

# BUTLER | SNOW

February 26, 2021

Colorado Water Conservation Board  
Denver, Colorado 80203

Lookout Mountain Water District

**Lookout Mountain Water District  
Clear Creek and Jefferson Counties, Colorado  
2021 Loan Contract with the  
Colorado Water Conservation Board**

Ladies and Gentlemen:

We have acted as bond counsel to the Lookout Mountain Water District, Clear Creek and Jefferson Counties, Colorado (the “District”) in connection with the District’s authorization, execution and delivery to the Colorado Water Conservation Board (“CWCBC”) of a loan contract (the “Loan Contract”), a security agreement (the “Security Agreement”), and a promissory note (the “Note;” and, together with the Loan Contract and the Security Agreement, collectively the “Financing Documents”), which Financing Documents were authorized by a resolution adopted by the Board of Directors of the District on February 8, 2021, and pursuant to which the CWCBC will loan the District aggregate amount of not to exceed \$3,535,000, for replacement of the “high risk” designated Lower Beaver Brook Dam, which was originally constructed in 1903, as required by state and federal regulators; and improvements to the treatment facility site to improve water capture and treatment efficiencies.

In our capacity as bond counsel, we have examined the District’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Financing Documents.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The District has full legal right and authority to execute the Financing Documents and to observe and perform its duties, covenants, obligations and agreements thereunder.

T 720.330.2300  
F 720.330.2301  
[www.butlersnow.com](http://www.butlersnow.com)

1801 California Street  
Suite 5100  
Denver, CO 80202

2. The obligation of the District to pay the principal and interest on the Loan is a valid and binding limited tax general obligation of the District payable solely from the Pledged Revenue and from the funds pledged therefor under the Financing Documents, subject to the limitation set forth in the Financing Documents and the Election.

3. All of the taxable property in the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the principal of and interest on the Loan.

4. The District has pledged the Pledged Revenue for the punctual payment of the principal of and interest on the Loan and all other amounts due under the Financing Documents according to their respective terms, and the Loan Contract creates a valid lien on such Pledged Property. No filings or recordings are required under the Colorado Uniform Commercial Code in order to create a lien on the Pledged Revenue, and all actions have been taken as required by Section 11-57-208, Colorado Revised Statutes.

5. The Financing Documents have been duly authorized, executed and delivered by authorized officers of the District; and, assuming in the case of the Loan Contract and the Security Agreement, that the CWCB has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered the Loan Contract and the Security Agreement, the Financing Documents constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

6. There are no provisions of the Colorado Constitution or any other state or applicable and binding local law that prevent the Financing Documents from binding the District.

7. The District has held an election per § 32-1-1101, C.R.S. and has been authorized by the electors to issue debt to finance improvements in the Beaver Brook corridor, including replacing Lower Beaver Brook Dam, replacing the outlet works at Upper Beaver Brook Dam, adding a SCADA system for the corridor and installing a pump and tank to help feed the Water Treatment Plant Pledge of revenues.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District pursuant to the Financing Documents are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.


We are opining only upon those matters set forth herein, and we are not passing upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Financing Documents.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

In connection with the execution and delivery of the Financing Documents, we have represented the District, which is our sole client in this transaction. Delivery of this letter to the CWCB does not establish an attorney-client relationship between the CWCB and this firm.

This opinion letter is furnished to you solely for your information and benefit in connection with the initial execution and delivery of the Financing Documents and may not be relied upon by you for any other purpose or relied upon by any other person without the prior written consent of this firm.

Respectfully submitted,

  
BUTLER SNOW LLP