.002	9.487	9.625	5.243	0.000
Residential Customers in Rate Ranges													
Gallons		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25

0 - 10000	568	713	637	725	525	500	403	400	385	542	559		
10001 - 33000	135	139	63	121	172	314	243	346	269	283	123		
33001 - 66000	1	4	3	1	5	40	52	95	44	30	7		
66001 - 133000	1	1		2	1	5	6	18	5	4	2		
133001 - 9999999					1	1	1	2	1	1	1		

Commercial - Monthly Billing Cycle - Gallons Used, In Million Gallons



Commercial-MGD		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Average Usage		0.010	0.006	0.009	0.011	0.020	0.002	0.016	0.019	0.023	0.010	0.009	0.000
Total Usage		0.037	0.061	0.088	0.107	0.204	0.147	0.161	0.188	0.232	0.097	0.094	0.000
Commercial Customers in Rate Ranges													
Gallons		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25

0 - 9000	6	7	6	6	4	5	4	4	4	3	6	6	
9001 - 45000	4	3	4	4	6	4	5	5	5	7	4	4	
45001 - 100000						1	1	1	1				
100001 - 200000													
200001 - 9999999													

Perry Park Water and Sanitation District
Waucondah Wastewater Treatment Plant - Electrical/Odor Related Expenses

Category	Task	Amount
Summary of 2020 Expenses		
	Engineering - Analysis and Evaluation Costs to Date	\$89,154.71
	Power Related Equipment Replacement Costs to Date	\$18,650.53
	Electrical Equipment Maintenance Costs to Date	\$13,351.00
	Other Equipment Maintenance Costs to Date	\$23,576.69
	Odor Control Costs to Date	\$12,372.80
	Total Expenses 2020	\$157,105.73
Summary of 2021 Expenses		
	Engineering - Analysis and Evaluation Costs to Date	\$20,612.00
	Power Related Equipment Replacement Costs to Date	\$4,028.78
	Electrical Equipment Maintenance Costs to Date	\$9,651.89
	Other Equipment Maintenance Costs to Date	\$2,094.00
	Odor Control Costs to Date	\$8,645.24
	Immediate Needs Plant Improvements	\$174,895.65
	Long Term Design - Engineering	\$677.20
	Total Expenses 2021	\$220,604.76
Summary of 2022 Expenses		
	Electrical Equipment Maintenance Costs to Date	\$6,455.00
	Other Equipment Maintenance Costs to Date	\$2,845.90
	Odor Control Costs to Date	\$0.00
	Immediate Needs Plant Improvements	\$145,341.78
	Long Term Design - Engineering	\$59,766.89
	Total Expenses 2022	\$214,409.57

Perry Park Water and Sanitation District
Waucondah Wastewater Treatment Plant - Electrical/Odor Related Expenses

Summary of 2023 Expenses		
	Electrical Equipment Maintenance Costs to Date	\$4,395.00
	Other Equipment Maintenance Costs to Date	\$131,022.51
	Long Term Design - Engineering	\$190,886.60
	Total Expenses 2023	\$326,304.11
Summary of 2024 Expenses		
	Long Term Design - Engineering & Associated Expenses	\$162,206.12
	Total Expenses 2024	\$162,206.12
Summary of 2025 Expenses		
	Electrical Equipment Maintenance Costs to Date	\$9,291.88
	Long Term Design - Engineering & Associated Expenses	\$146,679.72
	Total Expenses 2025	\$155,971.60
	Total 2020 2021 2022 2023 2024 and 2025 Expenses	\$1,236,601.89



Perry Park Water and Sanitation District
November Month End Cash Balances

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Date Printed: 12/4/2025

	Beginning Balance	Month to Date Deposits	Month to Date Withdrawals	Ending Balance
1st Bank - Checking Account	\$1,571.45	\$5,000.00	\$1,798.65	\$4,772.80
1st Bank - Checking Auto Teller	\$390,907.69	\$215,583.05	\$316,410.08	\$290,080.66
Wells Fargo Checking-Gen Fund	\$1,870,952.70	\$121,374.48	\$20,648.41	\$1,971,678.77
COLOTRUST - Savings-Gen Fund	\$3,310,671.50	\$17,911.50	\$0.00	\$3,328,583.00
CSAFE - Investment Pool	\$139,266.85	\$462.81	\$0.00	\$139,729.66
CommBank-PublicFunds MoneyMkt	\$264,575.35	\$500.15	\$0.00	\$265,075.50
	\$5,977,945.54	\$360,831.99	\$338,857.14	\$5,999,920.39



Perry Park Water and Sanitation District **November Capital Improvement Projects**

	Beginning Balance	Month to Date Expenditures	Ending Balance
Waucondah WWTP Improvements	\$1,045,302.74	\$12,064.56	\$1,057,367.30
Sageport WWTP Improvements	\$132,231.10	\$0.00	\$132,231.10
Sageport WWTP Imprv-2018-2019	\$6,494.10	\$0.00	\$6,494.10
Sageport WTP Improv-2018-2025	\$5,146.00	\$0.00	\$5,146.00
Sageport WTP Media Replacement	\$7,922.50	\$0.00	\$7,922.50
Sageport WTP - Radium Removal	\$127,276.20	\$20,347.80	\$147,624.00
GIS - 2018 - 2019 - 2020	\$3,412.50	\$0.00	\$3,412.50
Well Rehabilitation-2017&2025	\$14,464.56	\$0.00	\$14,464.56
Well Electrical Improvements	\$90,892.78	\$0.00	\$90,892.78
Water System SCADA/Automation	\$4,067.63	\$0.00	\$4,067.63
Well Capacity-Poncho Well	\$2,817,849.76	\$56,610.20	\$2,874,459.96
Water Meter - Smart Meter	\$10,272.80	\$1,175.00	\$11,447.80
Well Improvements/Replacement	\$573,195.00	\$0.00	\$573,195.00
Dakota Well Replacement	\$2,151.38	\$0.00	\$2,151.38
Glen Grove WTP Upgrades	\$137,835.89	\$0.00	\$137,835.89



**Perry Park Water and Sanitation District
November Capital Improvement Projects**

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Date Printed: 12/4/2025

	Beginning Balance	Month to Date Expenditures	Ending Balance
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Glen Grove WTP Clear Well-2013	\$20,495.46	\$0.00	\$20,495.46
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	\$4,999,010.40	\$90,197.56	\$5,089,207.96
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Perry Park Water and Sanitation District
November YTD Revenue Budget

Revenue	2025 Monthly Revenue	2024 Monthly Revenue	2025 YTD Budget	2025 YTD Revenue	2025 Actuals vs. Budget	Annual Adopted Budget
Property Tax	\$2,389	\$1,657	\$672,596	\$673,211	\$614	\$679,390
Specific Ownership Tax	\$4,877	\$4,595	\$43,240	\$48,569	\$5,329	\$47,000
Water Service Fees	\$67,228	\$77,137	\$1,023,000	\$1,001,588	(\$21,412)	\$1,100,000
Sewer Service Fees	\$94,906	\$96,911	\$920,000	\$1,002,749	\$82,749	\$1,000,000
Capital Improvement Fee	\$60,143	\$51,223	\$564,200	\$667,284	\$103,084	\$620,000
Radium WTP Upgrade Fee	\$63,984	\$0	\$0	\$321,594	\$321,594	\$0
Service Calls	\$350	\$150	\$6,720	\$3,740	(\$2,980)	\$7,000
Construction Water Sales	\$262	\$13,260	\$102,350	\$91,238	(\$11,112)	\$115,000
Leased Water Sales	\$0	\$0	\$2,500	\$0	(\$2,500)	\$2,500
Water Meter Sales	\$0	\$2,250	\$15,000	\$6,500	(\$8,500)	\$15,000
Water Stub Out Fee	\$0	\$0	\$2,250	\$0	(\$2,250)	\$2,250
Sewer Stub Out Fee	\$0	\$0	\$2,250	\$0	(\$2,250)	\$2,250
Sewer Lift Station Fee	\$0	\$500	\$1,000	\$0	(\$1,000)	\$1,000
Water Tap Fee	\$0	\$11,729	\$55,000	\$29,760	(\$25,240)	\$55,000
Sewer Tap Fee	\$0	\$0	\$100,000	\$7,586	(\$92,414)	\$100,000
Water Development/Core Fee	\$0	\$25,122	\$115,000	\$51,900	(\$63,100)	\$115,000
Sewer Development/Core Fee	\$0	\$8,346	\$100,000	\$16,692	(\$83,308)	\$100,000
Permit Fees	\$0	\$150	\$3,700	\$1,800	(\$1,900)	\$4,000
Other Income	\$0	\$500	\$12,800	\$10,944	(\$1,856)	\$13,000
Proceeds From Sale Cap Asset	\$0	\$0	\$0	\$0	\$0	\$0
Feasibility Study Deposits	\$0	\$0	\$10,000	\$0	(\$10,000)	\$10,000
Services Provided Reimburse	\$0	\$0	\$40,000	\$4,443	(\$35,557)	\$40,000
Interest Earned	\$11,646	\$8,734	\$156,494	\$129,801	(\$26,693)	\$168,273
Total Revenue	\$305,786	\$302,264	\$3,948,100	\$4,069,398	\$121,298	\$4,196,663



**Perry Park Water and Sanitation District
November YTD Expense Budget**

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Date Printed: 12/4/2025

Expenses

	2025 Monthly Expenses	2024 Monthly Expenses	2025 YTD Budget	2025 YTD Expenses	2025 Budget vs. Actuals	Annual Adopted Budget
Audit	\$0	\$0	\$12,000	\$12,275	(\$275)	\$12,000
Bank Charges	\$489	\$226	\$3,864	\$3,501	\$363	\$4,200
Community Relations	\$0	\$0	\$3,000	\$3,870	(\$870)	\$3,000
Perry Park Water News Letter	\$0	\$100	\$10,000	\$5,780	\$4,220	\$10,000
Professional Communications	\$0	\$5,025	\$10,000	\$9,814	\$186	\$10,000
PPWSD Website Maint&Security	\$0	\$0	\$10,000	\$480	\$9,520	\$10,000
Consultants	\$2,881	\$6,408	\$93,000	\$54,528	\$38,472	\$100,000
Contract Labor	\$1,932	\$2,570	\$46,000	\$30,580	\$15,420	\$50,000
Depreciation Expense	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation-Gen & Admin	\$0	\$0	\$0	\$0	\$0	\$0
Director's Fees	\$975	\$1,000	\$9,400	\$7,775	\$1,625	\$10,000
Dues and Subscriptions	\$0	\$0	\$9,600	\$4,966	\$4,634	\$10,000
Election Expense	\$0	\$0	\$20,000	\$3,189	\$16,811	\$20,000
Insurance	\$689	\$557	\$65,000	\$72,738	(\$7,738)	\$65,000
Legal Fees	\$44	\$0	\$43,500	\$42,817	\$684	\$50,000
Miscellaneous Expense	\$110	\$0	\$3,450	\$3,719	(\$269)	\$5,000
Office Supplies and Postage	\$463	\$2,090	\$18,270	\$18,514	(\$244)	\$21,000
Payroll - Administrative	\$4,310	\$4,226	\$60,800	\$51,679	\$9,121	\$65,000
Payroll Tax & Benefits-Admin.	\$1,579	\$1,496	\$52,680	\$18,161	\$34,519	\$57,890



Perry Park Water and Sanitation District
November YTD Expense Budget

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Date Printed: 12/4/2025

Expenses

	2025 Monthly Expenses	2024 Monthly Expenses	2025 YTD Budget	2025 YTD Expenses	2025 Budget vs. Actuals	Annual Adopted Budget
Rate Study	\$5,523	\$0	\$0	\$25,993	(\$25,993)	\$0
Repair & Maintenance, Misc.	\$673	\$987	\$18,800	\$11,544	\$7,256	\$20,000
Travel and Education	\$0	\$0	\$1,000	\$400	\$600	\$1,000
Treasurers' Fees-Douglas Cnty	\$38	\$26	\$7,425	\$10,085	(\$2,660)	\$7,500
Lease Purchase Interest Paymnt	\$0	\$0	\$25,220	\$25,220	\$0	\$50,440
Utilities - Office	\$1,654	\$1,546	\$14,720	\$17,125	(\$2,405)	\$16,000
Capital Improvements Plan	\$48,000	\$0	\$50,000	\$125,336	(\$75,336)	\$50,000
Chemical Expense - Water	\$2,715	\$2,042	\$18,480	\$22,443	(\$3,963)	\$21,000
Chemical Expense - Sewer	\$0	\$0	\$33,300	\$35,549	(\$2,249)	\$37,000
Computer Software & Support	\$10,823	\$10,800	\$14,200	\$14,781	(\$581)	\$20,000
Development / Core Fee Rebate	\$0	\$11,800	\$11,800	\$17,700	(\$5,900)	\$17,700
Generator & Cathodic Maint.	\$13,472	\$0	\$18,860	\$138,286	(\$119,426)	\$23,000
Hydrant Repair & Replacement	\$250	\$0	\$26,000	\$11,481	\$14,519	\$26,000
Operations Additional Services	\$340	\$425	\$11,760	\$3,768	\$7,993	\$12,000
Operations Contractor	\$36,524	\$35,808	\$401,764	\$401,764	\$0	\$438,291
Parts & Minor Equip Exp-Water	\$52	\$2,271	\$14,800	\$7,387	\$7,413	\$20,000
Parts & Minor Equipment-Sewer	\$1,951	\$0	\$20,000	\$13,311	\$6,689	\$20,000
Payroll - Operations	\$9,108	\$8,930	\$107,100	\$109,209	(\$2,109)	\$119,000
Payroll Tax & Benefits - Ops.	\$2,210	\$2,076	\$24,949	\$25,693	(\$743)	\$27,417



Perry Park Water and Sanitation District
November YTD Expense Budget

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Date Printed: 12/4/2025

Expenses

	2025 Monthly Expenses	2024 Monthly Expenses	2025 YTD Budget	2025 YTD Expenses	2025 Budget vs. Actuals	Annual Adopted Budget
Permits	\$0	\$0	\$7,300	\$6,443	\$857	\$7,300
Repair & Maint.-Infras.-Water	\$5,743	\$13,338	\$102,300	\$79,873	\$22,427	\$110,000
Repair & Maint - Infras. Sewer	\$8,911	\$4,325	\$93,000	\$82,370	\$10,630	\$100,000
Risk Mitigation	\$0	\$0	\$50,000	\$0	\$50,000	\$50,000
Rules and Regulations	\$0	\$0	\$30,000	\$0	\$30,000	\$30,000
Utility Locates	\$67	\$106	\$1,800	\$10,061	(\$8,261)	\$2,000
Services Provided	\$1,554	\$5,805	\$41,000	\$10,516	\$30,484	\$50,000
Sewer Cleaning	\$2,510	\$0	\$40,000	\$33,927	\$6,073	\$40,000
Sludge Disposal	\$13,032	\$6,903	\$158,100	\$145,400	\$12,700	\$170,000
Testing - Water	\$96	\$4,154	\$16,740	\$8,688	\$8,052	\$18,000
Testing - Sewer	\$1,618	\$520	\$7,740	\$9,485	(\$1,745)	\$9,000
Unscheduled/Emergency Repairs	\$24,377	\$0	\$164,000	\$46,578	\$117,422	\$200,000
Utilities - Water	\$16,294	\$26,169	\$182,400	\$162,728	\$19,672	\$190,000
Utilities - Sewer	\$9,030	\$6,771	\$63,700	\$78,041	(\$14,341)	\$70,000
Vehicle Expense	\$366	\$56	\$4,700	\$1,162	\$3,538	\$5,000
Water Meter, PRV, Yokes, Rem.	\$0	\$4,457	\$19,000	\$21,594	(\$2,594)	\$20,000
Clearing Account	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$230,402	\$173,012	\$2,272,522	\$2,058,327	\$214,196	\$2,500,738

Perry Park Water and Sanitation District	
Sageport Water Treatment Plant	
Radium Removal Project	
2025 Funds Collected	\$321,593.79
2025 Funds Spent - Engineering, Permits	(\$147,624.00)
Funds Remaining	\$173,969.79



Perry Park Water and Sanitation District
5676 West Red Rock Drive
Larkspur, Colorado 80118
303-681-2050
perryparkwsd.colorado.gov

**Notice of Regular Meetings
Effective January 1, 2026**

To Whom It May Concern:

Notice is hereby given that the Board of Directors of the Perry Park Water and Sanitation District will be holding the following meetings during 2026 at the Perry Park Water and Sanitation District Office located at 5676 W. Red Rock Drive, Larkspur, Colorado, at 2:00 P.M. and [REDACTED] or via virtual meeting, if posted.

January 21, 2026

February 18, 2026

March 18, 2026

April 15, 2026

May 20, 2026

June 17, 2026

July 15, 2026

August 19, 2026

September 16, 2026

October 21, 2026

November 10, 2026 (*Note: Scheduled Tuesday due to Veteran's Day)

December 9, 2026

These meetings are for the purpose of conducting the regular business of the Board. A copy of the agenda of each meeting will be posted at the District office located at 5676 W. Red Rock Drive Larkspur, Colorado and on the District's website perryparkwsd.colorado.gov. For questions regarding the District meetings, please call 303-681-2050. All meetings are open to the public.

perryparkwsd.colorado.gov