



## COLORADO

### Colorado Water Conservation Board

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

April 20, 2022

Lookout Mountain Water District  
1202 Bergen Parkway  
Evergreen, CO 80439

Subject: Loan Contract No. C153598  
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Lookout Mountain Water District, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C153598. 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 [wendy.cheek@state.co.us](mailto:wendy.cheek@state.co.us). If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

*Wendy Cheek*

Wendy Cheek, Finance Manager  
Finance Section

Attachments

cc: CWCB Files



PROJECT CONTRACT

921773

\$600,000

DEPARTMENT OR AGENCY NAME
Water Conservation
DEPARTMENT OR AGENCY NUMBER
PDA
ROUTING NUMBER
92188

THIS CONTRACT made this 18<sup>th</sup> day of September, 1991, by and between the STATE OF COLORADO for the use and benefit of the DEPARTMENT OF NATURAL RESOURCES (COLORADO WATER CONSERVATION BOARD), hereinafter referred to as "the State," and THE LOOKOUT MOUNTAIN WATER DISTRICT, Post Office Box 8008, El Rancho Branch, Golden, Colorado 80401, hereinafter referred to as "the Contractor or Borrower."

WHEREAS, authority exists in the law and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 462, Appro. 006, Org. Unit, YYYY, Program WTRC, Contract Encumbrance No. C-153598; and

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, pursuant to the provisions of 37-60-119 and 36-60-120, Colorado Revised Statutes, the State is authorized to loan money for the construction of water projects for the benefit of the people of the State provided that the Contractor assures repayment of that money; and

WHEREAS, the Contractor is a duly constituted Special District in the State of Colorado and it wishes to modify its Upper Beaver Brook Dam and Reservoir #3A, hereinafter sometimes called "the Project," for the benefit of the Lookout Mountain Water District, located in Jefferson County, Colorado, at an estimated cost of \$1,200,000.00; and

WHEREAS, the State now desires by this Project Contract to loan money for the construction of said Project upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose; and

WHEREAS, pursuant to Colorado Revised Statutes 32-1-1101(1)(d), the contractor has authority to contract to borrow money by issuing its water revenue bond provided that a resolution be duly passed by the Board of Directors and pursuant to Colorado Revised Statutes 32-1-1001(1)(j) and 32-1-1006, to impose water rates and charges assuring repayment to the State according to the terms of the Contract; and

WHEREAS, pursuant to section 1 of chapter 32, Session Laws of Colorado 1987, as amended by HB 91-1006, the State has been authorized to loan \$600,000.00 for construction of the Project.

NOW, THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed by the parties hereto as follows:

A. The Contractor agrees that it has or shall:

1. Employ an engineering firm (hereinafter referred to as "the Consultant") to prepare project plans and specifications for the Project. Both the Consultant and the Project plans and specifications must be approved in writing by the State before construction of the Project can commence. For purposes of this paragraph, "construction" includes any real estate and water rights acquisitions.

2. Contract for the construction of said Project to a responsible and capable firm or firms (hereinafter referred to as "Construction Firm or Firms"), which Construction Firms shall be selected by the Contractor through competitive public bidding. The State must approve in writing all contracts before they can become effective.



The first part of the report deals with the general situation of the country. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The second part of the report deals with the economic situation of the country. It is a very interesting and informative study of the country's economic development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The third part of the report deals with the social situation of the country. It is a very interesting and informative study of the country's social development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The fourth part of the report deals with the political situation of the country. It is a very interesting and informative study of the country's political development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The fifth part of the report deals with the cultural situation of the country. It is a very interesting and informative study of the country's cultural development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The sixth part of the report deals with the environmental situation of the country. It is a very interesting and informative study of the country's environmental development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The seventh part of the report deals with the future of the country. It is a very interesting and informative study of the country's future development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.

The eighth part of the report deals with the conclusion of the study. It is a very interesting and informative study of the country's development. The author has done a great deal of research and has gathered a wealth of material. The report is well written and is a valuable contribution to the study of the country.



3. Cause construction of the Project to be completed within two (2) years of the date of this Contract, in accordance with the Project plans and specifications and any necessary modification(s) thereof approved by the State. This time may be extended by the State in writing if such time is insufficient because of acts of God or other acts or circumstances beyond the control of the Contractor. The Contractor must produce documented justification of any such acts or circumstances.

4. Require all Construction Firms and their subcontractors to indemnify the State and the Contractor 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.

5. Require all Construction Firms and their subcontractors to maintain during the term of their contracts for project construction the following:

a. Worker's compensation and employer's liability insurance in the required statutory amounts.

b. Automobile liability insurance for all vehicles, and comprehensive general liability insurance, both in at least the following amounts:

(1) For any injury to one person in any single occurrence, the sum of \$500,000.00.

(2) For any injury to two or more persons in any single occurrence, the sum of \$1,000,000.00.

(3) For any damage to property, the sum of \$400,000.00 for each occurrence.

Said general liability insurance shall name the Contractor and the State as co-insureds. No payments shall be made to the Contractor under this Contract unless copies of current certificates of all such insurance have been obtained by the Contractor and filed with the State. Such filing of current certificates shall be accomplished before the beginning of construction. Notices of renewals of said policies shall also be filed with the State as they occur.

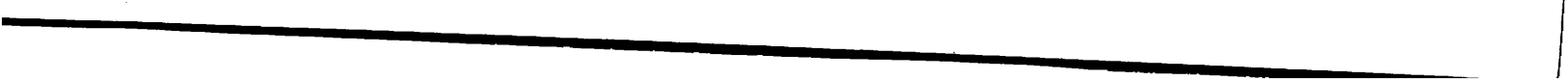
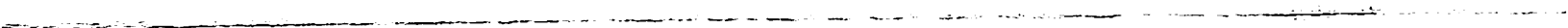
6. Permit periodic inspection of construction by authorized representatives of the State during and after construction.

7. Without expense to the State, manage, operate and maintain the Project continuously in an efficient and economical manner, and assume all legal liability for such management, operation and maintenance. The Contractor agrees to indemnify and hold the State harmless from any liability incurred by the State as a result of the State's interest in the Project facilities and any other property identified in paragraph A.14. below. The Contractor shall maintain comprehensive general liability insurance covering the management, operation and maintenance of the Project from the time it accepts the constructed Project as substantially completed until it completes repayment to the State, in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of \$150,000.00.

b. For any injury to two or more persons in any single occurrence, the sum of \$400,000.00.





c. For any damage to property, the sum of \$400,000.00 for each occurrence.

Said general liability insurance shall name the State as a co-insured. A copy of the certificate of said liability insurance must be filed with the State prior to the start of the operation of the Project system. Such certificate shall be incorporated herein as part of this Contract.

8. Make the services of said Project available within its capacity to all qualified persons in the Contractor's service area without discrimination as to race, color, religion or natural origin at reasonable charges (including assessments, taxes or fees), whether for one or more classes of service, in accordance with a schedule of such charges formally adopted by the Contractor through its Board of Directors, as may be modified from time to time. The Contractor may, subject to the approval of the State, make such modifications to the rate schedule at the Contractor deems necessary to efficiently and economically provide for the financial requirements of the system, including repayment of the State, as long as the rate schedule remains reasonable and non-discriminatory.

9. Adjust its operating costs and service charges and levy assessments from time to time as necessary, upon written notice from the State, to provide sufficient funds for adequate operation and maintenance, emergency repair services, obsolescence reserves, and debt reserves, and to assure repayment of the Project loan to the State as provided herein.

10. Have its Board of Directors take all necessary actions consistent therewith to adopt a resolution authorizing the Contractor to contract this loan debt, and authorizing the president and the secretary to issue the revenue bond and to pay the indebtedness. Such resolution shall be attached hereto as Exhibit A and included herein. The above conditions must be performed by the Contractor prior to the State performance under this Contract.

11. The Contractor, through its Board of Directors, shall take all necessary actions consistent therewith to impose water rates and charges to raise sufficient funds to pay this Contract loan in a timely manner and as required by the terms and conditions herein to assure repayment of the Project loan to the State. In the event that the water rates and charges levied by the Contractor, or the revenues resulting therefrom, are or become insufficient to assure repayment to the State as required by the terms and conditions herein, then the Contractor, upon written notice thereof from the State, shall immediately take all necessary action consistent with law, including additional rates and charges, to raise sufficient revenue to assure repayment of the Project loan to the State.

12. Provide the State with such periodic reports as the State may require and permit periodic inspections of its operations and accounts by a designated representative of the State.

13. Repay to the State the total sum of \$1,170,900.00, which includes the Project loan amount with interest at the rate of 5 percent per annum, said repayment to be made in constant annual installments of \$39,030.00 each, for 30 years, as shown in Exhibit B, attached hereto and incorporated by reference herein, which first installment shall be due and payable on the first day of September, 1992, and yearly thereafter until the entire principal sum and interest shall have been paid. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado.





14. Obtain and maintain general and hazard insurance on the Project in an amount not less than the outstanding amount of the loan made by the State to the Contractor until the Contractor has repaid the loan in full under the terms of paragraph A.13. above. The State shall be the sole insured of this policy. The Contractor shall submit certificates of insurance evidencing such insurance policies to the State at the signing of this Contract. Notices of renewals of said policies shall also be filed with the State as they occur. The outstanding loan amount payable to the State shall be reduced in the amount of any payments made to the State under this insurance coverage. If only a portion of the outstanding loan amount is paid to the State under this policy, the number of installment payments shall remain unchanged; however, the amount of each payment shall be reduced.

15. Comply with the Construction Fund Program Procedures attached hereto as Exhibit C and incorporated by reference herein.

16. Comply with the provisions of section 37-60-120, Colorado Revised Statutes, and any other applicable statutes, procedures, requirements, rules or regulations which the State has.

17. Not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the Project or any portion thereof, so long as any of the annual installments required by paragraph A.13. above remain unpaid, without the prior written concurrence of the State.

B. Upon default in the payments herein set forth to be made by the Contractor, or default in the performance of any covenant or agreement contained herein, the State, at its option, may: (a) for the account of the Contractor, incur and pay reasonable expenses for repair, maintenance and operation of the Project herein described and such expenses as may be necessary to cure the cause of default; (b) take possession of the Project, repair, maintain and operate or lease it; (c) take action to enforce paragraphs A.11. and 13. above; and/or (d) take any other appropriate legal action. All remedies described herein may be simultaneously or selectively and successively enforced. The provisions of this Contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the Contractor, 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 State to ensure compliance with provisions of this Contract and the laws and regulations under which this Contract is entered into.

C. The State agrees that it shall:

1. Loan to the Contractor for the construction of the Project an amount not to exceed \$600,000.00. Said \$600,000.00 shall be made available to the Contractor in accordance with the following terms and conditions:

a. Commencing 10 days from the date of this Contract and for every month thereafter until said Project has been completed, the Contractor shall prepare, with the assistance of the consultant referred to in paragraph A.1. above, an estimate of the funds required for project construction during that month and shall forward said estimate to the State not less than 15 days prior to the beginning of such month.

b. Upon receipt and approval by the State of such monthly estimate, the State will, within 40 days from the approval of such estimate, pay over to the contractor the amount of the monthly estimate or such portion thereof as has been approved by the State.



1. The first step in the process of identifying a problem is to recognize that a problem exists. This involves gathering information about the situation and identifying the specific issue that needs to be addressed.

2. Once a problem has been identified, the next step is to define the problem clearly. This involves stating the problem in a concise and specific manner, identifying the scope of the problem, and determining the goals that need to be achieved.

3. The third step in the process is to generate potential solutions. This involves brainstorming ideas and considering different approaches to solving the problem. It is important to consider a wide range of options and to evaluate the potential benefits and drawbacks of each solution.

4. The fourth step is to select the best solution. This involves comparing the potential solutions and choosing the one that is most likely to be effective and feasible. It is important to consider the resources available and the time constraints when making this decision.

5. The final step in the process is to implement the chosen solution. This involves putting the solution into action and monitoring its progress. It is important to communicate the solution to all relevant parties and to ensure that everyone is working towards the same goal.

[illegible]

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.



c. Project construction costs eligible for payment by the State shall be limited to the cost of:

- (1) Preparing final designs and specifications for the Project.
- (2) Preparing bid and construction contract documents.
- (3) Preparing environmental assessment or environmental impact statements, and otherwise complying with the federal National Environmental Policy Act.
- (4) Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- (5) Land and water rights acquisitions needed for the Project, including the necessary appraisals and evaluations.
- (6) Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.
- (7) Actual construction as called for in the bid documents and in change orders approved by the Consultant, the Contractor, the Construction Firm, and the State.
- (8) Engineering services for construction management, including design and construction management for State approved change orders.
- (9) Legal services for:
  - (a) Reviewing engineering services contracts.
  - (b) Reviewing this Contract. **PAID IN FULL**
  - (c) Reviewing construction contract documents.
  - (d) Acquiring the land and water rights needed for the project.
  - (e) Complying with all federal, state and local regulatory requirements.

Legal services must be approved by the State in writing before they are rendered to be eligible for payment by the State.

2. Provide the Contractor with such technical assistance as the State deems appropriate in planning, constructing and operating the Project and in coordinating the Project with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the Project is located.

D. This Contract is not assignable by the Contractor except with the prior written approval of the State.

E. The parties to this Contract intend that the relationship between them contemplated by this Contract is that of lender-borrower, not employer-employee. No agent, employee or servant of the Contractor shall be, or shall be deemed to be, an employee, agent or servant of the State. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the performance of this Contract.





F. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable federal, state and local laws and regulations that have been or may hereafter be established.

G. This agreement 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 effect whatsoever unless embodied herein in writing. No subsequent notation, 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.

H. In its sole discretion, the State may at any time and in writing give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the Contractor's obligations under this agreement, with or without valuable consideration, upon such terms and conditions as the State may determine to be: (a) advisable to further the purposes of this Contract or to protect the State's financial interest therein, and (b) consistent with both the statutory purposes of this Contract and the limitations of the statutory authority under which it is made.

I. The Colorado Water Conservation Board, its agents and employees, is hereby designated as the agent of the State for the purposes of this Contract.

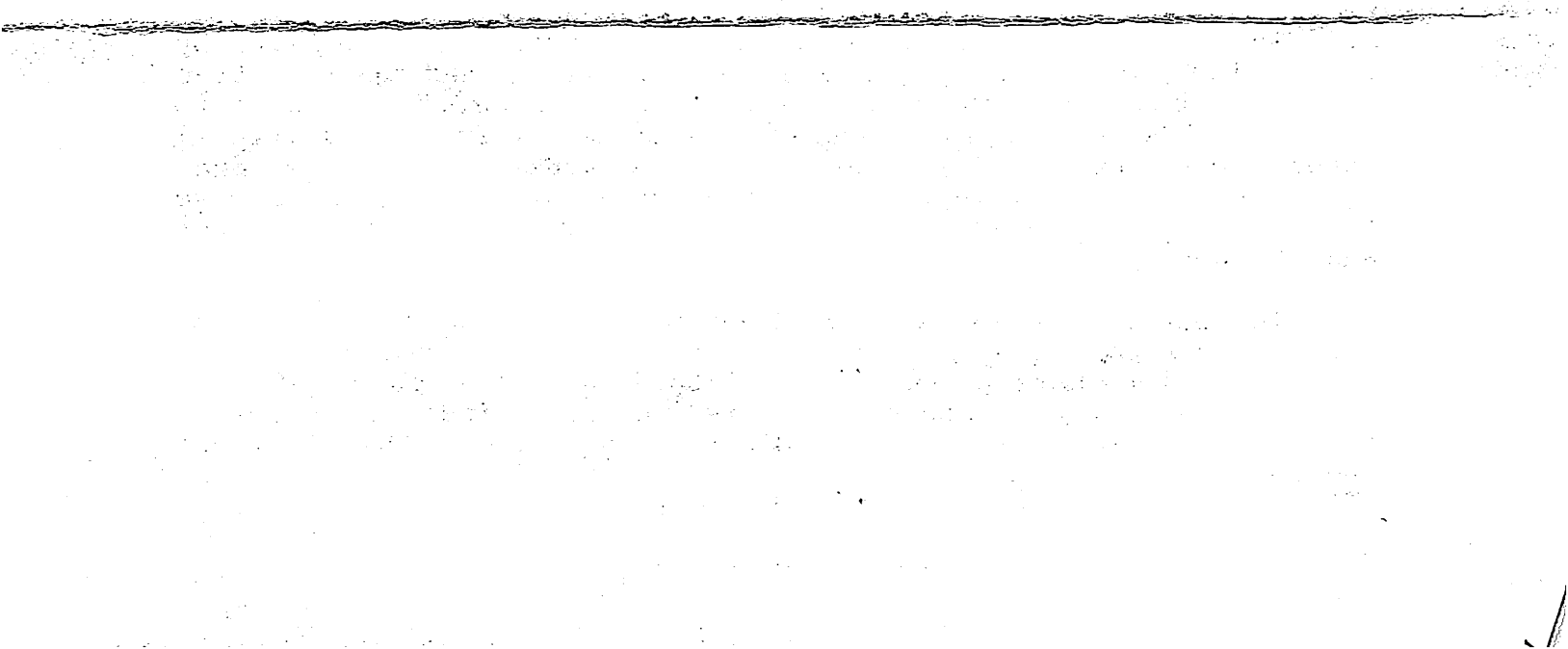
J. The Contractor agrees and understands that sections 37-60-119 through 37-60-122, Colorado Revised Statutes, require that the loan of money by the State to the Contractor for this water project be conditioned upon the repayment of the loan to the State. The Contractor hereby agrees to take any and all actions necessary to repay the loan from Net Pledged Revenues (defined in the bond resolution) as provided herein, including, without being limited to, the actions specified in this Contract.

K. The Contractor agrees that the specific revenues to be pledged to repay the State shall be the Net Pledged Revenues resulting from the water rates and charges imposed for that purpose as authorized by the resolution of the Contractor. The Contractor hereby pledges such revenues to repay the State loan which loan is evidenced by Contractor's water revenue bond in the maximum principal amount of \$600,000.00 ("the Bond").

L. The Contractor warrants that it has duly passed, or will pass, a resolution (Exhibit A) by its Board of Directors authorizing: the Contractor to enter into this Contract with the State and to issue the Bond to the State to borrow the principal sum of \$600,000.00; to make and impose water rates and charges sufficient to pay off this contract loan pursuant to its terms; and to set aside this revenue in a special fund separate and apart from other Contractor revenues to assure repayment of this revenue to the State. The resolution of the Contractor is a condition precedent to State performance.

M. The Contractor warrants that in the event of a default by the Contractor in the repayment to the State, and upon written notice thereof from the State, the Contractor shall, pursuant to law immediately take all necessary actions to impose additional water rates and charges and to pledge additional Net Pledged Revenues in a sufficient amount and in a timely manner to cure the default and to repay the State as required by the Contract and the Bond.

N. The Contractor warrants that by acceptance of the loan money pursuant to the terms of this Contract and by the Contractor's representation herein, the Contractor shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan money to the State as required by this Contract and the Bond.





O. No monies will become available from this Contract unless an equal amount is made available by the Contractor, as the equal cost-share for the Project.

P. All notices, correspondence or other documents required by this Contract shall be delivered or mailed to the following addresses:

1. For the State:

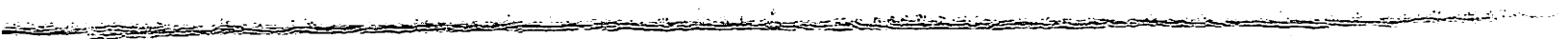
Director  
Colorado Water Conservation Board  
721 State Centennial Building  
1313 Sherman Street  
Denver, Colorado 80203  
Attention: Frank Akers

2. For the Contractor:

Lookout Mountain Water District  
Post Office Box 8  
El Rancho Branch  
Golden, Colorado 80401  
Attention: Jeffrey M. Reynolds, Secretary

Q. Upon payment in full of this Contract loan amount as provided in paragraph A.13., the State shall deliver the bond to the Contractor for cancellation, but failure to promptly surrender the revenue bond shall not increase the obligation of the Contractor.

**PAID IN FULL**



**SPECIAL PROVISIONS****CONTROLLER'S APPROVAL**

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

**FUND AVAILABILITY**

2. 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.

**BOND REQUIREMENT**

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public works for this State, the contractor shall, before entering the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provender or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with 38-26-106 CRS, as amended.

**INDEMNIFICATION**

4. To the extent authorized by law, the 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 incurred as a result of any act or omission by the contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

**DISCRIMINATION AND AFFIRMATIVE ACTION**

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-402, CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt either directly or indirectly, to commit any act defined in this contract to be discriminatory.

PAID IN FULL





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The first part of the report is a general statement of the work done during the year.

The second part is a detailed account of the work done during the year.

The third part is a summary of the work done during the year.

The fourth part is a summary of the work done during the year.

The fifth part is a summary of the work done during the year.

The sixth part is a summary of the work done during the year.

The seventh part is a summary of the work done during the year.

The eighth part is a summary of the work done during the year.

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The eleventh part is a summary of the work done during the year.

The twelfth part is a summary of the work done during the year.

The thirteenth part is a summary of the work done during the year.

The fourteenth part is a summary of the work done during the year.

The fifteenth part is a summary of the work done during the year.

The sixteenth part is a summary of the work done during the year.

The seventeenth part is a summary of the work done during the year.

The eighteenth part is a summary of the work done during the year.

The nineteenth part is a summary of the work done during the year.

The twentieth part is a summary of the work done during the year.

(7) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and subcontractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6a. Provisions of 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall 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 will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable federal and state laws, rules and regulations that have been or may hereafter be established.

9. The signatories hereto aver that they are familiar with 18-8-301, et. seq., (Bribery and Corrupt Influences) and 18-8-401, et. seq., (Abuse of Public Office), CRS 1978 Replacement Vol., and that no violation of such provisions is present.

10. The signatories aver that to their knowledge, no state employee has a personal or beneficial interest whatsoever in the service or property described herein:

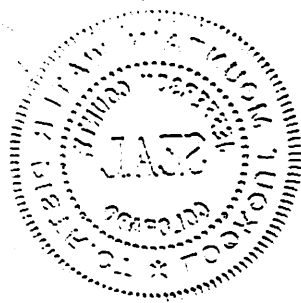
IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Contractor: THE LOOKOUT MOUNTAIN  
(Full Legal Name) WATER DISTRICT  
*Samuel E. Jewell*  
*Pres*  
84-1090570  
Social Security Number or Federal I.D. Number

(If Corporation):  
Attest (Seal):  
By *ARB*  
Corporate Secretary, or Equivalent, Town/City/County Clerk  
ATTORNEY GENERAL *GALE A. NORTON*  
By *DAVID M. KATE*  
First Assistant Attorney General  
General Legal Services

STATE OF COLORADO  
ROY ROMER, GOVERNOR  
By *David W. Walker*  
For the Executive Director  
DEPARTMENT OF NATURAL RESOURCES  
(COLO. WATER CONSERVATION BOARD  
DAVID W. WALKER, DIRECTOR)

APPROVALS  
CONTROLLER  
By *Chris A. Grigello*  
*CLIFFORD W. HALL*



144

144



Repayment Schedule

Lookout Mountain Water District

Once-a-Year Payment

Principal\$600,000.00

Interest0.05

Term30 YEARS

Payment\$39,030.02

PERIOD	PRINCIPAL	PAYMENT	INTEREST	PRINCIPAL REPAYMENT
1	\$600,000.00	\$39,030.02	\$29,998.87	\$9,031.15
2	590,968.85	39,030.02	29,547.33	9,482.69
3	581,486.15	39,030.02	29,073.21	9,956.81
4	571,529.34	39,030.02	28,575.39	10,454.63
5	561,074.71	39,030.02	28,052.68	10,977.35
6	550,097.36	39,030.02	27,503.83	11,526.19
7	538,571.17	39,030.02	26,927.54	12,102.48
8	526,468.69	39,030.02	26,322.44	12,707.58
9	513,761.11	39,030.02	25,687.09	13,342.94
10	500,418.17	39,030.02	25,019.96	14,010.06
11	486,408.12	39,030.02	24,319.49	14,710.53
12	471,697.58	39,030.02	23,583.99	15,446.03
13	456,251.55	39,030.02	22,811.72	16,218.30
14	440,033.25	39,030.02	22,000.83	17,029.19
15	423,004.06	39,030.02	21,149.40	17,880.62
16	405,123.44	39,030.02	20,255.41	18,774.61
17	386,348.83	39,030.02	19,316.71	19,713.31
18	366,635.52	39,030.02	18,331.08	20,698.94
19	345,936.58	39,030.02	17,296.18	21,733.85
20	324,202.73	39,030.02	16,209.52	22,820.50
21	301,382.24	39,030.02	15,068.54	23,961.48
22	277,420.76	39,030.02	13,870.51	25,159.51
23	252,261.25	39,030.02	12,612.59	26,417.43
24	225,843.82	39,030.02	11,291.76	27,738.26
25	198,105.56	39,030.02	9,904.90	29,125.12
26	168,980.45	39,030.02	8,448.70	30,581.32
27	138,399.13	39,030.02	6,919.70	32,110.33
28	106,288.80	39,030.02	5,314.24	33,715.78
29	72,573.02	39,030.02	3,628.51	35,401.51
30	37,171.52	39,030.02	1,858.51	37,171.52

PAID IN FULL

6-13-91

Name		Address		City	
1	John Doe	123 Main St	Anytown	CA	90001
2	Jane Smith	456 Elm St	Anytown	CA	90002
3	Bob Johnson	789 Oak St	Anytown	CA	90003
4	Alice Brown	101 Pine St	Anytown	CA	90004
5	Charlie Davis	202 Maple St	Anytown	CA	90005
6	Diana White	303 Cedar St	Anytown	CA	90006
7	Frank Green	404 Birch St	Anytown	CA	90007
8	Grace Miller	505 Walnut St	Anytown	CA	90008
9	Henry Wilson	606 Spruce St	Anytown	CA	90009
10	Ivy Moore	707 Ash St	Anytown	CA	90010
11	Jack Taylor	808 Hickory St	Anytown	CA	90011
12	Karen Hall	909 Poplar St	Anytown	CA	90012
13	Liam King	1010 Sycamore St	Anytown	CA	90013
14	Mia Scott	1111 Magnolia St	Anytown	CA	90014
15	Noah Adams	1212 Dogwood St	Anytown	CA	90015
16	Olivia Baker	1313 Redwood St	Anytown	CA	90016
17	Peter Clark	1414 Cypress St	Anytown	CA	90017
18	Quinn Evans	1515 Juniper St	Anytown	CA	90018
19	Rachel Foster	1616 Fir St	Anytown	CA	90019
20	Samuel Green	1717 Palm St	Anytown	CA	90020
21	Tina Hall	1818 Cedar St	Anytown	CA	90021
22	Uma King	1919 Birch St	Anytown	CA	90022
23	Victor Lee	2020 Walnut St	Anytown	CA	90023
24	Wendy Miller	2121 Spruce St	Anytown	CA	90024
25	Xavier Moore	2222 Ash St	Anytown	CA	90025
26	Yara Taylor	2323 Hickory St	Anytown	CA	90026
27	Zoe White	2424 Poplar St	Anytown	CA	90027
28	Adam Brown	2525 Sycamore St	Anytown	CA	90028
29	Bella Green	2626 Magnolia St	Anytown	CA	90029
30	Carl Hall	2727 Dogwood St	Anytown	CA	90030
31	Dora King	2828 Redwood St	Anytown	CA	90031
32	Ethan Lee	2929 Cypress St	Anytown	CA	90032
33	Fiona Miller	3030 Juniper St	Anytown	CA	90033
34	Gavin Moore	3131 Fir St	Anytown	CA	90034
35	Hannah Taylor	3232 Palm St	Anytown	CA	90035
36	Ian White	3333 Cedar St	Anytown	CA	90036
37	Jessica Brown	3434 Birch St	Anytown	CA	90037
38	Kyle Green	3535 Walnut St	Anytown	CA	90038
39	Laura Hall	3636 Spruce St	Anytown	CA	90039
40	Mason King	3737 Ash St	Anytown	CA	90040
41	Natalie Lee	3838 Hickory St	Anytown	CA	90041
42	Oscar Miller	3939 Poplar St	Anytown	CA	90042
43	Pamela Moore	4040 Sycamore St	Anytown	CA	90043
44	Quinn Taylor	4141 Magnolia St	Anytown	CA	90044
45	Rachel White	4242 Dogwood St	Anytown	CA	90045
46	Samuel Brown	4343 Redwood St	Anytown	CA	90046
47	Tina Green	4444 Cypress St	Anytown	CA	90047
48	Uma Hall	4545 Juniper St	Anytown	CA	90048
49	Victor King	4646 Fir St	Anytown	CA	90049
50	Wendy Lee	4747 Palm St	Anytown	CA	90050

END OF LIST

SCHEDULE A  
COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND PROGRAM PROCEDURES

1. Board approval of engineering firm and engineering agreement between engineering firm and project sponsor.
2. Preparation of detailed plans and specifications for authorized projects by consulting engineering firm.
3. Approval of detailed plans and specifications by Board staff (plans and specifications for storage dams and reservoirs must also be approved by State Engineer's office).
4. Board staff approval of bidding for the project. Board staff present at bid opening for construction.
5. Project sponsor may issue the notice of award and the notice to proceed with construction to the contractor (both notices must be approved by the Board staff before they are issued).
6. Conduct a pre-construction conference. Approval of construction schedule by Board staff. **PAID IN FULL**
7. Construction commences. The Board staff makes periodic inspections during construction. All change orders must be approved by the Board staff in advance and before any construction on change items can commence. Emergency items cleared by telephone.
8. The consulting engineer certifies that the project has been completed according to approved drawings and specifications and arranges for final inspection.
9. Final inspection and acceptance of as-built project by Board staff.
10. Submittal of as-built drawings to Board staff for approval and filing.



157 06 7245

LOOKOUT MOUNTAIN WATER DISTRICT

RESOLUTION

A RESOLUTION TO CONTRACT FOR A LOAN PURSUANT TO A PROJECT CONTRACT WITH THE COLORADO WATER CONSERVATION BOARD AND TO ISSUE A WATER REVENUE BOND OF THE DISTRICT IN THE MAXIMUM PRINCIPAL AMOUNT OF \$600,000, FOR THE PURPOSE OF IMPROVING THE UPPER BEAVER BROOK DAM AND WATER STORAGE RESERVOIR #3A OF THE DISTRICT; APPROVING SAID PROJECT CONTRACT AND PRESCRIBING THE FORM OF SAID BOND AND PROVIDING FOR WATER SYSTEM REVENUE TO PAY THE LOAN AND THE BOND AND THE INTEREST THEREON, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Lookout Mountain Water District (the "District") presently owns and operates a water system for the District and its inhabitants; and

WHEREAS, the Board of Directors of the District (the "Board") has determined that it is necessary to make certain modifications and improvements to the District's Upper Beaver Brook Dam and Reservoir #3A (the "Project"); and

WHEREAS, the total estimated cost is approximately \$1,200,000 and the Board has further determined that it is necessary to issue a water revenue bond of the District in an amount not to exceed \$600,000 (the "Bond") for the purpose of partially financing such cost; and

WHEREAS, in conjunction with the financing of the Project and the issuance of the Bond, it is necessary for the District to enter into a Project Contract (the "Contract") providing for a loan not to exceed \$600,000 from the Colorado Water Conservation Board (the "State") to the District as defined in the Contract, a copy of which Contract has been filed with the District Secretary and presented to the Board; and

WHEREAS, the Board has determined at this time to authorize the issuance of its Water Revenue Bond in the principal amount not to exceed \$600,000 (the "Bond") and to authorize and approve the Contract associated with the Bond; and

WHEREAS, pursuant to §18-8-308, Colorado Revised Statutes, all known potential conflicting interests with respect to the Contract and the Bond and the expenditure of the proceeds thereof have been disclosed to the Board and to the Colorado Secretary of State; and

WHEREAS, the Board has determined that no member of the Board has a personal or private interest, as such terms are used in §24-18-109, Colorado Revised Statutes, in the matter now pending before the Board, and that no member of the Board has any interest, as such term is used in §24-18-201, Colorado Revised Statutes, in any contract made or to be made pursuant to this Resolution;

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF LOOKOUT MOUNTAIN WATER DISTRICT:

1. DEFINITIONS. In this Resolution the following terms have the following respective meanings unless the context hereof clearly requires otherwise:



Act: Part 4 of Article 35 of Title 31, Colorado Revised Statutes, as amended.

Bank: any depository permitted by law of the State to receive public funds for deposit.

Board: The Board of Directors of the District

Bond: the water revenue bond issued hereunder to evidence the Loan to the District by the State pursuant to the Contract and the obligations of the District under the Contract and designated as the "Lookout Mountain Water District Water Revenue Bond, Series 1991," in the aggregate principal amount not to exceed \$600,000.

Bond Account: the special account referred to in Section 9E hereof.

Bond Reserve Account: the special account referred to in Section 9F hereof.

Bond Year: for the purpose of this Resolution the twelve (12) month period commencing on the 1st day of the month of the issuance of the Bond of any calendar year.

Construction Account: the special account referred to in Section 9B hereof.

Contract: the Contract between the State and the District regarding financing the Project.

Debt Service Requirements: the principal of, interest on, and any premiums due in connection with the redemption of the Bond, Parity Securities and any other securities then outstanding payable from the Net Pledged Revenues and heretofore or hereafter issued and

outstanding, if any, or such part of such securities as may be designated, as such principal, interest and premiums become due, whether at maturity or by reason of mandatory sinking fund redemption; provided, however, Debt Service Requirements shall be deemed to include all of the District's payment obligations under the Contract.

District: Lookout Mountain Water District, Jefferson County, Colorado

Fiscal Year: the twelve (12) months commencing on the first day of January of any calendar year and ending on the thirty-first day of December of such calendar year or such other twelve (12) month period as may from time to time be designated by law as the Fiscal Year of the District.

Federal Securities: bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America, and which are not subject to call by the issuer thereof prior to their maturity dates. If the Federal Securities are to be placed in escrow for the purpose of defeasing the Bond as provided in Section 13 hereof, then such Federal Securities shall also meet the requirements of Section 13.

Gross System Revenues: (a) all income, if any, from rates, fees, tolls, rentals and water charges or any combination thereof for the services or facilities

furnished by, with or from the use of the System; and (b) a all income or other gain, if any, from any investment of Gross System Revenues.

Income Fund: the special fund referred to in Section 9C herein.

Interest Payment Date: a date in which interest is due on any Bonds or Parity Securities.

Loan: the loan made by the State to the District pursuant to and as defined in the Contract.

Maximum Annual Debt Service Requirements: for the Bond, or a given issue of Securities, the maximum amount of all Debt Service Requirements (excluding any redemption premiums) due in a Bond year.

Net Pledged Revenues: all Gross System Revenues remaining after the deduction of Operation and Maintenance Expenses; all proceeds of any insurance payable to the District appertaining to the Project in excess of or not applied to the repair or replacement of the Project; the proceeds of a sale, conveyance or exchange of all or any part of the Project in excess of that applied to replace the Project sold or exchanged; and any proceeds from condemnation of the Project not applied to replacement of the Project.

Operation and Maintenance Account: the special account referred to in Section 9D hereof.

Operation and Maintenance Expenses: such reasonable and necessary current expenses of the District,



paid or accrued, for operation, maintenance and repair of the System as may be determined by the Board, and the term may include at the District's option, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

(a) Legal and overhead expenses of the District directly related and reasonably allocable to the administration of the System;

(b) Fidelity bond and insurance premiums appertaining to the System or a reasonable allocable share of a premium of any blanket bond or policy pertaining to the System;

(c) Contractual services, professional services, salaries, administrative expenses, and costs of labor appertaining to the System;

(d) The costs incurred in the collection of all or any part of the Gross System Revenues;

"Operation and Maintenance Expenses" does not include:

(i) Any allowance for depreciation;

(ii) Any costs of System renewals or replacements, reconstruction, improvements, extensions, or betterments;

(iii) Any accumulation of reserves for capital replacements;

(iv) Any reserves for operation, maintenance, or repair of the System;

(v) Any allowance for the redemption of the Bond or the payment of any interest thereon;

(vi) Any liabilities incurred in the acquisition or improvement of any properties comprising the System or any combination thereof;

(vii) Any other ground of legal liability not based on contract.

Outstanding or outstanding: when used with reference to the Bond, Parity Securities or any other designated securities of the District and as of any particular date, means the Bond, the Parity Security or any such other security payable in whole or in part from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered, except the following:

(a) Any Bond, Parity Security or other security cancelled by the District at or before such date;

(b) Any Bond, Parity Security or other security held by or on behalf of the District;

(c) Any Bond, Parity Security or other security of the District for the payment or the redemption of which moneys or Federal Securities sufficient to meet all of the payment requirements of the principal of, the interest on, and any prior redemption premiums due in connection with such Bond, Parity Security or other security to the date of maturing or any redemption date thereof, shall have theretofore been deposited in

escrow or in trust with a Trust Bank for that purpose, as provided in and required by Section 13 hereof; and

(d) Any lost, apparently destroyed, or wrongfully taken Bond or other security of the District in lieu of or in substitution of which another bond or other security shall have been executed and delivered pursuant to this Resolution.

Owner: the registered owner of the Bond.

Parity Securities: bonds, securities, leases or other obligations payable from the Net Pledged Revenues equally or on a parity with the Bond and with other District funds.

Paying Agent: The Treasurer of the District, or such successor person or entity designated by the Board.

Project or Project Facilities: the Upper Beaver Brook Dam and Reservoir #3A, including the construction and acquisition of modifications and improvements thereto with the proceeds of the Bond and with other District funds.

Redemption Date: the date fixed for the redemption prior to its maturity of the Bond or any other designated securities payable from the Net Pledged Revenues in any notice of prior redemption authorized by the District, or otherwise fixed and designated by the District.

Redemption Price: when used with respect to the Bond or other designated security payable from the Net



Pledged Revenues, the principal amount thereof plus the applicable premium, if any, plus accrued interest thereon, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the terms of the Bond or other security, plus for the Bond any additional payments required to be made by the Contract.

Resolution: this Resolution, which authorizes the District to enter into the Contract and to issue the Bond.

Security or securities: when used with reference to securities of the District, any bond issued by the District or any other evidence of the advancement of money to the District.

State: the State of Colorado.

Subordinate Bonds or Subordinate Securities: bonds or securities payable from the Net Pledged Revenues having a lien thereof subordinate or junior to the lien thereon of the Bond.

Superior Bonds or Superior Securities: any bonds or securities payable from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Bond.

System: the water system of the District, including but not limited to the Project.

Trust Bank: a Commercial Bank located within or without the State of Colorado, which bank is authorized to exercise and is exercising trust powers.

2. Project Contract and Issuance of the Bond. In order to provide funds for the purpose of defraying, in part, the cost of the Project, the District shall (a) enter into the Contract with the State in substantially the form presented to the Board and (b) issue its Lookout Mountain Water District Water Revenue Bond, Series 1991, in the maximum principal amount of \$600,000, or such lesser amount as shall be determined in accordance with the Contract by and between the District and the State concerning the Project, with the Bond to be initially registered in the name of the State of Colorado for the use and benefit of the Department of Natural Resources (Colorado Water Conservation Board). The Bond shall be issued in registered form only, without coupons. The Bond will bear per annum interest on the outstanding principal amount thereof which has been paid by the State to or on behalf of the District, at the rate of five percent (5%) per annum, as determined in accordance with the Contract with both payments of principal of and interest on the Bond payable annually as provided in the Contract. The Bond will mature not more than thirty-one (31) years from its date. The annual payments of principal and interest throughout the term of the Loan shall be in substantially equal amounts as provided in the Contract. The net effective interest rate for the Bond shall not exceed six percent (6%) per annum.

The Bond shall bear interest in said manner until its maturity or prior redemption, subject to the requirements of the Contract.

The principal of and premium, if any, and interest due in connection with the Bond shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges.

The payment of principal and interest on the Bond shall be made to the Owner of such Bond and shall be paid by the District by wire transfer of immediately available funds or by check or draft of the District mailed to or on behalf of such Owner at its address as provided to the Paying Agent.

3. Redemption of the Bond. The Bond is callable for redemption prior to its maturity at the option of the District, in whole or in part, and if in part in the amount of \$5,000 or any integral multiple thereof, on any Interest Payment Date at a Redemption Price equal to the principal amount thereof and accrued interest to the Redemption Date.

If the Bond is to be redeemed in part, the Paying Agent shall keep a record of the partial redemption payments and the outstanding principal amount of the Bond.

4. Notice and Effect of Redemption. Notice of the call for redemption, identifying the Bond or portion thereof to be redeemed, is to be given by the Secretary of the District by sending a copy of such notice to the Owner by certified or registered, first class, postage prepaid mail at least thirty (30) days prior to the Redemption Date. Each notice of



redemption shall specify the Redemption Date and the Redemption Price.

On or before the Redemption Date, the Redemption Price shall be paid to the Owner of the Bond.

5. Execution, Transfer and Exchange of the Bond. The Bond shall be executed in the name and on behalf of the District with the manual or facsimile signature of the Chairman of the Board, and shall be attested by the manual signature of the District Secretary and shall bear an original or facsimile seal of the District. Should any officer whose manual or facsimile signature appears on the Bond cease to be such officer before delivery of the Bond to the purchaser thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

The Bond may be transferred or exchanged by the Owner thereof upon surrender for transfer of such Bond at the office of the District Treasurer, or any successor transfer agent, accompanied by a written instrument of transfer or authorization for exchange in form satisfactory to the District Treasurer and executed by the Owner thereof or its attorney duly authorized in writing and accompanied by a written opinion of counsel satisfactory to the District concerning compliance with federal and state securities laws with regard to such transfer or exchange. Thereupon the District Treasurer shall authenticate and deliver, in exchange for such transfer, a new fully registered Bond in the name of the transferee, issued in a total principal amount equal to the outstanding principal amount of



the transferred Bond, of the same maturity, and bearing interest at the same rate.

6. Form of Bond. The Bond shall recite that it is issued under the authority of Part 4, Article 35, Title 31, Colorado Revised Statutes. Such recital shall conclusively impart full compliance with all provisions and limitations of said statute, and such Bond issued containing such recital shall be incontestable for any cause whatsoever after its delivery for value. The Bond shall be in substantially the following form with such modifications or omissions as are authorized or permitted by this Resolution or the Contract or which may otherwise be necessary to carry out the purposes of this Resolution or the Contract:

**PAID IN FULL**

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF JEFFERSON

LOOKOUT MOUNTAIN WATER DISTRICT

WATER REVENUE BOND

SERIES 1991

DATED: \_\_\_\_\_, 1991

R-1

FOR VALUE RECEIVED, the Lookout Mountain Water District, Jefferson County, Colorado (the "District"), hereby promises to pay to the State of Colorado for the use and benefit of the Department of Natural Resources (Colorado Water Conservation Board) (the "State"), solely from the special funds provided therefor, the maximum principal amount of SIX HUNDRED THOUSAND DOLLARS (\$600,000) or such lesser amount as shall be determined in accordance with the Project Contract (the "Contract") between the District and the State dated \_\_\_\_\_, 1991, at the times and in the amounts as shall be determined in accordance with the Contract unless this Bond shall have been previously called for prior redemption and payment shall have been duly made prior to the maturity date hereof, together with interest thereon at the rate of five percent (5%) per annum, payable solely from said special funds on the dates as provided in the Contract.

This Bond is issued pursuant to a Resolution of the District (the "Resolution") and the Contract and is issued in consideration of the loan made thereunder (the "Loan"). The principal and interest due in connection with this Bond (the "Debt Service Requirements") are payable in the manner provided

in the Resolution in lawful money of the United States of America, without deduction for exchange or collection charges, solely out of a special fund hereinafter specified, but not otherwise.

This Bond is a limited and special obligation of the District payable solely out of and secured by an irrevocable assignment and pledge (but not an exclusive assignment and pledge) of certain Net Pledged Revenues derived and to be derived from the operating income and revenues resulting from the ownership and operation of the District's water system (the "System"), after payment of the necessary and reasonable costs and expenses of the operation and maintenance of the System, as more specifically provided in the Resolution pursuant to which this Bond is issued. The Net Pledged Revenues will be deposited in a special District fund designated the Lookout Mountain Water District Water System Income Fund (the "Income Fund"). This Bond does not constitute a general obligation debt or an indebtedness of the District within the meaning of any constitutional or statutory provisions or limitations of the State of Colorado. This Bond is not payable in whole or in part from the proceeds of general property taxes and the full faith and credit of the District is not pledged to pay the principal or interest on this Bond.

This Bond is redeemable at the option of the District on any Interest Payment date at a Redemption Price equal to the principal amount thereof and accrued interest to the Redemption Date.

Redemption shall be made by sending a copy of such notice by certified or registered first-class postage prepaid mail at least thirty (30) days prior to the Redemption Date specified in such notice to the Owner of this Bond at the Owner's address provided to the Secretary of the District.

Payment of the Debt Service Requirements of this Bond shall be made solely from, and as security for such payment there is irrevocably (but not exclusively) pledged, pursuant to the Resolution, a special fund created pursuant to the Resolution and identified as the "Lookout Mountain Water District Water Revenue Bond Account," into which fund the District has covenanted in the Resolution to pay, respectively, solely from the Net Pledged Revenues deposited in the Income Fund of the District, sums sufficient to pay when due the Debt Service Requirements of the Bond and any additional Parity Securities heretofore or hereafter issued and payable from such revenues.

It is hereby recited, certified and warranted that for the payment of this Bond and of the interest hereon, the District has created and will maintain said special fund and will deposit the Net Pledged Revenues therein, out of the amounts and revenues specified in the Resolution, and solely out of said special funds, as an irrevocable charge thereon, will pay this Bond and the interest hereon, in the manner provided by the Resolution.

This Bond constitutes an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues. Bonds and other types of securities, in addition to



this Bond, subject to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien thereof subordinate and junior to the lien of this Bond or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of this Bond in accordance with the provisions of the Resolution. Except as otherwise expressly provided in this Bond and the Resolution, the net Pledged Revenues are assigned, pledged and set aside to the payment of this Bond and the interest hereon.

The Issuer covenants and agrees with the Owner of this Bond that it will keep and will perform all of the covenants of this Bond and of the Resolution.

This Bond is issued under the authority of and in full conformity with the Constitution and applicable laws of the State of Colorado, including without limitation, part 11, article 1, title 32, and part 4, article 35, title 31, Colorado Revised Statutes, as amended, and pursuant to the Resolution duly adopted and the Contract. This Bond shall be incontestable for any cause whatsoever after its delivery for value.

Reference is hereby made to the Resolution and the Contract, and to any and all modifications and amendments thereof, for a description of the provision, terms and conditions upon which this Bond is issued and secured, including, without limitation, the nature and extent of the security for the Bond, provisions with respect to the custody and application of the proceeds of this Bond, the collection and disposition of the revenues and moneys charges with and pledged

to the payment of the Debt Service Requirements of this Bond, the terms and conditions on which this Bond is issued, a description of said special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the Debt Service Requirements, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the District, and the members of its Board of Directors and also the rights and remedies of the Owner of this Bond.

This Bond may be transferred or exchanged by the Owner hereof in the manner provided in the Resolution.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the District in the issuance of this Bond; that it is issued under the authority of, pursuant to and in strict conformity with the Constitution and laws of the State of Colorado, and pursuant to the Resolution and any instrument supplemental thereto; that this Bond does not contravene any constitutional or statutory limitation of the District or the State of Colorado; and that this Bond is issued under the authority of the Resolution.

For the payment of this Bond and the interest hereon, the District pledges the exercise of all its lawful corporate powers.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be executed with the manual or facsimile signature of the Chairman of the Board, and to be attested by

the manual signature of the Secretary of the District under the original or facsimile seal of the District, all as of the date set forth above.

{SEAL}

Chairman of the Board of Directors  
Lookout Mountain Water District

ATTEST:

\_\_\_\_\_  
Secretary

PAID IN FULL

7. Delivery of Bond. The Bond, when executed as provided herein and by law, shall be delivered by any one of the officers of the District to the State. The proceeds derived from the Loan pursuant to the Contract shall be used exclusively for the purposes stated herein and in the Contract and for no other purpose; provided, however, that any portion of such proceeds of the Loan may be temporarily invested or reinvested pending such use in securities or obligations which are lawful investments for the District.

8. Special Obligations. The Bond, as to all Debt Service Requirements thereof, shall be payable and collectible solely out of the Net Pledged Revenues, which revenues are hereby so assigned and pledged for that purpose; the Owner of the Bond may not look to any general or other fund of the District for the payment of the Debt Service Requirements, except the herein-designated special funds pledged therefor; the Bond is not a general obligation indebtedness or a debt of the District within the meaning of any constitutional or statutory provision or limitation of the State of Colorado; and the Bond shall not be considered or held to be a general obligation of the District but shall constitute the special and limited obligation of the District. The Bond is not payable in whole or in part from the proceeds of general property taxes and the full faith and credit of the District is not pledged for payment of the Bond.



9. Funds Created by Resolution.

A. Disposition of Bond Proceeds and Other Revenues; Income Fund; Security for Bonds. The Net Pledged Revenues shall be deposited by the District in the funds described in this Section 9, to be accounted for in the manner and priority set forth in this Section 9.

The validity of the Bond shall not be dependent on nor be affected by the validity or regularity of any proceedings relating to the Project or any part thereof.

The Net Pledged Revenues, and all moneys and securities paid or to be paid to or held or to be held in any fund or account created hereunder, are hereby assigned and pledged to secure the payment of the Debt Service Requirements of the Bond, subject to the application of the Net Pledged Revenues for payment of Debt Service Requirements of Parity Securities; and this assignment and pledge shall be valid and binding from and after the date of execution of the Contract and the first delivery of the Bond, and the money, as received by the District, and hereby assigned and pledged, shall immediately be subject to the lien of this assignment and pledge without any physical delivery thereof, any filing, or further act, and the lien of this assignment and pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District (except as herein otherwise provided), irrespective of whether such parties have notice thereof.

B. Establishment of Construction Account. The District hereby establishes the "Lookout Mountain Water District, Water Revenue Bond, Series 1991, Bond Construction Account (the "Construction Account") in the accounts of the District, into which there shall be deposited any proceeds of the Loan which are advanced to the District from time to time pursuant to the Contract to the extent not otherwise paid by the State on behalf of the District to any third parties. Monies on deposit in the Construction Account shall be used solely for the purpose of paying the costs associated with the construction, installation and completion of the Project.

C. Income Fund. The District hereby establishes the Lookout Mountain Water District Water System Income Fund (the "Income Fund"), which fund will be kept separate and apart from all other funds of the District. Except as otherwise provided herein, the entire Gross System Revenues upon receipt thereof from time to time by the District, shall be set aside and credited immediately to the Income Fund. **PAID IN FULL**

The Income Fund shall be administered and the monies on deposit therein shall be deposited and applied in the following order of priority on or before the last day of each month:

(1) First, to the Operation and Maintenance Account to pay Operation and Maintenance Expenses in the manner set forth in Section 9D;

(2) Second, to the Bond Account to pay the Debt Service Requirements first on the Bond and any other Parity



1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

Securities then Outstanding in the manner set forth in Section 9E;

(3) Third, to the Reserve Account, in the manner set forth in Section 9F;

(4) Fourth, to the payment of the Debt Service Requirements of Subordinate Bonds or other Subordinate Securities in accordance with Section 9G; and

(5) Fifth, to be used in accordance with Section 9H.

D. Operation and Maintenance Account. A special account is hereby created in the Income Fund and designated as the "Lookout Mountain Water District Water System Operation and Maintenance Account."

As a first charge on the Income Fund, there shall be credited monthly as needed to the Operation and Maintenance Account, moneys sufficient to pay the Operation and Maintenance Expenses of the Water System as they become due and payable and thereupon the Operation and Maintenance Expenses shall be promptly paid.

Any surplus remaining in the Operation and Maintenance Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses, may be released from said Account to the Income Fund and used for the purposes thereof.

E. Bond Account. The District hereby creates a special account in the Income Fund and designated as the "Lookout Mountain Water District Water Revenue Bond Account."

Subject to the payments required by Section 9D, from any moneys remaining in the Income Fund, moneys shall be





1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1863. It is a very important document, as it contains the President's annual message to Congress.

2. The second part of the document is a report from the Secretary of the Treasury, dated January 1, 1863. It contains information about the state of the Treasury and the country's financial situation.

3. The third part of the document is a report from the Secretary of the Interior, dated January 1, 1863. It contains information about the state of the Interior and the country's natural resources.

4. The fourth part of the document is a report from the Secretary of the War, dated January 1, 1863. It contains information about the state of the War and the country's military situation.

5. The fifth part of the document is a report from the Secretary of the Navy, dated January 1, 1863. It contains information about the state of the Navy and the country's naval situation.

6. The sixth part of the document is a report from the Secretary of the State, dated January 1, 1863. It contains information about the state of the State and the country's foreign relations.

7. The seventh part of the document is a report from the Secretary of the Education, dated January 1, 1863. It contains information about the state of the Education and the country's educational system.

8. The eighth part of the document is a report from the Secretary of the Agriculture, dated January 1, 1863. It contains information about the state of the Agriculture and the country's agricultural production.

9. The ninth part of the document is a report from the Secretary of the Commerce, dated January 1, 1863. It contains information about the state of the Commerce and the country's trade relations.

10. The tenth part of the document is a report from the Secretary of the Public Works, dated January 1, 1863. It contains information about the state of the Public Works and the country's infrastructure.

11. The eleventh part of the document is a report from the Secretary of the Public Health, dated January 1, 1863. It contains information about the state of the Public Health and the country's health care system.

12. The twelfth part of the document is a report from the Secretary of the Public Safety, dated January 1, 1863. It contains information about the state of the Public Safety and the country's security situation.

13. The thirteenth part of the document is a report from the Secretary of the Public Education, dated January 1, 1863. It contains information about the state of the Public Education and the country's educational system.

14. The fourteenth part of the document is a report from the Secretary of the Public Works, dated January 1, 1863. It contains information about the state of the Public Works and the country's infrastructure.

credited to the Bond Account but in any event not less than one (1) day prior to any required interest or principal payment date, until the total amount accumulated therein is equal to the sum of the following:

(1) Interest Payments. The aggregate amount of the next maturing installment of interest on the Bond and any other Parity Securities then Outstanding; plus

(2) Principal Payments. The aggregate amount of the next maturing installment of principal on the Bond and any other Parity Securities then Outstanding either at maturity or by reason of mandatory sinking fund redemption.

Such interest and principal shall be promptly paid when due.

The moneys credited to the Bond Account shall be used to pay the Debt Service Requirements of the Bond, and any other Parity Securities then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in this Resolution.

**PAID IN FULL**

F. Bond Reserve Account. The District hereby creates a special account within the Income Fund designated as the "Lookout Mountain Water District Water Revenue Bond Reserve Account" No moneys are required to be deposited to the Reserve Account to provide a reserve for the Bond. Subject to the payments required by Sections 9D and 9E, the Reserve Account may be funded and maintained in the future as a continuing reserve to be used to prevent deficiencies in payment of the Debt Service Requirements of the Bond and any other Parity

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is a summary of the work done and the results obtained. It is a general statement of the work done and the results obtained.

2. The second part of the report deals with the work done during the year. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.

3. The third part of the report deals with the work done during the year. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.

4. The fourth part of the report deals with the work done during the year. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.

5. The fifth part of the report deals with the work done during the year. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.

6. The sixth part of the report deals with the work done during the year. It is a detailed statement of the work done and the results obtained. It is a detailed statement of the work done and the results obtained.



Securities, then Outstanding, resulting from failure to deposit into the Bond Account sufficient funds to pay such Debt Service Requirements as the same accrue.

G. Payment of Additional Subordinate Securities. Subsequent to provision in full for the payments required by the foregoing provisions of this Section 9, any moneys remaining in the Income Fund and any moneys remaining from Net Pledged Revenues may be used by the District for the payment of Debt Service Requirements of additional Subordinate Securities payable from the Net Pledged Revenues and hereafter authorized to be issued in accordance with this Resolution and any other provisions herein supplemental thereto, including reasonable reserves for such Subordinate Securities, as the same accrue; but the lien of such Subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the lien and pledge of the Bond and any Parity Securities as herein provided.

H. Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 9A through 9G hereof are made, at the end of any Fiscal Year, or whenever in any Fiscal Year there shall have been credited to the Bond Account and to the Bond Reserve Account all amounts required to be deposited in those special accounts at that time, as herein provided, then any remaining Net Pledged Revenues credited to the Income Fund may be used for any one or any combination of lawful purposes as the Board may from time to time determine.



1. The first step in the process of the investigation is the identification of the problem. This is done by the investigator, who is usually a member of the research team. The investigator will identify the problem by looking at the data and the literature. The next step is to formulate a hypothesis. This is a statement that the investigator believes to be true. The hypothesis is then tested by the investigator. The results of the test are then used to either accept or reject the hypothesis. If the hypothesis is accepted, the investigator will then look for other factors that may be related to the problem. If the hypothesis is rejected, the investigator will then look for other hypotheses to test. The process of the investigation is a continuous one, and the investigator will continue to look for new factors and hypotheses to test.

I. Budget and Appropriation of Funds. The sums provided to make the payments specified in this Section 9 are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation resolutions or measures to be adopted or passed by the Board in each year respectively while the Bond, either as to principal or interest, is Outstanding and unpaid. No provisions of any constitution, statute, resolution, or other order or measure enacted after the issuance of the Bond shall in any manner be construed as limiting or impairing the obligation of the District to keep and perform the covenants contained in this Resolution so long as the Bond remains Outstanding and unpaid.

10. Investment of Funds.

PAID IN FULL

A. Any moneys in the funds and accounts provided for in this Resolution may be deposited, invested, or reinvested in the manner permitted by law for investments of the District as determined by the Board.

Said funds and accounts shall each be maintained in a Commercial Bank as a book account and accounted for separate and apart from all other accounts or funds of the District as trust accounts solely for the purposes herein designated therefor. As defined herein, a Commercial Bank is a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which bank or trust company, or the bank holding company by which it is owned,





1. The first step in the process of the scientific method is to make an observation or ask a question. For example, you might notice that plants in a sunny location grow faster than those in a shady location. This leads to a question: "Does the amount of sunlight affect the growth rate of plants?"

2. Next, you formulate a hypothesis, which is a tentative answer to your question. In this case, you might hypothesize: "If a plant receives more sunlight, then it will grow faster."

3. The third step is to design an experiment to test your hypothesis. This involves identifying the variables you will manipulate and measure. In our example, the independent variable is the amount of sunlight, and the dependent variable is the growth rate of the plants.

4. You then conduct the experiment, carefully controlling for other factors that might affect the results. For instance, you would ensure that all plants receive the same amount of water and are of the same species.

5. After collecting data, you analyze the results to see if they support your hypothesis. If the plants in the sunny location indeed grew faster, your hypothesis is supported.

6. Finally, you draw a conclusion based on your findings. You might conclude that "Increased sunlight leads to a higher growth rate in plants."

The scientific method is a systematic approach to investigating natural phenomena. It allows scientists to test their ideas and theories against evidence from the real world. By following these steps, researchers can build a body of knowledge that is based on objective observation and experimentation.

[illegible]

has a capital and surplus of \$50,000,000 or more (in the case of a bank holding company, figured on a consolidated basis), and which is located within the United States.

For purposes of investment of money, nothing herein prevents the commingling of moneys accounted for in said funds and accounts. Securities or obligations purchased as an investment of moneys shall be deemed at all times to be a part of the applicable fund or account and the interest accruing on such investments and any profit realized therefrom and any loss resulted from such investments shall be credited or charged to the particular fund or account in question. The District shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The District shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one fund or account exceeds \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In such event the District shall invest or reinvest not less than substantially all of the amount which will not be needed during such 60 day period, except for any moneys on deposit in an interest bearing account in a Commercial Bank, without regard to whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to this paragraph 10A and paragraph 10B hereof.

B. The moneys in the funds and accounts provided for herein shall consist of lawful money of the United States or investments permitted by paragraph 10A hereof or both such money and such investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank, appropriately secured according to this Resolution, shall be deemed lawful money of the United States.

11. Priorities; Liens; Issuance of Additional Bonds.

A. Lien on Net Pledged Revenues. Except as expressly provided in this Resolution with respect to the issuance of additional Parity Securities or Superior Securities or Subordinate Securities, the Net Pledged Revenues shall be and hereby are irrevocably assigned, pledged and set aside to pay the Debt Service Requirements of the Bond. The Contract and the Bond constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues. **PAID IN FULL**

The Bond and any other Parity Securities authorized to be issued and from time to time Outstanding are ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Bond and any other Parity Securities, it being the intention of the District that there shall be no priority among the Bond and any other Parity Securities, regardless of the fact that they may be actually issued and delivered at different times and in different principal amounts.

B. Issuance of Parity Bonds. Nothing herein prevents the issuance by the District of additional Parity Securities payable from the Net Pledged Revenues and constituting a lien on the Net Pledged Revenues on a parity with the lien thereon of the Bond, or prevents the issuance of bonds or other securities refunding all or part of the Bond, except as otherwise provided herein; but before any such additional Parity Securities are authorized or actually issued, excluding (i) any parity refunding securities refunding the Bond or additional Parity Securities, and (ii) any Subordinate Securities, the following provision must first be satisfied:

(1) Historic Revenues Test. The Net Pledged Revenues, as certified by the Board to the State, derived for any twelve (12) consecutive months out of the eighteen (18) months preceding the month of the issuance of such additional Parity Securities, shall have been sufficient to pay an amount at least equal to the sum of 105% of the Maximum Annual Debt Service Requirements for the Outstanding Bond, the Maximum Annual Debt Service Requirements for all other Outstanding Parity Securities and the Maximum Annual Debt Service Requirements for the additional Parity Securities proposed to be issued.

(2) Adjustment of Revenues. In the computation of said historic revenues test in the immediately preceding paragraph, the amount of the Net Pledged Revenues for such twelve (12) month period may be increased by the amount of gain which will result from any increase in the amount of



the Net Pledged Revenue proceeds during the period of time as provided in a final action by the Board adopted prior to the issuance of the Securities proposed to be issued, providing for increase in the rates, fees and charges for use of the System.

C. Reduction of Annual Requirements. The respective annual Debt service Requirements shall be reduced to the extent such Debt Service Requirements are scheduled to be paid in each of the respective Bond Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment of such moneys in Federal Securities and bank deposits, including any certificates of deposit.

D. Certification of Revenues. In the case of the computation of the historic revenue test provided in Section 11B(1), the specified and required written certification by the Board that such annual revenues are sufficient to pay such amounts as provided in Section 11B(1) shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver the proposed Securities.

E. Subordinate Securities Permitted. Nothing herein prevents the District from issuing additional bonds or other additional securities for any lawful purpose payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bond.

F. Superior Securities Prohibited. Nothing herein permits the District to issue additional bonds or other

additional securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bond.

G. Refunding Bonds. At any time after the Bond, or any part thereof is issued and remains Outstanding, if the Board shall find it desirable to refund the Bond, or other Outstanding securities payable from and constituting a lien upon any Net Pledged Revenues, the Bond, or other securities, or any part thereof, may be refunded regardless of whether the priority of the lien for the payment of the refunding securities on the Net Pledged Revenues is different from the priority of the lien for the payment of the refunded securities, except as otherwise provided herein; provided that the issuance of any such refunding bonds or other refunding securities shall be subject to the following additional requirements and conditions:

(1) Surrender for Payment. The Bond or other securities to be refunded, at the time or times of their refunding, shall either then mature or shall be then subject to redemption prior to their maturity at the District's option upon proper call, unless the Owner or Owners of the Bond or securities consent to such surrender and payment.

(2) Partial Refundings. In the event of a refunding of less than the Outstanding Bond or less than all of the Outstanding securities of a particular issue thereof, the refunding bonds or refunding securities issued pursuant to this Section shall enjoy complete equality of lien upon the

Net Pledged Revenues with the unrefunded portion of the Bond or unrefunded portion of any other Outstanding securities. In addition, the Owner or Owners of such refunding bonds or refunding securities shall be subrogated to, have, and enjoy all of the rights and privileges previously had and enjoyed by the Owner or Owners of the Bond or Securities refunded thereby.

(3) Limitations Upon Refundings. Any refunding bonds or refunding securities payable from any Net Pledged Revenues shall be issued with such details as the District may by Resolution or other instrument provide but without any impairment of any contractual obligation imposed upon the District by any proceedings authorizing the issuance of any unrefunded portion of the Outstanding Bond or any unrefunded portion of other Outstanding securities.

(4) Protection of Bonds Not Refunded. If only a part of the Outstanding Bond or other Outstanding securities of any issue or issues payable from the Net Pledged Revenues is to be refunded, then such part of said securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such securities, unless:

(a) Requirements Not Increased. For a period of time up to and including the last maturity date or last Redemption Date, if any, whichever is later, of the Outstanding unrefunded Bond or of any Outstanding unrefunded securities, the refunding bonds or refunding securities do not in any Bond Year cause the



aggregate principal and interest due on such refunding bonds or refunding securities and the Outstanding unrefunded Bond and any Outstanding unrefunded securities to exceed the aggregate principal and interest which would have been due in any such Bond Year but for the issuance of the refunding bonds or refunding securities, and unless the lien of the refunding bonds or refunding securities on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or securities refunded thereby; or

(b) Subordinate Lien. The lien on any Net Pledged Revenues for the payment of the refunding bonds or refunding securities is subordinate to each such lien for the payment of the Bond or securities not refunded; or

(c) Default and Coverage Test. The refunding bonds or refunding securities are issued in compliance with the Net Pledged Revenue historic revenue test requirements of Section 11B(1) hereof and the requirement of Section 11D hereof with respect to certification of revenues is met, but excluding from any computation thereunder the securities to be refunded and redeemed and which shall forthwith upon the issuance of the refunding securities be no longer outstanding.



12. Covenants.

In addition to the representations and covenants which the District has made in the Contract, the District represents, covenants and agrees with the Owner of the Bond, and makes covenants and provisions which shall be a part of its contract with such Owner, which covenants and provisions shall be kept by the District continuously until the Bond and the interest thereon have been fully paid and discharged, to the effect and with the purpose that:

A. Rate Maintenance Covenant. The District covenants that it will prescribe, revise and collect rates, fees and charges or any combination thereof which may be imposed by the District for the use of the System which, together with other amounts legally available for said purpose, shall produce Gross System Revenues sufficient to make the payments and accumulations required by the Contract and this Resolution and which shall produce Net Pledged Revenues sufficient to (a) pay an amount at least equal to 100% of the Debt Service Requirements for the Outstanding Bond and every other issue of Outstanding Parity Securities or Subordinate Securities due in any subsequent Fiscal year, (b) pay any amounts required to meet then existing deficiencies pertaining to any account relating to the Net Pledged Revenues or any securities payable therefrom, and (c) pay any amounts required to comply with all covenants contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement relating to any securities of the District payable from Net Pledged Revenues.

In the event that such rates, fees and charges at any time should not be sufficient to make all of the payments and accumulations required by this Resolution and the Contract, the Board will increase its rates, fees and charges for the System to such extent as to insure the payments and accumulations required by the provisions of this Resolution and the Contract.

All of such Net Pledged Revenues shall be subject to distribution to the payment of Operation and Maintenance Expenses and to the payment of the Debt Service Requirements of all securities payable from the Net Pledged Revenues, including reserves therefor.

B. Performance of Duties. The District, acting by and through its officers, agents and employees or otherwise shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Net Pledged Revenues and the System required by the Constitution and laws of the State and the various resolutions and contracts of the District, including, without limitation, the proper segregation of the proceeds of the Bond, the Gross System Revenues and the Net Pledged Revenues and their application from time to time to the respective funds and accounts provided therefor.

C. Costs of Bond Issue, Contract and of Performance. All costs, payments and expenses incurred in connection with the Contract, the issuance of the Bond, payment of the Debt Service Requirements, or with the District's performance of or compliance with any covenant or agreement contained in the Contract or in this Resolution, shall be paid exclusively (but

only from the appropriate special fund or account in the manner authorized herein) from the proceeds of the Bond, or from the Net Pledged Revenues, or from other legally available moneys, and in no event shall any of such costs, payments or expenses be required to be paid out of or charged to the general funds of the District.

D. Conditions Precedent. Upon the date of issuance of the Bond, all conditions, acts and things required by the Constitution or laws of the United States or the Constitution or laws of the State, to exist, to have happened, and to have been performed precedent to or in the issuance of the Bond shall exist, have happened and have been performed, and the Bond, together with all other obligations of the District, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States or the Constitution or laws of the State of Colorado.

E. Protection of Security. The District, its officers, agents and employees, shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Debt Service Requirements of the Bond and any other securities payable from the Net Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues might be prejudicially and materially impaired or diminished.

F. Insurance and Reconstruction. The District shall at all times maintain with responsible insurers all such



insurance required by the Contract. If any useful part of the Project facilities shall be damaged or destroyed, the District shall, as expeditiously as possible, commence and diligently prosecute the repair or replacement of the damaged or destroyed property so as to restore the same to use. The proceeds of any insurance appertaining to the Project facilities shall be payable to or on behalf of the District and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund as Net Pledged Revenues.

G. Prompt Payment of the Bond. The District shall promptly pay the Debt Service Requirements of the Bond at the places, on the dates, and in the manner specified herein and in the Bond according to the true intent and meaning hereof.

H. Use of Bond Account. The Bond Account shall be used solely and only, and the moneys credited to such account are hereby pledged, for the purpose of paying the Debt Service Requirements of the Bond or other Parity Securities to their respective maturities or any Redemption Date or Redemption Dates on which the District is obligated to redeem the Bond or other Parity Securities subject to the provisions of this Resolution.

I. Other Liens. Other than as provided herein, there are no other liens or encumbrances of any nature whatsoever on or against the Net Pledged Revenues.



J. Loss from Condemnation. If any part of the Project Facility is taken by the exercise of a power of eminent domain, the amount of any award received by the District as a result of such taking shall be first used to make any replacements to the System required as a result of the condemnation, with any remaining funds after payment of such replacement costs to be deposited in the Income Fund as Net Pledged Revenues.

13. Defeasance. When all Debt Service Requirements of the Bond have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of this Resolution. There shall be deemed to be such due payment when the Issuer has placed in escrow or in trust with a Trust Bank, moneys or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to meet all debt Service Requirements of the Bond or upon any Redemption Date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment then. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holder thereof to assure such availability as so needed to meet such schedule.

14. Defaults and Remedies.

A. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(1) Nonpayment of Principal or Premium. Payment of the principal of the Bond, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

(2) Nonpayment of Interest. Payment of any installment of interest is not made when the same becomes due and payable;

(3) Incapable to Perform. The District for any reason is, or is rendered, incapable of fulfilling its obligations hereunder;

(4) Nonperformance of Duties. The District shall have failed to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Pledged Revenues, to the System, or to all or any combination thereof, or otherwise including, without limitation, this Resolution and the Contract, and such failure shall continue for sixty (60) days after receipt of notice from the State or other Owner;

(5) Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction, with the consent of acquiescence of the District, appointing a

receiver or receivers for the Gross System Revenues or Net Pledged Revenues and any other moneys subject to the lien to secure the payment of the bond, or if any such order or decree, having been entered without the consent or acquiescence of the District, is not vacated or discharged or stayed on appeal within sixty (60) days after entry;

(6) Default of Any Provision. The District makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bond or in this Resolution or the Contract on its part to be performed, and if such default continues for sixty (60) days after written notice, specifying such default and requiring the same to be remedied, is given to the District by the State or other Owner.

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B. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, as provided above, then and in every case the State or other Owner may proceed against the District and its agents, officers, directors and employees to protect and to enforce their rights, by mandamus or by other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenants or agreement or for any proper legal or equitable remedy as the State or other Owner may deem most effectual to protect and to enforce the rights



aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of the State or Owner, or to require the District to act as if it were the trustee of an expressed trust, or any combination of such remedies, or as otherwise may be authorized by any statute or other provision of law or provision of the Contract. Any receiver or operating trustee appointed in any proceedings to protect the rights of the State or other Owner hereunder, the consent to any such appointment being hereby expressly granted by the District, may collect, receive and apply all Gross System Revenues or Net pledged Revenues, or both, arising after the appointment of such receiver or operating trustee in the same manner as the District itself might do.

C. Rights and Privileges Cumulative. The failure of the State or other Owner to proceed in any manner herein provided shall not relieve the District, or any of its officers, directors, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of the State or other Owner is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of the State or other Owner shall not be deemed a waiver of any other right or privilege thereof.

D. Duties Upon Defaults. Upon the happening of any of the Events of Default as provided herein, the District, in addition, will do and perform all proper acts on behalf of and for the Owner to protect and to preserve the security created for the



payment of the Bond and to insure the payment of the Debt Service Requirements promptly as the same become due. During any period of default, so long as the Bond, as to any Debt Service Requirements, is outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the Bond Account, or, in the event of securities hereafter of heretofore issued and Outstanding during such period of time on a parity with the Bond, shall be paid into the Bond Account for all Parity Securities, including the Bonds on an equitable and prorated basis, and used for the purposes therein provided. If the District fails or refuses to proceed as in this Section provided, the Owner, after demand in writing, may proceed to protect and to enforce its rights as hereinabove provided; and to that end the Owner shall be subrogated to all rights of the District under any agreement or contract involving the Net Pledged Revenues entered into prior to the effective date of this Resolution or thereafter while the Bond is outstanding. Nothing herein requires the District to proceed as provided herein if it determines in good faith and without any abuse of its discretion that such action is likely to affect materially and prejudicially the Owner of the Outstanding Bond and any Outstanding Parity Securities.

15. Amendments. The District may not amend, supplement or modify this Resolution without the prior written consent of the State or other Owner of the Bond.

16. Findings. The Board of the District, having been fully informed of and having considered all the pertinent facts and circumstances, does hereby find, determine and declare that:

(a) the issuance of the Bond and the financing of the Project will serve a public use and will promote the health, safety, security and general welfare of the inhabitants of the District and of the people of the State of Colorado; and

(b) the issuance of the Bond, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State of Colorado.

17. District Officials and Agents. No board members, officers, agents or employees of the District shall be subject to any pecuniary liability in connection with any agreement, covenant, or undertaking by the District, or by them, contained in any document executed in connection with the authorization, execution, and delivery of the Contract, the Bond, or this Resolution or with respect to any action taken or omitted to be taken in good faith with reference thereto.

18. Estimated Life of System Improvements. It is hereby determined that the estimated life of the Project improvements to be financed with the proceeds of the Bond is not less than forty (40) years from the date of the Bond.

19. Ratification of Prior Action. All actions heretofore taken by the officers, agents or employees of the District relating to the construction of the public facilities financed with the Bond and the proceedings for the issuance thereof are hereby ratified, approved and confirmed.

20. Further Action. The officers, agents and employees of the District are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Resolution and the Contract and to comply with the requirements of law, including without limiting the generality of the foregoing:

(a) the execution and delivery of such certificates as may reasonably be required by the State or bond counsel relating to the signing of the Contract and the Bond; the tenure and identity of the District officials; and if in accordance with the facts the absence of litigation, pending or threatened, affecting the validity of the Bond;

(b) the making of various statements, recitals, certifications and warranties provided in the form of Bond set forth in this Resolution; and

(c) the payment of the interest and premium, if any, on the Bond herein authorized, as the same shall accrue, and the principal of said Bond as required without further warrant or order.

21. Repealer. All acts, orders, resolutions or parts thereof taken by the District and in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed so as to revive any act, order, resolution or part thereof heretofore repealed.

22. Resolution to Constitute a Contract. This Resolution is, and shall constitute, a legislative measure of the District, and after the Bond authorized herein is issued,



sold and is outstanding, this Resolution shall constitute a contract between the District and the Owner of said Bond, and shall be and remain irrepealable until said Bond and the interest accruing thereon shall have been fully paid, satisfied and discharged.

23. Severability. If any paragraph, clause or provision of this Resolution is judicially adjudged invalid or unenforceable, such judgment shall not necessarily affect, impair or invalidate the remaining paragraphs, clauses or provisions hereof, the intention being that the various paragraphs, clauses or provisions hereof as severable.

INTRODUCED, APPROVED AND ADOPTED THIS 9<sup>th</sup> DAY OF September, 1991.

LOOKOUT MOUNTAIN WATER  
DISTRICT, JEFFERSON COUNTY,  
COLORADO



By:   
Chairman, Board of Directors

ATTEST:

  
Secretary

J. M. R. P. 1001

PAID IN FULL



