

### APPENDIX 3, PROMISSORY NOTE

Date: 12/17/19

Borrower: Dominion Water & Sanitation District, a Title 32 Special District

Total Loan Amount: \$4,191,989.85

Interest Rate: 3.3% per annum

Term of Repayment: 30 years

Loan Contract Number: CT2020-3122

Annual Loan Payment: \$222,249

Payment Initiation Date: April 1, 2020 The Payment Initiation Date shall be the date of Project substantial completion as stated in CWCB's "Notice of Project Substantial Completion." CWCB shall insert the Payment Initiation Date upon determination of it pursuant to the Contract.

Maturity Date: April 1, 2050 The Maturity Date shall be the date that is thirty (30) years after the date of Project substantial completion. CWCB shall insert the Maturity Date upon determination of it pursuant to the Contract.

For Value Received, the Borrower promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the Contract and this Promissory Note. The Principal Amount shall not exceed the amount of funds actually disbursed to Borrower pursuant to the Contract.

1. Principal and interest shall be payable in annual equal payments as set forth in "Annual Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
2. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
3. The CWCB may impose a late charge in the amount of five percent (5%) of the annual payment if the CWCB does not receive the annual payment within sixty (60) calendar days of the due date. At the discretion of the CWCB, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCB. CWCB will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.
4. This Promissory Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
5. This Promissory Note is issued pursuant to the State of Colorado Intergovernmental Loan Contract between the CWCB and the Borrower of even date herewith (the "Contract"). The Contract creates security interests in in favor of the CWCB in the Collateral (as defined in the Contract) to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by the Collateral Agreement of even date and amount herewith, which covers the Collateral. The Contract and Collateral Agreement grant

additional rights to the CWCB, including the right to accelerate the maturity of this Promissory Note in certain events.

6. If any annual payment is not paid when due or any default under the Contract or the Collateral Agreement securing this Promissory Note occurs, in all cases after the expiration of all applicable grace, notice or cure periods, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of seven percent (7%) per annum from the date of default. The CWCB shall give the Borrower written notice of any alleged default and an opportunity to cure within sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note. The Borrower hereby agrees that if this Promissory Note or interest thereon is not paid when due or if suit is brought due to Borrower's default under this Promissory Note, in all cases after the expiration of all applicable grace, notice or cure periods, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
7. This Promissory Note is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the Contract and this Promissory Note are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Promissory Note and the Promissory Note shall be incontestable for any cause whatsoever after its delivery for value.

Borrower:

By: Jeffrey LaForte  
Signature

Name: JEFFREY LAFORTE

Title: PRESIDENT

Date: 12-17-19

Attest:

By: Tiffany Ramaekers  
Signature

Name: Tiffany Ramaekers

Title: Secretary

Date: 12-17-19