

# LOAN CONTRACT AMENDMENT NO. 1

<b><u>State Agency</u></b> Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718, Denver, CO 80203	<b><u>Amendment No. 1 Contract Number</u></b> CMS 170407 CT2021-0513
<b><u>Borrower and Address</u></b> Arapahoe County Water and Wastewater Authority	<b><u>Original Contract Number</u></b> CMS 161491 CT2021-0513
<b><u>Current Contract Maximum Amount</u></b> \$4,040,000.00 (includes the 1% origination fee)	<b><u>Contract Performance Beginning Date</u></b> 08/11/2020
<b><u>Project Name</u></b> Chambers Reservoir Liner Rehabilitation	<b><u>Contract Performance End Date</u></b> 08/11/2023
<b><u>Reason for Modification</u></b> Increase total loan amount to include irrigation pump system.	<b><u>Loan Contract Terms</u></b> 1.90% for 20 years <b><u>Loan Contract Repayment Schedule</u></b> Loan not in repayment at this time

## THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

Each person signing this Amendment represents and warrants that he or she is duly authorized to execute this Amendment and to bind the Party authorizing his or her signature.

<p style="text-align: center;"><b>Arapahoe County Water and Wastewater Authority</b></p> <p style="text-align: center;"><i>Geraldine Santos-Rach</i> (Signature)</p> <p>Name: <u>Geraldine Santos-Rach</u></p> <p>Title: <u>Secretary</u></p> <p>Date: <u>10/5/2021</u></p> <p><b><u>ATTEST:</u></b></p> <p style="text-align: center;"><i>Steve Witten</i> (Signature)</p> <p>Name: <u>Steve Witten</u></p> <p>Title: <u>General Manager</u></p> <p>Date: <u>10/6/2021</u></p>	<p style="text-align: center;"><b>STATE OF COLORADO</b>          Jared S. Polis, Governor          Colorado Department of Natural Resources          Dan Gibbs, Executive Director          Colorado Water Conservation Board</p> <p style="text-align: center;"><i>Kirk Russell</i> (Signature)  <small>DocuSigned by: 846EA29B043244E...</small></p> <p>Name: <u>Kirk Russell, P.E., Section Chief</u></p> <p>Date: <u>October 13, 2021   1:38 PM MDT</u></p>
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In accordance with §24-30-202 C.R.S., this Amendment is not valid until signed and dated below by the State Controller or an authorized delegate

**STATE CONTROLLER**  
**Robert Jaros, CPA, MBA, JD**

DocuSigned by:

By: *Ion Cotsapas*

Name: Ion Cotsapas  
70E3DE1B80554E8...

Title: DNR Procurement Director

Amendment Effective Date: October 20, 2021 | 3:25 PM MDT

**1. PARTIES**

This Amendment (the “Amendment”) to the Original Contract (the “Contract”) shown on the Signature and Cover Page for this Amendment is entered into by and between the Borrower (“Borrower” or “Authority”), and the State (“CWCB”).

**2. TERMINOLOGY**

Except as specifically modified by this Amendment, all terms used in this Amendment that are defined in the Contract shall be construed and interpreted in accordance with the Contract.

**3. AMENDMENT EFFECTIVE DATE AND TERM**

**A. Amendment Effective Date**

This Amendment shall not be valid or enforceable until the Amendment Effective Date shown on the Signature and Cover Page for this Amendment. The State shall not be bound by any provision of this Amendment before that Amendment Effective Date.

The Parties’ respective performances under this Amendment and the changes to the Contract contained herein shall commence on the Amendment Effective Date shown on the Signature and Cover Page for this Amendment.

**4. PURPOSE**

The borrower was approved for a CWCB loan contract, loan contract number CT2021-0513, in August 2020 for the Chambers Reservoir Liner Rehabilitation Project. Due to permitting delays, the cost of the construction has increased and now includes an irrigation pump system. The parties have agreed to amend the contract to increase the total loan amount by \$1,515,000.00, from \$2,525,000.00 to \$4,040,000.00 (includes 1% origination fee). The total loan amount is hereby modified accordingly.

**5. MODIFICATIONS**

The Contract and all prior amendments thereto, if any, are modified as follows:

- A. The total loan contract amount is hereby deleted and replaced with the Current Contract Maximum Amount of \$4,040,000.00, shown on the Signature and Cover Page for this Amendment No. 1. The loan terms shall remain at 1.90% for 20 years.
- B. Amendment to Promissory Note, Appendix A, in the revised loan amount and incorporated herein, shall replace and supersede the Original Promissory Note attached to the Original Loan Contract as Appendix 3.
- C. Amendment to Security Agreement, Appendix B, in the revised loan amount and incorporated herein, shall supplement and operate in conjunction with the Original Security Agreement, attached to the Original Loan Contract as Appendix 5.

**6. RESOLUTION**

The Borrower has adopted a Board of Director’s Resolution, irrevocable for the term of this loan, authorizing the Borrower to enter into this contract amendment to borrow the additional loan amount, to establish and collect assessments sufficient to pay the annual loan payments, to pledge said assessments for repayment of the loan, and to execute documents necessary to convey a security interest in said assessments and collateral, if necessary, to the CWCB, and attached as Appendix C.

**7. BOND COUNSEL OPINION LETTER**

Prior to the execution of this Amendment by the CWCB, the Borrower shall submit to the CWCB a letter from its bond counsel stating that it is the attorney’s opinion that (1) the person(s) signing for the Borrower was duly elected or appointed and has authority to sign such documents on behalf of the Borrower and to bind the Borrower; (2) the Borrower’s governing body has validly adopted a resolution approving this Amendment; (3) there are no provisions in the any state or local law that prevent this Amendment from binding the Borrower; and (4) this Amendment will be valid and binding against the Borrower if entered into by the CWCB.

**8. LIMITS OF EFFECT AND ORDER OF PRECEDENCE**

This Amendment is incorporated by reference into the Contract, and the Contract and all prior amendments or other modifications to the Contract, if any, remain in full force and effect except as specifically modified in this Amendment. Except for the Special Provisions contained in the Contract, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract or any prior modification to the Contract, the provisions of this Amendment shall in all respects supersede, govern, and control. The provisions of this Amendment shall only supersede, govern, and control over the Special Provisions contained in the Contract to the extent that this Amendment specifically modifies those Special Provisions.

**Appendix A, Amendment No. 1 to Loan Contract CT2021-0513**  
**Amendment to Promissory Note**

Date:	September 30, 2021
Borrower:	Arapahoe County Water and Wastewater Authority
Total Loan Amount:	\$4,040,000.00
Interest Rate:	1.90% per annum
Term:	20 years or until loan is paid in full
Loan Contract No.:	CT2021-0513
Annual Loan Payment:	\$244,695.24
Payment Initiation Date:	_____
	(to be filled in at Substantial Completion of Project)
Maturity Date:	_____
	(to be filled in at Substantial Completion of Project)

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 Loan Contract and this promissory note.

1. This Amendment to Promissory Note, Appendix A, in the revised loan amount, of \$4,040,000.00, *shall replace and supersede* the Original Promissory Note attached as Appendix 3 to the Original Loan Contract in the amount of \$2,525,000.00 and incorporated by reference.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from 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.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within sixty (60) calendar days of the due date.
5. This 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.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This Note is issued pursuant to the Loan Contract between the CWCB and the Borrower. The Loan Contract creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a Security
8. Agreement ("Security Instruments") of even date and amount and cover certain revenues and/or accounts of the Borrower. The Loan Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.

9. If any annual payment is not paid when due or any default under the Loan Contract or the Security Instruments securing this Note occurs, 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 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.
10. The Borrower and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, 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.
11. This Note shall be governed in all respects by the laws of the State of Colorado.

Attest:

By

Signature  
Name Geraldine Santos-Rael

Title

Secretary  
Date 9/30/2021Arapahoe County Water and Wastewater  
Authority

By

Signature  
Name Doyle Tinkley

Title

President  
Date 9/30/21

**Appendix B, Amendment No.1 to Loan Contract CT2021-0513  
Amendment to Security Agreement**

Debtor: Arapahoe County Water and Wastewater Authority  
Secured Party: Colorado Water Conservation Board  
Revised Loan Amount: \$4,040,000.00  
Term: 20 years or until loan is paid in full  
Interest Rate: 1.90% per annum  
Loan Contract Number: CT2021-0513

1. The Parties have amended the Original Loan Contract and Promissory Note to increase the loan amount to \$4,040,000.00, and hereby amend the Original Security Agreement attached to the Original Contract as Appendix 5 to reflect this change to the total loan contract amount.
2. The Parties expressly agree that this Amendment to Security Agreement is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment to Security Agreement as though they were expressly rewritten, incorporated, and included herein.
3. Collateral for the loan remains the same.

Attest:

By

Signature

Name

Title

Date

Arapahoe County Water and Wastewater Authority

By

Signature

Name

Title

Date

## APPENDIX C

RESOLUTION 2021-01

A RESOLUTION APPROVING AN AMENDMENT TO LOAN CONTRACT CT2021-0513 FROM THE COLORADO WATER CONSERVATION BOARD; AUTHORIZING THE FORM AND EXECUTION OF THE AMENDMENT TO LOAN CONTRACT, THE AMENDMENT TO PROMISSORY NOTE TO EVIDENCE SUCH AMENDED LOAN, AND THE AMENDMENT TO SECURITY AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

**WHEREAS**, the Arapahoe County Water and Wastewater Authority (the “Authority”), is a governmental entity and political subdivision of the State of Colorado, duly organized and operating under the constitution and laws of the State, including particularly §29-1-204.2, C.R.S.; and

**WHEREAS**, the Authority is authorized by the Establishing Contract and §29-1-204.2, C.R.S., to, *inter alia*: (i) develop water resources, systems, or facilities in whole or in part for the benefit of the inhabitants of the Contracting Parties or others; (ii) to acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of any real or personal property utilized only for the purposes of water treatment, distribution, and wastewater disposal; (iii) to fix, maintain, and revise fees, rates, and charges for functions, services, or facilities provided by the Authority; and (iv) to carry out the purposes for which the Authority is established, to issue bonds, notes, or other obligations payable solely from the revenues derived from the functions, services, systems, or facilities of the Authority or from any other available funds of the Authority, such bonds or other obligations to be issued on such terms and conditions as may be set forth in the resolution authorizing their issuance and, as nearly as may be practicable, as provided in Title 31, Article 35, Part 4, C.R.S.; and

**WHEREAS**, the Authority has heretofore determined and undertaken to acquire by lease or otherwise and develop certain properties and facilities for the treatment, transmission, distribution, storage, and provision of water and wastewater disposal, which facilities are combined, operated, and maintained as a single public utility and income-producing project, and which is more particularly defined herein as the “System”; and

**WHEREAS**, the System is a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined, and to the extent Article X, Section 20 of the Colorado Constitution applies to the Authority, it is also an “enterprise” within the meaning of such constitutional provision; and

**WHEREAS**, in 2020, the Authority received less than 10% of its revenue from grants from all Colorado state and local governments combined; and

**WHEREAS**, the Board has previously executed and delivered a Loan Contract No. CT2021-513 dated July 29, 2020 (the “2020 Loan Contract”), with the CWCB, together with a promissory note (the “2020 Promissory Note”) and security agreement (the “2020 Security Agreement” or, collectively, the “2020 CWCB Loan Documents”) for a loan in the amount of \$2,525,000 in order to complete the Chambers Reservoir Liner Rehabilitation project (the “Project”); and

**WHEREAS**, subsequent to the execution and delivery of the 2020 CWCB Loan Documents, the Authority determined to include the costs of an irrigation pump system to the Project; and

**WHEREAS**, in order to accommodate the modified Project, the CWCB agreed to amend the 2020 CWCB Loan Documents to increase the principal amount of the loan to \$4,040,000 and to amend the 2020 Loan Documents to reflect the increased loan amount; and

**WHEREAS**, the Board has determined that in order to finance the modified Project, it is necessary and advisable and in the best interests of the Authority to enter into an amendment to Loan Contract CT2021-0513 (the “2021 Loan Contract”) and an amendment to security agreement (the “2021 Security Agreement”), and an amendment to the promissory note (the “2021 Promissory Note”) with CWCB, pursuant to which the CWCB will loan the Authority the approximately \$4,040,000 (the “Loan”), which includes a one percent loan origination fee, to finance the Project as modified; and

**WHEREAS**, the 2021 Loan Contract, the 2021 Security Agreement and the 2021 Promissory Note are referred to herein collectively as the “2021 Loan Documents”;

**WHEREAS**, the Authority’s repayment obligations under the 2021 Loan Contract shall be evidenced by a promissory note (the “2021 Promissory Note”) to be executed and



delivered by the Authority to the CWCB, which 2021 Promissory Note will be on a parity with the following obligations of the Authority:

- (a) Water and Wastewater Revenue Refunding Bonds, Series 2012, originally issued in the aggregate principal amount of \$5,525,000 (the “2012 Bonds”);
- (b) Water and Wastewater Revenue Refunding Bonds, Series 2016, originally issued in the aggregate principal amount of \$16,475,000 (the “2016 Bonds”);
- (c) Water and Wastewater Revenue Refunding Bonds, Series 2017, originally issued in the aggregate principal amount of \$12,720,000 (the “2017 Bonds”);
- (d) Water and Wastewater Revenue Refunding Bonds, Series 2019, originally issued in the aggregate principal amount of \$71,485,000 (the “2019 Bonds”);
- (e) Collectively, the 2012 Bonds, the 2016 Bonds, the 2017 Bonds and the 2019 Bonds are referred to herein as the “Parity Obligations; and

**WHEREAS**, the 2021 Loan Documents may be approved by the Board, without an election pursuant to TABOR; and

**WHEREAS**, the Authority’s repayment obligations under the 2021 Loan Documents shall be special, limited obligations payable solely from and secured by an irrevocable lien (but not an exclusive lien) on the Pledged Revenues, as hereinafter defined, shall not constitute a debt, an indebtedness or a multiple fiscal year debt or other financial obligation of the Authority within the meaning of any constitutional or statutory provision or limitation and shall not be considered or held to be general obligations of the Authority; and

**WHEREAS**, except to secure the Parity Obligations, the Authority has not pledged nor hypothecated the Pledged Revenues derived or to be derived from the operation of the System, or any part thereof, to the payment of any bonds or for any other purpose, with the result that the Pledged Revenues may now be pledged lawfully and irrevocably to the payment of the 2021 Loan Documents; and

**WHEREAS**, there have been presented to the Board the forms of the 2021 Loan Documents; and

**WHEREAS**, the Board desires to approve the forms of the 2021 Loan Documents and authorize the execution thereof.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ARAPAHOE COUNTY WATER AND WASTEWATER AUTHORITY:**

Section 1. Approvals, Authorizations, and Amendments. Except as amended by the 2021 Loan Documents, the 2020 Loan Documents shall remain in full force and effect.

The forms of the 2021 Loan Documents presented at this meeting are incorporated herein by reference and are hereby approved. The Authority shall enter into and perform its obligations under the 2021 Loan Documents in the forms of such documents, with such changes as are not inconsistent herewith and as are hereafter approved by the President of the Board (the "President"), the General Manager (the "General Manager") or the Director of Finance and Administration (the "Finance Director"). The President and the Secretary (the "Secretary"), and any member of the Board, are hereby authorized and directed to execute the 2021 Loan Documents and to affix the seal of the Authority thereto. and each member of the Board, the General Manager or the Finance Director are hereby authorized and directed to execute and authenticate such other documents or certificates as are deemed necessary or desirable in connection therewith. The 2021 Loan Documents shall be executed in substantially the forms approved at this meeting.

The execution of any instrument or certificate or other document in connection with the matters referred to herein by the President, any member of the Board, the General Manager, the Finance Director or by other appropriate officers of the Authority shall be conclusive evidence of the approval by the Authority of such instrument.

Section 2. Election to Apply the Supplemental Act. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act") provides that a public entity, including the Authority, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the provisions of the Supplemental Act to the 2021 Loan Documents.

Section 3. Delegation.

(a) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the President, the General Manager, or any member of the Board the authority to make the following determinations relating to and contained in the 2021 Loan Documents, subject to the restrictions contained in paragraph (b) of this Section 3:

- (i) The interest rate on the 2021 Loan;
  - (ii) The principal amount of the 2021 Loan;
  - (iii) The amount of principal of the 2021 Loan maturing in any given year and the final maturity of the 2021 Loan;
  - (iv) The dates on which the principal of and interest on the 2021 Loan are paid; and
  - (v) The existence and amount of a reserve fund for the 2021 Loan, if any.
- (b) The delegation in paragraph (a) of this Section 3 shall be subject to the following parameters and restrictions:
- (i) the interest rate on the 2021 Loan shall not exceed 1.90%;
  - (ii) the aggregate principal amount of the Loan shall not exceed \$4,040,000;
- and
- (iii) the final maturity of the Loan shall not be any later than 20 years from the date of substantial completion of the Project.

Section 4. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Act, the 2021 Promissory Note and the 2021 Security Agreement shall contain a recital that each is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of each of the 2021 Promissory Note and 2021 Security Agreement after its delivery for value. Pursuant Section 31-35-413, C.R.S., and this Resolution, the 2021 Promissory Note and the 2021 Security Agreement shall contain a recital that they are issued pursuant to Title 31, Article 35, Part 4, C.R.S. Such recital shall conclusively impart full compliance with all the provisions of such statute and each of the 2021 Promissory Note and 2021 Security Agreement issued containing such recital shall be incontestable for any cause whatsoever after its delivery for value.

Section 5. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the 2021 Loan Documents provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Resolution. The amounts pledged to the payment of the 2021 Loan Documents shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have

the priority described in the Loan Contract. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority or the Authority irrespective of whether such persons have notice of such liens.

For purposes of this Resolution and the Loan Contract, "Pledged Revenues" shall mean the Gross Revenue of the Authority after deducting Operation and Maintenance Expenses, in such amount as is necessary to make each payment as it becomes due under the Loan Contract, the Parity Obligation, and any additional obligation secured by a pledge on the Pledged Revenue.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Authority from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, plant investment fees, standby charges, availability fees, tolls, and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, and including investment income accruing from moneys held to the credit of the Water and Wastewater Revenue Fund; provided however, that there shall be excluded from Gross Revenue any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account pledged to the payment of any bonds or other obligations; any Financial Products Receipts; any Financial Products Termination Payment made to the Authority; any moneys received as grants or appropriations from the United States, the State of Colorado, or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; and any moneys which would impair the "enterprise" status of the Authority under Article X, Section 20 of the Colorado Constitution or applicable statutes in a manner which would, in the opinion of Bond Counsel, adversely affect the validity of the Bonds or the obligations of the Authority hereunder.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Authority, paid or accrued, for operating, maintaining, and repairing the System, including without limitation legal and overhead expenses of the Authority directly related to the

administration of the System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor, the cost of materials and supplies for current operation, and any payments of rebate obligations to the United States of America as may be required under the Parity Obligations, including any administrative costs and expenses related thereto; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations, and charges for the accumulation of reserves.

“System” means all of the Authority’s water and wastewater facilities and properties, now owned or hereafter acquired, whether situated within or without the Authority boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements, or additions thereof or thereto; provided that the term “System” shall not include any of the Authority’s storm water drainage facilities and properties, if any.

“Capital Improvements” the acquisition of land, easements, facilities, water rights and rights to water, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by or in connection with the System.

“Financial Products Agreement” means an interest rate swap, cap, collar, option, floor, hedging agreement, arrangement or security, however denominated, entered into by the Authority with a Financial Products Provider with respect to any bonds, notes, or other obligations issued or incurred by the Authority, or as otherwise permitted by State law, providing that any payments by the Authority thereunder are payable in whole or in part from Net Revenue for the purpose of (a) reducing or otherwise managing the Authority’s risk of interest rate changes or interest rate costs; or (b) effectively converting the Authority’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, from a variable rate exposure to a different variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

“Financial Products Payments” means payments required to be paid by the Authority to a Financial Products Provider pursuant to a Financial Products Agreement, but specifically excluding any Financial Products Termination Payment.

“Financial Products Provider” means any bank, financial institution, insurance company, or similar entity which is a party to a Financial Products Agreement with the Authority.

“Financial Products Receipts” means amounts required to be paid to the Authority by a Financial Products Provider pursuant to a Financial Products Agreement, but specifically excluding any Financial Products Termination Payment.

“Financial Products Termination Payment” means any termination, settlement, or similar payment required to be paid upon an early termination of the Financial Products Agreement as a result of any event of default or termination event thereunder.

Section 6. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the 2021 Loan Documents shall be commenced more than thirty days after the adoption of this Resolution.

Section 7. Limited Obligation; Special Obligation. The 2021 Loan Documents are payable solely from the Pledged Revenues and the 2021 Loan Documents do not constitute a debt within the meaning of any constitutional or statutory limitation or provision.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Authority acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal of or interest on the 2021 Promissory Note. Such recourse shall not be available either directly or indirectly through the Board or the Authority, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the 2021 Promissory Note and as a part of the consideration of its sale or purchase, the CWCB specifically waives any such recourse.

Section 9. Disposition and Investment of Proceeds of the Loan Contract. The proceeds of the Loan Contract shall be applied only to pay the costs and expenses of designing, acquiring, constructing and equipping the Project, including costs related thereto, and reimbursement to the Authority for capital expenditures heretofore incurred and paid from Authority funds in anticipation of the incurrence of long-term financing therefor, and all other costs and expenses incident thereto, including without limitation the costs of obtaining the Loan

Contract. The CWCB shall not be responsible for the application or disposal by the Authority or any of its officers of the funds derived from the Loan Contract.

Section 10. Estimated Life of Improvements. It is hereby determined that the estimated life of the Project to be financed with the proceeds of the Loan Contract is not less than the final maturity of the Loan.

Section 11. Issuance of Additional Debts or Bonds. The Authority will not issue any indebtedness payable from the Pledged Revenues and having a lien thereon which is superior to the lien created by the 2021 Loan Documents. The Authority may issue parity debt only with the prior written approval of the CWCB, provided that:

(a) the Authority is at the time approval is requested from the CWCB and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of the Loan Contract, including, but not limited to, being current on the annual payments due under the Loan Contract; and

(b) the Authority provides to the CWCB a parity certificate from an independent certified public accountant certifying that, based on an analysis of the Authority's revenues, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt, the Authority's revenues are sufficient to pay its annual Operation and Maintenance Expenses, annual debt service on all outstanding indebtedness having a lien on the Pledged Revenues, including the Loan, and the annual debt service on the proposed indebtedness to be issued. The analysis of revenues shall be based on the Authority's current rate structure or the rate structure most recently adopted. No more than 10% of total revenues may originate from tap and/or connection fees.

Section 12. Direction to Take Authorizing Action. The appropriate officers of the Authority and members of the Board are hereby authorized and directed to take all other actions necessary or appropriate to effectuate the provisions of this Resolution, including but not limited to providing such certificates and affidavits as may reasonably be required by the CWCB.

Section 13. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers, agents or employees of the Authority and members of the Board, not

inconsistent with the provisions of this Resolution, relating to the 2021 Loan Documents, or actions to be taken in respect thereof, are hereby authorized, ratified, approved, and confirmed.

Section 14. Repealer. All acts, orders, ordinances, or resolutions, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 15. Severability. Should any one or more sections or provisions of this Resolution be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 16. Inconsistencies. In the event of any inconsistencies between this Resolution and the Loan Contract, the Loan Contract is controlling.

Section 17. Resolution Irrepealable. After the Note is issued, this Resolution shall constitute an irrevocable contract between the Authority and the CWCB, and shall be and remain irrepealable until the Note and the interest thereon shall have been fully paid, satisfied and discharged.

Section 18. Electronic Signatures: Electronic Transactions. In the event the President, the Secretary, any member of the Board, the General Manager, the Finance Director or other employee or official of the Authority that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Resolution (collectively, the "Authorized Documents") is not able to be physically present to manually sign any such Authorized Document, such individual or individuals are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. It is hereby determined that the transactions described herein may be conducted and related documents may be stored by electronic means.

Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.



ADOPTED on September 8, 2021.



Attest:

President of the Board of Directors

Secretary

STATE OF COLORADO )  
 )  
COUNTY OF ARAPAHOE ) SS.  
 )  
ARAPAHOE COUNTY WATER )  
AND WASTEWATER AUTHORITY )

I, Geri Santos-Rach, the Secretary of the Board of Directors of the Arapahoe County Water and Wastewater Authority, Colorado (the "Authority"), do hereby certify:

(1) The foregoing pages are a true and correct copy of a resolution (the “Resolution”) passed and adopted by the Board of Directors of the Authority (the “Board”), at a regular meeting of the Board held on September 8, 2021, by an affirmative vote of a majority of the members of the Board as follows:

	“Yes”	“No”	“Absent”	“Abstain”
Doyle Tinkey, President	✓			
Tom Wood, Vice President	✓			
Geri Santos-Rach, Secretary	✓			
Brad Cromer, Treasurer	✓			
Jeff Baker, Director			✓	
Nancy Sharpe, Director	✓			
Perry Deeds, Director	✓			
Derek Killebrew, Director	✓			

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

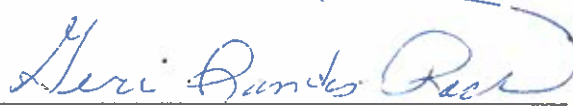
(3) The Resolution was approved and authenticated by the signature of the President, sealed with the Authority seal, attested by the Secretary and recorded in the minutes of the Board.

(4) There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

(5) Notice of the meeting of September 8, 2021, in the form attached hereto as Exhibit A was posted no less than twenty-four hours prior to the meetings as required by law.

WITNESS my hand and the seal of said District affixed this September 8, 2021.



  
Secretary

## EXHIBIT A

Attach Notice of Meeting