



COLORADO

Colorado Water Conservation Board

Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203
303-866-3441

November 9, 2021

Parkville Water District
PO Box 45
Leadville, CO 80461

Subject: Loan Contract No. CT2016-2004
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Parkville Water District, and the Colorado Water Conservation Board (CWCB), Loan Contract No. CT2016-2004. The documents have been stamped "PAID IN FULL" denoting that the District has satisfied the terms of the agreement in full.

Should you have any questions, please contact me at Telephone No. (303) 866-3441, ext 3205 or email at lauren.miremont@state.co.us. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Lauren Miremont

Lauren Miremont, Finance Manager
Finance Section

Attachments

cc: CWCB Files



PROMISSORY NOTE

Date: November 12, 2015
Borrower: Parkville Water District, a Title 32 Colorado Special District
Principal Amount: \$181,800.00
Interest Rate: 1.95% per annum
Term of Repayment: 10 years
Contract Number: CT2016-2004
Loan Payment: \$20,186.25
Payment Initiation Date*: December 1, 2016
Maturity Date*: December 1, 2026

* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. 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.
2. Principal and interest shall be payable in annual equal loan payments, as set forth in "Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), 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 15 calendar days of the due date.
5. 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.
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 PROMISSORY 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 AGREEMENT, ("SECURITY INSTRUMENT") of even date and amount herewith and cover certain revenues and accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB.
8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this PROMISSORY NOTE.

PAID IN FULL

9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY 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.

10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.

(SEAL)



Attest:

By *REGO E. OMERI @ FC*
Signature
NAME: REGO E. OMERI @ FC
TITLE: Ser
DATE: 11/12/15

BORROWER: Parkville Water District,
a Title 32 Colorado Special District

By *Mark E. Glenn*
Signature
NAME: Mark Glenn
TITLE: Chairman
DATE: 11-12-15

PAID IN FULL

SECURITY AGREEMENT

DATE: NOVEMBER 12, 2015

BORROWER: PARKVILLE WATER DISTRICT, A COLORADO SPECIAL DISTRICT

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

PROMISSORY NOTE: \$181,800.00

TERMS OF REPAYMENT: 1.95% PER ANNUM FOR 10 YEARS

CONTRACT NUMBER: CT2016-2004

COLLATERAL: The Pledged Revenues, as such term is defined in the PLEDGE OF REVENUES provisions of the LOAN CONTRACT and BORROWER'S Loan Resolution adopted by the BORROWER on NOVEMBER 12, 2015.

To secure payment of the loan evidenced by the PROMISSORY NOTE payable in accordance with the TERMS OF REPAYMENT, or until all principal, interest, and late charges, if any, are paid in full, the BORROWER grants to SECURED PARTY a security interest in the above described Pledged Revenues hereinafter "COLLATERAL".

BORROWER EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby and any other security interests described in Section 5 of the LOAN CONTRACT PROJECT SUMMARY, BORROWER is the owner of the COLLATERAL free from any adverse lien, security interest or encumbrances; and that BORROWER will defend the COLLATERAL against all claims and demands of all persons at any time claiming the same or any interest therein.
2. That the execution and delivery of this agreement by BORROWER will not violate any law or agreement governing BORROWER or to which BORROWER is a party.
3. To not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the COLLATERAL and not to permit the same to be attached or replevined.
4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, BORROWER shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.

UNTIL DEFAULT BORROWER may have possession of the COLLATERAL, provided that BORROWER keeps the COLLATERAL in an account separate from other revenues of BORROWER and does not use the COLLATERAL for any purpose not permitted by the CONTRACT. Upon default, SECURED PARTY shall have the immediate right to the possession of the COLLATERAL.

BORROWER SHALL BE IN DEFAULT under this agreement upon any of the following events or conditions:

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or

Appendix 4

against BORROWER; or

- c. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on behalf of BORROWER which proves to have been false in any material respect when made or furnished.

Upon such default and at any time thereafter, SECURED PARTY shall have the remedies of a secured party under Section 11-57-208, Colorado Revised Statutes, as amended. SECURED PARTY may require BORROWER to deliver or make the COLLATERAL available to SECURED PARTY at a place to be designated by SECURED PARTY, which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses. In the event of a conflict between the provisions of Section 11-57-208, Colorado Revised Statutes, as amended, and this Security Agreement, the provisions of such statute shall control.

The SECURED PARTY shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this SECURITY AGREEMENT. No default shall be waived by SECURED PARTY except in writing, and no waiver by SECURED PARTY of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this SECURITY AGREEMENT shall not waive or impair any other security SECURED PARTY may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this SECURITY AGREEMENT; but SECURED PARTY shall retain its rights of set-off against BORROWER. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and BORROWER consents to venue and personal jurisdiction in said Court.

All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of BORROWER shall bind its successors or assigns.

(SEAL)

Attest:

By 
Signature

NAME: REGO E. OMERIBIC

TITLE: Sec

DATE: 11/12/15



BORROWER: Parkville Water District,
a Title 32 Colorado Special District

By 
Signature

NAME: Mark Glen

TITLE: Chairman

DATE: 11-12-15

PAID IN FULL

**RESOLUTION 15-9 PARKVILLE WATER DISTRICT
APPROVING CWCB LOAN CONTRACT AND GRANT AGREEMENT
FOR
THE EVANS RESERVOIR BYPASS FLUME REPLACEMENT**

WHEREAS, the Evans Reservoir Bypass Flume is a more than 100 year old wood structure that has served well but in need of replacement to protect the water quality health and safety of the customers of the District; and

WHEREAS, the District has applied for and been approved by the CWCB for a certain loan and grant under terms the Board has determined are very reasonable;

NOW THEREFORE IT IS RESOLVED, the Board of Directors hereby sets and approves the CWCB Loan Contract and Grant Application for the Evans Reservoir Bypass Flume Replacement in the amount of \$481,800. The District Manager is authorized to sign all necessary documents to effect such.

The Board of Directors hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Parkville Water District duly held and convened on November 12, 2015, at which a quorum of the Board of Directors was present and voting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

Moved by: Gary Slifka


Seconded by: Donald Seppi

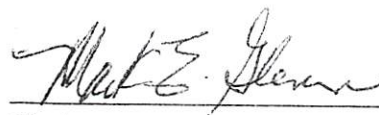
Vote: 5 In Favor 0 Opposed

PAID IN FULL

CERTIFICATE OF SECRETARY

The Secretary of Parkville Water District hereby certifies that he/she is the duly elected and qualified Secretary of Parkville Water District and certifies that the above is a true and correct record of the resolution that was duly adopted by the of the Parkville Water District on November 12, 2015.


Secretary


Chairman

STATE OF COLORADO)
)
COUNTY OF LAKE) SS.
)
PARKVILLE WATER DISTRICT)

I, Rego E Omerigic the Secretary of the Board of Directors of the Parkville Water District, Lake County, Colorado (the "District"), 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 (the "Board") of the District at a regular meeting of the Board held on November 12, 2015 by an affirmative vote of a majority of the members of the Board as follows:

	"Yes"	"No"	"Absent"	"Abstain"
Mark E. Glenn	X			
Rego Omerigic	X			
Daniel Duran	X			
Donald Seppi	X			
Gary Slifka	X			

(2) The members of the Board 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 Chairman of the Board of Directors and President of the District, sealed with the District seal, attested by the Secretary and recorded in the minutes of the Board.

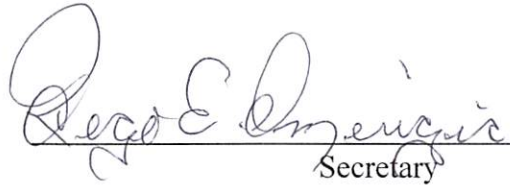
(4) There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

(5) Notice of the meeting of November 12, 2015, in the form attached hereto as Exhibit A was posted in at least three places within the limits of the District, and, in addition, such notice was posted in the office of the Lake County Clerk and Recorder not less than three days prior to the meeting in accordance with law.

WITNESS my hand and the seal of said District affixed this 12-18-15, 2015.

(SEAL)




Secretary

PAID IN FULL

STATE OF COLORADO

COUNTY OF LAKE

PARKVILLE WATER DISTRICT

)
)
)
)
)

SS.

OMNIBUS CERTIFICATE

IT IS HEREBY CERTIFIED by the undersigned, the duly chosen, qualified and acting Chairman of the Board of Directors and President and the Secretary of Parkville Water District, County of Lake, State of Colorado (the "District"), that:

1. The District has been regularly and duly organized under the provisions of the general laws of the State of Colorado.

2. The official corporate name of the District is the "Parkville Water District."

3. The District as originally incorporated has never been consolidated with or annexed to any other special district.

4. From at least October 1, 2015, up to and include the date hereof, the following were the duly chosen, qualified and acting members or officers of the Board of Directors (the "Board") of the District:

President: Mark E. Glenn
Vice President: not designated.
Treasurer: Rego Omerigic
Secretary: Rego Omerigic
Member: Daniel Duran

PAID IN FULL

5. No litigation of any nature is now pending or, to the best of our knowledge, threatened (either in municipal, state or federal courts):

a) Restraining or enjoining the execution or delivery of the Loan Contract dated as of its date of approval by the State of Colorado (the "Loan Contract") or the Security Agreement related to same (the "Security Agreement") between the District and the Colorado Water Conservation Board (the "CWCB") or the issuance, execution or delivery of the promissory note in the aggregate principal amount not to exceed \$181,800 (the "Promissory Note"), and executed in connection with the Loan Contract (collectively, the Loan Contract, the Security Agreement and the Promissory Note will be referred to herein as the "Loan Documents"); or the imposition of rates, fees, tolls and other charges to make the payments due under the Loan Documents; or the use of the proceeds of the loans (the "Loans") made pursuant

to the Loan Documents for the purposes provided by the resolution finally passed and adopted by the Board on November 12, 2015 (the "Resolution"); or affecting in any way the right or authority of the District to make the payments required under the Loan Documents, or otherwise to carry out the terms and provisions of the Resolution and the Loan Documents and the covenants and agreements therein and of other proceedings authorizing the execution of or otherwise concerning the Loan Documents.

(b) In any manner questioning, contesting or otherwise affecting the authority or proceedings for the execution or delivery of the Loan Documents; or questioning, contesting or otherwise affecting, directly or indirectly, the validity thereof, or of any provisions made or authorized for their payment.

6. Neither the corporate existence of the District or its present boundaries, nor the rights of the Board and officers to hold their respective positions, is being contested or challenged; and no proceedings or authority for the execution or delivery of the Loan Documents have or has been repealed, rescinded, revoked, modified, changed or altered in any manner.

7. All meetings of the Board relating to the execution and delivery of the Loan Documents have been duly held on notice duly posted as provided in Section 32-1-903, Colorado Revised Statutes ("CRS"), and duly given to each member of the Board. All meetings of the Board relating to the execution and delivery of the Loan Documents have been open to the public at all times pursuant to Title 24, Article 6, Part 4, CRS.

8. No meeting of the Board relating to the execution and delivery of the Loan Documents was held at a location exceeding twenty miles from the District's boundaries, as provided by Section 32-1-903(1), CRS.

9. No director of the District owns undeveloped land which constitutes at least twenty percent of the territory within the District.

10. No referendum petition concerning the Resolution or any other resolutions or other proceedings of the Board concerning the Loan Documents or the uses of the proceeds of the Loan Documents has been filed, and to the best of our knowledge, none is being circulated or is planned for circulation.

11. To the best of our knowledge, none of the persons named in paragraph 4 above, nor any other officer of the District, has any pecuniary or other prohibited interest, direct or indirect, in the profits of any contract or job for work or services to be performed, nor have

PAID IN FULL

such persons solicited or received any pay, commission, money or anything of value or derived any benefit, profit or advantage, directly or indirectly, in connection with the Loan Documents or the uses of the proceeds of the Loans as provided in the Resolution; except to the extent that any such conflict of interest has been disclosed to the Board and to the Secretary of State, pursuant to Section 32-1-902(3), CRS, or except to the extent such person has abstained from taking official action thereon.

12. The undersigned President and Secretary have duly manually executed and attested, respectively, the Loan Documents, and the seal of the District has been impressed on the Loan Documents.

13. The District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Loan Documents at or prior to the date hereof.

14. The District has not previously pledged the Pledged Revenues, with the result that the Pledged Revenue may be pledged lawfully and irrevocably to secure the repayment of the Promissory Note.

15. Pursuant to Interpretive Order No. 06-IN-001 of the Division of Securities, the Loan Documents are neither subject to registration nor the filing of a claim of exemption because the Loan Documents are delivered to the CWCB, a political subdivision of the State, and the obligations of the District under the Loan Documents are not and will not be specifically pledged by the CWCB as security or collateral for an issuance of securities by the CWCB.

16. The authorization, execution and delivery of the Loan Documents by the District, the observance and performance by the District of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein do not and will not contravene any existing law or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any outstanding instruments relating to the bonds, notes or other indebtedness of or relating to the District.

17. There is no reason within our knowledge why the District may not deliver the Loan Documents.

18. This certificate is for the benefit of the owner of the Loan Documents.

PAID IN FULL

WITNESS our hands and the seal of Parkville Water District, Colorado, acting by and through its Cottonwood Water Enterprise, this 12-18-15, 2015.



Mark E. Glavin
Chair of the Board of Directors and
President of the District

Rico E. Dominguez
Secretary of the District

(SEAL)

PAID IN FULL

STATE OF COLORADO)
)
COUNTY OF LAKE) S.S.
)
PARKVILLE WATER DISTRICT)

CERTIFICATE AS TO
ENTERPRISE REVENUE

IT IS HEREBY CERTIFIED by the undersigned President (“President”) and General Manager (the “General Manager”) of the Parkville Water District, Lake County, Colorado (the “District”), that:

(1) We are the duly chosen, qualified and acting President and General Manager of the District.

(2) The District has established itself as an enterprise for purposes of Article X, Section 20 of the Colorado Constitution (the “Enterprise”).

(3) Revenues of the Enterprise from water sales and services, and other charges related to the water and sanitation business of the District equaled \$1,421,905 for calendar year ending December 31, 2014, as shown in **Exhibit A** attached hereto.


(4) The Enterprise received no more than \$44,940 of its total revenue from grants from all Colorado state and local governments combined, such amount being less than 10% of its total Enterprise revenue for calendar year ending December 31, 2014 as shown in **Exhibit A** attached hereto.

(5) Other than the Loan Contract with the Colorado Water Conservation Board expected to be executed and delivered in December 2015, the Loan Contract entered into with the Colorado Water Conservation Board in 2012 and related promissory notes and security agreements (collectively, the “CWCB Loans”) there are no outstanding Enterprise obligations secured by a lien on the Pledged Property as such term is defined in the loan contracts.

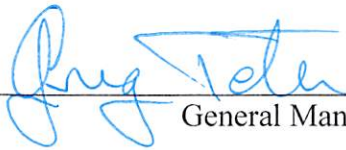
PAID IN FULL

WITNESS my hand this 12-18-15, 2015.

PARKVILLE WATER DISTRICT, LAKE
COUNTY, COLORADO



President



General Manager

PAID IN FULL

January 12, 2016

Colorado Water Conservation Board
Denver, Colorado 80203

Parkville Water District

**Parkville Water District
Lake County, Colorado
2015 Loan Contract with the
Colorado Water Conservation Board**

Ladies and Gentlemen:

We have acted as bond counsel to the Parkville Water District, Lake County, Colorado (the "District") in connection with the District's authorization, execution and delivery to the Colorado Water Conservation Board ("CWCB") of a loan contract (the "Loan Contract"), security agreement (the "Security Agreement"), and promissory note (the "Note;" and, together with the Loan Contract, and the Security Agreement, collectively the "Loan Documents"), which Loan Documents were authorized by a resolution adopted by the Board of Directors of the District on November 12, 2015, and pursuant to which the CWCB will loan the District aggregate amount of not to exceed \$181,800.

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 Loan Documents and to observe and perform its duties, covenants, obligations and agreements thereunder.

2. The District has pledged the Pledged Revenue for the punctual payment of the principal of and interest on the Loans and all other amounts due under the Loan Documents according to their respective terms, and the Loan Contracts create a valid lien on such Pledged Revenue. 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.

3. The Loan Documents have been duly authorized, executed and delivered by authorized officers of the District; and, assuming in the case of the Loan

T 720.330.2300
F 720.330.2301
www.butlersnow.com

1801 California Street
Suite 5100
Denver, CO 80202

PAID IN FULL

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 Loan Documents constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

4. The execution and delivery of the Loan Documents are not subject to the limitations of Article X, Section 20 of the Colorado Constitution ("TABOR") because the District constitutes an enterprise under TABOR as of the date hereof. The performance of the obligations of the District under the Loan Documents is not subject to the limitations of TABOR as long as the District continues to qualify as an enterprise under TABOR. If the District ceases to qualify as an enterprise under TABOR, the Loan Documents will continue to constitute legal, valid and binding obligations of the District enforceable in accordance with their respective terms subject to the revenue and spending limitations of TABOR; provided, however, that if the District at any time ceases to qualify as an enterprise under TABOR, (a) the District may impose any increased fees, rates and charges of the System without voter approval; (b) all revenues of the District used to pay Loan Payments are to be included in the District fiscal year spending limit under Section 7(d) of TABOR, except that creation of bonded debt increases fiscal year spending by the amount of debt service so funded and debt service changes and reductions are exceptions to, and not part of, the District revenue and spending base and limits; and (c) if the District is required to reduce spending in order to comply with its fiscal year spending limit under Section 7(b) of TABOR, the District will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Loan Documents.

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

The obligations of the District pursuant to the Loan 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 Loan 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.

PAID IN FULL

Colorado Water Conservation Board
Parkville Water District
January 12, 2016
Page 3

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

BUTLER SNOW LLP

PAID IN FULL

BORROWER: PARKVILLE WATER DISTRICT
REQUESTED LOAN AMOUNT: \$180,000
LOAN ORIGATION FEE: \$1,800
TOTAL LOAN AMOUNT: \$181,800

AGENCY NAME: COLORADO WATER
CONSERVATION BOARD
CONTRACT TYPE: LOAN/PUBLIC
CWCB CMS: 83652/CORE: CT2016-2004

LOAN CONTRACT

This contract ("CONTRACT" or "LOAN CONTRACT")) is made between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "State"), and Parkville Water District, 2015 N. Poplar St., Leadville, Colorado, 80461, a Title 32 Colorado Special District ("BORROWER").

FACTUAL RECITALS

1. CWCB authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this CONTRACT; and
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. On September 17, 2015, CWCB ("Board") approved a loan request from the BORROWER for the Evans Reservoir Bypass Flume Replacement ("PROJECT") to rehabilitate the Evans Reservoir Bypass Flume, which has reached the end of its useful life. The total estimated project cost is \$533,430. The total loan amount of \$181,800 which includes a one percent (1%) loan origination fee of \$1,800 is payable over 10 years at an interest rate of 1.95%; and
4. The **PROJECT SUMMARY**, attached as **APPENDIX 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval or Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The PROJECT SUMMARY also contains sections on BORROWER's debt, collateral, procedures and eligible expenses.
5. The CWCB now desires, by this CONTRACT, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.

THEREFORE, in consideration of the mutual and dependent covenants contained herein, the parties agree as follows:

A. LOAN PROVISIONS

1. **Loan Origination Fee.** The amount of the loan (LOAN AMOUNT) shall include (1) the amount of the funds loaned by the CWCB to the BORROWER for the PROJECT and (2) a loan origination fee of one percent (1%) of the PROJECT amount. In the event that the BORROWER does not use the full LOAN AMOUNT authorized, the parties shall amend this CONTRACT or exercise an **OPTION LETTER** (as outlined in

section A.3b. and attached as **APPENDIX 2**) to revise the LOAN AMOUNT including adjustment of the loan origination fee to reflect 1% of the actual LOAN AMOUNT disbursed to the BORROWER.

2. Contract Amendment Service Fees. Under certain circumstances, the BORROWER shall be assessed a service fee for amending the CONTRACT.

- a. A service fee shall be imposed on the BORROWER for amendments processed for the benefit of the BORROWER and necessary for the BORROWER's course of business but not necessary for the CWCB, including, but not limited to, a change in BORROWER name, assignment of contract, substitution of collateral, loan payment deferrals in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business, including but not limited to, loan payment deferrals (up to 3 per loan) and changes in terms of loan repayment will be processed at no additional charge to the BORROWER.
- b. The amount charged shall be in accordance with the service fee rate structure set forth in the CWCB Loan Service Charge Policy in effect at the time the BORROWER shall request an amendment. The current service fee for an amendment is \$1,000.
- c. The BORROWER shall remit the service fee to the CWCB prior to initiation of the amendment. Any service fee remitted to the CWCB cannot be refunded.

3. Promissory Note Provisions.

- a. The PROMISSORY NOTE shall identify the LOAN AMOUNT. The CWCB agrees to loan to the BORROWER an amount not to exceed the LOAN AMOUNT and the BORROWER agrees to repay the loan in accordance with the terms as set forth in the **PROMISSORY NOTE**, attached hereto as **APPENDIX 3** and incorporated herein.
- b. If the amount of loan funds disbursed by the CWCB, to the Borrower, differs from the LOAN AMOUNT, the parties shall amend this CONTRACT or exercise an OPTION LETTER.
- c. An amendment to this CONTRACT shall be executed for the following changes including, *but not limited to*, an increase in LOAN AMOUNT, change in collateral, and decrease in LOAN AMOUNT with re-amortization of the Loan.
- d. Upon substantial completion of the PROJECT with a resulting decrease in the total LOAN AMOUNT and the Borrower requests a re-amortization of the Loan, the PARTIES agree to amend this contract.
- e. Upon substantial completion of the PROJECT with a resulting decrease in the total LOAN AMOUNT, but not a change in the annual payment, the STATE may exercise an option and shall provide written notice to the BORROWER in form substantially equivalent to APPENDIX 2. If exercised, the provisions of the OPTION LETTER and supporting documentation shall become part of

and be incorporated into this CONTRACT for the total duration of this CONTRACT.

4. **Interest Prior to Project Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, interest shall accrue on the disbursed funds at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to PROJECT's substantial completion (as determined by the CWCB) and notify BORROWER of such amount. The BORROWER shall repay that amount to the CWCB either within ten (10) days from the date of notification from the CWCB, or, at the CWCB's discretion, said interest shall be deducted from the final disbursement of loan funds that the CWCB makes to the BORROWER.
5. **Return of Unused Loan Funds.** Any loan funds disbursed but not expended for the PROJECT in accordance with the terms of this CONTRACT shall be remitted to the CWCB within 30 calendar days from notification from the CWCB of either (1) completion of the PROJECT or (2) determination by the CWCB that the PROJECT will not be completed. Any such loan funds so remitted to CWCB shall be applied to the principal payment of amounts due on the Loan.
6. **Borrower's Authority to Contract.** The BORROWER warrants that it has full power and authority to enter into this CONTRACT. The execution and delivery of this CONTRACT and the performance and observation of its terms, conditions and obligations have been duly authorized by all necessary actions of the BORROWER. The **BORROWER'S AUTHORIZING RESOLUTION(S)** (LOAN RESOLUTION) OR **ORDINANCE(S)** are attached as **APPENDIX 5** and incorporated herein.
7. **Bond Counsel's Opinion Letter.** Prior to the execution of this CONTRACT by the CWCB, the BORROWER shall submit to the CWCB a letter from its **bond counsel** stating that it is the bond counsel's opinion that:
 - a. the CONTRACT has been duly executed by officers of the BORROWER who are duly elected or appointed and are authorized to execute the CONTRACT and to bind the BORROWER; and
 - b. the resolutions or ordinances of the BORROWER authorizing the execution and delivery of the CONTRACT were duly adopted by the governing bodies of the BORROWER; and
 - c. there are no provisions in the Colorado Constitution or any other state or applicable and binding local law that prevent this CONTRACT from binding the BORROWER; and
 - d. the CONTRACT will be valid and binding against the BORROWER if entered into by the CWCB subject to typical limitations related to bankruptcy, police power, and creditor's rights generally; and
8. **Pledge of revenues.** The BORROWER irrevocably pledges to the CWCB, for purposes of repayment of this loan, the **PLEGDED REVENUES** as defined in the Loan Resolution set forth in **APPENDIX 5** and any other funds legally available to the BORROWER, in an amount sufficient to pay the annual payment due under this

CONTRACT.

- a. **Segregation of Pledged Revenues.** The BORROWER shall set aside and keep the PLEDGED REVENUES in an account separate from other BORROWER revenues and warrants that these revenues will not be used for any other purpose.
- b. **Establish Security Interest.** The BORROWER has duly executed a **SECURITY AGREEMENT**, attached hereto as **APPENDIX 4** and incorporated herein, to provide a security interest to the CWCB in the PLEDGED REVENUES. The CWCB shall have priority over all other competing claims with respect to the Pledged Revenues, except for the liens of the BORROWER's existing loans as listed in Section 5 (*Schedule of Existing Debt or Schedule of Parity Bonds*), of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s).
- c. **Rate Covenant.** Pursuant to its statutory authority and as permitted by law, the BORROWER shall take all necessary actions consistent therewith during the term of this CONTRACT to establish, levy and collect rates, charges and fees as described in APPENDIX 3, in amounts sufficient to pay this loan as required by the terms of this CONTRACT and the PROMISSORY NOTE, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves, including obtaining voter approval, if necessary, of increases in the BORROWER's rate schedule or taxes, if applicable.
- d. **Debt Service Reserve Account or Fund.** To establish and maintain the debt service reserve account or fund, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account or fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds. The debt service reserve account or fund requirement will remain in effect until the loan is paid in full.
- e. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the PLEDGED REVENUES and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue additional Parity Bonds only with the prior written approval of the CWCB and consent will be provided only if the following occurs:
 - i. The BORROWER is currently and at the time of the issuance of the Parity Bonds in substantial compliance with all of the obligations of this CONTRACT, including, but not limited to, being current on the annual payments due under this CONTRACT and in the accumulation of all amounts then required to be accumulated in the BORROWER's debt service reserve fund;
 - ii. The BORROWER provides to the CWCB a Parity Certificate from an independent certified public accountant certifying that, based on an analysis

of the BORROWER'S revenues, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such Parity Bonds, the BORROWER'S revenues are sufficient to pay its annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the PLEDGED REVENUES (as defined in the LOAN RESOLUTION), including this loan, the annual debt service on the proposed indebtedness to be issued, and all required deposits to any reserve funds required by this CONTRACT or by the lender(s) of any indebtedness having a lien on PLEDGED REVENUES. The analysis of revenues shall be based on the BORROWER'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.

The BORROWER acknowledges and understands that any request for approval of the issuance of additional debt must be reviewed and approved by CWCB prior to the issuance of any additional debt.

- f. **Annual Statement of Debt Coverage.** Each year during the term of this CONTRACT, the BORROWER shall submit to the CWCB an annual audit report and a certificate of debt service coverage from a Certified Public Accountant.
9. **Pledged Revenues During Loan Repayment.** The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the PLEDGED REVENUES, so long as any of the principal, accrued interest, and late charges, if any, on this loan remain unpaid, without the prior written concurrence of the CWCB.
10. **Release After Loan Is Repaid.** Upon complete repayment to the CWCB of the entire principal, all accrued interest, and late charges, if any, as specified in the PROMISSORY NOTE, the CWCB agrees to release and terminate any and all of the CWCB's right, title, and interest in and to the PLEDGED REVENUES.
11. **Warranties.**
 - a. The BORROWER warrants that, by acceptance of the loan under this CONTRACT and by its representations herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan to the CWCB as required by this CONTRACT.
 - b. The BORROWER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER, to solicit or secure this CONTRACT and has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this CONTRACT.
 - c. The BORROWER warrants that the PLEDGED REVENUES are not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner, except for any existing lien(s) identified in Section 5 (Schedule of Existing Debt) of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s).

12. **Remedies for Default.** Upon default in the payments to be made by the BORROWER under this CONTRACT, or default in the performance of any covenant or agreement contained herein, the CWCB, at its option, may:

- a. suspend this CONTRACT and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;
- b. exercise its rights under any appendices to this CONTRACT, including, but not limited to, the PROMISSORY NOTE and SECURITY AGREEMENT; and
- c. take any other appropriate action.

The CWCB shall provide written notice to the BORROWER of any such default and shall give the BORROWER an opportunity to cure within thirty (30) days of receipt of such notice. All remedies described herein may be simultaneously or selectively and successively enforced. The CWCB may enforce the provisions of this CONTRACT at its option without regard to prior waivers of previous defaults by the BORROWER, through judicial proceedings to require specific performance of this CONTRACT, or by such other proceedings in law or equity as may be deemed necessary by the CWCB to ensure compliance with provisions of this CONTRACT and the laws and regulations under which this CONTRACT is executed. The CWCB's exercise of any or all of the remedies described herein shall not relieve the BORROWER of any of its duties and obligations under this CONTRACT.

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13. **Operation of Project.** The BORROWER shall, without expense or legal liability to the CWCB, manage, operate and maintain the PROJECT continuously in an efficient and economical manner.

14. **Borrower's Liability Insurance.**

- a. Because the BORROWER is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq., as amended ("Act"), the BORROWER shall at all times maintain such liability insurance, by commercial policy or self-insurance as is necessary to meet its liabilities under the Act.

15. **Additional Contract Requirements.** Any additional CONTRACT requirements are set forth in Additional Conditions & Contract Requirements (Section 7) of the PROJECT SUMMARY.

B. PROJECT PROVISIONS

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the CWCB Construction Fund Program Procedures (Section 8) of the PROJECT SUMMARY.

2. **Eligible Expenses.** The PROJECT expenses for which the BORROWER is eligible for loan disbursements are listed in Eligible Expenses (Section 9) of the PROJECT SUMMARY.

3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 10) of the PROJECT SUMMARY.
4. **Time for Performance.** The BORROWER recognizes that time is of the essence in the performance of all of its obligations under this CONTRACT. Therefore, the BORROWER shall complete the PROJECT within the time specified in Time for Performance (Section 11) of the PROJECT SUMMARY.
5. **Indemnification by the Construction Firm.** The BORROWER shall require all construction firms and their subcontractors to indemnify the STATE and the BORROWER against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.
6. **Liability Insurance during Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown during the term of their contracts for the construction of the PROJECT. If requested by CWCB, the BORROWER shall provide the CWCB with an Acord Form 25 evidencing said insurance prior to commencement of construction and maintained until construction is complete. The BORROWER shall provide the CWCB with documentation of renewals of said insurance. No payments shall be made to the BORROWER unless all insurance certificates are current.

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 - a. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.
 - b. Worker's compensation and employer's liability insurance in the required statutory amounts.
 - c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.

C. GENERAL PROVISIONS

1. **Periodic Inspections.** Throughout the term of this CONTRACT, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Such inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this CONTRACT and shall not be construed or interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.

2. **Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this CONTRACT.
3. **Designated Agent Of The CWCB.** The CWCB's employees are designated as the agents of the CWCB for the purpose of this CONTRACT.
4. **Assignment.** BORROWER'S rights and obligations, under this CONTRACT, are personal and may not be transferred, assigned without the prior, written consent of CWCB. Any attempt at assignment without such consent shall be void. All assignments approved by BORROWER or CWCB are subject to all of the provisions hereof.
5. **Contract Relationship.** The Parties to this CONTRACT intend that the relationship between them under this CONTRACT is that of LENDER-BORROWER, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this CONTRACT.
6. **Integration of Terms.** This CONTRACT is intended as the complete integration of all understandings between the Parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or affect whatsoever unless embodied herein in writing. No subsequent renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to State fiscal rules, unless expressly provided for herein.
7. **Order of Precedence.** The provisions of this CONTRACT shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this CONTRACT and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:
 - i. Colorado Special Provisions (provided that the Parties hereby agree that, for the purposes of such Special Provisions "CONTRACTOR" shall mean "BORROWER")
 - ii. The provisions of the main body of this CONTRACT
 - iii. Appendices
8. **Controlling Terms.** In the event of conflicts or inconsistencies between the terms of this CONTRACT and conditions as set forth in any of the appendices, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: (1) Colorado Special Provisions, provided that the parties hereby agree that, for the purposes of such Special Provisions, (a) "Contractor" shall mean BORROWER (2) the remainder of this CONTRACT, and (3) the Appendices.
9. **Casualty and Eminent Domain.** If, at any time during the term of this CONTRACT,

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BORROWER (2) the remainder of this CONTRACT, and (3) the Appendices.

9. **Casualty and Eminent Domain.** If, at any time during the term of this CONTRACT, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged or destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof, or to repayment of this loan. Any net proceeds remaining after such work has been completed or this loan has been repaid, shall be retained by the BORROWER. If the net insurance proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds. In the event BORROWER chooses to apply the net proceeds of an insurance claim or a condemnation award to repayment of the loan, BORROWER shall repay the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.
10. **Captions.** The captions and headings in this CONTRACT are for convenience of reference only, and shall not be construed so as to define or limit its provisions.
11. **CWCB's Approval.** This CONTRACT requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER'S compliance with this CONTRACT and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER and any of its consultants, by preparing any such documents, shall be solely responsible for the accuracy and completeness of any of said documents.
12. **Waiver.** Waiver of any breach under a term, provision, or requirement of this CONTRACT, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed as or deemed a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
13. **CORA Disclosure.** To the extent not prohibited by federal law, this CONTRACT and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.
14. **Binding Effect.** All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.
15. **Entire Understanding.** This CONTRACT represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect

whatsoever, unless embodied herein.

16. **Severability.** Provided this CONTRACT can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this CONTRACT in accordance with its intent.
17. **Third Party Beneficiaries.** Enforcement of this CONTRACT and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this CONTRACT are incidental to the CONTRACT, and do not create any rights for such third parties.
18. **Counterparts.** This CONTRACT may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
19. **Indemnification.** Contractor shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.
20. **Addresses for mailing.** All notices, correspondence, or other documents required by this CONTRACT shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

Colorado Water Conservation Board
Attn: Finance Section
1313 Sherman Street, Room 718
Denver, CO 80203

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Special Provisions

(The Special Provisions apply to all contracts except where noted in *italics*.)

1. **CONTROLLER'S APPROVAL. CRS §24-30-202(1).** This contract shall not be valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY. CRS §24-30-202(5.5).** Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.
4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.
9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not

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acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

- 10. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: **(a)** unpaid child support debts or child support arrearages; **(b)** unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; **(c)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(d)** amounts required to be paid to the Unemployment Compensation Fund; and **(e)** other unpaid debts owing to the State as a result of final agency determination or judicial action.
- 11. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c). Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor **(a)** shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, **(b)** shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, **(c)** shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and **(d)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
- 12. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she **(a)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(b)** shall comply with the provisions of CRS §24-76.5-101 et seq., and **(c)** has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

SPs Effective
1/1/09

[END OF SPECIAL PROVISIONS]

IN WITNESS WHEREOF, the Parties hereto have executed this CONTRACT

* Persons signing for BORROWER hereby swear and affirm that they are authorized to act on BORROWER's behalf and acknowledge that the State is relying on their representations to that effect.

BORROWER: Parkville Water District,
a Title 32 Colorado Special District

BY: Mark E. Glenn
Signature

NAME: Mark Glenn

TITLE: Chairman

DATE: 11-12-15

STATE OF COLORADO
John W. Hickenlooper, Governor
Department of Natural Resources
Mike King, Executive Director

BY: Kirk Russell

Name: Kirk Russell, P.E., Section Chief
Finance Section
Colorado Water Conservation Board

DATE: 1/19/16

Attest

BY: Peg E. Omerigic
Signature

NAME: Peg E. Omerigic

TITLE: Sec

DATE: 11-12-15

Pre-Approved Form Contract Reviewer

BY: Peg Mason
Peg Mason, CWCB Contracts Manager

DATE: 1-14-16

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

CRS 24-30-202 requires that the State Controller approve all state contracts. This CONTRACT is not valid and the loan funds under this CONTRACT are not available until the State Controller, or such assistant as he may delegate, has signed it.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: Robert Jaros

Effective Date 2/8/2016

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Project Summary – Parkville Water District

SECTION 1 –BORROWER INFORMATION

Name: Parkville Water District
Type of Entity: Title 32 Colorado Special District
Address: 2015 N. Poplar St., Leadville, Colorado, 80461
Contact: Greg Teter, General Manager
Phone Number: 719-486-1449
E-mail address: gteter@parkvillewater.org

SECTION 2 – PROJECT DESCRIPTION

- A. Description of PROJECT: The BORROWER applied to the CWCB for a loan to be used for the Evans Reservoir Bypass Flume Replacement ("PROJECT") to rehabilitate the Evans Reservoir Bypass Flume, which has reached the end of its useful life. The total estimated project cost is \$533,430 and is Lake County.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report dated August 2015 on the PROJECT, titled "*Feasibility Study – Evans Reservoir Bypass Flume Replacement*," which was prepared by Elise Bergsten of Balanced Management Services Co. Technical support was provided by Steven Maly, P.E. of W.W. Wheeler and Associates, Inc., and is incorporated herein by this reference. Based upon the feasibility report, the CWCB determined the PROJECT to be technically and financially feasible.

SECTION 3 – CWCB'S AUTHORITY

Severance Tax Perpetual Base Fund: This loan is made pursuant to the provisions of §§ 39-29-109(1)(a)(I), 37-60-119 and 37-60-120, C.R.S., which authorize the CWCB to loan money for water projects from the CWCB Severance Tax Perpetual Base Fund for the benefit of the people of the state, provided that the BORROWER assures repayment of that money.

Section 37-60-122(1)(b), C.R.S., authorizes the CWCB to make loans of up to \$10,000,000 from the Severance Tax Perpetual Base Fund without prior approval from the General Assembly.

SECTION 4 - BOARD APPROVAL

At its September, 2015 meeting the CWCB approved a Small Project Loan, from the Severance Tax Perpetual Base Fund to the BORROWER, in an amount up to \$180,000 for PROJECT costs. CWCB's loan origination fee of 1%, in accordance with CWCB Policy No. 16, of \$1,800 and added to the LOAN CONTRACT, results in a total loan amount of **\$181,800**, at an interest rate of 1.95% per annum for a repayment term of 10 years.

SECTION 5 – SCHEDULE OF EXISTING BONDS

As of the date of the CWCB loan approval, the BORROWER has an existing loan with the Colorado Water Conservation Board, Contract No. (C150308), in the original amount of \$1,026,371 with annual payments of \$59,355. The loan has an estimated maturity date of 2043 and is in good standing.

Appendix 1

SECTION 6 – Loan Security

The SECURITY provided for this loan, as evidenced by the executed SECURITY AGREEMENT (Appendix 4) and incorporated herein, shall be a pledge of water revenues, backed by a rate covenant.

Section 7- ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

None.

SECTION 8 – “CONSTRUCTION FUND PROGRAM” PROCEDURES

- A. The BORROWER shall employ an engineer, registered in the State of Colorado to prepare plans and specifications for the PROJECT.
- B. Engineering contracts and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this CONTRACT when available prior to bidding. Any modifications, to the plans and specifications that effect changes to the construction costs must be approved in writing by CWCB.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.
- D. The BORROWER shall notify CWCB of the bid opening date, time and location. CWCB staff may elect to attend the bid opening.
- E. CWCB must approve the award of the construction contract.
- F. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, selected by the BORROWER and found acceptable by the CWCB staff.
- G. The BORROWER must provide a copy of the following construction contract documents: executed contractor's proposal, executed construction contract, executed performance bond, executed payment bond, executed notice of award, proposed notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this CONTRACT, the BORROWER may issue the notice to proceed to the Construction Firms.
- H. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- I. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.
- J. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- K. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval

Appendix 1

and filing.

- L. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- M. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

SECTION 9 – ELIGIBLE EXPENSES. The following items are eligible for loan disbursements.

- A. Preparing final designs and specifications for the PROJECT.
- B. Preparing bid and construction contract documents.
- C. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- D. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- E. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.
- F. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.
- G. Engineering services for construction management, including design and construction management for CWCB approved change orders.
- H. Interest during completion of the PROJECT pursuant to Paragraph A.4 of the CONTRACT.
- I. Legal services for reviewing engineering services contracts, reviewing this CONTRACT, reviewing construction contract documents, and for complying with all federal, state, and local regulatory requirements.
- J. PROJECT-related expenses incurred prior to the Effective Date of this CONTRACT in accordance with the approval of this loan.

SECTION 10 – DISBURSEMENT SCHEDULE

For PROJECT costs: The BORROWER shall prepare a periodic progress report that sets forth a statement of the PROJECT costs expended for that period and shall forward said statement to the CWCB. After receipt of the periodic progress report from the BORROWER, and review and acceptance of the items therein as eligible expenses, as described above, the CWCB will pay to the BORROWER the amount set forth in the report or such portion as has been approved by the CWCB. Such payment shall be made within thirty (30) days from the CWCB's approval of each progress report.

SECTION 11 – TIME FOR PERFORMANCE

PROJECT BEGINS: Upon Effective Date of this CONTRACT (the date this CONTRACT is signed by the State Controller or his designee).

PROJECT END DATE: Three (3) years from the Effective Date of this CONTRACT.

SAMPLE OPTION LETTER

Date:	Original Contract #: CT	Option Letter #	CMS Routing #
-------	-------------------------	-----------------	---------------

1) OPTIONS:

a. Decrease contract value (herein referred to as "Loan Contract Amount").

2) REQUIRED PROVISION. All Option Letters shall contain the appropriate provisions set forth below:

For use with all Options 1a:

1. The amount of the current Loan Contract Amount is decreased by \$ amount of change to a new Loan Contract Amount of Insert New \$ Amt in consideration of Substantial Completion of the Project. The Loan Contract Amount is hereby modified accordingly. The revised total Loan Contract Amount including all previous amendments, option letters, etc. is Insert New \$ Amt.
 2. This change does not include a change to the annual payment.
 3. This Option Letter and supporting documentation shall become part of and be incorporated into this Contract for the total duration of this Contract.
 4. This Option Letter shall include the written Notice of Project Substantial Completion.
- 3) Effective Date.** The effective date of this Option Letter is upon approval of the State Controller or Delegate.

STATE OF COLORADO
John W. Hickenlooper, Governor
Department of Natural Resources
Colorado Water Conservation Board

By: _____

Title: _____

Date: _____

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State contracts. This Option Letter is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER
Robert Jaros, CPA, MBA, JD

By: _____

Date: _____

COPY

PROMISSORY NOTE

Date: November 12, 2015
Borrower: Parkville Water District, a Title 32 Colorado Special District
Principal Amount: \$181,800.00
Interest Rate: 1.95% per annum
Term of Repayment: 10 years
Contract Number: CT2016-2004
Loan Payment: \$20,186.25
Payment Initiation Date*: _____
Maturity Date*: _____

PAID IN FULL

* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. 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.
2. Principal and interest shall be payable in annual equal loan payments, as set forth in "Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), 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 15 calendar days of the due date.
5. 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.
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 PROMISSORY 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 AGREEMENT, ("SECURITY INSTRUMENT") of even date and amount herewith and cover certain revenues and accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB.
8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this PROMISSORY NOTE.

9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY 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.

10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.

BORROWER: Parkville Water District,
a Title 32 Colorado Special District

(SEAL)



Attest:

By: [Signature]
Signature
NAME: REGO E. OMERIOTI
TITLE: Ser
DATE: 11/12/13

By: [Signature]
Signature

NAME: Mark Glenn
TITLE: Chairman
DATE: 11-12-15

COPY

PAID IN FULL

SECURITY AGREEMENT

DATE: NOVEMBER 12, 2015

BORROWER: PARKVILLE WATER DISTRICT, A COLORADO SPECIAL DISTRICT

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

PROMISSORY NOTE: \$181,800.00

TERMS OF REPAYMENT: 1.95% PER ANNUM FOR 10 YEARS

CONTRACT NUMBER: CT2016-2004

COLLATERAL: The Pledged Revenues, as such term is defined in the PLEDGE OF REVENUES provisions of the LOAN CONTRACT and BORROWER'S Loan Resolution adopted by the BORROWER on NOVEMBER 12, 2015.

COPY

To secure payment of the loan evidenced by the PROMISSORY NOTE payable in accordance with the TERMS OF REPAYMENT, or until all principal, interest, and late charges, if any, are paid in full, the BORROWER grants to SECURED PARTY a security interest in the above described Pledged Revenues hereinafter "COLLATERAL".

BORROWER EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby and any other security interests described in Section 5 of the LOAN CONTRACT PROJECT SUMMARY, BORROWER is the owner of the COLLATERAL free from any adverse lien, security interest or encumbrances; and that BORROWER will defend the COLLATERAL against all claims and demands of all persons at any time claiming the same or any interest therein.
2. That the execution and delivery of this agreement by BORROWER will not violate any law or agreement governing BORROWER or to which BORROWER is a party.
3. To not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the COLLATERAL and not to permit the same to be attached or replevined.
4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, BORROWER shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.

UNTIL DEFAULT BORROWER may have possession of the COLLATERAL, provided that BORROWER keeps the COLLATERAL in an account separate from other revenues of BORROWER and does not use the COLLATERAL for any purpose not permitted by the CONTRACT. Upon default, SECURED PARTY shall have the immediate right to the possession of the COLLATERAL.

BORROWER SHALL BE IN DEFAULT under this agreement upon any of the following events or conditions:

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or

Appendix 4

COPY

against BORROWER; or

- c. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on behalf of BORROWER which proves to have been false in any material respect when made or furnished.

Upon such default and at any time thereafter, SECURED PARTY shall have the remedies of a secured party under Section 11-57-208, Colorado Revised Statutes, as amended. SECURED PARTY may require BORROWER to deliver or make the COLLATERAL available to SECURED PARTY at a place to be designated by SECURED PARTY, which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses. In the event of a conflict between the provisions of Section 11-57-208, Colorado Revised Statutes, as amended, and this Security Agreement, the provisions of such statute shall control.

The SECURED PARTY shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this SECURITY AGREEMENT. No default shall be waived by SECURED PARTY except in writing, and no waiver by SECURED PARTY of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this SECURITY AGREEMENT shall not waive or impair any other security SECURED PARTY may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this SECURITY AGREEMENT; but SECURED PARTY shall retain its rights of set-off against BORROWER. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and BORROWER consents to venue and personal jurisdiction in said Court.

All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of BORROWER shall bind its successors or assigns.

(SEAL)

Attest:

By 
Signature

NAME: REGO E. OMERIBIC

TITLE: Sec

DATE: 11/12/15



BORROWER: Parkville Water District,
a Title 32 Colorado Special District

By 
Signature

NAME: Mark Glen

TITLE: Chairman

DATE: 11-12-15

COPY

**RESOLUTION 15-9 PARKVILLE WATER DISTRICT
APPROVING CWCB LOAN CONTRACT AND GRANT AGREEMENT
FOR
THE EVANS RESERVOIR BYPASS FLUME REPLACEMENT**

WHEREAS, the Evans Reservoir Bypass Flume is a more than 100 year old wood structure that has served well but in need of replacement to protect the water quality health and safety of the customers of the District; and

WHEREAS, the District has applied for and been approved by the CWCB for a certain loan and grant under terms the Board has determined are very reasonable;

NOW THEREFORE IT IS RESOLVED, the Board of Directors hereby sets and approves the CWCB Loan Contract and Grant Application for the Evans Reservoir Bypass Flume Replacement in the amount of \$481,800. The District Manager is authorized to sign all necessary documents to effect such.

The Board of Directors hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Parkville Water District duly held and convened on November 12, 2015, at which a quorum of the Board of Directors was present and voting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

Moved by: Gary Slifka

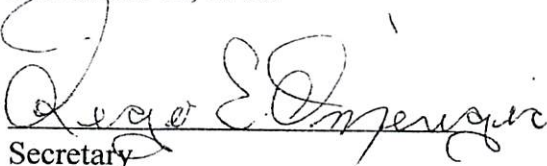
Seconded by: Donald Seppi

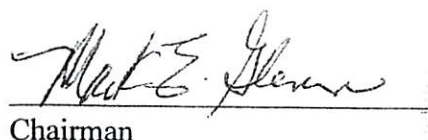
Vote: 5 In Favor 0 Opposed

PAID IN FULL

CERTIFICATE OF SECRETARY

The Secretary of Parkville Water District hereby certifies that he/she is the duly elected and qualified Secretary of Parkville Water District and certifies that the above is a true and correct record of the resolution that was duly adopted by the of the Parkville Water District on November 12, 2015.


Secretary


Chairman

STATE OF COLORADO)
)
COUNTY OF LAKE) SS.
)
PARKVILLE WATER DISTRICT)

COPY

I, Rego E Omerigic the Secretary of the Board of Directors of the Parkville Water District, Lake County, Colorado (the "District"), 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 (the "Board") of the District at a regular meeting of the Board held on November 12, 2015 by an affirmative vote of a majority of the members of the Board as follows:

	"Yes"	"No"	"Absent"	"Abstain"
Mark E. Glenn	X			
Rego Omerigic	X			
Daniel Duran	X			
Donald Seppi	X			
Gary Slifka	X			

(2) The members of the Board 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 Chairman of the Board of Directors and President of the District, sealed with the District 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 November 12, 2015, in the form attached hereto as Exhibit A was posted in at least three places within the limits of the District, and, in addition, such notice was posted in the office of the Lake County Clerk and Recorder not less than three days prior to the meeting in accordance with law.

COPY

WITNESS my hand and the seal of said District affixed this 12-18-15, 2015.

(SEAL)



Deborah M. Lewis
Secretary

PAID IN FULL