

March 1, 2022

Colorado Department of Natural Resources
Colorado Water Conservation Board
1313 Sherman Street, Room 718
Denver, Colorado 80203

Groundwater Management Subdistrict
Of the Trinchera Water Conservancy District
610 Main Street
Blanca, Colorado 81123

**Groundwater Management Subdistrict
Of the Trinchera Water Conservancy District
Acting by and through its Water Activity Enterprise
2022 Loan Contract with the
Colorado Water Conservation Board**

Ladies and Gentlemen:

We have acted as bond counsel to the Groundwater Management Subdistrict of the Trinchera Water Conservancy District, acting by and through its Water Activity Enterprise (the "Borrower") in connection with the Borrower's authorization, execution and delivery to the Colorado Water Conservation Board ("CWCBC") of a loan contract (the "Loan Contract"), a security agreement (the "Security Agreement"), and a promissory note (the "Note" and together with the Loan Contract and the Security Agreement, the "Financing Documents"), which Financing Documents were authorized by a resolution duly adopted by the Board of Directors of the Borrower on December 22, 2021, and pursuant to which the CWCBC will loan the Borrower an aggregate amount of not to exceed \$986,770.

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

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

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

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

2. The Borrower has pledged the Pledged Revenues for the punctual payment of the principal of and interest on the Loan and all other amounts due under the Financing Documents according to their respective terms, and the Loan Contract creates a valid lien on such Pledged Revenues on a parity with Additional Parity Indebtedness, if any, hereafter issued. No filings or recordings are required under the Colorado Uniform Commercial Code in order to create a lien on the Pledged Revenues, and all actions have been taken as required by Section 11-57-208, Colorado Revised Statutes.

3. The Financing Documents have been duly authorized, executed and delivered by authorized officers of the Borrower and, assuming in the case of the Loan Contract and the Security Agreement, that the CWCB has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered the Loan Contract and the Security Agreement, the Financing Documents constitute legal, valid and binding obligations of the Borrower.

4. The execution and delivery of the Financing Documents are not subject to the limitations of Article X, Section 20 of the Colorado Constitution ("TABOR") because the Borrower constitutes an enterprise under TABOR as of the date hereof. The performance of the obligations of the Borrower under the Financing Documents is not subject to the limitations of TABOR as long as the Borrower continues to qualify as an enterprise under TABOR. If the Borrower ceases to qualify as an enterprise under TABOR, the Financing Documents will continue to constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms subject to the revenue and spending limitations of TABOR; provided, however, that if the Borrower at any time ceases to qualify as an enterprise under TABOR, (a) the Borrower may impose any increased fees, rates and charges of the System without voter approval; (b) all revenues of the Borrower used to pay Loan Payments are to be included in the Borrower 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 Borrower revenue and spending base and limits; and (c) if the Borrower is required to reduce spending in order to comply with its fiscal year spending limit under Section 7(b) of TABOR, the Borrower will first be required to reduce spending for purposes for which it does

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Page 3

not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Financing Documents.

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

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

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

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

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

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Butler Snow LLP". The signature is written in a cursive, flowing style.

BUTLER SNOW LLP