

**HEALTH SYSTEM OPERATING LEASE AGREEMENT**  
**by and among**

**PARK HOSPITAL DISTRICT**

**and**

**UNIVERSITY OF COLORADO HEALTH**

**and**

**UCHEALTH NEWCO HOSPITAL**

**Dated as of [\_\_\_\_\_]**

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## HEALTH SYSTEM OPERATING LEASE AGREEMENT

This HEALTH SYSTEM OPERATING LEASE AGREEMENT (this “Operating Lease”) is made and entered into as of [ ] (the “Execution Date”) by and between the Park Hospital District, d/b/a Estes Park Health, a special tax district duly organized and validly existing under the laws of the State of Colorado (the “District”), and UCHealth Estes Valley Medical Center, a newly formed Colorado non-profit corporation duly organized and validly existing under the laws of the State of Colorado (“UCHealth Newco Hospital” or “Lessee”), of which University of Colorado Health, a Colorado non-profit corporation duly organized and validly existing under the laws of the State of Colorado (“UCHealth,” and, together with UCHealth Newco Hospital or Lessee, the “UCHealth Parties”) is the sole member. The District and the Lessee are referred to individually in this Operating Lease as a “Party” and are referred to collectively in this Operating Lease as the “Parties.”

### RECITALS

A. The District, as a political subdivision of the State of Colorado, owns and operates a critical access hospital and a family medical clinic, urgent care center, and other healthcare assets and operations located in Estes Park, Colorado (collectively with the Leased District Property and the Acquired Assets (each as hereinafter defined), the “Estes Park Healthcare Operations”).

B. The Board of Directors of the District (the “District Board”) has determined that it is in the best interests of the residents of the District Service Area (as defined in Schedule 5.2 of the Integration Agreement), to ensure the provision of healthcare services in the District Service Area, to transfer the responsibility for the Estes Park Healthcare Operations to another operator, subject to the terms and conditions of this Operating Lease.

C. The District is authorized by Title 32, Article 1, Part 10, Section 32-1-1003 of the Colorado Revised Statutes to lease facilities providing health care services to other parties.

D. The District shall exercise all rights and responsibilities under this Operating Lease in the manner permitted under its organizational documents in effect at such time, and consistent with the terms hereof.

E. UCHealth is an innovative, nonprofit health system that delivers the highest quality medical care with an excellent patient experience across Colorado, southern Wyoming and western Nebraska. UCHealth is dedicated to providing unmatched patient care in the Rocky Mountain West, provides extensive community benefits, and pushes the boundaries of medicine through advanced treatments and clinical trials, improving health through innovation.

F. UCHealth formed Lessee with the intention to assume responsibility to conduct the Estes Park Healthcare Operations in such a manner as to provide services to the residents of the District Service Area in the District Service Area, in accordance with the terms and conditions of an Integration and Affiliation Agreement to be entered into between the District and the Lessee as of the Effective Date, a form of which is attached as Exhibit A (the “Integration Agreement”).

G. The Lessee’s purposes in entering into this Operating Lease and assuming the Estes Park Healthcare Operations include advancing the overall missions of UCHealth and its members

in operating an integrated high quality, academic and community-based health system and providing healthcare services within the District Service Area as set forth in the Integration Agreement and in this Operating Lease.

H. The District desires to lease the Leased District Property and transfer, convey and assign the Estes Park Healthcare Operations, the Acquired Assets (as hereinafter defined) and the Assumed Liabilities (as hereinafter defined) of the District to Lessee (other than the Excluded Assets and Excluded Liabilities, each as hereinafter defined), and the Lessee desires to lease the Leased District Property, and accept and assume from the District the Acquired Assets and Assumed Liabilities, upon the terms and subject to the conditions set forth in this Operating Lease.

NOW, THEREFORE, in consideration of the mutual promises and agreements hereinafter contained, the Parties do hereby agree as follows (consummation of the transactions contemplated in this Operating Lease and the agreements referenced herein is referred to herein as the “Transactions”):

## **ARTICLE I INDEX OF DEFINED TERMS**

Attached hereto as Schedule 1.1 are (a) an Index of Defined Terms used throughout this Operating Lease, (b) an Index of Schedules to this Operating Lease and (c) an Index of Exhibits to this Operating Lease.

## **ARTICLE II LEASE AND CONVEYANCE**

### **2.1 Demise and Lease of Leased District Property.**

2.1.1 Lease. On the Effective Date (as hereinafter defined) and upon the terms, covenants and conditions contained herein, for and throughout the Term (as hereinafter defined), the District shall lease to the Lessee, and the Lessee shall take and lease from the District all of the District’s rights and interest in each of the following (collectively, the “Leased District Property”):

(i) The real property (including vacant land), hospital and other patient facilities, physician office buildings, physician offices, sites of health care delivery and ancillary medical services and associated administrative support services, utility or related space or property that are owned by the District and used for the Estes Park Healthcare Operations as of the Effective Date as described on Schedule 2.1.1(i) attached hereto and parking areas, driveways and other improvements, appurtenances, goods, fixtures, furnishings or other types of personal property, other than Excluded Assets, located on, incorporated into or affixed to any part of such real property or facilities;

(ii) [Rights and interests to hold or occupy any real property and improvements that are not owned by the District that are used in connection with the Estes Park Healthcare Operations as of the Effective Date as described on Schedule 2.1.1(ii) attached hereto, including, without limitation, the interest of the District as provided in any license, lease,



sublease, occupancy agreement or like instrument, whether written, oral or implied, burdening any portion of, or interest in, any such real property; and

(iii) Except as set forth on Schedule 2.1.1(iii), all construction in progress and all rights, titles, powers, privileges, interests, rights to use, licenses, easements, rights-of-way, permits, special or conditional use permits, certificates of occupancy, planned development agreements, subdivision or site plan approvals, or other land use permits or approvals, in each case appurtenant or incident to or to the extent otherwise affecting any Leased District Property, but only to the extent such items are not legally transferrable to the Lessee as Acquired Assets.

2.1.2 Permitted Restrictions. The Leased District Property shall be demised and leased from the District to the Lessee, and the Acquired Assets shall be conveyed from the District to the Lessee, subject to the restrictions set forth below (the “Permitted Restrictions”):

(i) The terms and conditions of this Operating Lease, the Integration Agreement and the Assumed Contracts;

(ii) Tax liens and special assessments on Leased District Property and/or the Acquired Assets that are not yet due and payable and for which adequate reserves have been established in accordance with GAAP, including, without limitation, any liens related to real estate taxes which are the subject of any tax reduction proceedings to the extent such proceedings are listed on Schedule 2.1.2(ii);

(iii) Applicable zoning and building ordinances and land use regulations by any applicable Governmental Entity (as herein defined) (in the case of the District, acting in its governmental capacity, but not in its capacity as lessor to this Operating Lease). As used herein, “Governmental Entity” means any local or state government or authority or federal government or authority of the United States of America, including each of their respective branches, departments, agencies, commissions, boards, bureaus, courts, instrumentalities or other subdivisions, including the Colorado Department of Health Care Policy and Financing and the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services;

(iv) Liens and security interests securing any of the Assumed Liabilities agreed to and accepted by the Lessee prior to the Effective Date;

(v) Any exceptions caused by Lessee, its agents, representatives or employees and those B-2 exceptions to title described in Schedule 2.1.2(v); and

(vi) Any other Encumbrance that has been approved in advance in writing by the Lessee.]

2.2 Transfer of the Acquired Assets. On the Effective Date, and upon the basis of the terms, covenants and conditions contained herein, the District shall transfer and convey, and the Lessee shall accept and receive, all of the District’s right, title and interest in the assets, whether tangible or intangible, which are owned or used by the District as of the Effective Date and which relate to the Estes Park Healthcare Operations, other than the Leased District Property and the

Excluded Assets (each as hereinafter defined) (collectively, the “Acquired Assets”). In each and every case in this Section 2.2 where a statement is made that an asset “relates to”, “is related to”, or “relating to” the Acquired Assets and/or the Estes Park Healthcare Operations, such phrase shall mean that the asset is (i) used in connection with the Acquired Assets and/or the Estes Park Healthcare Operations, as applicable, or (ii) related to the Acquired Assets and/or the Estes Park Healthcare Operations, as applicable.

The Acquired Assets shall include, without limitation, all of the rights, titles and interests of the District in (i) the assets, other than the Leased District Property and the Excluded Assets, appearing in the audited financial statements of the District as of [December 31, 2024], as updated pursuant to Section 7.36 of this Operating Lease, copies of which have been or will be delivered to the Lessee on or prior to the Effective Date (the “Financial Statements”), (ii) any tangible or intangible assets acquired by the District that relate to the Estes Park Healthcare Operations as of or prior to the Effective Date, and (iii) the following items, in each and every case as of the Effective Date (except as specified below):

2.2.1 Leases. (i) All rights of the District to use or occupy any real property and improvements not owned by the District pursuant to leases that relate to the Estes Park Healthcare Operations as of the Effective Date, including all of the rights of the District in and to any security deposit or escrow (and any interest thereon), prepayments, or any other amounts or instruments, whether cash or letters of credit or other instrument, deposited in connection with or serving as security for the leases, and (ii) all leases, subleases, tenancies, concessions, licenses, occupancy agreements or similar agreements (including any and all assignments, modifications, amendments, supplements, extensions or renewals thereof) to which the District is the landlord party with respect to the Leased District Property as set forth on Schedule 2.2.1 (collectively, the “Leases”).

2.2.2 Personal Property: All of the tangible personal property which is owned or used by the District and which relates to the Estes Park Healthcare Operations including, without limitation, all fixtures, leasehold improvements, machinery, vehicles, office furnishings, equipment, spare parts, furniture, appliances, inventories, supplies, computers, hardware, data processing equipment, computer hardware, and other items of tangible personal property owned, used, maintained or operated by the District for the Estes Park Healthcare Operations (collectively, the “Personal Property”).

2.2.3 Intellectual Property: All rights, licenses and other claims that the District may have to claim ownership, control, authorship or invention of, or the right to use, any trademark, invention, trade name, service mark, trade dress, patent, copyright, Internet domain name, Internet website, website address, URL, metatag, computer program (including object and source code), software, know-how, whether or not patentable, mask work right, trade secret, formula, pattern, compilation, method, technique, confidential information, client list, technical information, program, specification of plan, and all filings, registrations or applications relating to any of the foregoing, and all associated goodwill, in each case which relates to the Estes Park Healthcare Operations, which are set forth on Schedule 2.2.3 attached hereto (collectively, the “Intellectual Property Assets”). Intellectual Property Assets specifically excludes the Excluded Names, whether or not related to the Estes Park Healthcare Operations.

2.2.4 Contracts: Except for the Excluded Contracts, all rights, benefits and interests of the District in and to all Contracts (as hereinafter defined) which relate to the Estes Park Healthcare Operations, including, without limitation (i) all construction, architectural and engineering Contracts relating to the Leased District Property, (ii) all service, supply, maintenance and/or security Contracts relating to the Leased District Property, (iii) all Contracts relating to the management of the Estes Park Healthcare Operations, (iv) all information technology and information system leases which relate to the Estes Park Healthcare Operations, (v) the Contracts set forth on Schedule 2.2.4 (which may include oral agreements, but only to the extent described in reasonable detail on such schedule), (vi) agreements with payors, and (vii) all other written agreements which relate to the Estes Park Healthcare Operations (collectively with the Leases, the “Assumed Contracts”); provided that all such Assumed Contracts shall be set forth or described on Schedule 2.2.4, except for such Assumed Contracts with a value of less than Ten Thousand Dollars (\$10,000) per month, or One Hundred Twenty Thousand Dollars (\$120,000) per year, as to each such dollar threshold on an aggregate (not individual contract) basis. As used herein, the term “Contracts” means any written or oral commitments, contracts and agreements, equipment leases, personal property leases, license agreements, warranties, indentures, guaranties and bonds in connection with any contracts or personal property, insurance policies and all other agreements related to the Estes Park Healthcare Operations.

2.2.5 Licenses and Permits: All rights, benefits and interests of the District in or to the licenses, provider numbers and provider agreements related to Government Programs (as hereinafter defined), permits, approvals, certificates of exemption, franchises, accreditations and registrations, and other licenses, permits, certificates, authorizations, consents, waivers or similar approvals (collectively, the “Governmental Approvals”) issued to or for the benefit of the District (or otherwise pending) with respect to the development, operation or ownership of the Estes Park Healthcare Operations, including, without limitation, all zoning and variance approvals, if any, special use or exception approvals, if any, building approvals, building permits and certificates of occupancy, provider agreements relating to Government Programs, as all such Governmental Approvals are set forth on Schedule 2.2.5 attached hereto. As used herein, “Government Programs” means all health benefit programs that are sponsored by a Governmental Entity, including state Medicaid programs, Medicare and Medicare Advantage, CHAMPUS/TRICARE, or any other health care or payment program financed in whole or in part by any domestic, federal, state or local government.

2.2.6 Cash and Equivalents: Except for the Administrative Portion (as defined in Section 5.1 of the Integration Agreement) for the first year of the Term and the Escrow Amount (as defined herein) all cash, depreciation reserves or accounts, debt service reserve funds, cash equivalents and investments owned by or held for the District which relate to the Estes Park Healthcare Operations (whether on hand or in banks, trusts, investments or accounts in the name of or on behalf of the District) and any funds on deposit with any third party which relate to the Estes Park Healthcare Operations, all of which shall have been disclosed in writing to the Lessee provided all such amounts shall be Acquired Assets whether or not disclosed in writing by the District.

2.2.7 Accounts Receivable: All accounts, notes, obligations, interests and other receivables owed to or for the benefit of the District which relate to the Estes Park Healthcare Operations (the “Accounts Receivable”), whether existing on or after the Effective Date, and all

claims, rights, interests and proceeds related thereto, including all accounts and other receivables, withholds, intergovernmental transfer receivables and disproportionate share payments, arising from or related to Estes Park Healthcare Operations, billed or unbilled, recorded or unrecorded, whether payable by private pay patients, private insurance, third-party payors, governmental entities or by any other source. If any such Accounts Receivable are not legally assignable, such as the Accounts Receivable relating to Government Programs, the District shall collect the same (before or after the Effective Date), shall not waive such receipt and shall pay the Lessee within thirty (30) days of receipt the amount so received.

2.2.8        Payments: All cost report settlements, advance payments, prepayments, prepaid expenses, deposits, money due from restricted funds to, or grants received by the District from whatever source and the like that exist on or after the Effective Date which were or are made or due which relate to the Estes Park Healthcare Operations, the current categories and amounts of which are set forth on Schedule 2.2.8 attached hereto.

2.2.9        Unclaimed Property: Any unclaimed property of any third party which relates to the Estes Park Healthcare Operations, including, without limitation, any such property that is subject to applicable escheat laws.

2.2.10       Inventory: All inventories of supplies, drugs, food, janitorial and office supplies, and other disposables and consumables which relate to the Estes Park Healthcare Operations (collectively, "Inventory").

2.2.11       Documents: All documents, records, operating manuals, data, files and computer software, including source codes and passwords, which relate to the Estes Park Healthcare Operations, however recorded and wherever located, including, without limitation, all patient records, medical records, employee records (including those described in Section 2.2.20 below), accreditation records, public program participation records, quality assurance records, educational records, real property records, marketing records, website records, business and financial records, blue prints, billing records, cost reports, equipment records, claims and litigation records, vendor relations records, medical and administrative libraries (in paper, electronic or other form), proprietary manuals, computer operating manuals, marketing materials, policy and procedure manuals, files, compliance program materials, program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, disciplinary policies, catalogs, data, studies or analyses and seals, minute books and other documents relating to the organization, maintenance and existence of Estes Park Healthcare Operations, including all files and records related to the Assumed Contracts and the Leases (collectively, the "Documents"). The Documents shall include medical staff and allied health professional staff records (including peer review records for Estes Park Healthcare Operation's current medical staff relating to ordinary course of business peer review matters (such peer review records, the "Peer Review Records")), and credentialing records in the District's possession, to the extent such Peer Review Records and credentialing records have been released by the applicable physician pursuant to a release.

2.2.12       Names: Except for Excluded Names, all right, title and interest that the District has to use any names and symbols which relate to the Estes Park Healthcare Operations (including variations thereof), including, without limitation, "Estes Park Medical Center" and any

name disclosed on Schedule 2.2.12 attached hereto, and all variants thereof, and all goodwill associated therewith and all applications and registrations associated therewith.

2.2.13 Business Interests: Any and all of the interests of the District which relate to the Estes Park Healthcare Operations (i) in any and all Persons (as hereinafter defined) which the District or its Affiliates controls, or (ii) in which the District owns or holds common stock, partnership interests, membership interests or any other equity or non-equity interest or control, as such interests are described on Schedule 2.2.13 attached hereto (which shall include the number of authorized, issued and outstanding shares of each class of the capital stock or other equity or non-equity interests of such Person), together with all stock certificates, member agreements, minutes and other records relating to such Persons that are in the possession or control of the District; it being agreed that the District shall take all actions necessary to transfer such interests to the Lessee or its designee(s) on the Effective Date, including obtaining any required third-party consents in connection with such transfers. As used herein, the term “Person” means the District, the Lessee, UCHHealth or any Governmental Entity, corporation, partnership, limited liability company, association, trust, unincorporated organization or any other entity.

2.2.14 Other Assets: Telephone numbers, fax numbers, passwords, and the like which relate to the Estes Park Healthcare Operations.

2.2.15 Goodwill: All goodwill and going concern value which relates to the Estes Park Healthcare Operations.

2.2.16 Claims: All warranties (express or implied) and all claims, rights and causes of action, choses in action, rights of recovery, rights of set off and rights of recoupment which relate to the Estes Park Healthcare Operations and any payments, awards or other proceeds resulting therefrom (except, in each case, with respect to a claim, right or cause of action that is an Excluded Liability or relates to an Excluded Asset).

2.2.17 Insurance: All rights to current or future recoveries under commercial general liability, property and all other applicable insurance policies which relate to the Estes Park Healthcare Operations, Leased District Property, Assumed Liabilities or the Acquired Assets (except, in each case, with respect to a claim that is an Excluded Liability or relates to an Excluded Asset), which proceeds will be assigned directly to the Lessee, and the assignable insurance policies set forth on Schedule 2.2.17 (except, in each case, with respect to a claim that is an Excluded Liability).

2.2.18 Rebates: All rebates allocable to District paid or payable in respect to the period prior to the Effective Date under or with respect to any group purchasing organization agreements in which District participates or other programs or agreements for purchases of goods or services by the District which relate to the Estes Park Healthcare Operations or the Leased District Property.

2.2.19 Utilities, Cabling and Network Systems: All rights and interests, of the District in electric, water, sewage or other utility systems and network electrical systems (i) located in or serving the Leased District Property and/or the Estes Park Healthcare Operations, or (ii)

located elsewhere, but to the extent used or reasonably necessary for the operation of the Leased District Property and/or the Estes Park Healthcare Operations.

2.2.20 Employee Records: All files and records relating to the Transferred Employees (as hereinafter defined), including those regarding work history, work eligibility (including any Forms I-9), compensation and benefits, as well as such policies, manuals and similar materials as are reasonably necessary for the Lessee to address personnel, benefits or other issues, or resolve disputes, regarding such employees.

2.2.21 Plans and Specifications: All site plans, architectural renderings, plans and specifications, engineering plans, “as built” drawings, surveys, construction plans, floor plans and other similar plans or diagrams, if any, the District owns or has rights to, and which relate to the Estes Park Healthcare Operations.

2.2.22 Tax Refunds: All rights to refunds of Taxes and all other Tax assets of the District which relate to the Estes Park Healthcare Operations.

2.2.23 Warranties: All warranties, guarantees and bonds, if any, from third parties received in connection with any of the Leased District Property, Personal Property, Estes Park Healthcare Operations, the Acquired Assets, or with respect to the performance and quality of workmanship or the quality of materials relating to any of the foregoing (collectively, the “Warranties”).

2.2.24 Third-Party Payor Receivables: All rights to settlement, amounts payable, receipts, receivables, payments or reimbursement owed to the District with respect to third-party payors including, without limitation, (i) receivables from commercial and private insurers, (ii) pursuant to retrospective settlements (including, without limitation, pursuant to Medicare, Medicaid and CHAMPUS/TRICARE cost reports filed or to be filed by or on behalf of the District for periods prior to the Effective Date), (iii) which result from District’s pursuit of one or more appeals pertaining to Medicare, Medicaid (including, without limitation, disproportionate share hospital program payments) or CHAMPUS/TRICARE for services provided by District prior to the Effective Date, and (iv) any reimbursement from Medicare or Medicaid as a result of any loss by the District on the transfer of any of the Acquired Assets for purposes of Medicare and Medicaid reimbursement.

2.2.25 All Other Property: To the extent not included in Section 2.1.1, all other assets and property and rights of every kind, character or description owned by the District, which relate to the Estes Park Healthcare Operations, whether or not reflected on the Financial Statements, wherever located and whether or not similar to the items specifically set forth in this Section 2.2.

2.2.26 Interests: The interests of the District in all property of the foregoing types, which relate to the Estes Park Healthcare Operations.

The District shall convey (or cause to be conveyed) the Acquired Assets and all parts thereof to the Lessee, free and clear of all claims, assessments, security interests, liens, restrictions, covenants, conditions, easements, mortgages, pledges, conditional sales agreements, rights of first

refusal, options, liabilities, charges, exceptions to title and other encumbrances (collectively, “Encumbrances”) other than the Permitted Restrictions and the Assumed Liabilities.

2.3 **Excluded Assets.** Notwithstanding anything in this Operating Lease to the contrary, the District shall not convey, and the Lessee shall not acquire, any “Excluded Assets” which shall consist only of the following:

2.3.1 All taxpayer identification numbers granted to the District.

2.3.2 Any assets owned by vendors of goods or services to the District for Estes Park Healthcare Operations, as set forth on Schedule 2.3.1; *provided, however*, that the existing District rights to use such goods and services shall be assigned to the Lessee pursuant to the Assumed Contracts.

2.3.3 The portions of inventory, prepaid expenses and other assets disposed of, expended or cancelled, as the case may be, by the District, prior to the Effective Date in the ordinary course of business in accordance with this Operating Lease.

2.3.4 All rights of the District under this Operating Lease, the Integration Agreement and the other agreements or documents signed and delivered to the District by Lessee or its Affiliates in connection with the Transactions contemplated hereby.

2.3.5 Donor-restricted funds, endowments or trusts if the Transactions would be contrary to the donor’s intent, as reasonably determined by the Parties, as such funds and endowments are set forth on Schedule 2.3.5 (the “Excluded Restricted Funds”).

2.3.6 All right, title and interest that the District has to use any names and symbols (including variations thereof) which do not relate to the Estes Park Healthcare Operations, including, without limitation, the names “Park Hospital District” and any name disclosed on Schedule 2.3.5 attached hereto, and all variants thereof and all goodwill associated therewith and all applications and registrations associated therewith (hereinafter individually and collectively referred to as “Excluded Names”).

2.3.7 Any Contracts which the Lessee will not assume as set forth on Schedule 2.3.7 in UCHealth’s sole discretion or pursuant to Section 14.11 (such contracts, the “Excluded Contracts”).

2.3.8 Any real property currently or formerly owned, leased or operated by the District other than the Leased District Property.

2.3.9 All employee benefit plans (including any Estes Park Plan).

2.3.10 Any other asset identified on Schedule 2.3.10.

### ARTICLE III CONSIDERATION AND OTHER MATTERS

In consideration for the District's lease of the Leased District Property and transfer of the Acquired Assets to the Lessee, and all other promises and responsibilities of the District set forth in this Operating Lease, the Lessee hereby agrees as follows:

3.1 **Lease Payments**. During the Term, commencing on the first day of the Term and on the anniversary of such date every year thereafter, the Lessee will pay to the District a fixed annual payment of One Dollar (\$1), with no annual adjustments, increases or escalators (the "Lease Payments"). The Lessee shall pay such amounts to such account or accounts as the District shall direct.

3.2 **Commitments**. UCHealth will make certain ongoing commitments with respect to the maintenance of the Estes Park Healthcare Operations as set forth in Article IV and Article V of the Integration Agreement and set forth in Article V herein.

3.3 **Assumption of Assumed Liabilities**. On and as of the Effective Date, the District shall assign, and the Lessee shall assume and pay or discharge when due, only the following claims, obligations and liabilities arising from Estes Park Healthcare Operations after the Effective Date, unless otherwise specified below (it being understood that such liabilities may be reduced or eliminated by the Lessee or the District, as applicable, through negotiations with third parties and Governmental Entities), but excluding any (i) Excluded Liabilities, (ii) liability or obligation to the extent covered or reimbursed by insurance carried by the District and that is not assigned to the Lessee, or (iii) liability barred by the applicable statute of limitations (collectively, the "Assumed Liabilities");

3.3.1 Except as set forth on Schedule 3.3.1, all liabilities and obligations of the District as shown on the Financial Statements, including any ledger or other supporting documentation attached thereto and delivered to the Lessee that reasonably discloses and supports the amounts and obligations shown on the Financial Statements, or the schedules attached hereto.

3.3.2 All unperformed and unfulfilled obligations that are required to be performed and fulfilled by the District under the terms of any Assumed Contract.

3.3.3 All accounts payable and accrued current liabilities (including, without limitation, accruals for property leases, vehicle leases, equipment leases, utilities, payroll and other employment-related expenses related to the Transferred Employees) existing as of the Effective Date that pertain to Estes Park Healthcare Operations, to the extent such accounts payable and accrued liabilities are set forth or described on Schedule 3.3.3, which schedule shall be updated as of the Effective Date pursuant to Section 7.36 of this Operating Lease.

3.3.4 Subject to proration as set forth in Section 6.9, all obligations and liabilities arising from and after the Effective Date with respect to Taxes of the District with respect to Estes Park Healthcare Operations. For purposes of this Operating Lease, "Taxes" means all federal, state, local, foreign, special entity, or other taxes, including, without limitation, income, payroll, employment, withholding, social security, information, excise, sales, real and personal property, use and occupancy, business and occupancy, gross receipts, mercantile, real estate, ad



valorem, goods and services, value added, stamp, transfer, fuel, excess profits, alternative, environmental, license, escheat, abandoned or unclaimed property, estimated, severance, charges, fee, duties and franchise or other taxes, in each case, including any interest, penalties or additional to tax attribute thereto or attributed to any nonpayment thereof, in each case whether disputed or not.

3.3.5 All obligations and liabilities arising from and after the Effective Date with respect to Estes Park Healthcare Operations arising under the terms of the Government Programs or third-party payor programs (collectively, “Payor Programs”), and any liability arising pursuant to any Payor Programs as a result of the consummation of any of the Transactions, but only to the extent that such liabilities are set forth or described on Schedule 3.3.5, which schedule shall be updated as of the Effective Date pursuant to Section 7.36 of this Operating Lease, and specifically excluding the Excluded Liabilities, including, without limitation, the Excluded Liabilities described in Section 3.4.7 and Section 3.4.10.

3.3.6 All liabilities and obligations to the extent first arising from (i) the Lessee’s operation of the Leased District Property and the Acquired Assets after the Effective Date, or (ii) acts or omissions of the Lessee or its Affiliates after the Effective Date.

3.3.7 Any liability or obligation under Environmental Law (as hereinafter defined) to the extent arising out of facts, circumstances or conditions on, in, under or from the Leased District Property or related to the Lessee’s operations, in each case only to the extent such facts, circumstances or conditions were initiated after the Effective Date.

3.3.8 [The Assumed Debt];

3.3.9 Any other specifically described obligations and liabilities set forth on Schedule 3.3.9, which schedule shall be updated as of the Effective Date pursuant to Section 7.32.3 of this Operating Lease.

3.4 **Excluded Liabilities.** Neither the Lessee nor any of its Affiliates is or shall be obligated pursuant to this Operating Lease to pay or assume any liabilities that are not Assumed Liabilities, including but not limited to the following, whether such liabilities are fixed or contingent, liquidated or unliquidated, currently due or not, recorded or unrecorded, known or unknown (collectively, the “Excluded Liabilities”):

3.4.1 Any liability or obligation arising from or relating to any Excluded Asset, including any Excluded Contracts.

3.4.2 Any liability or obligation to the extent arising from or relating to any act or omission by the District after the Effective Date.

3.4.3 Any liability or obligation, including any obligation under any employment agreements (whether or not Assumed Contracts) or employee benefit plan, policy, or arrangement (including any Estes Park Plan), to make any change-in-control payments, transaction bonus, retention payments, severance or other payments payable to any Estes Park Employee arising from or incurred as a result of the consummation of the Transactions, loss of employment

with the District, or any act or omission related to the foregoing to the extent occurring on or prior to the Applicable Transfer Date, including the employer portion of Taxes arising therefrom.

3.4.4 Any liabilities or obligations related to any Estes Park Employee who does not become a Transferred Employee.

3.4.5 Any liabilities or obligations arising out of the employment of the Estes Park Employees (including accrued salary, benefits, bonus, severance or other obligations) and any related Taxes, in each case, relating to the period on or prior to the Applicable Transfer Date, as applicable, and any liabilities or obligations arising under or related to any employee benefit plan, policy, or arrangement (including any Estes Park Plan), in each case, regardless of whether arising prior to or after the Effective Date.

3.4.6 Any debt secured by, or related to, the Leased District Property or the Acquired Assets which is to be satisfied on or prior to the Effective Date by the District as set forth on Schedule 3.4.6, but not including the Assumed Debt (as hereinafter defined).

3.4.7 Any liability, as well as any interest, civil monetary penalties or criminal fines or liabilities resulting therefrom or related thereto, under any law, rule, regulation, interpretation or ordinance with respect to Estes Park Healthcare Operations caused by, relating to or arising from the fraud, false claims or criminal acts or omissions of the District, or any of their employees or agents, to the extent the same occur or relate to circumstances existing prior to the Effective Date, including any liabilities or obligations for fraud, False Claims Act violations, violations of the Stark Law (the Federal Ethics in Patient Referrals Act, 42 U.S.C. § 1395nn and its implementing regulations) or anti-kickback laws, or false or non-compliant coding, charging or billing or collections procedures.

3.4.8 Any Encumbrances which are not Permitted Restrictions, and which are not otherwise expressly assumed by the Lessee pursuant to the terms of this Operating Lease.

3.4.9 Any liability or obligation under Environmental Law to the extent arising out of facts, circumstances or conditions on, in, under or from the Leased District Property or related to the Estes Park Healthcare Operations, in each case existing, initiated or first occurring prior to the Effective Date.

3.4.10 Any civil liability accruing, arising out of, or relating to any claims brought against Lessee and/or its Affiliates regarding any act or omission which relates to the Estes Park Healthcare Operations, or of any Person acting as agent of the District, including their respective directors, officers, employees, agents or representatives, claimed to violate any Law or any third-party payor contract, in each case to the extent such act or omission occurred prior to the Effective Date or relating to reimbursement to District from a program of a Governmental Entity or third-party payor.

3.4.11 All obligations and liabilities arising under claims or potential claims for medical malpractice or general liability relating to events asserted to have occurred prior to the Effective Date with respect to Estes Park Healthcare Operations to the extent not covered by insurance.

3.4.12 [Any obligations and liabilities arising out of assets and services related to (i) the Estes Park Health Living Center or (ii) the home health, home care, and outpatient hospice operational units of Estes Park Healthcare Operations.]

3.4.13 Other than the costs of the Estes Park Long-Term Debt Defeasance, as provided in Section 4.2.2, any obligation related to the Outstanding Estes Park Long-Term Debt (as hereinafter defined) and any other debt secured by the Leased District Property or the Acquired Assets which is to be satisfied on or prior to the Effective Date by the District as set forth on Schedule 3.4.13, but not including the Assumed Debt (as hereinafter defined).

3.4.14 Any liabilities for (i) Taxes of the District that are not solely with respect to the Estes Park Healthcare Operations, (ii) Taxes relating to the Estes Park Healthcare Operations, even if not yet due and payable, that are properly allocable to any taxable period (or portion thereof) ending on or prior to the Effective Date, (iii) Taxes imposed as a result of any Tax sharing or Tax allocation agreement, arrangement or understanding, or as a result of the District being liable for another Person's Taxes, as a transferee or successor, by contract or otherwise pursuant to applicable Law, and (iv) any Taxes for which the District is responsible pursuant to this Operating Lease (including under Section 6.9).

3.4.15 Any obligations and liabilities under the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state or local Law (collectively, the "WARN Act") resulting from Employment Losses of any employee of District who does not become a Transferred Employee pursuant to Section 6.7 of this Operating Lease.

3.4.16 Any other liability not otherwise addressed herein or set forth on Schedule 3.4.15.

3.5 **District Responsibility.** Notwithstanding anything in this Operating Lease to the contrary, the Parties agree that the District and not the Lessee shall be responsible for any liability or obligation that results from any act or omission of the District (or any of its elected officials, employees, contractors or agents) acting in, or in furtherance of, the District's governmental functions including, but not limited to, the Excluded Liabilities.

3.6 **Net Lease.** All rent and other amounts payable by the Lessee shall be absolutely net to the District, so that this Operating Lease shall yield net to the District the rent and other amounts payable by the Lessee during the Term of this Lease. Accordingly, except as otherwise expressly provided in this Operating Lease, all costs, expenses and obligations every kind or nature whatsoever relating to the Leased District Property, any improvements or property thereon or associated therewith, which may arise during the Term, shall be paid by Lessee. Except as otherwise expressly provided in this Operating Lease, the Lessee shall be responsible for all costs and expenses of the ownership, maintenance, repair and operation of the Leased District Property and Acquired Assets and any improvements or property thereon or associated therewith incurred or relating to the period of time during the Term, provided that, pursuant to Section 13.3 herein, the District will be responsible for the Excluded Liabilities.

3.7 **Parties' Rights Regarding Reconciliation of Assets and Liabilities.** If for any reason after the Effective Date, Lessee or any of its Affiliates receives or becomes subject to an

item that relates to an Excluded Asset or Excluded Liability, or if the District receives or becomes subject to an item that relates to an Acquired Asset or Assumed Liability, then the Parties shall promptly confer with one another and agree upon a method of transfer of such payment, asset or right, or assignment and assumption of such liability, as the case may be, in accordance with the provisions hereof that govern the applicable type of asset or liability, such that such assets and liabilities, and the economic benefits and obligations, are allocated to the appropriate Party in accordance with the terms hereof.

## **ARTICLE IV COVENANTS OF THE DISTRICT**

The District hereby agrees and covenants with the Lessee to take the following actions at such time or times as are specified below:

4.1 **Quiet Enjoyment.** During the Term, the District shall take any and all action necessary or appropriate to enable the Lessee to take and enjoy peaceful, quiet and undisputed possession of the Leased District Property pursuant to this Operating Lease, subject to the terms of the Permitted Restrictions.

4.2 **Actions Relating to Outstanding Estes Park Long-Term Debt.**

4.2.1 **Outstanding Estes Park Long-Term Debt.** The District is currently obligated with respect to the aggregate amount of debt as set forth on Schedule 4.2 (collectively, the “Outstanding Estes Park Long-Term Debt”), which will be updated as of the Effective Date pursuant to Section 7.36 herein.

4.2.2 **Defeasance and Redemption of Outstanding Estes Park Long-Term Debt.** On or prior to the Effective Date, UCHealth shall fund, and the District shall take all such actions as may be reasonably necessary to accomplish, the (i) defeasance and redemption of all of the Outstanding Estes Park Long-Term Debt, (ii) payment of all penalties, premiums and other payments which will become due, and costs and expenses incurred by the District and the Lessee, in connection with the defeasance and redemption in subparagraph (i), and (iii) release of the District from any and all liabilities and obligations with respect to the Outstanding Estes Park Long-Term Debt. Subparagraphs (i), (ii) and (iii) shall be referred to herein as the “Estes Park Long-Term Debt Defeasance.”

4.2.3 **Required Documentation.** At or prior to the Effective Date, the District and the Lessee shall provide to one another evidence of completion of the Estes Park Long-Term Debt Defeasance in form, scope and substance reasonably acceptable to the District and the Lessee, including, without limitation, any agreements, verification reports, and legal opinion executed and furnished in connection therewith.

4.2.4 **Inability to Complete Defeasance.** To the extent the District is unable to complete the Estes Park Long-Term Debt Defeasance in accordance with this Section 4.2, Lessee may, in its sole discretion, seek relief pursuant to Article XIII herein.

4.3 **Use of Controlled Substance Permits.** To the extent permitted by applicable law, the Lessee shall have the right, at their sole cost and expense, to operate after the Effective Date

under the licenses and registrations of the District relating to controlled substances and the operations of pharmacies and laboratories in connection with the Estes Park Healthcare Operations until the Lessee is able to obtain its own such licenses and registrations. In furtherance thereof, the District shall execute and deliver, to the Lessee, at or prior to the Effective Date, limited powers of attorney substantially in the form of Exhibit B attached hereto. The Lessee shall apply for all such licenses and registrations as soon as reasonably practicable following the date hereof, if not commenced earlier, and shall use commercially reasonable efforts to diligently pursue such applications.

4.4 **Estes Park Healthcare Operations Cost Reports.** The District will timely prepare and submit all cost reports relating to Estes Park Healthcare Operations for periods ending on or prior to the Effective Date or required as a result of the consummation of the Transactions, including terminating cost reports for Government Programs (the “Estes Park Healthcare Operations Cost Reports”). In accordance with applicable Government Program rules, the Lessee shall retain all rights to claims under open Estes Park Healthcare Operations Cost Reports, including the right to appeal and any amounts payable pursuant to any Government Program determinations relating to Estes Park Healthcare Operations Cost Reports or the correction and reporting of any known over-payments resulting from such open reports (the “Agency Settlements”). District shall furnish to the Lessee copies of the Estes Park Healthcare Operations Cost Reports, correspondence, work papers and other documents relating to Estes Park Healthcare Operations Cost Reports and the Agency Settlements. The Lessee, through the Transferred Employees and other UCHHealth resources, shall provide reasonable information and services to the District at no cost to the District to assist the District in complying with its requirements to file the Estes Park Healthcare Operations Cost Reports.

4.5 **Insurance.** Effective prior to the Effective Date, the District, shall obtain and maintain tail insurance providing financial or insurance coverage levels equal to the current applicable policies insuring the Estes Park Healthcare Operations and covering prior acts or occurrences, including, but not limited to, insurance coverage related to professional and general liabilities of the Estes Park Healthcare Operations (such as any liabilities arising in connection with physicians employed by the District for the Estes Park Healthcare Operations) and insurance coverage related to liabilities that may arise under errors and omissions or directors and officers insurance policies.

4.6 **Cooperation.** During the Term, each Party agrees to consult with the other Party and act reasonably to take such actions, including the assertion of defenses or counterclaims that may be applicable, as reasonably requested by the other Party in order to attempt reduce the amount of losses with respect to such other Party’s Assumed Liability or Excluded Liability, as applicable.

4.7 **Intellectual Property.** The District shall not challenge the Lessee’s or its Affiliates’ use of, or the validity and enforceability of, any patents, trademarks, service marks or copyrights assigned to the Lessee or its designee hereunder. The District will not adopt any trademarks or service marks that are confusingly similar to the trademarks and service marks assigned hereunder. The District shall take any and all reasonable actions, and shall cause its employees, contractors and consultants, as applicable, to take any and all reasonable actions (including executing documents) necessary to effectuate the transfer of the Intellectual Property

Assets to the Lessee or its designee, and to allow the Lessee or its designee to prosecute, maintain and defend the Intellectual Property Assets.

#### **4.8 Non-Imposition and District Condemnation.**

4.8.1 Non-Imposition. Not in derogation of its sovereign governmental authority, but as a contractual obligation which is material to the willingness of the Lessee to enter into this Operating Lease, the District covenants and agrees that at no time during the Term will it create and impose a provider tax, other Tax, user fee, charge, zoning or development restriction, license, permit, or other approval requirement, or other legislative or regulatory or administrative burden or imposition upon the Lessee or its Affiliates, as operator of the Leased District Property or otherwise, or upon UCHHealth or its Affiliates on any basis other than pursuant to valid legislation or regulations that are applicable to a class of similarly situated entities, and not targeted at or having an adverse effect only or substantially only upon Lessee or its Affiliates (each action failing such test, a “Prohibited Imposition”).

4.8.2 Condemnation. The District further covenants and agrees that at no time during the Term shall the District exercise any rights of condemnation or powers of eminent domain with respect to the Estes Park Healthcare Operations, Leased District Property, the Acquired Assets, or any other assets or properties of the Lessee, UCHHealth and any of its Affiliates used in relation to the performance of this Operating Lease, and will not take any action to promote or support such an exercise by any other Governmental Entity.

4.8.3 Remedies Following Imposition or Condemnation. If the District violates any of the covenants in Sections 4.8.1 or 4.8.2, it shall be liable to the Lessee without limitation for all remedies available at law or equity, following the applicable cure period and subject to final resolution of the dispute resolution process under Section 14.18 of this Operating Lease, and it hereby waives any applicable immunity as to such a claim. Sections 4.8.1 and 4.8.2 shall survive any termination of this Operating Lease. If the District’s violation of any covenant in Section 4.8.1 or 4.8.2 has resulted in imminent harm or danger to patients or employees of the Estes Park Healthcare Operations or Lessee’s inability to maintain the Operating Standard, Lessee will be entitled to injunctive relief.

4.8.4 Notice. The District and Lessee shall promptly notify each other upon receiving notice of any potential or actual taking and shall cooperate in any proceedings related thereto.

#### **4.9 Transfer of District Rights.**

4.9.1 During the Term, in the event that the District receives an offer from a third party to purchase, and/or determines that it is in the best interests of the District to sell, its interest in all or part of the Leased District Property (which must be subject to this Operating Lease), the Lessee shall have a right of first refusal with respect to such sale, as applicable, and the District shall not accept any offer from any third party or enter into any binding legal agreements with respect to the sale of such interests in the Leased District Property without first allowing the Lessee to exercise its right under this Section 4.9.1 by providing notice to Lessee (which notice shall include the proposed terms of such sale in the event of a third-party offer). In

the event that the Lessee receives such notice, it shall have ninety (90) days to elect, by notice to the District (“Lessee’s Election Notice”), to exercise its rights under this Section 4.9.1. If the Lessee so elects, then (i) if there is no other third-party offer, the District and the Lessee shall negotiate in good faith the terms and conditions of the sale of the District’s interest in the Leased District Property, as the case may be, in order to conclude an agreement on commercially reasonable and competitive terms which shall be overall no less favorable to them as are available in the market, or (ii) if there is a third-party offer, the Lessee shall be entitled to purchase the District’s interest on substantially the same terms as the third party would be willing to pay. If Lessee and District do not reach such an agreement within a reasonable amount of time following good faith negotiations (not to exceed ninety (90) days following Lessee’s Election Notice), the District may sell, assign and convey its interest to another Person on terms no more favorable than those offered to the Lessee. Notwithstanding any election of the right of first refusal by Lessee, no sale of the Leased District Property may be consummated without UCHealth’s consent, such consent to be provided in UCHealth’s sole and absolute discretion.

4.9.2 If the District takes any action in violation of Section 4.9, the Lessee may pursue injunctive relief and all remedies available to it for breach by the District pursuant to the terms of this Operating Lease, provided that the Parties agree that if such violation results in a prohibited assignment or transfer of this Operating Lease to a third party, such assignment shall be null and void.

4.9.3 The provisions of this Section 4.9 shall survive until such time as this Operating Lease is terminated pursuant to the terms hereof.

## **ARTICLE V COVENANTS OF THE LESSEE**

The Lessee hereby agrees and covenants with the District to take the following actions during the Term (or such other period as may be specified below):

5.1 **Cooperation.** During the Term, each Party agrees to consult with the other Party and act reasonably to take such actions, including the assertion of defenses or counterclaims that may be applicable, as reasonably requested by the other Party in order to attempt to reduce the amount of losses with respect to such other Party’s Assumed Liability or Excluded Liability, as applicable. During the Term, the Lessee shall use commercially reasonable efforts to notify the District of the Lessee’s receipt of any written notice from a Governmental Entity or other Person regarding any material environmental claims relating to the Leased District Property or the Estes Park Healthcare Operations.

5.2 **Post Transfer Access to Information and Personnel.** The Parties acknowledge that, subsequent to the Effective Date, the District may need access to information or documents transferred to the Lessee in connection with the Transactions (and which are therefore in the control or possession of the Lessee) for the purposes of audits, compliance with governmental requirements and regulations, and the prosecution or defense of third-party claims. Accordingly, the District and the Lessee agree that, until the expiration of the applicable statute of limitations of any such matters, the Lessee will use commercially reasonable efforts to do the following, subject to Law and to UCHealth’s policies and procedures: (i) make reasonably available to the District

and its agents, independent auditors or counsel, upon reasonable notice and written request of the District, and at the expense of the Lessee, such transferred records, and (ii) provide the assistance of the applicable Lessee personnel as necessary to fulfill such legal obligations.

5.3 **Operating Covenant.** Throughout the Term, the Lessee shall use commercially reasonable efforts to maintain the Leased District Property, the Acquired Assets, and the Estes Park Healthcare Operations in compliance with the terms of this Operating Lease and to maintain the Leased District Property, the Acquired Assets, and the Estes Park Healthcare Operations at substantially similar quality levels as maintained by UCHealth for comparable facilities (the “Operating Standard”).

## ARTICLE VI PRE-CLOSING COVENANTS OF THE PARTIES

The Parties agree to the following covenants during the period from the date hereof through the Effective Date or the earlier termination of this Operating Lease:

6.1 **Licenses, Approvals and Consents.** The Parties shall work together and diligently proceed to procure and give all necessary agreements, consents and notices of or to any Persons other than the District to any of the demises, leases, transfers, assignments or conveyances of the Leased District Property, the Acquired Assets or the Assumed Liabilities to the Lessee contemplated by this Operating Lease, including, but not limited to, all Governmental Approvals (or exemptions therefrom) necessary or required to allow the Lessee to perform its obligations under this Operating Lease and those consents or notices required in connection with the Government Programs, third-party providers and licensing agencies. The Parties shall reasonably assist and cooperate with one another and their respective representatives and counsel in connection with the Lessee obtaining all private or governmental consents, approvals, provider numbers, provider agreements and licenses that the Lessee deems necessary or appropriate for the Lessee’s operation of Estes Park Healthcare Operations on and after the Effective Date, and in the preparation of any document or other material that may be required by any Governmental Entity as a predicate to or as a result of the Transactions. In addition, the Lessee requires that the District request estoppel certificates, as identified on Schedule 6.1, from any Person who is party to a Lease with the District (the “Tenant Estoppels”) and estoppel certificates from any Person who is a landlord for any of the Leased District Property (the “Landlord Estoppels,” and collectively with the Tenant Estoppels, the “Estoppels”), and the District shall use commercially reasonable efforts to obtain the Estoppels as provided for in Section 9.3.5. In furtherance and not in limitation of the covenants contained in this Section 7.1, if any Governmental Entity or private party asserts a claim that would restrain, prevent or delay the consummation of the Transactions contemplated by this Operating Lease, the Parties will meet and confer in good faith on whether to contest and defend the claims through litigation on the merits; provided that the Parties will share equally the fees and expenses with any litigation in connection with the foregoing.

6.2 **Public Announcements.** Each of the Parties agrees that it shall not release, publish, or otherwise make available to the public in any manner whatsoever any information or announcement regarding the Transactions without the prior written consent of the other Parties, except for information and filings reasonably necessary to be directed by UCHealth to Governmental Entities to fully and lawfully effect the Transactions. Any responses to inquiries



from the press or other third parties with respect to the Transaction shall be mutually agreed to by the Parties.

### **6.3 Completion of Government Agency Processes.**

6.3.1 During the period between the Execution Date and Effective Date, and solely with respect to the Transactions contemplated by this Operating Lease (and subject to the Non-Disclosure Agreement between the District and UCHealth dated January 30, 2023 and applicable Law (as herein defined)): (i) District and Lessee shall furnish to each other such necessary information and reasonable assistance as other may reasonably request in connection with its preparation of any filing that is required under applicable Law; (ii) District and Lessee will keep each other apprised of the status of any communications with, and any inquiries or requests for additional information from any Governmental Entity and shall comply promptly with any such inquiry, *provided, however*, that the District shall work with UCHealth prior to responding to requests for information from any government entity on a mutually agreed response and (iii) District and Lessee will provide to each other copies of all correspondence or documents that a Party provides to any Governmental Entity pursuant this Section 6.3.1. As used herein, “Law” means all applicable laws, statutes, codes, ordinances, orders, rules, regulations, Governmental Approvals, accreditations, certificates, common law rulings, judgments or decrees of all Governmental Entities.

6.3.2 The Parties shall use commercially reasonable efforts to promptly take, in order the consummate the Transactions as contemplated under this Operating Lease, actions necessary to (i) secure the expiration or termination of any applicable waiting periods of Governmental Entities; and (ii) resolve any objections asserted with respect to the Transactions contemplated hereunder raised by any Governmental Entity, and to prevent the entry of any court order and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order that would prevent, prohibit, restrict or delay the consummation of the Transactions contemplated hereunder.

6.3.3 The Parties acknowledge that legislation or government action (such as by a state or federal agency, including Colorado Attorney General (as herein defined), Colorado Department of Health Care Policy and Financing, or the Centers for Medicare & Medicaid Services) introduced, implemented or threatened before the Closing could adversely affect the business and operations of hospitals in Colorado, by, for example, eliminating or reducing hospital outpatient clinic facility fees, mandating minimum community benefit expenditures and restricting the ability of hospitals to invest in the health of local communities, subjecting the Estes Park Healthcare Operations to conditions that would impede its ability to operate in the best interest of the community, or taking action that would alter the financial condition of the Estes Park Healthcare Operations. The Parties acknowledge that, upon the occurrence of any of the foregoing, UCHealth may evaluate the impacts of any such legislation or government action and decide whether or not to proceed with the Transactions contemplated hereunder. UCHealth may terminate this Operating Lease to the extent UCHealth determines that any legislation or government action has the potential for an adverse impact on UCHealth or on UCHealth’s ability to operate the Estes Park Healthcare Operations or otherwise fulfill its obligations hereunder.

#### **6.4 Notification of Certain Matters.**

6.4.1 At any time from the Execution Date to the Effective Date, the District shall give written notice to the Lessee as soon as reasonably practicable of (i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of the District contained in this Operating Lease to be untrue, (ii) any matter hereafter arising or discovered that, if existing or known at the Execution Date, would have been required to be set forth or described in a District-prepared Schedule to this Operating Lease, and (iii) any failure of the District to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Operating Lease. After the Execution Date, to the extent such matter is received by or comes to the attention of the District, the District shall also promptly notify the Lessee in writing of: (a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions, (b) any notice or other communication from any Governmental Entity in connection with the Transactions or that is (or may become) adverse to the business, condition and operations of the Leased District Property, Estes Park Healthcare Operations and the Acquired Assets, and (c) any actions, suits, claims, investigations or proceedings commenced, or threatened against, or relating to or involving or otherwise affecting the District, the Leased District Property, the Estes Park Healthcare Operations or the Acquired Assets or that relate to the consummation of the Transactions, or any developments relating to any actions, suits, claims, investigations or proceedings hereby disclosed by the District. Such notices shall provide a reasonably detailed description of the relevant circumstances.

6.5 **Satisfaction of Conditions.** Each Party shall use their respective commercially reasonable efforts to take all actions and to do all things necessary, proper or advisable to consummate the Transactions on the Effective Date, including using reasonable efforts to satisfy or cause to be satisfied all the conditions precedent that are set forth in Section 9.3 and to make the deliveries required in Sections 9.1 and 9.2, as applicable.

6.6 **Access to Leased District Property.** Prior to the Effective Date, the District shall allow the Lessee and its engineers, architects or other employees and agents access to the Leased District Property and the Acquired Assets at any reasonable time after providing at least twenty-four (24) hours advance notice (which may be oral). Any such entry shall not materially interfere with patients, patient care, employees or any other of Estes Park Healthcare Operations.

#### **6.7 Transition of Estes Park Employees.**

6.7.1 The term “Estes Park Employees” as used in this Operating Lease means the employees of District who, as of immediately prior to the Applicable Transfer Date, are on District’s payroll, including employees who are absent due to vacation, family leave, short-term disability or other approved leave of absence. As of the Applicable Transfer Date, District shall terminate the employment of all of the Estes Park Employees and Lessee shall offer employment to substantially all such Estes Park Employees who are in good standing in accordance with the policies and procedures of Lessee; provided, however, that Lessee will not be required to offer employment to or hire any individual Estes Park Employee who does not satisfactorily complete Lessee’s standing hiring and onboarding policies and procedures, including, without limitation, standard UCHHealth pre-employment background checks. Each offer of employment shall include (i) initial base rates of pay and bonus opportunities (but excluding change-in-control, retention and

equity-related bonus opportunities) that are, in each case, substantially comparable, in the aggregate to that provided to such employee immediately prior to the Effective Date; and (ii) employee benefits provided by Lessee to similarly-situated employees of Lessee as of the Applicable Transfer Date (as determined by Lessee). In addition to any notice requirements it has under the Operating Lease, the District hereby agrees to notify the UCHealth Parties as promptly as practicable in writing of any changes in the compensation payable to or to become payable to the Estes Park Employees, and the District shall have provided to the UCHealth Parties in advance of the Effective Date all information reasonably necessary for the UCHealth Parties to fulfill their obligations under this Section 6.7.1. An Estes Park Employee who accepts Lessee's offer of employment pursuant to this Section 6.7.1 and actually commences employment with Lessee will be referred to herein as a "Transferred Employee." The term "Applicable Transfer Date" as used in this Operating Lease means for any Transferred Employee as of the Effective Date.

6.7.2 The Lessee shall be responsible for all vacation time or paid time off that is accrued and unused by the Transferred Employees as of the Applicable Transfer Date and shall credit each Transferred Employee with an equivalent amount of accrued, unused vacation time or paid time off to be used as employees of Lessee, subject to applicable maximums under UCHealth policies. In the event that a Transferred Employee has accrued and unused vacation time or paid time off that exceeds the applicable maximum under UCHealth policies, such Transferred Employee shall receive credit for such accrued and unused vacation time or paid time off in a form to be determined in UCHealth's sole discretion.

6.7.3 No provision of this Operating Lease shall (i) create any third-party beneficiary or other rights in any current or former employee, director, officer or independent contractor of District to enforce the provisions of this Section 6.7, (ii) be construed as an amendment, waiver or creation of any employee benefit plan, (iii) limit in any way the right of the Lessee or its respective Affiliates to amend or terminate any employee benefit plan at any time, or (iv) create any right to employment, continued employment, or any term or condition of employment with UCHealth, Lessee, or their respective Affiliates.

6.8 **Pre-Closing Covenants**. Following the Execution Date and prior to the Closing, except as otherwise permitted by this Operating Lease, or other agreement between the Parties, the District shall continue to be operated in the ordinary course of business and shall not undertake any of the following except with the prior written consent of UCHealth (which consent shall not unreasonably be withheld, conditioned, or delayed):

6.8.1 Make any change in accounting principles and practices other than in compliance with applicable Law or as required by GAAP (as herein defined);

6.8.2 Make any capital expenditures over Fifty Thousand Dollars (\$50,000), except in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;

6.8.3 Mortgage, encumber, transfer, sell, or lease the Leased District Property (or enter into any agreement to do any of the foregoing) with a value of over Fifty Thousand Dollars (\$50,000) individually, or One Hundred Thousand Dollars (\$100,000) in the aggregate;

6.8.4 Create or increase any liens on any of its or their assets or revenues, other than Permitted Restrictions;

6.8.5 Terminate, amend, modify, renew, or extend any material Contract (including the Leases);

6.8.6 Enter into any affiliations, contracts, or commitments not otherwise expressly covered by another provision (including contracts for physician services) contained in this Section 6.8 with a value exceeding Fifty Thousand Dollars (\$50,000) individually, or One Hundred Thousand Dollars (\$100,000) in the aggregate over the life of the affiliation, contract, or commitment;

6.8.7 Enter into any physician agreements, agreements with sources of referrals, medical director agreement, or professional services agreements with a value exceeding Fifty Thousand Dollars (\$50,000) individually, or One Hundred Thousand Dollars (\$100,000) in the aggregate over the life of the agreement;

6.8.8 Enter into any joint venture or partnership agreement;

6.8.9 Purchase, convey, transfer, lease, or sell any of the Leased District Property with a value exceeding Fifty Thousand Dollars (\$50,000) individually, or One Hundred Thousand Dollars (\$100,000) in the aggregate, or enter into any agreement to do any of the foregoing;

6.8.10 Make any changes to its or their respective plans, except in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;

6.8.11 Enter into or negotiate any collective bargaining agreement, or other Contract with a Union, or recognize or certify any Union as the bargaining representative of any Estes Park Employees;

6.8.12 Except as required by applicable Law, increase or decrease the compensation payable or to become payable or the benefits provided to Estes Park Employees or independent contractors, or, grant any bonus, severance or termination payment to, or pay, loan or payroll advance any amount to any Estes Park Employee;

6.8.13 Hire, engage, terminate (without cause), furlough, or temporarily layoff any employees, directors, officers, or independent contractors with annualized compensation equal to or in excess of Fifty Thousand Dollars (\$50,000);

6.8.14 Implement or announce any layoff or furlough, or materially reduce the hours or weekly pay of, a group of twenty-five (25) or more employees;

6.8.15 Waive or release any noncompetition, nonsolicitation, nondisclosure, noninterference, nondisparagement, or other restrictive covenant obligation of any current or former employee, director, officer or independent contractor;

6.8.16 Make any changes to the Service Plan for the District (the “Service Plan”) or the bylaws of the District.

6.8.17 (A) File any Tax Returns (as herein defined) in a manner inconsistent with past practice or amend any material Tax Return, (B) make (except in the ordinary course of business) or change, in any material respect, any election concerning Taxes; (C) enter into any closing agreement or settle any material Tax claim or assessment; (D) consent to any extension or waiver of the limitation period applicable to any Tax proceeding or assessment; or (E) omit to take any action relating to the filing of any material Tax Return or the payment of any material Tax; in each case, relating to the Estes Park Healthcare Operations and except as otherwise contemplated by this Operating Lease; or

6.8.18 Announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the foregoing. With respect to the above, UCHealth, through its Chief Strategy Officer, shall consent to or reject any action within five (5) business days after receipt of request, including any reasonably required supporting documentation, and failure to respond within such timeframe shall be treated by the Parties as UCHealth’s consent and approval of such action. Nothing contained in this Operating Lease shall give UCHealth, directly or indirectly, the right to control or direct the Estes Park Healthcare Operations prior to the Closing. Prior to the Closing, District shall exercise, consistent with the terms and conditions of this Operating Lease, complete control and supervision over its operations.

6.9 **Prorations.** The Lessee and the District shall prorate as of the Effective Date a good-faith estimate of any costs or payments that relate to both pre-Closing and post-Closing which will become due and payable after the Effective Date with respect to (i) all lawful Taxes (including property Taxes, if any) and governmental use charges on the Leased District Property or the Acquired Assets, and (ii) all utilities servicing any of the Leased District Property or the Acquired Assets, including water, sewer, telephone, electricity and gas service. Any above-described obligations which are not known or cannot be reasonably estimated as of the Effective Date shall be similarly apportioned, subject to the above, and paid by the responsible Party as soon as practicable thereafter so that the District shall be responsible for all prorated amounts corresponding to the period prior to the Effective Date and the Lessee shall be responsible for all prorated amounts corresponding to the period subsequent to the Effective Date.

6.10 **Binding Pre-Closing Agreements.** The District and the Lessee each represent and warrant to one another that it currently possesses the lawful capacity, power and authority to (a) enter into this Operating Lease for purposes of binding itself lawfully as of the Execution Date to the terms of this Operating Lease applicable to the time prior to the Effective Date, including this Section 6.10, and (b) contingent upon and subject to the conditions to Closing (as hereinafter defined) set forth herein (including obtaining the Required Hospital Approvals), enter into this Operating Lease for purposes for all the provisions hereof, including those applicable to the time following the Effective Date. The Parties hereby agree that the provisions of this Section 6.10 are intended to induce the Parties to proceed to commit the time and expense to seek the Required Hospital Approvals (as hereinafter defined) and effect a Closing of the Transaction. The Parties shall use their commercially reasonable efforts to effect the Closing of this Transaction by no later than the Outside Date (as hereinafter defined in Section 12.3.1(iii)). If this Operating Lease is terminated by either Party pursuant to Article XII herein, then the provisions of this Section 6.10

shall terminate and be of no further force or effect, provided that liability for any breach of this Section 6.10 shall survive such termination.

6.11 **Certain Litigation.** The District shall give the Lessee and its Affiliates the option (which does not entail the obligation) to participate in the defense or settlement of any litigation against the District challenging or affecting the completion of the Transactions (but this shall cease if there is a valid termination of this Operating Lease prior to the Effective Date). The District shall not agree to any compromise or settlement of such litigation without the consent of the Lessee.

6.12 **Actions by the Board of Directors of the District.** The District covenants and agrees that, from the Execution Date through the Effective Date, and in addition to taking all such actions required of it in order to comply with the terms of this Article VI, it shall take any additional actions necessary for it to cause the Board of Directors of District to act in a manner consistent with the provisions of this Article VI.

6.13 **Finalization of District's Schedules.** The District may deliver copies of the District's Schedules within [ten (10)] days following the Execution Date. Any such Schedules that were not finalized in advance of the Execution Date must be acceptable to Lessee and to UCHealth as of such date. Lessee and UCHealth shall have the sole right to accept or reject, in Lessee's or UCHealth's discretion, any such Schedules.

## **ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE DISTRICT**

To induce the Lessee to proceed with and consummate the Transactions, the District represents and warrants as of the Execution Date and as of the Effective Date, except as otherwise set forth below, as follows:

7.1 **Existence and Capacity.** The District is a special district duly organized and validly existing under the laws of the State of Colorado. Subject to subsequent approvals described in Section 9.3.4 (Required Hospital Approvals), the District has the full right, power and authority to execute, deliver and carry out the terms of this Operating Lease, the Integration Agreement and all documents and agreements to which the District is a party necessary to give effect to the Transactions.

7.2 **Powers; Consents; Absence of Conflicts with Other Agreements.** Subject to the Required Hospital Approvals, the execution, delivery and performance by the District of this Operating Lease, the Integration Agreement and all other documents and agreements delivered in connection with the execution of this Operating Lease, the Integration Agreement and other documents and agreements to which the District is a party in connection with the Closing, and the consummation by the District of the Transactions, (a) are within its powers, are not in contravention of law and have been duly authorized by all appropriate action; (b) will neither conflict with, nor result in, any material breach or conflict with any material Contract, (c) create any prohibited Encumbrance under any material Contract, indenture, agreement, instrument or understanding to which the District is a party or by which the District is bound; and (d) do not violate any Law to which the Leased District Property or the Acquired Assets may be subject.

7.3 **Binding Agreement.** Subject to the Required Hospital Approvals (which shall in no way limit the District's representations set forth in Section 6.10 with respect to the covenants and obligations of the District applicable to the period prior to the Effective Date), this Operating Lease and all agreements to which the District becomes a party pursuant hereto are and will constitute the valid and legally binding obligations of the District, and are and will be enforceable against it in accordance with the respective terms hereof or thereof, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies.

7.4 **Legal Proceedings.**

7.4.1 Except as set forth on Schedule 7.4, (a) there are no, and for the past three (3) years there have been no Actions (as defined herein) pending or threatened against the District at law or in equity or before or by any Governmental Entity against or related to the District, including involving any Estes Park Employee (with respect to his or her duties performed on behalf of the District), wherever located which, if adversely determined, would affect the condition (financial or otherwise) of the Estes Park Healthcare Operations, or that would delay or prevent the District's ability to consummate the Transactions, and (b) the District has not received notice that the District is in default under any order of a Governmental Entity.

7.4.2 Schedule 7.4 contains an accurate list and summary description of all litigation and proceedings relating to or affecting the Estes Park Healthcare Operations to which the District is a party (including Governmental Entity and third-party payor audits and related proceedings), as well as pending or outstanding settlements and judgments, injunctions, orders, arbitration awards or conciliation agreements under which the District has or would reasonably be expected to have current or future obligations with respect to the Estes Park Healthcare Operations. [To the District's knowledge] and except as forth on Schedule 7.4, neither the District nor any of the Leased District Property is in violation under any Law with respect to the Estes Park Healthcare Operations. Except to the extent set forth on Schedule 7.4, there are no audits, compliance reports, notices of violation or information requests pending or threatened against or involving any of the following: (i) the District with respect to the Estes Park Healthcare Operations, or (ii) any Estes Park Employee with respect to his or her duties performed on behalf of the District, at law or in equity, or before or by any Governmental Entity.

7.4.3 Other than as set forth on Schedule 7.4, the District is not subject to any outstanding judgment, order or decree relating to the Estes Park Healthcare Operations.

7.4.4 The District has not engaged in any transaction that would reasonably be expected to subject the District (or any successor in interest), the Lessee, or the Estes Park Healthcare Operations to any avoidance action. Without limiting the generality of the foregoing, other than as set forth on Schedule 7.4, the District has not, with respect to the Estes Park Healthcare Operations, (i) received any payments from its or their account debtors outside the ordinary and usual course of business, (ii) acquired or sold any asset other than for reasonably equivalent value (excluding the donation by any third party of any Acquired Asset to the District), or (iii) conducted any business with any debtor-in-possession or bankrupt estate other than in the ordinary and usual course of business.

7.5 **No Outstanding Rights.** Except as set forth on Schedule 7.5, there are no outstanding rights (including any right of first refusal), options, or Contracts made on behalf of the District giving any Person any current or future right to require the District (or any successor in interest), or, after the Effective Date, the Lessee, to sell, lease or transfer to such person or to any third party any interest in any of the Estes Park Healthcare Operations.

7.6 **Sufficiency of Property and Assets.** The Leased District Property and the Acquired Assets constitute all of the assets which are (i) held or used by the District for the conduct of the business and operation of the Estes Park Healthcare Operations and (ii) reflected on the Balance Sheet (as hereinafter defined), and as of the Effective Date, such assets, together with the assets included in the supplemented financial statements described in Section 2.2, will be sufficient to permit the Lessee to carry on the Estes Park Healthcare Operations without change from the level in effect immediately prior to the Effective Date.

7.7 **Financial Information; No Undisclosed Liabilities.**

7.7.1 Set forth on Schedule 7.7.1 are the following financial statements and financial information (collectively, the “Historical Financial Information”):

- (i) audited combined balance sheet of the District dated as of [December 31, 2024];
- (ii) audited combined income statement of the District for the twelve (12) month period ended on [December 31, 2024]; and
- (iii) unaudited balance sheet and income statements of the District for the period ended [\_\_\_\_, 2025] (the “Balance Sheet Date”) (items (i)-(iii) above, collectively, the “Balance Sheet”).

7.7.2 The financial statements included in the Historical Financial Information have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated, and the District has not changed any accounting policy or methodology throughout the periods presented, except as set forth in the Historical Financial Information or otherwise specifically noted on Schedule 7.7.1. The balance sheets contained in the Historical Financial Information present fairly the financial condition of the Estes Park Healthcare Operations as of the dates indicated thereon, and the income statements contained in the Historical Financial Information present fairly the results of the Estes Park Healthcare Operations. As used herein, “GAAP” means generally accepted accounting principles as they exist on the date of applicability thereof as applied in the United States of America.

7.7.3 Except for (i) the Assumed Liabilities and the Excluded Liabilities, (ii) liabilities set forth the Historical Financial Information (including any footnotes thereto), (iii) liabilities that are specifically disclosed on Schedule 7.7.3, (iv) liabilities that have arisen after the Balance Sheet Date in the ordinary course of business, and (v) the Transactions contemplated hereby and any transaction expenses related thereto, there are no liabilities of any nature of the District with respect to the Estes Park Healthcare Operations required in accordance with GAAP to be disclosed on the Historical Financial Information of the District.



## **7.8 Permits and Approvals; Accreditations.**

7.8.1 Set forth on Schedule 7.8, is a true and complete description of all licenses, registrations, certifications, permits and approvals issued or granted by a Governmental Entity and owned or held by or issued to the District with respect to the Estes Park Healthcare Operations (“Permits and Approvals”), and such Permits and Approvals constitute all permits and approvals necessary for conducting the Estes Park Healthcare Operations as conducted by the District as of the Effective Date. District has obtained, and for the past six (6) years, have continuously maintained all Permits and Approvals necessary for conducting the Estes Park Healthcare Operations as conducted by the District as of the Effective Date. The District is the duly authorized holder of such Permits and Approvals, all of which are in full force and effect and unimpaired. True and complete copies of all such Permits and Approvals set forth on Schedule 7.8 have been delivered to the Lessee.

7.8.2 For the past six (6) years, except as set forth on Schedule 7.8, (i) the District is in material compliance with all Permits and Approvals; (ii) there are no provisions in, or Contracts relating to, any such Permits and Approvals which preclude or limit the District from conducting the business of the Estes Park Healthcare Operations or operating the Leased District Property as such business is currently conducted and as such facilities are currently operated; and (iii) there is not now pending nor threatened, any action by or before any Governmental Entity to revoke, cancel, rescind, suspend, restrict, modify or refuse to renew any of the Permits and Approvals, and all of the Permits and Approvals are effective, unrestricted and in good standing.

7.8.3 The District holds all accreditations and certifications issued by accrediting bodies that are reasonably necessary or customary to conduct the business of the Estes Park Healthcare Operations. District has received no written notice of any pending or threatened Actions by any accrediting body to revoke, cancel, rescind, suspend, restrict, modify, or non-renew any such accreditation/certifications, and all such accreditations/certifications are effective, unrestricted and in good standing.

7.8.4 The Leased District Property is in compliance with all applicable fire code regulations. The District has identified on Schedule 7.8 the most recent state licensing reports and lists of deficiencies, if any, and the most recent fire marshal surveys and lists of deficiencies, if any, for each of the Leased District Property.

7.8.5 Set forth on Schedule 7.8 are zoning compliance letters and compliance inspection letters for the Leased District Property and Acquired Assets (each as may be updated pursuant to Section 9.1.16, collectively, the “Zoning Letters”).

## **7.9 Intellectual Property.**

7.9.1 The District owns, licenses or otherwise possesses all necessary rights to use all Intellectual Property Assets.

7.9.2 The District has all rights necessary to assign, transfer and convey all rights of the District in and to the Intellectual Property Assets to the Lessee or its designee pursuant to this Operating Lease and shall provide the Lessee the benefit of such Intellectual Property Assets to the Lessee during their duration.

7.9.3 Neither the United States government nor any office or agency thereof holds residual rights or any ownership interest in any Intellectual Property Assets.

7.9.4 There is no unauthorized use, disclosure, infringement or misappropriation of any of the Intellectual Property Assets, any trade secret material of the District or any intellectual property right of any third party to the extent the Intellectual Property Assets are licensed by or through the District including any Estes Park Employee or any former employee of the District involving any of the Leased District Property or the Acquired Assets. Other than the fees set forth in any Contract to which the District is a party or as otherwise set forth on Schedule 7.9, there are no royalties, fees or other payments payable by the District to any Person by reason of the ownership, use, sale or disposition of the Intellectual Property Assets.

7.9.5 Except as set forth on Schedule 7.9, the District is not now, nor will it be as a result of the execution and delivery of this Operating Lease or the performance of its obligations under this Operating Lease or any other agreement entered into by the District in connection with the Transactions, in breach of any license, sublicense or other Contract relating to the Intellectual Property Assets.

7.9.6 Except as set forth on Schedule 7.9, the District does not have any patents, registered trademarks, registered service marks or registered copyrights related to the Estes Park Healthcare Operations. Except as set forth on Schedule 7.4, the District has not been served with process in any suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, or copyrights or software licenses or violation of any trade secret or other proprietary right of any third party related to the Estes Park Healthcare Operations. To the District's knowledge, the Intellectual Property Assets used in connection with the Estes Park Healthcare Operations do not infringe any intellectual property or other proprietary right of any third party or any patents, trademarks, service marks, or copyrights or violate any trade secret or other proprietary right of any third party. The District has not brought any action, suit or proceeding for infringement of Intellectual Property Assets or breach of any license or Contract involving Intellectual Property Assets related to the Estes Park Healthcare Operations against any third party. The District has not received written notice of any infringement of the Intellectual Property Assets or breach of any license or Contract involving Intellectual Property Assets by any third party.

7.9.7 All necessary registration, maintenance and renewal fees due as of the Effective Date and that are the responsibility of the District in connection with the Intellectual Property Assets are current and will be paid as of the Effective Date and all necessary documents and certificates in connection with the Intellectual Property Assets and that are the responsibility of the District has, for the purposes of maintaining the Intellectual Property Assets, been filed in a timely manner with the relevant Governmental Entities.

7.9.8 The District has not entered into any agreement granting to any Person the right to control the prosecution or registration of any of the Intellectual Property Assets.

## 7.10 Health Care Compliance.

7.10.1 Except as set forth on Schedule 7.10.1, the Estes Park Healthcare Operations have been for the past six (6) years conducted and are currently being conducted, in material compliance with all Health Care Laws and, if applicable, all corrective action plans required by any Governmental Entity of the District with respect to the Estes Park Healthcare Operations. Except as set forth on Schedule 7.10.1, for the past six (6) years, there have been no, and currently there are no legal proceedings, audits or recoupment actions, any of which allege a violation of Health Care Laws by the District with respect to the Estes Park Healthcare Operations, and no facts or circumstances exist that would reasonably be expected to give rise to such legal proceedings, audits or recoupment. The District has for the past six (6) years not received any notice alleging the District's breach or violation of non-compliance with or default under any Health Care Law with respect to the conduct of District with respect to the Estes Park Healthcare Operations. For purposes of this Operating Lease, "Health Care Laws" means (i) Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Federal Ethics in Patient Referrals Act, 42 U.S.C. § 1395nn (the Stark Law); (ii) Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute) and state Medicaid Laws; (iii) Title XXI of the Social Security Act, 42 U.S.C. §§ 1397aa-1397mm, and state Children's Health Insurance Program Laws; (iv) TRICARE, 10 U.S.C. § 1071 et seq.; (v) the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); (vi) the Federal False Claims Act, 31 U.S.C. §§ 3729-3733; (vii) the Federal Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; (viii) the Federal Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; (ix) state anti-kickback, fee-splitting, self-referral and corporate practice of medicine Laws; (x) workers' compensation Laws; and (xi) Laws relating to the regulation, licensure, qualification, provision, or administration of, or payment for, health care facilities, products or services.

7.10.2 To the District's knowledge, for the past six (6) years, no Person has filed or has made a meaningful and likely threat to file a claim against District or its employees, officers, directors and managers (each in their respective capacity as an employee, officer, director or manager of District with respect to the Estes Park Healthcare Operations and with respect to the scope of their respective duties for the Estes Park Healthcare Operations) with respect to the Estes Park Healthcare Operations, under any federal or state whistleblower statute, including without limitation under the Federal False Claims Act, 31 U.S.C. §§ 3729-3733.

7.10.3 Neither the District nor its employees, officers, directors and managers (each in their respective capacity as an employee, officer, director or manager of District with respect to the Estes Park Healthcare Operations and with respect to the scope of their respective duties for the Estes Park Healthcare Operations) have, for the past six (6) years, made any untrue statements of fact or fraudulent statements to any Governmental Entity, or failed to disclose any facts required to be disclosed to any Governmental Entity with respect to the Estes Park Healthcare Operations.

7.10.4 The District is duly accredited by Det Norske Veritas ("DNV"). The District has previously delivered to Lessee a true and complete copy of the most recent DNV accreditation survey report and deficiency list, if any; the most recent Statement and Deficiencies and Plans of Correction on Form CMS-2567; the most recent state licensing report and list of

deficiencies, if any; and the most recent fire marshal's survey and deficiency list, if any, and the corresponding plan of correction or other responses.

7.10.5 The District is certified for participation in the Medicare, Medicaid and CHAMPUS/TRICARE programs, and has current and valid provider agreements with each of such programs, and is in compliance with the conditions of participation of such programs. Except as set forth in Schedule 7.10.5, the District has not, for the past six (6) years, received any notice of any pending (and there are no threatened) investigations or actions with respect to Estes Park Healthcare Operations, including with respect to the District's status as a critical access hospital ("Critical Access Hospital") under 42 C.F.R. part 485, subpart F. The District is duly certified as a Critical Access Hospital.

7.10.6 With respect to the Estes Park Healthcare Operations, the District does not have any outstanding loan, grant or loan guarantee pursuant to the Hill-Burton Act (42 U.S.C. §291a, et seq.). To the District's knowledge, within the past six (6) years, the District and its employees, officers, directors and managers (each in their respective capacity as an employee, officer, director or manager of the District with respect to the Estes Park Healthcare Operations) have not: (i) been convicted of, formally charged with, or, investigated for any crime or violation or engaged in any conduct for which such Person would reasonably be expected to be excluded, suspended, or debarred from participating, or otherwise ineligible to participate, in any Government Programs applicable to the Estes Park Healthcare Operations; (ii) engaged in any conduct that would reasonably be expected to subject such Person or entity to a civil monetary penalty or criminal penalty under Sections 1128A or 1128B of the Social Security Act or any similar Law; (iii) been convicted of or formally charged with, been investigated for, any violation of Laws related to fraud, theft, embezzlement, breach of fiduciary responsibility, financial misconduct, or obstruction of an investigation; or (iv) been excluded, suspended, or debarred from participation, or is otherwise ineligible to participate, in any Government Programs applicable to the Estes Park Healthcare Operations. The District verifies on an ongoing, monthly basis that it and its employees and contractors are not excluded, suspended or debarred from participation, or otherwise ineligible to participate in any Government Programs.

7.10.7 The District requires that each health care professional providing services on behalf of the District be duly licensed (i) under the applicable Laws of each state or other jurisdiction in which such health care professional practices; and (ii) under the applicable Laws of each state or territory where the health care professional provides services to residents, to the extent such state or territory requires such licensure. To the District's knowledge, except as set forth on Schedule 7.10.7, within the past six (6) years, no health care professional employed by or contracted with the District has been under investigation by, or was not in good standing with, any Governmental Entity, including a medical board. Except as set forth on Schedule 7.10.7, there are no pending or threatened Actions with respect to the medical or other staff members of the District whether initiated by the District or a Governmental Entity or any other Person for misconduct, violation of any Law or for any other reason whatsoever. Schedule 7.10.7 sets forth a complete and accurate list of (i) the name of each member of the medical staff of the District; and (ii) the specialty, if any, of each medical staff member. Notwithstanding the foregoing provisions of this Section 7.10.7, the District shall not be required to disclose any information pursuant to this Section 7.10.7 where such disclosure is prohibited by applicable state Law.

7.10.8 In the past six (6) years, the District has not billed, received or retained any payment or reimbursement in excess of amounts allowed by Health Care Laws. The billing practices of the District with respect to all third-party payors, including without limitation the Government Programs and private insurance companies, has been in compliance with all Health Care Laws, regulations and policies of such third-party payors.

7.10.9 In the past six (6) years, the District, has not received any overpayments from, nor owed any outstanding refunds to, any Governmental Entity, or agent thereof, or private third-party payor that have not been returned in full to such Governmental Entity, agent thereof, or private third-party payor, respectively. The District has not been for the past six (6) years, and is not currently being, audited, surveyed or otherwise examined in connection with any Government Program or any third-party payor program.

7.10.10 For the past six (6) years, except as set forth on Schedule 7.10.10, the District (i) has not been a party to an order, individual integrity agreement, or corporate integrity agreement with any Governmental Entity, including the Office of Inspector General of the United States Department of Health and Human Services, concerning compliance with Health Care Laws, (ii) has not had any reporting obligations pursuant to a settlement agreement entered into with any Governmental Entity related to Health Care Laws, or (iii) is not presently responding to, and has not responded to, any search warrant, subpoena, criminal or civil investigative demand by or from any Governmental Entity arising from or relating to Health Care Laws.

7.10.11 Except as set forth on Schedule 7.10.11:

(i) Within the past six (6) years, the District's receipt, collection, monitoring, maintenance, creation, transmission, use, disclosure, storage, disposal, and security of any individually identifiable health information including demographic information and social security numbers (as defined in 45 C.F.R. §160.103) (the "Personal Information") have complied in all material respects with the Health Insurance Portability and Accountability Act of 1996, as amended by and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, and their respective implementing regulations (collectively referred to herein as "HIPAA") and applicable federal laws concerning the privacy and security of Personal Information, state health information privacy laws, data breach notification laws, and state social security number protection laws and consumer protection laws, and any applicable laws concerning requirements for website and mobile application privacy policies and practices, call or electronic monitoring or communications (the "Information Privacy and Security Laws"). The District have all necessary authority, consents and authorizations to receive, access, use and disclose the Personal Information in the District's possession or under their control in connection with Estes Park Healthcare Operations.

(ii) The District is in compliance with 45 C.F.R. § 164.502(e)(2), and for the past six (6) years, have entered into an agreement with a "business associate" (as defined in 45 C.F.R. § 160.103) in each instance where District, a "covered entity" (as defined in 45 C.F.R. § 160.103), provides "protected health information" (as defined in 45 C.F.R. § 160.103) to such "business associate" to receive, create, maintain or transmit protected

health information for or on behalf of the District as required by, and in conformity with, applicable Information Privacy and Security Laws.

(iii) For the past six (6) years, the District's employees, who have access to Personal Information have received documented training, as reasonably necessary and appropriate for such employees to carry out their respective functions in accordance with applicable Information Privacy and Security Laws.

(iv) Within the past six (6) years, there has been no data security breach or unauthorized access, use or disclosure of any Personal Information, owned, used, stored, received, or controlled by or on behalf of the District that would constitute a "breach" (as defined 45 C.F.R. 164.402) for which notification by the District to individuals and/or Governmental Entities is required under any applicable Information Privacy and Security Laws.

(v) The District has, for the past six (6) years, identified, documented, investigated, responded, and mitigated successful "security incidents" (as defined in 45 C.F.R. § 164.304) related to Personal Information transmitted, processed, maintained, stored or otherwise available on or through the District's network or information technology systems.

(vi) Within the past six (6) years, the District, (A) has not been under investigation by any Governmental Entity for a violation of any Information Privacy and Security Laws; or (B) has not received any notices or audit requests from the United States Department of Health and Human Services Office for Civil Rights, Federal Trade Commission or the Attorney General of any state relating to any such violations.

(vii) The District has, for the past six years, performed a security risk assessment that meets the standards set forth at 45 C.F.R. § 164.308(a)(1)(ii)(A), including an assessment as described at 45 C.F.R. § 164.306(d)(3), taking into account factors set forth in 45 C.F.R. § 164.306(a)-(c), (the "Security Risk Assessment"). Within the past six (6) years, the District has implemented reasonable and appropriate security measures to address reasonably anticipated threats, deficiencies and vulnerabilities identified in every Security Risk Assessment in accordance with applicable Information Privacy and Security Laws.

**7.11 Compliance With Laws.** Except as set forth on Schedule 7.11 the District is and has been, for the past six (6) years, in compliance in with all applicable Laws of any Governmental Entity having jurisdiction over the Estes Park Healthcare Operations. Except as set forth on Schedule 7.11, the District has been in compliance, for the past six (6) years, in timely filing all forms, applications, reports, statements, data and other information required to be filed with Governmental Entities. Within the past six (6) years, the District has not been a party to, or has been threatened with, any proceeding or investigation by any Governmental Entity alleging or based upon a violation of any Laws.

**7.12 Assumed Contracts.** Each Assumed Contract, including the Leases described on Schedule 2.1.1(ii), (i) is valid and existing as to the District and as to the other party to the Assumed

Contract and (ii) except as set forth on Schedule 7.12, no breach or default or alleged breach or default, or any event or condition which would (with the passage of time, notice or both) constitute a breach or default under any Assumed Contract by the District or any other party or obligor with respect thereto, has occurred or exists. Schedule 7.12 identifies those Assumed Contracts, including the Leases, (i) with change of control provisions that would be triggered by the Transactions, and (ii) that require a third party's consent to assignment in order for the District to assign such Assumed Contracts to the Lessee in accordance with the terms of this Operating Lease. The District has delivered or made available to the Lessee true and correct copies of all Assumed Contracts and Leases.

7.13 **Furniture and Equipment.** The District represents and warrants that the furniture and equipment at the Leased District Property, all of which is listed on Schedule 7.13, in the aggregate are now, and shall be as of the Effective Date, in good, useable condition. No Person other than the District has any equipment or tangible assets on site pursuant to an Assumed Contract, owns any furniture and equipment or other tangible assets located at the Leased District Property or held or used in Estes Park Healthcare Operations, other than the equipment and tangible assets set forth on Schedule 7.13.

7.14 **Real Property.**

7.14.1 The District has not created any Encumbrance (other than Permitted Restrictions) which will interfere with the Lessee's use of the Leased District Property and the Acquired Assets in a manner consistent with the current use of the Leased District Property and the Acquired Assets. The District owns fee simple title to each parcel of the Leased District Property. The District will assign a valid and enforceable leasehold interest in the real property and improvements pertaining to the Leases with respect to the Estes Park Healthcare Operations to the Lessee (or its designee), in each case, free and clear of any Encumbrance, except for the Permitted Restrictions applicable to such real property and improvements.

7.14.2 Except as otherwise disclosed in Schedule 7.14.2, with respect to each parcel of Leased District Property: (i) the District has not received written notice that there are any pending or threatened condemnation proceedings, eminent domain proceedings, orders, notice of responsibility, suits or administrative actions relating to the Leased District Property or other matters affecting the current use, occupancy or value thereof; (ii) other than rights of third parties arising under any Lease or Assumed Contract, there are no Contracts, commitments, obligations, licenses, leases, mortgages, liens, agreements, or instruments to which the District is a party, including, without limitation, any right of first refusal, redemption right or option purchase, granting to any party or parties the right of use or occupancy of any portion of the parcels of Leased District Property; (iii) there are no outstanding options or rights of first refusal to purchase the parcels of Leased District Property, or any portion thereof or interest therein; (iv) there are no parties (other than tenants under Leases) in possession of the parcels of Leased District Property; and (v) the District has not received notice of any special assessment which may affect any parcel of Leased District Property.

7.14.3 Except as set forth on Schedule 7.14.3: (i) the District has not entered into any Leases with respect to the Leased District Property or the business or operation of the Estes Park Healthcare Operations or the Acquired Assets; (ii) each Lease with respect to the Estes

Park Healthcare Operations constitutes a legal, valid and binding obligation of the District, is in full force and effect, has not been amended or modified in any respect, and the District is not in default or breach thereunder and the other party thereto is not in default or breach thereof; (iii) no event has occurred which, with the passage of time or the giving of notice or both, would cause a breach of or default under any of such Leases by the District; and (iv) with respect to each parcel subject to the Leases: (A) the District has valid leasehold interests in such leased premises, free and clear of any Encumbrances (other than the applicable Permitted Restrictions), and (B) the District has not received notice of (1) any condemnation proceeding with respect to any portion of the parcel subject to the Leases or any access thereto, or (2) any special assessment which may affect any parcel subject to the Leases. True and complete copies of all Leases and all amendments, modifications and supplements existing as of the date hereof have been delivered or made available to the Lessee and are listed in Schedule 7.14.3 attached hereto. As of the date hereof, fixed rent, overage rent and any additional charges due under such Leases where the District is the landlord are being billed to the tenants in accordance with the schedule set forth on Schedule 7.14.3. As of the date hereof, except as set forth Schedule 7.14.3 no tenant was in arrears in the payment of any such rent for more than one calendar month, no tenant is entitled to “free” rent or tenant improvement allowances, all work required to be performed by the lessor under each of the Leases has been completed and fully paid for, and all rents and any additional charges due under such Leases are being billed to the tenants in accordance with the schedule set forth Schedule 7.14.3.

7.14.4 Except as set forth on Schedule 7.14.4, each of the following systems of the Leased District Property: plumbing, electrical, mechanical, heating, ventilation and air conditioning, sewage, roofing, foundation, and floors (collectively, the “Buildings and Systems”) are now and shall be as of the Effective Date in good working order. Except as set forth on Schedule 7.14.4, there are no outstanding requirements from any Governmental Entity or tenant requiring any repairs or work to be done with respect to the improvements or pertaining to the maintenance of the Buildings and Systems.

7.14.5 All public utilities, including water, sewer, gas, electricity, telephone, and other utilities, required for the operation of the Leased District Property as operated on the Effective Date, or any portion thereof, are either supplied through adjoining public streets or, if they pass through adjoining public land, do so in accordance with valid public or private easements. All of said public utilities are installed and operating and provide adequate service to the Leased District Property to operate the Leased District Property consistent with its operations on the Effective Date and any installation and connection charges that are due and payable as of the Effective Date have been paid in full. Except as set forth on Schedule 7.14.5, the District and its Affiliates have not received notice from any public utility regarding (i) any arrearages, fines or penalties relating to utility services to the Leased District Property which are due and payable by the District or its Affiliates or (ii) change (pending, proposed or actual) in utility service or fees therefor. Parking spaces for visitors are available in parking lots or garages at the Leased District Property, which parking is sufficient to accommodate and service the present usage of the Leased District Property. Except for the Assumed Contracts and any information set forth on Schedule 7.14.5, the District is not party to any management, franchise, services or other agreements with respect to the operations or management of the Leased District Property or the Acquired Assets.

7.14.6 No part of the Leased District Property is subject to any building or use restrictions which restrict or prevent the use of the Leased District Property as currently operated



and all uses and structures on the Leased District Property substantially conform with applicable laws, rules, regulations and ordinances imposed by any Governmental Entity. The Leased District Property is zoned for its current uses and all required permits, licenses, and authorizations necessary for the current uses of the Leased District Property have been obtained and are in full force and effect.

7.15 **Personal Property.** Schedule 7.15 sets forth a true and complete list of substantially all of the (i) fixed assets owned or leased by the District which are used in conducting the business of the Estes Park Healthcare Operations, and having, in the aggregate with all other similar items, a value in excess of Twenty-Five Thousand Dollars (\$25,000), and (ii) all other tangible and intangible personal property, rights and assets owned or leased by, in the possession of or necessary for the conduct of the District in conducting the business of the Estes Park Healthcare Operations and having, in the aggregate with all other similar items, a value in excess of Twenty-five Thousand Dollars (\$25,000), which list indicates the location of such items. The District owns and holds good title to all Personal Property and valid title to all intangible personal property assets included in the Leased District Property and the Acquired Assets free and clear of all Encumbrances, except Permitted Restrictions and rights of owners under leases or licenses of assets leased or licensed to the District in the ordinary course of business which are listed on Schedule 7.12. The Personal Property in the possession of or used by the District in connection with the Estes Park Healthcare Operations is, taken as a whole, in generally good working order commensurate with that of comparable hospitals.

7.16 **Insurance.** Schedule 7.16 sets forth a true and complete list of all insurance policies or self-insurance funds maintained by the District as of the date hereof covering the ownership and operation of the Leased District Property, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverage (including applicable deductibles). The District has made all payments required to maintain such policies in full force and effect. Except as described on Schedule 7.16, all of such policies are in full force and effect with no premium arrearages. Except as described on Schedule 7.16, the District have received no notice of default under any such policy or notice of any pending or threatened termination or cancellation, coverage limitation or reduction or material premium increase with respect to any such policy.

7.17 **Employee Benefit Plans.**

7.17.1 Set forth on Schedule 7.17.1 is a true and complete list of each “employee benefit plan” within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), whether or not subject to ERISA, and any other employee benefit plan, fund, agreement, program, policy, or arrangement, whether written or unwritten, formal or informal, which the District currently sponsors, maintains, or contributes to (including, without limitation, any other profit sharing plan, 401(k) plan, money-purchase pension plan, defined benefit pension plan, tax-sheltered or other annuity plan, deferred compensation plan (including, without limitation, any plan subject to sections 457(b) or 457(f) of the Code), multiemployer (Union) pension plan, multiple employer pension plan, supplemental retirement plan, excess benefit plan, and any other type of tax-qualified or other form of retirement plan, policy, contract, commitment, understanding or arrangement, each medical, surgical, hospital or other healthcare plan/insurance plan, dental, vision or hearing benefits plan, short-term disability, sick leave or other form of salary continuation plan/insurance plan relating to injury or illness,

long-term disability plan, long-term care plan, employee assistance plan, group term or whole life insurance plan, business travel, accident coverage or accidental death and dismemberment coverage plan, prepaid legal services plan, severance pay plan or arrangement, layoff or unemployment benefits plan, apprenticeship or training program, day care center or other dependent care assistance plan, educational assistance or tuition reduction plan, vacation, personal days or other paid time-off program, cafeteria plan, flexible spending account, Union-sponsored welfare plan, business expense reimbursement or employee discount arrangement, and any other type of welfare benefit or fringe benefit plan, policy, contract, commitment, understanding or arrangement, and each continuation pay or termination pay plan, change of control or retention plan, incentive compensation or executive compensation plan, equity or equity-based compensation plan, or other similar plan, policy, contract, commitment, understanding or arrangement) for the benefit of a current or former employee (including any Estes Park Employee) or independent contractor or the dependents of such employees or independent contractors, or to which the District has any outstanding present or future obligations to contribute or other liability, whether voluntary, contingent or otherwise (collectively, the “Estes Park Plans”).

7.17.2 With respect to each Estes Park Plan, the District has heretofore delivered or made available to the Lessee true and complete copies of the Estes Park Plan documents and any amendments thereto (or if the Estes Park Plan is not written, a true and reasonably complete description thereof). Each Estes Park Plan complies, in form and operation, with all applicable Laws, including, but not limited to, the Code, and each Estes Park Plan has been operated in compliance with the terms thereof. As used herein, the “Code” means the Internal Revenue Code of 1986, as amended. The District have complied and are in compliance in all material respects with the applicable requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. Each Estes Park Plan that is also a “group health plan” for purposes of the Patient Protection and Affordable Care Act of 2010 (Pub. L. No. 111-148) and the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152) is in compliance with the applicable terms of such Act. The District offers minimum essential health coverage, satisfying affordability and minimum value requirements, to their full-time employees sufficient to prevent liability for assessable payments under Section 4980H of the Code.

7.17.3 The Leased District Property and the Acquired Assets are not, and there is no existing factual basis for them to become, subject to a lien imposed under any applicable Law, including without limitation, any laws of the state of Colorado, the Code or Title I or Title IV of ERISA. The District does not currently maintain, sponsor, contribute to, and have not ever maintained, sponsored, or contributed to, and do not have any liability (contingent, secondary or otherwise) under (or with respect to) any “defined benefit plan” (as defined in Section 3(35) of ERISA, whether or not subject to ERISA) or any “multiemployer plan” (as defined in Section 3(37) of ERISA), or otherwise has any liability (contingent, secondary or otherwise) with respect to such a plan.

7.17.4 Except as set forth on Schedule 7.17.4, there are no actions, audits or claims pending or threatened against the District or any Estes Park Plan with respect to any Estes Park Plan or the District’s maintenance of any Estes Park Plan, other than routine claims for benefits.

7.17.5 Except as set forth on Schedule 7.17.5, the consummation of any or all of the contemplated Transactions hereunder will not (either along with or upon the occurrence of any additional or subsequent events): (i) accelerate the time of payment, funding or vesting, trigger any payment of compensation or benefits or forgiveness of indebtedness under, increase the amount payable under or trigger any other obligation pursuant to, any of the Estes Park Plans; or (ii) increase the amount of compensation due to any Transferred Employee.

**7.18 Employees and Employee Relations.**

7.18.1 Except as set forth on Schedule 7.18.1, (i) there are no labor disruptions or activities (including any work slowdown, lockout, stoppage, handbilling, picketing or strike) pending, or to the District's knowledge, threatened against the District, and there have been no such disruptions or activities for the past three (3) years, (ii) no employee of the District is represented by a Union with respect to his or her employment with the District, (iii) neither the District is a party, or otherwise subject, to any collective bargaining agreement or other Contract with a Union, and no such Contract is being negotiated by the District, (iv) no petition has been filed or proceedings instituted by or on behalf of an employee or group of employees of the District with any labor relations board or other governmental authority seeking recognition of a bargaining representative, (v) no demand for recognition of any employees of the District has been made by, or on behalf of, any Union; or (vi) to the District's knowledge, there is no effort currently being made or threatened by, or on behalf of, any Union to organize any employees of the District, and there have been no such efforts for the past three (3) years. As used herein, "Union" means any labor union or other employee representative body.

7.18.2 Except as set forth on Schedule 7.18.2, with respect to the Leased District Property and the Acquired Assets, (i) the District is, and for the past three (3) years has been, in compliance with all laws and Contracts respecting employment and employment practices, including labor relations, benefits, terms and conditions of employment, and wages and hours, and the classification and compensation of employees and independent contractors, (ii) the District is not engaged in any unfair labor practices, (iii) there are no, and for the past three (3) years there have been no, pending or threatened Actions (as defined herein) by or before any Governmental Entity regarding employment discrimination, harassment, or retaliation, occupational safety, or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like, or unfair labor practice charges, or the like or any lawsuits, complaints, charges or other proceedings pending or threatened by any current or former applicant, employee or independent contractor of the District, (iv) the Lessee will not be subject to any claim or liability for severance pay as a result of the consummation of the Transactions through the Effective Date; (v) no Estes Park Employee is bound by any Contract with the District that (A) purports to limit the ability of such Estes Park Employee to engage in or continue to perform any activities or duties relating to the business of the Leased District Property or the Acquired Assets, or (B) adversely affects the ability of the Lessee (or its designee) to employ such Estes Park Employee at or after the Effective Date, and (vi) no Estes Park Employee has been the subject of any sexual or other type of discrimination, harassment, or misconduct allegations during his or her tenure at the District. "Action" means any civil, criminal, administrative, regulatory action, charge, suit, mediation, hearing, proceeding, investigation, or audit, including any actions before a mediator, arbitrator or arbitral body (in each case, whether public or private).

7.18.3 Except as set forth on Schedule 7.18.3, none of the Estes Park Employees have been granted the right to continued employment by the District or to any compensation following termination of employment with the District. The District has no present intention to terminate the employment or engagement of any group of Estes Park Employees, other than such terminations of employment or engagement as are necessary to effect the Closing as contemplated in this Operating Lease and the Integration Agreement. Schedule 7.18.3 is a complete and correct list of, and the District has provided to the Lessee true, correct, and complete copies of, all employment or severance or termination agreements and policies, plans, commitments or other contracts, whether written or oral, accruing to the benefit of any Estes Park Employees or contractors of the District relating to the Leased District Property and the Acquired Assets.

7.18.4 Set forth on Schedule 7.18.4 is an accurate, correct and complete list of all Estes Park Employees, including each person's (i) name, (ii) title or position, (iii) date of hire, (iv) whether such person is actively at work or on a leave of absence (and if on leave, such employee's expected return date), (v) accrued and unused paid vacation and other paid leave, (vi) target percent under incentive compensation plans, (vii) annual base salary or hourly base wage rate, as applicable, and (viii) scheduled hours, or, as applicable, salary level, which schedule shall be updated by the District no earlier than ten (10) days prior to the Effective Date, as reasonably estimated by the Parties.

7.19 **Tax Matters.** Except as set forth on Schedule 7.19:

7.19.1 All Tax returns (including any reports, similar statements elections, or any schedules or other attachments thereto and including any amendments thereof), including income tax returns, sales tax returns, ad valorem tax returns, real estate and personal property tax returns, employee payroll tax returns, employee unemployment tax returns and franchise tax returns, for periods prior to and including the Effective Date which are required to be filed by the District with any Governmental Entity with respect to the Leased District Property, the Acquired Assets and the Estes Park Healthcare Operations (collectively "Tax Returns") have been filed or will be filed within the time (including any valid extensions thereof) and in the manner provided by law, and all Tax Returns are or will be true and correct and accurately reflect the Tax liabilities of the District, and all amounts shown due on such Tax Returns have, as of the Execution Date, been and will, as of the Effective Date, be paid prior to the Effective Date;

7.19.2 The District has not agreed to, been granted, or is subject to any waiver or extension of any statute of limitation in respect of Taxes relating to the Leased District Property, the Acquired Assets and the Estes Park Healthcare Operations and no such waiver or extension has been requested in writing by any Governmental Entity, in each case, which is currently in effect;

7.19.3 All Taxes for which the District may have any liability (whether disputed or not) imposed by any Governmental Entity which have become or are due with respect to the Leased District Property, Estes Park Healthcare Operations, or the Acquired Assets and any assessments received by the District, have been or by the Effective Date will be paid regarding any period ended on or prior to the Effective Date or accurately reflected in the Historical Financial Information, whether shown on such Tax Returns or not;

7.19.4 There are no Tax liens on any of the Estes Park Healthcare Operations, and there is no basis for the assertion of any such Tax liens;

7.19.5 Proper and accurate amounts have been withheld or collected by the District for all periods prior to the Effective Date in compliance with the payroll tax and other withholding provisions of all applicable laws, and all of such amounts have been timely, duly and validly remitted to the proper taxing authority, and all Internal Revenue Service (“IRS”) Forms W-2 and 1099 (and any and all state or local analogues) with respect thereto have been timely filed with the proper taxing authority;

7.19.6 No audit or other examination of any Tax Return is presently in progress. The District has not (i) received notice of any pending or threatened or pending Action alleging that the District has a duty to file Tax Returns and pay Taxes or is otherwise subject to the taxing authority of any jurisdiction in any manner relating to the Estes Park Healthcare Operations, Leased District Property, or the Acquired Assets, or (ii) in connection therewith, received any notice or questionnaire from any jurisdiction which suggests or asserts that the District may have a duty to file such Tax Returns and pay such Taxes, or otherwise is subject to the taxing authority of such jurisdiction, and the District have not executed a waiver of any statute of limitations or other extension of the period for the assessment or collection of any Tax; and

7.19.7 The District has no authority or control over the disposition of assets of any charitable foundation.

7.20 **Environmental Matters.**

7.20.1 For purposes of this Operating Lease:

(i) “Release” means any presence, emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the indoor and outdoor air, soil, improvements, surface water, groundwater, sewer, septic system, storm drain, publicly owned treatment works, or waste treatment, storage, or disposal systems.

(ii) “Environmental Laws” mean any all foreign, federal, state and local statutes, laws, ordinances, regulations, rules, resolutions, orders, determinations, writs, injunctions, common law rulings, awards (including, without limitation, awards of any arbitrator), judgments and decrees (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act), relating to the remediation, generation, production, installation, use, storage, treatment, transportation, Release, threatened Release, or disposal of Hazardous Materials, or noise control, or the protection of human health, safety, natural resources, animal health or welfare, or the environment.

(iii) “Hazardous Materials” mean any flammable items, explosives, radioactive materials, oil, and hazardous or toxic substances, material or waste or any materials harmful to human health or the environment, including any substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials” or “toxic substances” now or subsequently regulated under any applicable Laws.

7.20.2 Except as set forth on Schedule 7.20.2:

(i) The District, its operation of the Leased District Property, and its ownership or leasing of the Leased District Property or the real property and improvement subject to the Leases are and, for the five (5) years preceding the Execution Date, have been in compliance with all applicable Environmental Laws;

(ii) The District have not received any notice from a Governmental Entity or other Person regarding any environmental claim arising out of the ownership or operation of the Leased District Property or the Estes Park Healthcare Operations that currently remains pending and there are no events or conditions with respect to their ownership or operation of the Leased District Property or the Estes Park Healthcare Operations that could reasonably be expected to result in the issuance of such notice to the District;

(iii) All environmental permits required for operating the Leased District Property as they are currently being operated by the District are currently in full force and effect and the District is in compliance with such environmental permits and there is not now pending nor threatened, any Action by or before any Governmental Entity to revoke, cancel, rescind, suspend, restrict, modify or refuse to renew any environmental permit, and all of the environmental permits are and shall be effective, unrestricted (except as they are restricted on the date hereof) and in good standing now and as of the Effective Date;

(iv) There has been no Release or threatened Release of Hazardous Materials or toxic mold at, on, under or from the Leased District Property or any offsite property where such Hazardous Materials have been taken for disposal, in each case, which is reasonably likely to result in liability under Environmental Law or with respect to Hazardous Materials;

(v) None of the following is present at the Leased District Property: (A) underground improvements, including, but not limited to, treatment or storage tanks, or underground piping associated with such tanks, used currently or in the past for the management of Hazardous Materials during the ownership, tenancy or operation of the Leased District Property by the District (or any time prior to the District ownership, tenancy or operation of the Leased District Property); (B) any dump or landfill or other unit for the treatment or disposal of Hazardous Materials; (C) filled in land or wetlands; (D) polychlorinated biphenyls (PCBs); (E) toxic mold; or (F) asbestos containing materials.

(vi) The Leased District Property is not listed on the National Priorities List and the District have neither received any notice from a Governmental Entity that remediation is required at the Leased District Property because of the existence of Hazardous Materials thereon nor has knowledge of events or conditions with respect to the Leased District Property that are reasonably likely to result in the issuance of such notice to the District;

(vii) There has been no exposure of any Person to any Hazardous Materials or toxic mold in connection with the ownership or operation of the Leased District Property or Estes Park Healthcare Operations that would reasonably be expected to form the basis of a claim for damages or compensation; and

(viii) The District has made available to the Lessee copies of all assessment reports, audits, studies, and correspondence relating to environmental claims, environmental permits, hazardous materials or remediation or the District's compliance with Environmental Laws that are in the District's possession or control and related to the Leased District Property or the Estes Park Healthcare Operations. Any information the District has furnished to Lessee concerning the environmental condition of any real property, prior uses of the Leased District Property, and the Estes Park Healthcare Operations related to compliance with Environmental Laws is accurate and complete.

7.20.3 A list of all environmental permits held by the District for the operation of the Leased District Property and the Acquired Assets as they are currently being operated by the District are set forth on Schedule 7.20.3. All of the environmental permits listed on Schedule 7.20.3 are, except as set forth on Schedule 7.20.3, transferable and none require consent, notification, or other action to remain in full force and effect following consummation of the Transactions. Schedule 7.20.3 shall also include references to any contracts with third parties holding environmental permits related to the operations of the Leased District Property.

7.21 **Immigration Act.** The District is in compliance with the terms and provisions of the Immigration Reform and Control Act of 1986 (the "Immigration Act") with respect to the operation of the Leased District Property and the Acquired Assets. For each Estes Park Employee who furnishes services at any of the Leased District Property and the Acquired Assets for whom compliance with the Immigration Act and all other applicable immigration laws by the District is required, the District has completed, retained and updated, as required by law, a complete and true copy of each such Estes Park Employee's Form I-9 (Employment Eligibility Verification Form) and all other records or documents prepared, procured or retained by the Districts pursuant to the Immigration Act to the extent the District is required to do so under the Immigration Act. To the District's knowledge, the District has not received any notice of any actual or potential violation of any provision of the Immigration Act and there are no, and have not been within the past three (3) years any, citations, investigations, administrative proceedings or formal complaints of violations of the immigration laws imposed, pending or threatened before the United States Department of Homeland Security (including the United States Citizenship and Immigration Services, United States Immigration and Customs Enforcement, or United States Customs and Border Protection), United States Department of Labor or before any other Governmental Entity against or involving the Estes Park Employees.

7.22 **WARN Act.** Schedule 7.22 lists the full name, job title, job site and unit, date of Employment Loss (as defined hereafter), and type of Employment Loss (i.e., termination, layoff or reduction in work hours) of each employee of the District who furnished services at any of the Leased District Property or the Acquired Assets who has experienced an Employment Loss in the ninety (90) days preceding the Execution Date. Except as set forth on Schedule 7.22, the District does not presently intend to take any action that would result in an Employment Loss by any employee of the District who furnishes services at any of the Leased District Property or the Acquired Assets between the Execution Date and the Effective Date. Schedule 7.22 also provides, for each employee of the District identified thereon, the number of employees of the District as of the date of the Employment Loss at such employee of the District job site and unit in the Estes Park Healthcare Operations. "Employment Loss" means (i) an employment termination, other than

a discharge for cause, voluntary departure, or retirement, (ii) a layoff exceeding six (6) months, or (iii) a reduction in hours of work of more than fifty percent (50%).

7.23 **OSHA.**

7.23.1 The District is in compliance with all Laws applicable to the District relating to employee health and safety with respect to the Leased District Property and the Acquired Assets.

7.23.2 The District has not received any notice from any Governmental Entity or any other Person, or otherwise knows or has reason to believe, that employee safety or health conditions at the Leased District Property or the Acquired Assets violate any applicable Law or otherwise will be made the basis of any claim, proceeding, or investigation, based on OSHA violations or otherwise related to employee health and safety.

7.24 **Inventory.** Substantially all of the Inventory existing on the Execution Date will exist on the Effective Date, except for Inventory exhausted, replaced or added in the ordinary course of business between the Execution Date and the Effective Date in accordance with prior practice, and the total value thereof shall be approximately the same as that which was consumed. All of the Inventory on hand on the Execution Date and to be on hand on the Effective Date consists, and will consist, of items of a quality usable or saleable in the ordinary and usual course of business. The quantities of all Inventory are reasonable and justified under the normal operations of the Estes Park Healthcare Operations and are generally consistent with the average level of inventory of the Estes Park Healthcare Operations over the twelve (12) months preceding the Execution Date.

7.25 **Absence of Changes.** Except as set forth in Schedule 7.25, between December 31, [2024] [NTD: To confirm.] and the date hereof, there has not been any transaction or occurrence in which the District, in connection with the Estes Park Healthcare Operations has:

7.25.1 suffered any damage, destruction or loss affecting any of the Leased District Property or the Acquired Assets with a value greater than Fifty Thousand Dollars (\$50,000);

7.25.2 written down or written up the value of any Inventory (including write-downs by reason of shrinkage or markdowns) in excess of Twenty-Five Thousand Dollars (\$25,000);

7.25.3 disposed of, modified, or permitted to lapse, any right to the use of any Intellectual Property Assets;

7.25.4 made any capital expenditure or commitment for additions to property, plant, equipment, intangible or capital assets or for any other purpose, other than in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;



7.25.5 sold, transferred or otherwise disposed of any of the Leased District Property or the Acquired Assets other than in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;

7.25.6 been threatened with, or incurred any liability or waived any claim regarding the Estes Park Healthcare Operations;

7.25.7 granted or incurred any obligation for any increase in the compensation of any Estes Park Employee (including any increase pursuant to any bonus, pension, profit-sharing, retirement, severance or other plan or commitment) other than in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;

7.25.8 made any change in any method of accounting or accounting principle, practice, or policy;

7.25.9 suspended operation of, or closed any departments (or service), clinics or health services or educational programs, or otherwise terminated or took action to terminate such operations;

7.25.10 filed for bankruptcy;

7.25.11 taken any other action except in accordance with the capital budget approved and in use at the Leased District Property prior to the Effective Date;

7.25.12 entered into any new material Contract, or amended, renewed or permitted to renew for a period longer than one (1) year, or extended or terminated an existing material Contract;

7.25.13 taken any other action contrary to the specific terms of this Operating Lease;

7.25.14 (A) filed any Tax Returns (as herein defined) in a manner inconsistent with past practice or amended any material Tax Return, (B) made (except in the ordinary course of business) or changed, in any material respect, any election concerning Taxes; (C) entered into any closing agreement or settled any material Tax claim or assessment; (D) consented to any extension or waiver of the limitation period applicable to any Tax proceeding or assessment; or (E) omitted to take any action relating to the filing of any material Tax Return or the payment of any material Tax; in each case, relating to the Estes Park Healthcare Operations; or

7.25.15 agreed, so as to legally bind the Lessee or affect the Estes Park Healthcare Operations, whether in writing or otherwise, to take any of the actions set forth in this Section 7.25 and not otherwise permitted by this Operating Lease.

7.26 **Assumed Debt.** Schedule 7.26 sets forth all of the debt of the District to be assumed by the Lessee as of the Effective Date (including current outstanding balances, repayment schedules, reserves and escrows) as of the date hereof, which Schedule shall be updated as of the Effective Date pursuant to Section 7.36 of this Operating Lease and delivered to the Lessee (such debt, the “Assumed Debt”). The information contained in Schedule 7.26 is complete and accurate

in all material respects, and the copies of the Assumed Debt documents delivered to the Lessee are true, correct and complete copies of all Assumed Debt documents. Except as set forth in Schedule 7.26, the District has not delivered or received any notice of any uncured default or breach under any Assumed Debt, and no event has occurred which, with the giving of notice or the passing of time or both, would constitute a default under any Assumed Debt. The District is in compliance with all of their covenants under the Assumed Debt and is not in default with respect to any payments due as of the Effective Date. The District has disclosed to the Lessee all correspondence from lenders relating to the Assumed Debt.

**7.27 Accounts Receivable and Accounts Payable.**

7.27.1 Except as set forth on Schedule 7.27, the amount of all Accounts Receivable due or recorded in the books and records of account of the District as of the Effective Date, are reasonably believed by the District to be good and collectible in an aggregate amount equal to the amount shown for Accounts Receivable on Schedule 7.27. Except to the extent of any allowance for bad debt or doubtful receivables as reflected in the Historical Financial Information, no Accounts Receivable or other debts are or will, at the Effective Date, be subject to any valid counter-claim or set-off.

7.27.2 Except as set forth on Schedule 7.27, the amount of all accounts payable to be paid as recorded in the books and records of account of the District, as applicable, as of the Effective Date, have arisen in bona fide arm's-length transactions in the ordinary course of business, consistent with past practice, in an aggregate amount equal to the amount shown for accounts payable on Schedule 7.27.

7.28 **District Affiliates and Joint Ventures.** Schedule 7.28 sets forth the ownership interest of the District in joint ventures, and other than as set forth in Schedule 7.28, the District does not own or hold any common stock, partnership interests, joint venture or membership interests of, in or with respect to, any other subsidiary, corporation, limited liability company or other entity. There are no rights of third parties in relation to a joint venture which are inconsistent with the Transactions as contemplated by this Operating Lease.

7.29 **Third-Party Payor Cost Reports.** The District has in the past three (3) years duly filed all required Medicare and Medicaid cost reports for all of the fiscal years through and including the fiscal year ended December 31, 2024. All such cost reports accurately reflect the information required to be included thereon and such cost reports do not claim, and the District has not received, equal to or greater than one hundred thousand dollars (\$100,000) in the aggregate on such cost reports. Schedule 7.29 indicates those cost reports that have not been audited and finally settled in the past three (3) years and describes all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any other unresolved claims or disputes with respect to such cost reports. The District has in the past three (3) years established reserves, consistent with GAAP and with the District's past practices, to cover potential reimbursement obligations that the District may have with respect to any such third-party cost reports, and such reserves are set forth in the Financial Statements.

7.30 **Medical Staff Matters.** The District have provided to UCHealth true, correct, and complete copies of the bylaws, rules and regulations of the medical staff of the District, as well as

a list of all current members of such medical staff. Except as set forth on Schedule 7.30, no medical staff members of the District have resigned or had their privileges revoked or suspended since the Balance Sheet Date.

**7.31 Experimental Procedures and Research.**

7.31.1 Schedule 7.31.1 sets forth any currently effective District sponsored research agreements with life science companies or non-profit or governmental sponsors of research.

7.31.2 The District has not been investigated for the performance of any experimental or research procedures or studies conducted by employees at the District and involving patients in the District, where such procedures or studies were allegedly either not authorized or did not have the conduct of the research protocol approved by an institutional review board or which were not conducted in accordance with the requirements of an institutional review board.

**7.32 Compliance Program and Related Matters.**

7.32.1 The District has provided UCHealth access to all current compliance program policies of the District, including without limitation, principal program descriptions, compliance officer and committee descriptions, ethics and risk area policies, representative training and education materials, internal audit reports related to compliance, representative auditing and monitoring protocols, reporting mechanisms, and disciplinary policies.

7.32.2 The District has provided to UCHealth written reports prepared internally or by external consultants regarding any estimated financial exposures related to the CMS Recovery Audit Contractor program or other reimbursement-related repayment exposures.

7.32.3 Subject to preservation of the applicable peer review privilege, the District has also provided UCHealth with a list of any known Centers for Medicare & Medicaid Services, Inspector General of the United States Department of Health and Human Services, Colorado Department of Public Health and Environment, Colorado Department of Human Services, Colorado Attorney General, or other state or federal Governmental Entity investigations of employed or non-employed physicians that have in the past twelve (12) months or are currently seeking privileges with the medical staff of the District that have come to the attention of the District's credentialing committee.

7.33 **Tax Revenue.** Except as set forth on Schedule 7.33(a), (i) the District is in compliance with all Laws related to the Tax Revenue (as defined in Section 5.1 of the Integration Agreement); (ii) the District is not precluded, under Law or by Contract, from assigning Tax Revenue to Lessee consistent with the Integration Agreement; and (iii) there is not now pending nor threatened, any Action by or before any Governmental Entity to revoke, cancel, rescind, suspend, restrict, modify or refuse to renew any of the Tax Revenue, and all of the District's rights to the Tax Revenue are effective, unrestricted and in good standing. Set forth on Schedule 7.33(b) is a breakdown of the sources of revenue encompassed within the Tax Revenue, and, except as set forth on Schedule 7.33(b), the District receives no other tax revenue.

7.34 **Statements True and Correct.** This Operating Lease, the Integration Agreement and the disclosure schedules attached thereto (the “Schedules”) prepared or provided by the District do not include, as of the date hereof and as updated as of the Effective Date in a manner reasonably acceptable to UCHealth, any untrue statement of fact or omit to state any fact necessary to make the statements made in the Operating Lease or the Integration Agreement with respect to the District and the Estes Park Healthcare Operations, the Leased District Property and the Acquired Assets not misleading. All documents and/or instruments referenced in the Schedules as having been provided by the District to the Lessee have been delivered and are accurate and complete, except to the extent such document includes projections, which projects are estimates made in good faith.

7.35 **Transaction Expenses; Advisor Fees.** Set forth on Schedule 7.35 is the District’s good faith estimate of the District’s transaction expenses, by category and advisor/vendor, attributable to this Operating Lease, the Integration Agreement and the Transactions incurred and unpaid or expected to be incurred from the date of this Agreement through the Effective Date (including at Closing), after due inquiry of each of its legal, accounting or other advisors/vendors. No legal, accounting or other advisor or broker to the District is entitled to any premium, bonus, or other payment in connection with the Transactions that is not reflected in such estimate.

7.36 **Limitations.** To the extent that any such facts, circumstances or such knowledge change after the Execution Date, the District shall provide written notice of such changes to Lessee and to UCHealth, which shall include the obligation to update the District’s Schedules as of the Effective Date, such updated Schedules to be delivered to the Lessee and to UCHealth no later than five (5) business days before the Effective Date. The updated Schedules must be acceptable to Lessee and to UCHealth as of such date. Lessee and UCHealth shall have the right to accept or reject, in Lessee’s or UCHealth’s discretion, any updates to the Schedules after the Execution Date. Notwithstanding anything contained herein to the contrary, the inclusion of new or different information on an update to the Schedule after the Execution Date will not prejudice or otherwise affect Lessee’s or UCHealth’s right to seek relief for the District’s breach of a representation or warranty under this Article VII.

7.37 **No Other Representations.** Lessee and UCHealth acknowledge that, except as expressly set forth in this Operating Lease, the District makes no other representations, express or implied, at law or in equity, in respect of the District or the Estes Park Healthcare Operations or any of its assets, liabilities or operations.

## **ARTICLE VIII REPRESENTATIONS AND WARRANTIES OF THE LESSEE**

To induce the District to proceed with and consummate the Transactions, the Lessee represents and warrants (and UCHealth represents and warrants with respect to UCHealth only and Lessee represents and warrants with respect to Lessee only) as of the Execution Date and as of the Effective Date, except as otherwise set forth below, as follows:

8.1 **Existence and Capacity.** The Lessee is a nonprofit corporation duly organized and validly existing in good standing under the laws of the state of Colorado and has applied, or will apply within a reasonable period of time following the Effective Date, with the IRS to be

recognized as a tax-exempt, public charity within the meaning of Sections 501(c)(3) and 509(a) of the Code. UCHealth is a nonprofit corporation duly organized and validly existing in good standing under the laws of the state of Colorado, and is currently recognized as a tax-exempt, public charity under Sections 501(c)(3) and 509(a) of the Code. The Lessee has the full right, power and authority to execute, deliver and carry out the terms of this Operating Lease, the Integration Agreement and all other documents and agreements necessary to give effect to the Transactions at Closing. UCHealth has the full right, power and authority to execute, deliver and carry out the terms of all documents and agreements to which UCHealth is a party necessary to give effect to the Transactions at Closing (including, without limitation, the Integration Agreement).

8.2 **Powers; Consents; Absence of Conflicts with Other Agreements.** Except with respect to the Required Hospital Approvals:

8.2.1 the execution, delivery and performance by the Lessee of this Operating Lease and all other agreements delivered in connection with the execution of this Operating Lease and the Closing to which the Lessee is a party, and the consummation by the Lessee of the Transactions, (a) are within its powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate action; (b) will neither conflict with, nor result in any breach or contravention of, or the creation of any prohibited Encumbrance under, any material indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound; and (c) will not violate any Law to which it may be subject; and

8.2.2 the execution, delivery and performance by UCHealth of all documents and agreements delivered in connection with the Closing to which UCHealth is a party (including, without limitation, the Integration Agreement), and the consummation by UCHealth of the Transactions, (a) are within its powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate action; (b) will neither conflict with, nor result in any breach or contravention of, or the creation of any prohibited Encumbrance under, any material indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound; and (c) will not violate any Law to which it may be subject.

8.3 **Binding Agreement.** This Operating Lease and all agreements to which the Lessee will become a party pursuant to this Operating Lease are and will constitute the valid and legally binding obligations of the Lessee, and are and will be enforceable against it in accordance with the respective terms hereof or thereof, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies. All agreements to which UCHealth will become a party (including, without limitation, the Integration Agreement), are and will constitute the valid and legally binding obligations of UCHealth, and are and will be enforceable against it in accordance with the respective terms hereof or thereof, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies.

8.4 **Legal Proceedings.** Except as set forth on Schedule 8.4, (a) there are no Actions pending or to the Lessee's knowledge, threatened against or related to the Lessee at law or in equity

or before or by any Governmental Entity wherever located, which, if adversely determined, would materially and adversely affect the condition (financial or otherwise) of the operations of the Lessee or of UCHealth, taken as a whole, or that would materially delay or prevent the Lessee's or UCHealth's ability to consummate the Transactions, and (b) neither Lessee nor UCHealth has received notice that it is in default under any order of any Governmental Entity.

## **ARTICLE IX DELIVERIES AND CONDITIONS TO CLOSING**

9.1 **Actions of the District at Closing.** On the Effective Date and unless otherwise waived in writing by the Lessee, the District shall deliver to the Lessee at Closing all of the following:

9.1.1 Certificate signed by a duly authorized officer of the District substantially in the form attached hereto as Exhibit C, certifying (i) that the representations and warranties of the District contained in this Operating Lease are true and correct as of the Execution Date (taking into account any qualifiers therein) and the representations and warranties of the District contained in this Operating Lease and the Integration Agreement shall be true and correct as of the Effective Date (taking into account any qualifiers therein), (ii) that each and all of the terms, covenants and conditions of this Operating Lease and the Integration Agreement to be complied with or performed by the District (as of the Execution Date, as applicable, and on and as of the Effective Date, as applicable) pursuant to the terms hereof shall have been duly complied with and performed, (iii) the due adoption and text of the resolutions of the District Board, or other authorized body of the District, authorizing the adoption of the Amended and Restated Bylaws of the District substantially in the form attached to the Integration Agreement as Exhibit A and the Amended and Restated Service Plan substantially in the form attached to the Integration Agreement as Exhibit D.

9.1.2 Evidence of the unconditional approval of the Transactions by the Colorado Attorney General as described in Section 9.3.1.

9.1.3 To the extent not already delivered to the Lessee or made available to the Lessee through possession of the Leased District Property, original (or copies to the extent originals are not available) approvals, permits or accreditations that are necessary for the Lessee to operate the Estes Park Healthcare Operations after the Effective Date in the manner immediately before the Effective Date (other than those approvals, permits and accreditations which shall be obtained by the Lessee directly as of the Effective Date).

9.1.4 To the extent not already delivered to the Lessee or made available to the Lessee through possession of the Leased District Property, copies of all Documents, Assumed Contracts, Leases, Governmental Approvals, Warranties, Intellectual Property Assets and plans and specifications as required under this Operating Lease;

9.1.5 All non-cash lease security and other deposits and/or escrows thereunder, including, but not limited to, any letters of credit and any instruments of assignment or other documentation reasonably required to transfer such non-cash security deposits to the Lessee;

9.1.6 Estes Park Employee account balances, if any, for the Estes Park Employees.

9.1.7 To the extent not already delivered to the Lessee or made available to the Lessee through possession of the Leased District Property or otherwise, all passwords, source codes, access codes, keys and similar items necessary for the Lessee effectively to access and use the Estes Park Healthcare Operations immediately upon the Effective Date.

9.1.8 The limited powers of attorney required by Section 4.3.

9.1.9 Assignments in the form of Exhibit D attached hereto, fully executed by the District and other applicable Persons in recordable form, assigning to the Lessee all of the District's right, title and interest in and to the Leases, including the District's interest in any deposits, prepaid rents or charges, in each case subject only to Permitted Restrictions (the "Lease Assignments").

9.1.10 A Bill of Sale in the form of Exhibit E attached hereto (the "Bill of Sale"), fully executed by the District and other applicable Persons, conveying to the Lessee good and marketable title to all tangible assets, and valid title to all intangible assets, that are a part of the Acquired Assets that are owned by the District free and clear of all Encumbrances other than the Assumed Liabilities and the Permitted Restrictions.

9.1.11 An Assumed Contracts Assignment in the form of Exhibit F attached hereto (the "Assumed Contract Assignment"), fully executed by the District and other applicable Persons, transferring and conveying all of the District's or such Persons' interests in the Assumed Contracts (other than the Leases assigned pursuant to the Lease Assignments and the employment agreements with physicians and advanced practitioners assigned pursuant to the Provider Employment Agreement Assignment), including the District's or such Persons' interest in any deposits or prepayments.

9.1.12 Certificates of incumbency for the respective officers or employees of the District executing this Operating Lease and any other agreements or instruments contemplated herein or making certifications for the District as required herein.

9.1.13 Evidence of the tail insurance arrangements described in Section 4.5.

9.1.14 Notices executed by the District to tenants listed on Schedule 9.1.14 advising them of the transfer and to whom future rent payments are to be forwarded in the form attached hereto as Exhibit G.

9.1.15 Copies of instruments, in a form reasonably acceptable to the Lessee, authorizing and approving the performance of the Transactions, on behalf of and certified as true and of full force as of the Effective Date by each applicable Person.

9.1.16 The Zoning Letters, updated to be effective as of a date that is within fifteen (15) days of the date of Effective Date.

9.1.17 A Provider Employment Agreement Assignment in the form of Exhibit H attached hereto, fully executed by the District and other applicable Persons, transferring and conveying all of the District's or such Persons' interests in the employment agreements with physicians and advanced practitioners ("Provider Employment Agreement Assignment"), including the District's or such Persons' interest in any deposits or prepayments.

9.1.18 Such other executed instruments and other documents as the Lessee reasonably deems necessary to effect the Transactions, including any and all other appropriate or customary instruments and documents which may be required by a title insurance company engaged by the Lessee to issue policies of title insurance insuring the Lessee's leasehold interest in the Leased District Property if so requested by the Lessee including any affidavits.

9.2 **Actions by the Lessee at Closing.** On the Effective Date and unless otherwise waived in writing by the District, the Lessee shall deliver to the District at Closing all of the following:

9.2.1 Certificate signed by a duly authorized officer of the Lessee in substantially the form attached hereto as Exhibit I, certifying that (i) the representations and warranties of the Lessee contained in this Operating Lease and the Integration Agreement are true and correct as of the Execution Date (taking into account any qualifiers therein) and shall be true and correct as of the Effective Date (taking into account any qualifiers therein) and (ii) each and all of the terms, covenants and conditions of this Operating Lease and the Integration Agreement to be complied with or performed by the Lessee (as of the Execution Date, as applicable, and on and as of the Effective Date, as applicable) pursuant to the terms hereof shall have been duly complied with and performed.

9.2.2 Lease Assignments assigning to the Lessee all of the District's right, title and interest in and to the Leases, including the District's interest in any deposits, prepaid rents or charges, in each case subject only to Permitted Restrictions.

9.2.3 An Assumed Contracts Assignment, fully executed by the Lessee, assuming all of the District's rights and interests in the Assumed Contracts (other than those assigned pursuant to the Lease Assignments).

9.2.4 Copies of resolutions duly adopted by the Lessee's Board of Directors, authorizing and approving the performance of the Transactions, certified as true and of full force as of the Effective Date by a duly authorized officer of the Lessee.

9.2.5 Certificates of incumbency for the respective officers or representatives of the Lessee executing this Operating Lease and any other agreements or instruments contemplated herein or making certifications for the Lessee as required herein.

9.2.6 Certificate of existence and good standing of the Lessee from the State of Colorado dated no more than thirty (30) days prior to the Effective Date.

9.2.7 Provider Employment Agreement Assignments, fully executed by the Lessee, assuming all of the District's rights and interests in the employment agreements with



physicians and advanced practitioners for the current term of such existing agreements, excluding any automatic renewal terms thereafter.

9.3 **Conditions Precedent to Consummation of the Transaction.** The obligations of the Parties under this Operating Lease are subject to the fulfillment, on or prior to the Effective Date, of the following conditions precedent:

9.3.1 The Attorney General of the State of Colorado (the “Colorado Attorney General”) shall have unconditionally approved the Transactions.

9.3.2 No Action shall be pending that will restrain, prohibit, or impose any restrictions or conditions on the Transactions, and no Governmental Entity shall have taken any other action which is likely to prevent or restrain the Transactions, [as reasonably determined by a national law firm serving counsel to a Party,] unless the Parties otherwise agree in writing to waive this condition.

9.3.3 Neither Party shall (i) be in receivership or dissolution; (ii) have made any assignment for the benefit of creditors; (iii) have admitted in writing its inability to pay its debts as they mature; (iv) have been adjudicated as bankrupt; or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against either Party.

9.3.4 The Parties shall have complied with, obtained all material consents, authorizations, orders or approvals required by, and otherwise satisfied any terms, conditions or obligations required under all applicable rules and regulations in connection with the Transactions and the transfer of the operation of the Estes Park Healthcare Operations (including, without limitation, transfer of the Governmental Approvals that are necessary to operate the Estes Park Healthcare Operations) to the Lessee (the “Required Hospital Approvals”), to the extent such Required Hospital Approvals are set forth on Schedule 9.3.4.

9.3.5 The District shall have obtained (i) Tenant Estoppels dated no earlier than thirty (30) days prior to the Effective Date from tenants with respect to Leases covering in the aggregate no less than 100% of the rented space of the real property and improvements subject to Leases (hereinafter, “Subject Tenants”), and (ii) Landlord Estoppels dated no earlier than thirty (30) days prior to the Effective Date from landlords with respect to Leases covering in the aggregate with respect to no less than 100% of the area leased by the District for Estes Park Healthcare Operations (hereinafter, “Subject Landlords”); *provided*, to the extent that the District shall have received Tenant Estoppels or Landlord Estoppels from Subject Tenants and Subject Landlords covering less than 100% of the rented space subject to Leases, respectively, the District may provide a Tenant Estoppel or Landlord Estoppel, as applicable, to enable satisfaction of this condition, provided that the District shall remain responsible for any claims demands or actions from any of the Subject Tenants and/or Subject Landlords until such time as a Tenant Estoppel or Landlord Estoppel, as applicable, is obtained from such Subject Tenant or Subject Landlord, as applicable. The District shall provide the Lessee with copies of each executed Tenant Estoppel and Landlord Estoppel promptly upon receipt, but no later than three (3) business days prior to the Effective Date, and originals thereof at the Effective Date. Any Estoppel delivered pursuant to this

Section 9.3.5 shall count toward satisfying the conditions contained herein only if such Estoppel does not (a) in the case of a Tenant Estoppel, (i) indicate any material defaults under the applicable tenant Lease of which the Lessee did not have knowledge prior to the execution of this Operating Lease, (ii) identify any condition which is materially adverse to the Lessee as successor landlord, or (iii) identify any matters materially inconsistent with the applicable Lease; or (b) in the case of a Landlord Estoppel, (i) indicate any material defaults under the applicable lease of which the Lessee did not have knowledge prior to the execution of this Operating Lease, (ii) identify any condition which is materially adverse to the Lessee as successor tenant, or (iii) identify any matters materially inconsistent with the applicable Lease.

9.3.6 No legislation or government action (such as by a state or federal agency, including the Colorado Attorney General (as herein defined), or Colorado Department of Health Care Policy and Financing, or the Centers for Medicare & Medicaid Services) shall have been introduced, implemented or threatened before the Closing the effect of which has, in UCHealth's discretion, the potential for an adverse impact on UCHealth or on UCHealth's ability to operate the Estes Park Healthcare Operations or otherwise fulfill its obligations hereunder.

9.3.7 The District shall have taken all actions required of it pursuant to Section 9.1 herein and shall have delivered to UCHealth or Lessee, as applicable, all related documentation and certifications.

9.3.8 The District shall have confirmed by written agreement from the lessor under the Lease Agreement, dated February 14, 2006 between the District and the Town of Estes Park, that such lease has been renewed by its terms for a subsequent twenty (20) year period beginning April 1, 2026.

## **ARTICLE X PLEDGES, ASSIGNMENT AND SUBLETTING**

### **10.1 Right to Pledge.**

10.1.1 The Lessee shall have the right to financially deal in the revenues and interests of, transfer, pledge, assign, sell, lease, encumber, and borrow against the Leased District Property, Acquired Assets and Estes Park Healthcare Operations, including the Tax Revenue pursuant to Section 4.5 of the Integration Agreement.

10.1.2 In the event that this Operating Lease is terminated or expires, the rights of the District shall be subject to such agreements as have been created in accordance with this Section 10.1, and the District shall succeed to and be responsible for all rights and obligations of the Lessee under the terms of such agreements as if the District had entered into such agreements with the other parties thereto, subject to compliance with law, any consent rights of third parties and any other applicable provisions of such agreements.

10.2 **Right to Assign and Sublet While Continuing to Operate.** The Lessee shall have the right to assign or sublet its interest in any portion of the Leased District Property, Acquired Assets or Estes Park Healthcare Operations on an ongoing basis without the consent of the District provided that (a) any such assignment, or sublease does not preclude Lessee from fulfilling its obligations under this Operating Lease or under the Integration Agreement and (b) no such

assignments or subleases shall extend beyond the Term. Notwithstanding anything herein to the contrary, the Lessee is expressly permitted during the Term to continue to sublease such portions of the Leased District Property, Acquired Assets or Estes Park Healthcare Operations that are subject to a Lease as of the Effective Date (including any replacements, renewals or extensions thereof).

## **ARTICLE XI CONDEMNATION AND DISPOSITION**

### **11.1 Condemnation.**

11.1.1 Prior to the Effective Date, unless an option to terminate this Operating Lease pursuant to Section 12.3.1 has been exercised by the Lessee, in the event that title to, or the temporary use of, the Leased District Property or any part thereof shall be taken under the exercise of the power of eminent domain by any Governmental Entity, the Lessee shall be obligated to continue to make the rent and other payments required to be made by the Lessee under this Operating Lease and shall comply with the provisions of this Section 11.1.

11.1.2 The Parties shall cooperate fully with one another in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Leased District Property or any part thereof and the District will, to the extent it may lawfully do so, permit the Lessee to litigate any such proceeding in the name and on behalf of the District. In no event will either Party voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Leased District Property or any part thereof without the written consent of the other Party.

11.2 **Damage and Destruction.** If the Leased District Property is destroyed or damaged (in whole or in part) by fire or other casualty, the following terms shall apply:

11.2.1 If twenty-five percent (25%) or more of the Leased District Property is destroyed by fire or other casualty and/or the Leased District Property suffers destruction or damage that UCHealth reasonably determines (i) would take more than twenty-four (24) months to remedy or (ii) would render the remaining Leased District Property incapable of being operated in a manner consistent with the Operating Lease and Integration Agreement, Lessee may elect in its sole and absolute discretion to take any of the following actions, provided that notice of such election will be provided within one hundred eighty (180) days of the later of (a) the date of such fire or other casualty and (b) the date on which UCHealth becomes aware of such destruction or damage:

(i) retain the proceeds of insurance for such rebuilding and other purposes as it deems appropriate to continue to operate the Estes Park Healthcare Operations in accordance with the terms of the Operating Lease and the Integration Agreement;

(ii) purchase the real property on which the Leased District Property is located in accordance with a methodology to be determined in good faith by the Parties, terminate this Operating Lease, and retain the proceeds of insurance for such rebuilding and other purposes as it deems appropriate to continue operating the then-current Estes Park Healthcare Operations under the terms of the Integration Agreement;

(iii) terminate this Operating Lease and retain the proceeds of insurance for such rebuilding and other purposes as it deems appropriate to continue operating the then-current Estes Park Healthcare Operations at another location within the District Service Area (to the extent such operations were located within the District Service Area at the time of such destruction) under the terms of the Integration Agreement; or

(iv) terminate this Operating Lease and the Integration Agreement.

11.2.2 If less than twenty-five percent (25%) of the Leased District Property is destroyed or damaged by fire or other casualty and UCHealth reasonably determines that (i) it would take no more than twenty-four (24) months to remedy such destruction or damage and (ii) the remaining Leased District Property can continue to be operated in a manner consistent with the Operating Lease and Integration Agreement, then Lessee will retain the proceeds of insurance for rebuilding the applicable Leased District Property and other purposes as it deems appropriate to continue performing under the terms of the Operating Lease and the Integration Agreement.

11.2.3 In the event that Lessee terminates this Lease per Section 11.2.1(iv), UCHealth shall pay to the District an amount equal to the insurance proceeds received by UCHealth or Lessee with respect to the applicable damage or destruction to the Leased District Property *less* the combined value of (i) any operating losses incurred by Lessee during the period from the date of the applicable damage or destruction until the termination date that are not offset by amounts actually received by UCHealth under any applicable business interruption insurance policies, and (ii) the book value (as determined in accordance with GAAP) of any capital improvements to the Leased District Property from the Effective Date to the termination date.

11.3 **Disposition or Transfer.** Subject to Section 10.2, Section 11.4, and Section 14.1 of this Operating Lease, the Lessee may, at any time after the Effective Date, assign, sell or otherwise dispose of the Leased District Property, Acquired Assets or Estes Park Healthcare Operations to the extent permitted by the documents governing any indebtedness of the Lessee, and have such portion of the Leased District Property, Acquired Assets or Estes Park Healthcare Operations released from this Operating Lease.

11.4 **Disposition of Machinery and Equipment.** The Lessee may remove machinery or equipment within the Leased District Property. The Lessee shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, or undesirable machinery or equipment within the Leased District Property. If any machinery or equipment within the Leased District Property has become inadequate, obsolete, worn-out, unsuitable, or undesirable, the Lessee may remove such item of machinery or equipment from the Leased District Property and may sell, trade in, exchange or otherwise dispose of it (as a whole or in part) without any responsibility or accountability to the District therefor.

#### 11.5 **Adverse Change Event.**

11.5.1 The Lessee shall be entitled to cease operating the Leased District Property, Acquired Assets or Estes Park Healthcare Operations, or any portion thereof, upon the occurrence of any event or circumstance that has a material and adverse impact on (i) the business, financial condition, or operations of the Estes Park Healthcare Operations, or (ii) the Lessee's

ability to conduct the business of such Leased District Property, Acquired Assets or Estes Park Healthcare Operations in compliance with this Operating Lease as a viable business enterprise, due to factors including but not limited to demographic changes, decreased reimbursement, adopted or implemented government action, long-term changes in the local economy, declining demand for medical services, damage to the Leased District Property not otherwise addressed in Section 11.2 that UCHealth reasonably determines would take more than twenty-four (24) months to remedy (an “Adverse Change Event”). Prior to the Closing, an Adverse Change Event shall also include the proposal, introduction, implementation, or threat of legislation or government action the effect of which has the potential, in UCHealth’s discretion, to have an adverse impact on UCHealth or on UCHealth’s ability to operate the Estes Park Healthcare Operations or otherwise fulfill its obligations hereunder. An Adverse Change Event shall be determined by Lessee in its sole reasonable discretion and shall be a basis for termination of the Operating Lease by Lessee pursuant to Section 12.3.1(ii) and 12.3.2(ii).

11.5.2 Upon an Adverse Change Event, Lessee shall be entitled to cease operating the Leased District Property, Acquired Assets or Estes Park Healthcare Operations, or any portion thereof, but the Lessee shall remain liable for all payment obligations with respect to the remaining Leased District Property, Acquired Assets, or Estes Park Healthcare Operations. Any portion of the Leased District Property, Acquired Assets or Estes Park Healthcare Operations that Lessee continues to operate shall be operated in compliance with the Operating Standard applicable to such remaining Leased District Property, Acquired Assets or Estes Park Healthcare Operations.

## **ARTICLE XII TERM AND TERMINATION**

### **12.1 Duration of Term.**

12.1.1 The closing of the lease of the Leased District Property and the purchase of the Acquired Assets and the other Transactions (the “Closing”) shall become effective as of 12:01 a.m., Mountain time at the start of the calendar month immediately following the date on which all of the conditions set forth in Article IX have been satisfied or waived in writing or at such other date and/or at such location as the Parties hereto may mutually designate in writing (the “Effective Date”). The term of this Operating Lease shall commence at 12:01 a.m. Mountain time on the Effective Date and, subject to the provisions of this Operating Lease (including the termination provisions of this Article XII), shall expire at 11:59 p.m., Mountain time, on the day before the fiftieth (50<sup>th</sup>) anniversary of the Effective Date (the “Term”), subject to automatic renewal as provided in Section 12.1.2 below.

12.1.2 The Term will renew for additional ten (10) year terms to be automatically added to the Term, commencing on the fiftieth (50<sup>th</sup>) anniversary of the Effective Date (the “Renewal Terms”) unless either Party gives written notice to the other Party of its intent not to enter into a Renewal Term at least two (2) years prior to the end of the Term or then-current Renewal Term, as applicable.

12.2 **Delivery and Acceptance of Possession.** On the Effective Date, the District shall deliver to the Lessee possession of the Leased District Property, the Acquired Assets and the

Assumed Liabilities, and the Lessee shall accept “as-is” possession of the Leased District Property, the Acquired Assets and the Assumed Liabilities upon the Effective Date. The District shall promptly inform the Lessee upon the District receipt of any funds after the Effective Date relating to the Leased District Property, the Acquired Assets and the Assumed Liabilities, and all such amounts shall be promptly remitted to the Lessee into an account designated by the Lessee.

### 12.3 **Options to Terminate Lease in Certain Events.**

12.3.1 **Termination Prior to the Effective Date.** This Operating Lease and the Transactions may be terminated at any time prior to the Effective Date under any one of the following circumstances:

(i) **Material Breach.** By UCHealth, by written notice to the District, if the District takes any action that constitutes a material breach of any covenant, obligation, representation or warranty contained in this Operating Lease, and such material breach is then continuing as of the date of delivery of the notice of termination; *provided, however*, that if such material breach is reasonably susceptible to cure, UCHealth shall have first provided written notice of such material breach to the District and afforded the District sixty (60) days from the date of such notice in which to cure such material breach.

(ii) **Adverse Change Event.** By Lessee upon written notice following the occurrence of an Adverse Change Event.

(iii) **Expiration.** By any Party on thirty (30) days’ notice if the Closing shall not have occurred on or before [November 1, 2025], or such later date as mutually agreed upon by the Parties (the “Outside Date”); *provided, however*, that the Outside Date may be extended for subsequent periods of three (3) months upon the mutual agreement of the Parties (and in the case of such extension to the Outside Date, any other provision of this Operating Lease shall be a reference to the Outside Date, as extended); *provided, further*, that the right to terminate this Operating Lease under this Section 12.3.1(iii) shall not be available to any Party whose failure to fulfill any obligation under this Operating Lease has been the cause of, or resulted in, the failure of the Closing to occur by such Outside Date.

(iv) **Failure to Agree on Schedules.** UCHealth may terminate this Operating Lease upon prior written notice to the District if (i) the Schedules delivered in accordance with Section 6.13 are determined to be unacceptable UCHealth, or (ii) the Parties have failed on or before [ ], 2025 to agree upon the Schedules required hereunder in Section 7.36, and UCHealth reasonably believes that the matters on which the Parties disagree would impose a cost, liability, operating risk, functional impediment or other harm to UCHealth that is not in fact already allocated to UCHealth under the specific terms hereof, and that such aggregate harm for all matters on which the Parties disagree would exceed One Hundred Thousand Dollars (\$100,000), *provided* that such notice of termination shall be given no later than twenty (20) days following the Execution Date. In the event that the District continues to dispute the matters serving as a basis for UCHealth’s termination under this Section 12.3.1(iv), then during the ten (10) day period following receipt of written notice of termination by UCHealth, the Parties shall meet and negotiate in good faith to resolve such dispute and to agree upon the form of the Schedules required

hereunder. If the Parties are unable to reach agreement within such ten (10) day period, UCHealth's exercise of its termination right under this Section 12.3.1(iv) shall become effective at the end of such ten (10) day period.

12.3.2 Termination After the Effective Date. This Operating Lease may be terminated at any time after the Effective Date under any one of the following circumstances:

- (i) Mutual Consent. By mutual written consent of the Parties.
- (ii) Adverse Change Event. By Lessee upon written notice following the occurrence of an Adverse Change Event.
- (iii) Event of Major Default. By Lessee in accordance with the terms of Section 12.4 below upon an uncured Event of Major District Default.
- (iv) Transfer of Leased District Property. By Lessee in the event that the Leased District Property is transferred to Lessee or a third party pursuant to the terms of Section 4.9.1.
- (v) Destruction of Leased District Property. By Lessee in accordance with the terms of Section 11.2.

**12.4 Events of District Default; Remedies upon Default.**

12.4.1 Event of Major District Default. It shall be an "Event of Major District Default" under this Operating Lease if:

- (i) there occurs an event or circumstance where a material portion of the Leased District Property shall have been taken under the exercise of the power of eminent domain by any Governmental Entity such that the Lessee cannot, within six (6) months of such taking, restore, acquire or construct improvements, using commercially reasonable diligence efforts, to a condition that permits the Lessee to operate the Leased District Property in accordance with the Operating Standard; or
- (ii) the District materially breaches its covenants in Section 4.8 herein (Non-Imposition and District Condemnation); or
- (iii) the District materially breaches its covenants under Section 4.9 herein (Transfer of District Rights); or
- (iv) the Tax Revenue is eliminated or reduced or there is a decrease in the annual amount of Tax Revenue below the amount which is received by the District in the first year of the Term of the Operating Lease, excluding reductions in the Tax Revenue that are attributable to an overall decrease in property values in the District Service Area; or
- (v) the District otherwise breaches its covenants under Section 5.1 of the Integration Agreement (Tax Revenue); and

which breach remains uncured for a period of thirty (30) days after written notice from the Lessee specifying such failure and requesting that it be remedied; *provided, however*, that if the nature of the failure is such that more than thirty (30) days is reasonably required for its cure, then the District shall not be deemed to be in default if the District commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion within ninety (90) days following receipt of written notice; and *provided further, however*, that (i) if the failure involves a condition that threatens UCHealth's ability to maintain the Operating Standard (as determined in UCHealth's sole discretion), then the Lessee or UCHealth shall have the right to take over the cure or otherwise seek immediate relief; and (ii) Tax Revenue Disputes (as defined herein) will be handled in accordance with Section 14.18.2.

12.4.2 Event of Non-Major District Default. Except as otherwise provided in Section 12.4.1 above or elsewhere in this Operating Lease and the Integration Agreement, if the District fails to materially perform, comply with, or observe any other agreement or obligation of the District under this Operating Lease and/or the Integration Agreement and such failure continues for a period of more than thirty (30) days after the Lessee has delivered to the District written notice thereof, or if the District is dissolved or otherwise ceases to exist, the District shall be in "Non-Major District Default" and the Lessee shall have the remedies set forth in Section 12.4.3 below (such a default, an "Event of Non-Major District Default"); *provided, however*, that if the nature of a failure by the District is such that more than thirty (30) days is reasonably required for its cure, then the District shall not be deemed to be in default if the District commences such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.

12.4.3 Remedies for District Default.

(i) Major District Default. If there shall occur an Event of Major District Default, the Lessee shall have and may exercise all rights and remedies available to the Lessee at law or in equity or under any statute or ordinance. Without limiting the generality of the preceding, whenever any such event shall have occurred and is continuing, the Lessee may, following the applicable cure period and subject to final resolution of the dispute resolution process under Section 14.18 of this Operating Lease, (i) terminate this Operating Lease upon written notice after expiration of any applicable cure period, (ii) cease operating the Leased District Property, Acquired Assets and Estes Park Healthcare Operations, and/or (iii) take whatever action at law or in equity as may appear necessary or desirable to enforce performance or observance of any obligations, agreements, or covenants of the District under this Operating Lease.

(ii) Non-Major District Default. If there shall occur an Event of Non-Major District Default, the Lessee shall have and may exercise all rights and remedies available to the Lessee at law or in equity or under any statute or ordinance (other than terminating this Operating Lease).

12.5 Events of Lessee Default; Remedies upon Default.

12.5.1 Event of Major Lessee Default. Each of the following shall be an "Event of Major Lessee Default" under this Operating Lease:



(i) Bankruptcy. Proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted against UCHealth and are allowed or are consented to or are not dismissed, stayed or otherwise nullified within ninety (90) days after such institution.

(ii) Loss of Licensure. After the Effective Date, the Colorado Department of Public Health and Environment permanently revokes the then-current licensure for the Estes Park Healthcare Operations then in existence.

12.5.2 Event of Non-Major Lessee Default. Except as otherwise provided in Section 12.5.1 above or elsewhere in this Operating Lease and the Integration Agreement, if the Lessee makes a material failure to perform, comply with, or observe any agreement or obligation of the Lessee under this Operating Lease and/or the Integration Agreement that is other than an Event of Major Lessee Default, and such failure continues for a period of more than ninety (90) days after the District has delivered to the Lessee written notice thereof, the Lessee shall be in “Non-Major Lessee Default” and the District shall have the remedies set forth in Section 12.6.2 below (such a default, an “Event of Non-Major Lessee Default”); provided, however, that if the nature of the failure is such that more than ninety (90) days are reasonably required for its cure, then the Lessee shall not be deemed to be in default if the Lessee commences such cure within such ninety (90) day period and thereafter diligently pursues such cure to completion. Notwithstanding the foregoing, an event of Non-Major Lessee Default with respect to Lessee’s obligations as contained in Section 4.1 of the Integration Agreement may only occur following the Post-Closing Period (as defined in the Integration Agreement).

## 12.6 Remedies for Lessee Default.

12.6.1 Major Lessee Default. If there shall occur an Event of Major Lessee Default, the District shall have and may exercise all rights and remedies available to the District at law or in equity or under any statute or ordinance. Without limiting the generality of the preceding, whenever any Event of Major Lessee Default shall have occurred and is continuing, the District may, following the applicable cure period (i) terminate this Operating Lease upon written notice after expiration of any applicable cure period, and/or (ii) take whatever action at law or in equity as may appear necessary or desirable to enforce performance or observance of any obligations, agreements, or covenants of the Lessee under this Operating Lease.

12.6.2 Non-Major Lessee Default. If there shall occur an Event of Non-Major Lessee Default, the District shall have and may exercise all rights and remedies available to the District at law or in equity or under any statute or ordinance (other than terminating this Operating Lease). Without limiting the generality of the preceding, whenever any Non-Major Lessee Default shall have occurred and is continuing, the District may, following the applicable cure period and subject to the final resolution of the dispute resolution process under Section 14.18.1 of this Operating Lease, take whatever action at law or in equity as may appear necessary or desirable to enforce performance or observance of any obligations, agreements, or covenants of the Lessee under this Operating Lease.

## 12.7 Notice and Surrender of Assets to District Upon Termination.

12.7.1 Except for Lessee's exercise of the termination right at Section 12.3.2(iv) or Section 12.3.2(v) (pursuant to which, in either case, no prior notice will be required for termination of this Operating Lease), for either Party to exercise a termination available pursuant to this Article XII following the Effective Date, the terminating Party shall give written notice to the other Party specifying therein the effective date for such termination, which date shall be no less than six (6) months from the date such notice is provided.

12.7.2 Upon the termination of this Operating Lease for any reason (other than terminations prior to the Effective Date and a Lessee termination pursuant to Section 12.3.2(iv) or Section 12.3.2(v)), following the exhaustion and final resolution of the dispute resolution process set forth in Section 14.18 (if applicable) and subject to the terms of Section 12.8.1 below, the Lessee shall, effective on the date of termination, take the following actions:

(i) Surrender to the District the Leased District Property.

(ii) Transfer to the District, pursuant to one or more conveyance agreements with then-customary terms reasonably and mutually agreed upon by the Parties, all assets of the types of the Acquired Assets described in Section 2.2 that are related to or associated with the Estes Park Healthcare Operations conducted by the Lessee immediately preceding such transfer, but only to the extent such assets are located in the Leased District Property, are owned or leased personal and intangible property located in or directly part of the Leased District Property, and have not otherwise been conveyed, sold, transferred or disposed of by Lessee; and

(iii) Assign to the District, pursuant to one or more assignment agreements with then-customary terms reasonably and mutually agreed upon by the Parties, the Estes Park Healthcare Operations and the Leased District Property, including the assets transferred pursuant to Section 12.7.2(ii) prior to, on or after the effective date of termination, and including all liabilities of the types of Assumed Liabilities described in Section 3.3 and any outstanding long-term indebtedness relating to such assets transferred pursuant to Section 12.7.2(i) and Section 12.7.2(ii).

12.7.3 Upon the expiration or termination of this Operating Lease, the Parties shall collaborate and use commercially reasonable efforts to consummate the transactions described in Section 12.7.2 and the Lessee shall use commercially reasonable efforts to assist the District in effecting an orderly transfer to the District of the facilities, assets and liabilities described in Section 12.7.2. Without limiting the generality of the foregoing, (i) the Lessee shall execute such customary deeds, bills of sale and other conveyance documents as are reasonably requested by the District with respect to the conveyance of the Leased District Property, and (ii) the Parties shall enter into an asset purchase conveyance agreement and assignment and assumption agreements with terms, representations, conditions, covenants and provisions in a form that is customary and reasonable at such time for a transaction of like nature related to the conveyance of the assets and liabilities described in Section 12.7.2.

12.7.4 Upon the effective date of such expiration or termination, the District shall (i) accept all Leased District Property and other conveyed assets and (ii) assume all liabilities to the extent assigned as described in Section 12.7.2(iii), and, as between the Parties, the District

shall possess the full right and authority to assume the Estes Park Healthcare Operations, to collect as its own revenue all revenues from the Estes Park Healthcare Operations and to establish, maintain and enforce a schedule of rates and charges.

## **12.8 District Payment Upon Lessee Surrender of Assets.**

12.8.1 Surrender Within 10 Years Post-Closing. In the event that Lessee terminates this Operating Lease pursuant to Section 12.3.2(iii) within the first ten (10) years following Closing (the date of such surrender the “First Surrender Date”), the District shall pay to the Lessee an amount representing (i) the book value (as determined in accordance with GAAP) of any capital improvements to the Leased District Property from the Effective Date of the Operating Lease to the date of the notice provided hereunder in accordance with Section 12.7.1; and (ii) costs associated with the defeasance and redemption of the Outstanding Estes Park Long-Term Debt under Section 4.2.2, as prorated to reflect the original payment schedule under the applicable Outstanding Estes Park Long-Term Debt documents (the “First Surrender FMV Purchase Price”). The District’s payment of the First Surrender FMV Purchase Price shall be a condition to consummating the surrender to the District of the Leased District Property.

12.8.2 Surrender Following 10 Years Post-Closing. In the event that Lessee terminates this Operating Lease pursuant to Section 12.3.2(iii) following the ten (10)-year anniversary of the Closing date, (the date of such surrender the “Second Surrender Date”), the District shall pay to the Lessee an amount representing the book value (as determined in accordance with GAAP) of any capital improvements to the Leased District Property from the Effective Date of the Operating Lease to the date of the notice provided hereunder in accordance with Section 12.7.1 (the “Second Surrender FMV Purchase Price”). The District’s payment of the Second Surrender FMV Purchase Price shall be a condition to consummating the surrender to the District of the Leased District Property.

12.8.3 Surrender Following Termination for Adverse Change Event. In the event that Lessee terminates this Operating Lease pursuant to Section 12.3.2(ii), Lessee shall surrender to the District the Leased District Property without payment from the District.

12.8.4 Third-Party Affiliations. In the event that, within two (2) years following a First Surrender Date or Second Surrender Date, as applicable, the District enters into an agreement with a third party for such third party to participate, in whole or in part, in the management, ownership, or operations of the Estes Park Healthcare Operations, the District shall pay to UCHHealth the then-current enterprise value of the Estes Park Healthcare Operations less the District’s previous payment to Lessee, if any, of the First Surrender FMV Purchase Price or Second Surrender FMV Purchase Price, as applicable, within thirty (30) days of entry into the agreement for such affiliation. For the purposes of this Section 12.8.4, the enterprise value of the Estes Park Healthcare Operations shall be determined by a jointly-engaged, mutually-agreed upon independent nationally-recognized valuation expert. If the Parties cannot agree on such expert, each shall select a qualified expert and such experts shall name a third qualified expert, who shall perform the valuation.

12.8.5 Restructure. UCHHealth will use commercially reasonable efforts to cooperate with the District in structuring the transition of the Estes Park Healthcare Operations

back to the District in an unwind, including removal of UCHealth's membership interest and governance rights with respect to UCHealth Newco Hospital and provision of the transition services set forth in Section 12.9.

12.8.6 Change of Name. In the event of termination of this Operating Lease and the Integration Agreement, UCHealth Newco Hospital shall be required to change its name so as to not reflect any affiliation with UCHealth.

12.9 Transition Service. Upon any proper termination or expiration of this Operating Lease and the Integration Agreement, during the pendency of the notice period set forth in Section 12.7.1, the Parties shall negotiate in good faith an arrangement for the Lessee or UCHealth to provide the District with such transition services as are reasonably required for the District to be able to conduct the Estes Park Healthcare Operations, such services to be provided to the extent reasonably feasible for Lessee or UCHealth, and at rates that are commercially reasonable, for a period commencing on the effective date of any termination or expiration of this Operating Lease and terminating no more than twenty-four (24) months thereafter.

## **ARTICLE XIII**

### **SURVIVAL; RISK OF LOSS**

#### **13.1 Survival of Representations, Warranties and Covenants**

13.1.1 District's Representations and Warranties. Survival of the District's representations and warranties shall be as follows: the representations and warranties contained in Article VII and any certificate, list, schedule or other instrument furnished by the District in connection with those representations and warranties, shall survive the Closing and will continue in full force and effect until the later of twenty-four (24) months following Closing or the expiration of the relevant statute of limitations, *provided*, that the obligations in Section 3.4 (Excluded Liabilities) shall survive indefinitely.

13.1.2 Lessee's Representations and Warranties. Survival of the Lessee's and UCHealth's representations and warranties shall be as follows: the representations and warranties contained in Article VIII and any certificate, list, schedule or other instrument furnished by the Lessee in connection with those representations and warranties, shall survive the Closing and will continue in full force and effect for twenty-four (24) months thereafter.

13.2 Responsibilities of the Lessee. To the extent and subject to the procedures set forth herein, the Lessee shall remain responsible for (a) any monetary damage, loss, cost, expense or liability (including reasonable attorneys' fees) resulting to the District, Estes Park Health, and their respective officers, council members, employees, agents, attorneys, and representatives (a "District Party") from any false, misleading or inaccurate representation set forth in Article VIII; any breach of representation or warranty set forth in Article VIII; and any misrepresentation in or any omission from any certificate, list, schedule or other instrument furnished by the Lessee at Closing in connection with this Operating Lease; or (b) any Acquired Asset or Assumed Liability but only to the extent arising after the Effective Date.

#### **13.3 Responsibilities of the District**

13.3.1 To the extent and subject to the procedures set forth herein, the District shall remain responsible for any monetary damage, loss, cost, expense or liability (including reasonable attorneys' fees) resulting to the Lessee, UCHealth and their Affiliates and their respective officers, directors, employees, agents, attorneys and representatives (a "Lessee Party") from (a) any false, misleading or inaccurate representation set forth in Article VII; any breach of representation or warranty set forth in Article VII; and any misrepresentation in or any omission from any certificate, list, schedule or other instrument furnished by the District at Closing in connection with this Operating Lease; (b) Excluded Assets and Excluded Liabilities; and (c) Leased District Property, Acquired Assets, Assumed Liabilities and Estes Park Healthcare Operations to the extent arising before the Effective Date.

13.3.2 On the Effective Date, the District shall deposit Two Million Dollars (\$2,000,000) in cash (the "Escrow Amount") into an escrow account (the "Escrow Account") established in UCHealth's discretion either (i) pursuant to the terms of a mutually agreed agreement executed as of the Effective Date, by and among the District, UCHealth, and mutually-agreed upon escrow agent (the "Escrow Agent") or (ii) as a component of an existing UCHealth account. Funds in the Escrow Account may be released to the District or Lessee, as applicable, to satisfy the District's obligations pursuant to Section 13.3.1 herein upon joint direction of the Parties to the Escrow Agent, if applicable, provided that one third (1/3) of the balance remaining in the Escrow Account shall be transferred to UCHealth on the second (2<sup>nd</sup>) anniversary of Closing, one half of the then-remaining balance of the Escrow Account shall be transferred to UCHealth on the third (3<sup>rd</sup>) anniversary of Closing, and the remaining balance of the Escrow Account shall be transferred to UCHealth on the sixth (6<sup>th</sup>) anniversary of Closing; provided, however, that the Escrow Amount shall be used only for payment of such obligations and will not include any costs or expenses of the District except for reimbursement of certain District costs as expressly set forth in Section 13.4.6(i) and Section 14.18.3. The amount and availability of funds in the Escrow Account shall have no effect on the allocation of Excluded Liabilities, Assumed Liabilities or indemnities of the Parties set forth in this Operating Lease or the Integration Agreement.

#### **13.4 Procedures for Third-Party Claims.**

13.4.1 A District Party or the Lessee Party, as applicable, shall give prompt written notice of the commencement of any claim or the receipt of a written threat of any third-party claim against such District Party or the Lessee Party with respect to which responsibility may be sought of another Party under this Article XIII (the "Responsible Party"), promptly notifying the Responsible Party in writing of the commencement thereof. The failure of a District Party or the Lessee Party, as applicable (the "Notifying Party"), to so notify the Responsible Party of any such claim shall not relieve the Responsible Party from any liability that it may have to the Notifying Party, unless, and only to the extent that, such failure materially prejudices the Responsible Party's defense of such claim.

13.4.2 In connection with any claim resulting from or arising out of any claim or legal proceeding by a Person other than a District Party or the Lessee Party, as applicable, the Responsible Party, at its sole cost and expense, may, upon written notice to the Notifying Party, assume the defense of any such claim or legal proceeding, except for claims or legal proceedings requesting injunctive relief or alleging a criminal offense. If the Responsible Party assumes the defense of any such claim or legal proceeding, the Responsible Party shall select counsel to

conduct the defense of such claims and legal proceedings and, at its sole cost and necessary in the defense or settlement thereof; *provided, however*, that the selection of counsel by the Responsible Party must be reasonably satisfactory to the Notifying Party, as applicable, and the Responsible Party shall not consent to a settlement of, or the entry of any judgment arising from, any claim or legal proceeding without the prior written consent of the Notifying Party, as applicable, unless the Responsible Party admits in writing its liability to hold the Notifying Party harmless from and against all losses, damages, expenses and liabilities arising out of such settlement and *provided further that* such settlement does not impose going-forward obligations on the Notifying Party outside of payment of monetary losses, damages, expenses, and liabilities arising out of such settlement. If the Responsible Party assumes the defense of any claim or legal proceeding pursuant to this Section 13.4.2, the Notifying Party shall be entitled to participate in the defense of any such action with its counsel at its own expense.

13.4.3 If the Responsible Party does not assume the defense of any such claim or litigation resulting therefrom in accordance with the terms hereof, the Notifying Party may defend such claim or litigation in such a manner as it may deem appropriate, including settling such claim or litigation after giving written notice of such proposed settlement to the Responsible Party on such terms as the Notifying Party may deem appropriate, and the Responsible Party shall pay all costs of defense and settlement so incurred by the Notifying Party, as applicable. In any action by the Notifying Party seeking responsibility from the Responsible Party in accordance with the provisions of this Article XIII, the Responsible Party shall not be entitled to challenge the manner in which the District Party or the Lessee Party, as applicable, defended such claim or litigation or the amount or nature of any such settlement if the Responsible Party did not assume the defense of the claim or litigation resulting therefrom in accordance with the terms hereof.

13.4.4 The Notifying Party shall not settle or compromise any claim by a third party for which there is a Responsible Party hereunder without the prior written consent of the Responsible Party, unless legal action shall have been instituted against the District Party or the Lessee Party, as applicable, and the Responsible Party shall not have taken control of such suit within ten (10) business days after notification thereof.

13.4.5 The Notifying Party shall reasonably cooperate with the Responsible Party in the defense of any action assumed pursuant to this Section 13.4.5, including, as requested by the Responsible Party, making personal contacts with third-party claimants, and promptly making available all records relevant to, and personnel of the Notifying Party, as applicable, or their Affiliates that are knowledgeable concerning any claim for which responsibility of the Responsible Party is to be provided hereunder.

13.4.6 Notwithstanding the foregoing, in the event that a third-party claim involves the commencement of any claims or the receipt of a written threat of any claim against a District Party for an Excluded Liability, the following procedures shall govern:

- (i) The District Party (which is the Notifying Party for purposes of this Section 13.4.6) shall give prompt written notice to UCHHealth (which is the Responsible Party for purposes of this Section 13.4.6) of the commencement of any claim or the receipt of a written threat of any third-party claim against such District Party. In connection with any claim resulting from or arising out of any claim or legal proceeding by a Person other than

a District Party or the Lessee Party, as applicable, UCHealth, at its sole cost and expense, may, upon written notice to the District Party, assume the defense of any such claim or legal proceeding. If UCHealth assumes the defense of any such claim or legal proceeding, UCHealth shall select counsel to conduct the defense of such claims and legal proceedings and the District Party shall be entitled to participate in the defense of any such action with its counsel at its own expense. If UCHealth, in its sole and absolute discretion, chooses not to assume the defense of any such claim or litigation resulting therefrom in accordance with the terms hereof, the District Party may defend such claim or litigation in such a manner as it may deem appropriate, including, upon prior written approval of UCHealth, settling such claim or litigation, with up to fifty thousand dollars (\$50,000) of reasonable and necessary expenses actually incurred paid from the Escrow Amount.

13.4.7 The District Party shall reasonably cooperate with UCHealth in the defense of any action UCHealth has assumed pursuant to this Article XIII, including, as requested by UCHealth, making personal contacts with third-party claimants, and promptly making available all records relevant to the claim and personnel that are knowledgeable concerning the claim.

13.5 **Survival.** This Article XIII shall survive indefinitely.

13.6 **Mitigation.** For third-party claims pursuant to the terms of this Article XIII, a Responsible Party may reasonably request that the Notifying Party take reasonable steps to mitigate all known liabilities and claims, including availing itself of any lawful defenses, limitations, rights of contribution, claims against third parties and other rights at law, and shall provide such evidence and documentation of the nature and extent of any liability to the Responsible Party. Each Party shall act in a commercially reasonable manner in addressing any liabilities that may provide the basis for an applicable third-party claim (that is, each Party shall respond to such liability substantially in the same manner that it would respond to such liability in the absence of the responsibility from the other Party provided for in this Operating Lease). Any request for responsibility from the other Party for a third-party claim of specific costs shall include invoices and supporting documents containing reasonably detailed information about the costs and/or damages for which the responsibility from the other Party is being sought.

13.7 **Limitation on Damages.**

13.7.1 No Party shall be liable for any responsibility from the other Party hereunder this Article XIII unless the aggregate of all amounts for which the responsibility from the other Party would be payable (or have been paid) by such Party exceeds One Hundred Thousand Dollars (\$100,000) (the “Basket Amount”), but if the Basket Amount has been achieved, such Party shall be responsible for the aggregate amount of all losses (subject to Section 13.7.2).

13.7.2 The maximum liability of the District hereunder with respect to the obligations set forth in Article XIII will be Two Million Dollars (\$2,000,000).

13.7.3 Notwithstanding anything to the contrary elsewhere in this Operating Lease, no liability cap shall apply to the Lessee’s and the District’s obligations with respect to Assumed Liabilities and Excluded Liabilities, respectively.

13.7.4 Notwithstanding anything to the contrary elsewhere in this Operating Lease, a Party shall be liable for money damages pursuant to this Article XIII only to the extent that the aggregate amount of such damages exceeds the amount of insurance proceeds, if any, actually received by such Party, as applicable, with respect to such damages. In the event that (i) the Responsible Party pays to the Notifying Party monetary damages pursuant to this Article XIII in full or partial satisfaction of the applicable third-party claim with respect to particular damages, and (ii) such Notifying Party later receives insurance proceeds with respect to such damages, the Notifying Party shall promptly pay to the Responsible Party an amount equal to the amount (if any) by which the sum of the insurance proceeds so received with respect to such damages plus the amounts paid by the Responsible Party to the Lessee Party or District Party, as applicable, pursuant to this Article XIII with respect to such damages exceeds the amount of such damages.

13.7.5 Notwithstanding anything to the contrary elsewhere in this Operating Lease, no Party to this Operating Lease (or any of its Affiliates) shall, in any event, be liable to the other Party (or any of its Affiliates) (a) to an extent or in a manner that is contrary to law, or (b) for special, consequential, punitive or exemplary damages, costs, expenses, charges or claims, pursuant to this Article XIII except to the extent that losses resulting from an applicable third-party claim include special, consequential, punitive, or exemplary damages, costs, expenses, charges or claims of the third party and then, only to the extent of such applicable losses, subject however, to all of the other limitations set forth in this Operating Lease.

13.8 **Tax Treatment.** Any payments made under this Article XIII shall be treated by the Parties as an adjustment to the purchase price for U.S. federal (and applicable state and local) income Tax purposes, unless otherwise required by applicable Law.

## **ARTICLE XIV MISCELLANEOUS**

### **14.1 Parties, Assigns and Affiliates.**

14.1.1 All of the terms and provisions of this Operating Lease shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns who shall be subject to the terms and provisions of this Operating Lease to the extent provided in this Operating Lease. With respect to the Leased District Property, each provision of this Operating Lease shall be a covenant running with the land and shall extend to and shall bind and inure to the benefit of the Parties and their respective legal representatives, successors in interest and assigns.

14.1.2 Notwithstanding the foregoing, the District may not assign this Operating Lease or any of its rights, interests or obligations hereunder without the prior written consent of the Lessee. Lessee may, in its sole discretion and without the prior written consent of the District (i) assign or sublet portions of its interest under this Operating Lease in accordance with Section 10.2 herein, and (ii) assign this Operating Lease and all of its rights, interests, and obligations hereunder to UCHealth or to an Affiliate of UCHealth or to a third party; *provided, however*, that any assignment by Lessee of this Operating Lease to a non-Affiliate third party shall require prior written consent of the District if Poudre Valley Hospital is not included in the transaction, affiliation, or other relationship pursuant to which the Estes Park Healthcare



Operations are being assigned unless such separate assignment or divestiture of the Estes Park Healthcare Operations is required by law or a Governmental Entity or in connection with any dissolution, change in control, or restructuring of UCHealth or its Affiliates.

14.1.3 As used in this Operating Lease and the Integration Agreement, the term “Affiliate” means as to the Party in question, any Person that directly or indirectly Controls, is controlled by, or is under common control with, the Party in question and any successors or assigns of such Persons and with respect to such Party; *provided, however*, for purposes of this definition (i) University of Colorado shall not be deemed to be an “Affiliate” of the Lessee or UCHealth, (ii) the District shall not be deemed an “Affiliate” of the Lessee, UCHealth or any of their Affiliates by virtue of any rights granted to the District under this Operating Lease, the Integration Agreement or any other agreement entered into by the District in connection with the Transactions, (iii) with regard to the period occurring prior to the Closing, all enterprises of the District shall be deemed to be Affiliates of the District, and (iv) UCHealth and Lessee shall each be deemed to be Affiliates of each other. For purposes of this definition, “Control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used herein, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, (i) through the ownership of voting securities, partnership interests or other equity interests, and/or (ii) with respect to a nonprofit corporation, (a) holding a fifty percent (50%) or greater membership interest in such Person, (b) having the right (pursuant to the Person’s organizational documents), directly or indirectly, to (x) appoint more than fifty percent (50%) of the Person’s governing body, or (y) remove more than fifty percent (50%) of the members of the Person’s governing body.

14.2 **Authorization of the Lessee to Act as if it were Fee Owner.** The District hereby authorizes the Lessee, at the sole discretion of the Lessee, to act as if the Lessee were the owner of the fee simple title to the Leased District Property for the purpose of obtaining any and all zoning or building or similar permits, consents or approvals, tax divisions and certifications of tax exempt status, negotiating agreements with public and private utilities, and any and all other documents or approvals required by or from any Governmental Entity exercising jurisdiction over all or part of such Leased District Property as the Lessee, in its sole discretion, shall from time to time deem necessary or appropriate in order to carry out the purposes of Estes Park Healthcare Operations. Nothing in this Section 14.2 shall be deemed or construed as in any way limiting or amending obligations of the District under Section 14.10 to cooperate with the Lessee in order to enable the Lessee to exercise its rights hereunder. The District, in its capacity as lessor hereunder (but not in its governmental capacity), covenants and agrees with the Lessee, upon reasonable request from the Lessee, from time to time, to cooperate as permitted by law in connection with the potential redevelopment of the Leased District Property by the Lessee and to take such other actions as may be reasonably necessary or appropriate in connection with the Lessee’s redevelopment of the Leased District Property; provided that such redevelopment shall be in compliance with the terms of this Operating Lease.

#### 14.3 **Governing Law; Venue.**

14.3.1 This Operating Lease has been executed and will be consummated in the State of Colorado. Accordingly, this Operating Lease will be governed by and construed in accordance with the laws of the State of Colorado without giving effect to any choice or conflict

of laws rule or provision that would cause the application of the domestic substantive laws of any other jurisdiction.

14.3.2 The Parties agree that any suit, action or proceeding with respect to this Operating Lease shall be brought exclusively in an appropriate state court located in Larimer County, Colorado. By execution of this Operating Lease, each Party irrevocably submits to each such jurisdiction for that purpose. Each Party irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in an inconvenient forum.

14.4 **Notices.** All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder will be deemed duly given when it is delivered personally, when received by overnight courier services (such as Federal Express or DHL) with return receipt requested or certified and registered mail with return receipt requested and addressed to the intended recipient as set forth below:

If to the District, addressed to: Park Hospital District 555 Prospect Avenue  
Estes Park, CO 80517  
Attention: Board Chair

with a copy to: [NAME]  
[ATTENTION]  
[ADDRESS]  
[ADDRESS]

If to Lessee, addressed to: [NAME]  
[ATTENTION]  
[ADDRESS]  
[ADDRESS]

with a copy to: [NAME]  
[ATTENTION]  
[ADDRESS]  
[ADDRESS]

If to UCHHealth, addressed to: University of Colorado Health  
12401 E. 17<sup>th</sup> Avenue, Mail Stop F417  
Anschutz Medical Campus  
Aurora, CO 80045  
Attn: Chief Financial Officer  
Electronic Mail Address:  
[Dan.Rieber@uchealth.org](mailto:Dan.Rieber@uchealth.org)

with copies to: University of Colorado Health  
12401 E. 17<sup>th</sup> Avenue, Mail Stop F417  
Anschutz Medical Campus

Aurora, CO 80045  
Attn: Chief Legal Officer  
Electronic Mail Address:  
[Jacki.Melmed@uchealth.org](mailto:Jacki.Melmed@uchealth.org)

and

Ropes & Gray LLP  
Torrey McClary  
10250 Constellation Boulevard  
Los Angeles, CA 90067  
Electronic Mail Address:  
[Torrey.McClary@ropesgray.com](mailto:Torrey.McClary@ropesgray.com)

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

14.5 **Entire Agreement.** This Operating Lease (including the Schedules and Exhibits attached hereto), together with the Integration Agreement and the Non-Disclosure Agreement between the District and UCHealth dated January 30, 2023, and all other agreements and documents executed in connection with this Operating Lease, constitute the entire agreement among the Parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

14.6 **Amendments.** No amendment, alteration or modification of this Operating Lease shall be valid unless in each instance such amendment, alteration or modification is (i) expressed in a written instrument duly executed by the Parties and expressly stating that it is an amendment to this Operating Lease and (ii) approved by UCHealth in writing in advance of its effective date.

14.7 **Counterparts; Electronic Transmission.** This Operating Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or electronically transmitted signature shall be deemed an original for purposes of evidencing execution of this Operating Lease.

14.8 **Representations as to Knowledge.** In each and every case in this Operating Lease where a statement is made to the “knowledge” or “belief” of a Party or words of similar import is made, such knowledge or belief shall be deemed to mean the actual knowledge (but not imputed or constructive knowledge), after reasonable inquiry of (a) with respect to the District, of the Chief Executive Officer, Chief Financial Officer, Chief Nursing Officer, and Senior Director of Support Services, or (b) with respect to the Lessee, of the UCHealth Chief Strategy Officer and Chief Financial Officer, and (c) with respect to UCHealth, of the UCHealth Chief Strategy Officer and Chief Financial Officer. The Parties acknowledge that the individuals named above are named solely for the purpose of defining the scope of knowledge or belief ascribed to a Party and not for the purpose of imposing any liability on such individuals.

14.9 **Headings; Terms.** The section headings contained in this Operating Lease are inserted for convenience only and shall not affect in any way the meaning or interpretation of this

Operating Lease. Defined terms are applicable to both the singular and plural forms. All pronouns will be deemed to refer to the masculine, feminine or neuter, as the identity of the Person may require. The singular or plural includes the other, as the context requires or permits. The word “include” (and any variation) is used in an illustrative sense rather than a limiting sense. The word “day” means a calendar day. All references to “Sections” are to sections of this Operating Lease unless indicated otherwise.

14.10 **Further Assurances.** At or after the Effective Date, the Parties, at the reasonable request of a Party and without further consideration, shall promptly do each and every act and thing as may be necessary or reasonably desirable to consummate the Transactions and to effect an orderly transfer to the Lessee of the Leased District Property, the Acquired Assets and Assumed Liabilities, including (a) executing and delivering, or causing to be executed and delivered, to the requesting Party all such documents and instruments as are reasonably required to carry out or evidence the terms of this Operating Lease, in addition to those otherwise required by this Operating Lease, in form and substance reasonably satisfactory to the requesting Party; (b) furnishing information and copies of documents, books and records; (c) filing reports, returns, applications, filings and other documents and instruments with any person; (d) assisting in responding to any inquiry of any person with respect to the sale of products or provision of services prior to the Effective Date; (e) assisting in good faith in any litigation, threatened litigation or claim and cooperating therein with other parties and their advisors and representatives, including providing relevant documents and evidence and maintaining confidentiality in connection with such litigation or threatened litigation or claims against the Party from whom such cooperation is requested; (f) cooperating with each other and making available to the other, as reasonably requested by the other Party, all information, records or documents relating to tax liabilities or potential tax liabilities of the applicable Party with respect to Estes Park Healthcare Operations for all periods and preserving all such information, records and documents at least until the expiration of any applicable statute of limitations or extensions thereof; and (g) cooperating with each other in exercising any right or pursuing any claim, whether by litigation or otherwise, other than rights and claims running against the Party from which such cooperation is requested.

14.11 **Consented Assignment.** Notwithstanding anything contained herein to the contrary, this Operating Lease shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of the other party thereto would constitute a breach thereof or in any material way adversely affect the rights of the District, unless such consent is obtained. Each Party shall use its commercially reasonable efforts to obtain any third-party consent to the Transactions or to any assignment of Assumed Contracts to the Lessee to which such consent is required. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially and adversely affect the rights thereunder of the District so that the Lessee would not in fact receive all such rights, such contract shall be an Excluded Contract, and the District and the Lessee shall cooperate in good faith to establish a reasonable arrangement designed to provide the Lessee with the benefits under any such claim, right, contract, license, lease, commitment, sales order or purchase order. Notwithstanding the foregoing, other than obtaining the consents and approvals required by Section 9.3, obtaining the third-party consents described in this Section 14.11 shall not be a condition precedent to any Party’s obligation to close the transactions contemplated by this Operating Lease.

14.12 **Waiver**. No waiver by any Party of any default, misrepresentation or breach of any warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent occurrence, and no waiver will be effective unless set forth in writing and signed by the Party against whom such waiver is asserted.

14.13 **Severability**. The invalidity or unenforceability of any term or provision of this Operating Lease will not affect the validity or enforceability of the remaining terms and provisions hereof that reasonably can be given effect apart from the invalid or unenforceable part.

14.14 **Incorporation of Exhibits and Schedules**. The Exhibits and Schedules identified in this Operating Lease are incorporated herein by reference and made a part hereof. Each Party agrees to act in good faith to assure that its Schedules are comprehensive, accurate and complete. Each Schedule annexed hereto on the date hereof shall be updated as necessary so that such Schedules are complete and accurate as of the Effective Date. To the extent any Schedules are not so updated, they shall be deemed to contain the information as attached to this Operating Lease on the Execution Date.

14.15 **Time is of the Essence**. Time is of the essence for all dates and time periods set forth in this Operating Lease and each performance required by this Operating Lease.

14.16 **No Third-Party Beneficiaries**. This Operating Lease is for the benefit of the Parties and UCHealth only; this Operating Lease is not for the benefit of, nor shall it be construed to be for the benefit of or enforceable by or to create a basis for a claim by, any third parties, directly, as citizens, as purported third-party beneficiaries, or otherwise.

14.17 **Recording of County Interests**. On or before the Effective Date, the Parties shall execute and deliver to the Larimer County Clerk and Recorder a memorandum of this Operating Lease for purposes of recordation. Such memorandum shall be in the form attached hereto as Exhibit J.]

14.18 **Dispute Resolution**.

14.18.1 **Disputes Related to Operating Obligations**.

(i) Except for disputes related to the Tax Revenue (specifically addressed herein in Section 14.18.2), in the event of any dispute arising under, or related to the Transactions, (each, a “Dispute”), Lessee, on behalf of itself and/or any of the UCHealth Affiliates and District will endeavor in good faith to resolve the Dispute through informal discussions for a period of thirty (30) days. If initial informal discussions are unsuccessful at resolving the Dispute, then such Dispute may be submitted to (i) the CEO and President of UCHealth, or his or her designee with full settlement authority, and (ii) a member of the District Board with full settlement authority (the “District Board Member”), who shall meet and confer to resolve such Dispute within thirty (30) days after such submission. If the CEO and President of UCHealth, or his or her designee, and the District Board Member are unable to resolve such Dispute within thirty (30) days after such submission, Lessee and District may try in good faith to settle the Dispute by non-binding mediation with each Party paying half the costs of mediation, where Lessee and District shall select a mutually

agreeable JAMS mediator, who shall mediate the Dispute pursuant to the terms of the JAMS rules and procedures within thirty (30) days after such submission. Following the conclusion of the mediation process set forth herein, the Parties shall be free to pursue any available remedies at law or equity.

(ii) Subject to Section 14.18.3, each Party shall cover the legal expenses it incurs pursuing the processes set forth in Section 14.18.1(i), provided that, in the event that, following conclusion of the dispute resolution process set forth Section 14.18.1(i):

(A) the District pursues and is the substantially prevailing party against UCHealth for a breach of the covenants set forth in Sections 4.1 – 4.7 of the Integration Agreement, UCHealth will reimburse the District for the reasonable and necessary legal expenses the District incurred pursuing such remedies, excluding from such reimbursement any such expenses for which the District has already been paid under Section 14.18.3 or otherwise; or

(B) UCHealth pursues and is the substantially prevailing party against the District for a breach of the covenants set forth in Article IV of this Operating Lease, the District will reimburse UCHealth for the reasonable and necessary legal expenses UCHealth incurred pursuing such remedies.

14.18.2 Disputes Related to Tax Revenue. In the event of any dispute related to the Tax Revenue (a “Tax Revenue Dispute”), the Parties agree to endeavor in good faith to resolve the Tax Revenue Dispute through informal discussions for a period of thirty (30) days. If initial informal discussions are unsuccessful at resolving the Tax Revenue Dispute, the Parties agree promptly to submit the matter to JAMS mediation with a single mediator acceptable to the Parties. The Parties acknowledge that a breach or threatened breach of the Tax Revenue obligations would cause the non-breaching Party or Parties to suffer immediate and irreparable harm which would not be fully remedied with the payment of monetary damage. As such, the non-breaching Party or Parties in a Tax Revenue Dispute shall be entitled (in accordance with the prevailing rules of law and equity) to specific performance by the other Party.

14.18.3 Funding of Third-Party Expenses.

(i) An eighty percent (80%) supermajority vote of the District Board (a “District Board Supermajority”) will be required for the District to initiate the dispute resolution process set forth in this Section 14.18, as described in the District Bylaws. In the event that (A) the District initiates the dispute resolution process through an affirmative vote of the District Board Supermajority, or (B) UCHealth initiates the dispute resolution process, UCHealth will provide funds to the District (including by directing a portion of the Escrow Amount be released to the District) as necessary to pay the District’s reasonable third-party expenses actually incurred in addressing a Dispute hereunder, up to twenty-five thousand dollars (\$25,000) per claim or series of related claims (subject to Section 14.18.3(ii) below), with a maximum annual payment of fifty thousand dollars (\$50,000) in the first twelve (12) month period following the Effective Date, as adjusted each subsequent year of the Term pursuant to the Consumer Price Index rate (the “Dispute Resolution Fund”). The aggregate amount of expenses incurred against the Dispute Resolution Fund pursuant to the Integration Agreement and this Operating Lease shall not

exceed twenty-five thousand dollars (\$25,000) per claim or series of related claims and fifty thousand dollars (\$50,000) total in the twelve (12) months following the Effective Date, as adjusted each subsequent year of the Term pursuant to the Consumer Price Index rate.

(ii) If a Dispute remains unresolved following conclusion of the mediation process set forth in Section 14.18.3(i) and the District elects to pursue available remedies at law or equity as provided in Section 14.18.1(i), then UCHealth will **provide funds to the District** (including by directing a portion of the Escrow Amount be released to the District) as necessary to pay the District's reasonable third-party expenses actually incurred in pursuing such remedies, up to the amount remaining in the Litigation Fund; *provided that* the Litigation Fund shall only be available if the District's election to pursue a legal or equitable remedy following mediation was made upon the affirmative vote of the District Board Supermajority and the unanimous affirmative vote of all District Appointees and Community Member Appointees to the Newco Board (each, as defined in the Integration Agreement) at a duly-called meeting of the Newco Board; and *provided, further that*, any amount the District has previously been paid from the Dispute Resolution Fund for the applicable Dispute will be counted as a payment from the Litigation Fund and shall count toward the maximum payment amount available from the Litigation Fund. The aggregate amount of expenses incurred against the Litigation Fund pursuant to the Integration Agreement and this Operating Lease shall not exceed two hundred fifty thousand dollars (\$250,000), collectively, with the amount remaining in the Litigation Fund adjusted each year of the Term pursuant to the Consumer Price Index rate. For the purposes of this Agreement, the "Litigation Fund" shall mean a fund of two hundred fifty thousand dollars (\$250,000), with the amount remaining in such fund adjusted each year of the Term pursuant to the Consumer Price Index rate, to be available throughout the Term until such fund has been depleted.

14.19 **Representatives.** Wherever the District's or Lessee's approval, consent, agreement or any other action is called for under this Operating Lease, including in connection with circumstances that may give rise to a Dispute, such approval, consent, agreement or any other action will be exercised or communicated by the applicable Representative(s) of the District or Lessee, as such Representatives are identified on Schedule 14.19. The designation of a Party's Representative may be changed by such Party by delivery of written notice of such change to the other Parties pursuant to the notice provisions of this Operating Lease.

14.20 **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY ARE LIKELY TO INVOLVE ISSUES THAT ARE COMPLICATED AND DIFFICULT TO UNDERSTAND AND, THEREFORE, EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT, HE OR SHE MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED,

EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY SUCH ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (B) ACKNOWLEDGES THAT THE OTHER PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 14.20.

[Signatures on Following Page]



IN WITNESS WHEREOF, the Parties hereto have executed or caused the execution of this Operating Lease as of the date first above written.

DISTRICT:

PARK HOSPITAL DISTRICT, a special district duly organized and existing under the laws of the State of Colorado

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

LESSEE:

UCHEALTH ESTES VALLEY MEDICAL CENTER, a Colorado nonprofit corporation

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

UCHEALTH:

THE UNIVERSITY OF COLORADO HEALTH, a Colorado non-profit corporation

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

## SCHEDULE 1.1

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