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August 14, 2017

Ms. Peg Mason
Contracts Manager
Colorado Water Conservation Board
Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203

Re: CWCB Loan Contract No. CT2018-1335 for Ditch Systems Improvements

Dear Ms. Mason:

This firm serves as general counsel to the Church Ditch Water Authority (the "Authority") and has been duly appointed as such most recently on May 8, 2017, by the Authority's adoption of Resolution No. 5-2017. It is in this capacity that this firm has been asked to review CWCB Loan Contract No. CT2018-1335 for Ditch System Improvements (the "Contract"). After completing such review, I am prepared to offer my opinion on the following matters.

- The Authority is a properly formed water authority, a body corporate and politic, a separate governmental entity, a political subdivision and a public corporation of the State of Colorado, pursuant to Section 18(2)(a) and (2)(b) of Article XIV, Constitution of the State of Colorado, and pursuant to C.R.S. § 29-1-204.2, as amended, by Intergovernmental Agreement and Establishing Contract entered into by and between the City of Westminster, a Colorado municipal corporation and the City of Northglenn, a Colorado municipal corporation, on October 29, 2004.
- As of the date of this letter and following the Authority's adoption of Resolution No. 7-2017, the Contract has been duly executed by the Authority. Specifically, the Contract was signed today by the President of the Board of Directors who is explicitly authorized to act in such

August 1, 2017

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capacity and to bind the Authority by Article IV of the Establishing Contract and by Section 2(A) of the duly adopted By-Laws of the Church Ditch Water Authority.

- The Authority's adoption of Resolution No. 7-2017 today was proper, with all three properly appointed board members voting in favor of its approval.
- There are no provisions in the Authority's articles of incorporation or bylaws or any state or local law that prevent this Contract from binding the Authority.
- Assuming proper execution and authority by the Colorado Water Conservancy Board, the Contract will be valid and binding against the Authority, and the Authority fully intends to abide by all applicable terms and conditions.

Thank you for your attention to this matter and please feel free to contact me if I can be of further assistance.

Very truly yours,



Hilary M. Graham
hmg@hpwclaw.com

CHURCH DITCH WATER AUTHORITY
RESOLUTION NO. 07 -2017

**A RESOLUTION APPROVING A LOAN CONTRACT WITH THE
COLORADO WATER CONSERVATION BOARD TO FINANCE DITCH
REHABILITATION IN THE AMOUNT OF \$3.62 MILLION**

WHEREAS, the Authority applied and received approval from the Colorado Water Conservancy Board for a loan in the amount of approximately \$3.62 million for a thirty (30) year term at a fixed interest rate of 3.0% (the "CWCB Loan") to finance needed improvements and repairs the Authority plans to complete by Spring of 2019;

WHEREAS, use of the CWCB Loan is regulated by a loan contract with the Colorado Water Conservancy Board, which loan contract requires Authority approval; and

WHEREAS, at the duly noticed regular meeting of the Authority held on August 14, 2017, at the Authority's administrative offices, 14025 W. 82nd Avenue, Arvada, Colorado, 80005, the Authority considered the CWCB loan contract, CWCB Loan Contract No. CT2018-1335 for Ditch System Improvements, provided by the State of Colorado that memorializes the CWCB Loan and all associated repayment obligations (the "Loan Contract").

BE IT RESOLVED BY THE CHURCH DITCH WATER AUTHORITY, THAT:

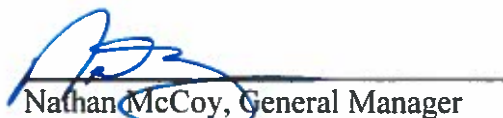
Section 1. The Authority hereby approves the Loan Contract in substantially the form attached hereto as **Exhibit 1** in a total loan amount not to exceed \$3,615,000.00 and authorizes the Board President to execute the Loan Contract as well as any other required or associated documents.

Section 2. The Authority hereby confirms it will perform and observe all of the terms, conditions and obligations of CWCB Loan Contract No. CT2018-1335 for Ditch System Improvements and will pledge the collateral needed to assure repayment of the CWCB Loan.

DATED this 14th day of August, 2017.


Tamara Moon, President

ATTEST:


Nathan McCoy, General Manager