



COLORADO

Colorado Water Conservation Board

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

June 8, 2022

Central Colorado Water Conservancy District
3209 West 28th Street
Greeley, CO 80634

Subject: Loan Contract No. CT2016-2060
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Central Colorado Water Conservancy District, and the Colorado Water Conservation Board (CWCB), Loan Contract No. CT2016-2060. 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. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Wendy Cheek, Finance Manager
Finance Section

Attachments

cc: CWCB Files



PROMISSORY NOTE

Date: September 24, 2015

Borrower: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

Principal Amount: \$7,000,310.00

Interest Rate: 1.75% per annum

Term of Repayment: 30 years

Contract Number: CT2016-2060

Loan Payment: \$301,921.65

Payment Initiation Date*: October 1, 2021

Maturity Date*: October 1, 2051

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

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by: a SECURITY AGREEMENT of even date and amount and covers the tax revenues. The LOAN CONTRACT and SECURITY AGREEMENT grant additional rights to the CWCB.

PROMISSORY NOTE

Date: September 24, 2015

Borrower: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

Principal Amount: \$7,000,310.00

Interest Rate: 1.75% per annum

Term of Repayment: 30 years

Contract Number: CT2016-2060

Loan Payment: \$301,921.65

Payment Initiation Date*: _____

Maturity Date*: _____

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

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by: a SECURITY AGREEMENT of even date and amount and covers the tax revenues. The LOAN CONTRACT and SECURITY AGREEMENT grant additional rights to the CWCB.

PAID IN FULL

8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this PROMISSORY NOTE.
9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY NOTE or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.
11. This Note is issued pursuant to and under the authority of §11-57-210, C.R.S. and §31-35-413, C.R.S., and pursuant to such statutes, the foregoing recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after its delivery for value, shall conclusively impart full compliance with all of the provisions of Title 31, Article 35, Part 4, C.R.S., and this Note containing such recital shall be incontestable for any cause whatsoever after its delivery for value.
12. This Note, including the interest hereon, is payable solely from the Pledged Revenues, does not constitute a debt or indebtedness of the BORROWER within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be a general obligation of the BORROWER.

(SEAL)

Attest:



By Randy W. Ray
Signature

NAME: Randy W. Ray
TITLE: Executive Director
DATE: 9/24/2015

BORROWER: Central Colorado Water
Conservancy District, a Colorado Title 37
Water Conservancy District

By Randall C Knutson
Signature

NAME: RANDALL C KNUTSON

TITLE: PRESIDENT

DATE: 9/24/15

PAID IN FULL

[Faint, illegible text]

[Faint, illegible text]



[Faint, illegible text]

[Faint, illegible text]

SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: September 24, 2015

DEBTOR: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$7,000,310

TERMS OF REPAYMENT: 1.75% per annum for 30 years

CONTRACT NUMBER: CT2016-2060

COLLATERAL: Pledged Revenues, from DEBTOR's property tax revenues, are pledged to repay the loan as described in Pledge of Revenues provisions of the LOAN CONTRACT, the DEBTOR'S RESOLUTION dated November 18 2014, and the ballot question approved by the voters of the District, pursuant to the 2012 ballot question CCWCD Question 4A and incorporated herein by reference.

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

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or against DEBTOR; or
- c. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on

Appendix 4

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

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

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

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

(SEAL)

Attest:

By



Signature

NAME:

TITLE:

DATE:

Randy W. Ray
Executive Director
9/24/2015

DEBTOR: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

By

Signature

NAME:

TITLE:

DATE:

RANDALL C. KNUSTON
PRESIDENT
9/24/15

PAID IN FULL

10/1/1912
10/1/1912
10/1/1912

10/1/1912
10/1/1912
10/1/1912



10/1/1912
10/1/1912

KUTAK ROCK LLP

SUITE 3000
1801 CALIFORNIA STREET
DENVER, COLORADO 80202-2626

303-297-2400
FACSIMILE 303-292-7799

www.kutakrock.com

ATLANTA
CHICAGO
FAYETTEVILLE
IRVINE
KANSAS CITY
LITTLE ROCK
LOS ANGELES
MINNEAPOLIS
OKLAHOMA CITY
OMAHA
PHILADELPHIA
RICHMOND
SCOTTSDALE
WASHINGTON
WICHITA

February 3, 2015

Colorado Water Conservation Board
Department of Natural Resources
1313 Sherman Street, Room 721
Denver, Colorado 80203

COPY

Original in CT2016-2057

Re: Loan Contract Nos. C150407A, C150407B and C150407C for the Central
Colorado Water Conservancy District

To Whom It May Concern:

We have been engaged by the Board of Directors (the "Board") the Central Colorado Water Conservancy District, in Adams, Morgan and Weld Counties, Colorado (the "District") for the sole purpose providing the bond counsel opinion required by the State of Colorado Department of Natural Resources Water Conservation Board ("CWCB") in provision A(7) of that certain Loan Contract No. C150407A, dated as of February 3, 2015, Loan Contract No. C150407B, dated as of February 3, 2015 and Loan Contract No. C150407C, dated as of February 3, 2015 (the "Loan Contracts").

The execution by the District of the Loan Contract, including the documents attached thereto, was approved pursuant to authorizing Resolution passed and adopted on by the District Board on November 18, 2014 (the "Loan Resolution").

We have examined the constitution and the laws of the State of Colorado (the "State"), the District Charter and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have assumed the due authorization, execution and delivery of the Loan Contracts by, and the enforceability of the Loan Contracts against, the CWCB.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

(a) the Loan Contracts have been duly executed by officers of the District who are duly elected or appointed and are authorized to execute the Loan Contracts and to bind the District;

February 3, 2015

Page 2

(b) the Loan Resolution authorizing the execution and delivery of the Loan Contracts was duly adopted by the Board, as governing body of the District;

(c) there are no provisions in the Colorado Constitution or any other State or local law applicable to the District that prevent the Loan Contracts from binding the District;

(d) the Loan Contracts will be valid and binding against the District if entered into by the CWCB; and

(e) the election held by the District on November 6, 2012, pursuant to which the District obtained voter approval of the repayment obligation represented by the Loan Contracts, met all requirements of the Colorado Constitution and any other applicable State or local law.

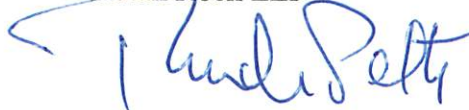
We note that pledged for repayment of the loan are solely those revenues defined as the "Pledge Revenues" in the Loan Contracts and the Loan Resolution, all as more particularly set forth in the Loan Contracts and the Loan Resolution.

The rights of the CWCB under the Loan Contracts and the enforceability of the Loan Contracts may be limited by the effect of, and by restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization, debt adjustment or other similar laws affecting creditors' rights generally heretofore or hereafter enacted or other laws, judicial decisions, and principles of equity relating to the enforcement of contractual obligations generally, and are further subject as to enforceability to judicial discretion, to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

We express no opinion herein as to any matter not specifically set forth above. This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

This opinion may be relied upon solely by the addressee hereto in connection with the execution and delivery of the Loan Contracts. This opinion may not be relied upon for any other purpose or by any person other than the addressee.

Sincerely,
Kutak Rock LLP



By: Thomas M. Peltz, Partner

Kim R. Lawrence • P. Andrew Jones • Kelly J. Custer • Bradley C. Grasmick • David P. Jones • Alyson K. Scott • Curran A. Trick

October 14, 2015

Colorado Water Conservation Board
Denver, Colorado

To Whom It May Concern:

This letter is being written to you in connection with the loans by and between the Colorado Water Conservation Board and the Central Colorado Water Conservancy District in a total amount of \$28,451,700 represented by the following contracts (hereinafter the "Loans"):

\$3,187,560 pursuant to Loan Contract C150407A;
\$18,263,830 pursuant to Loan Contract C150407B; and
\$7,000,310 pursuant to Loan Contract C150407C.

On or about November 6, 2012 a majority of the qualified electors of the District who voted in that election authorized the issuance of general obligation indebtedness for water related projects in an amount not to exceed Sixty Million Dollars.

The District has issued bonds in the amount of \$29,250,000 on or about April 30, 2013.

On or about November 18, 2014, the Board of Directors of the Central Colorado Water Conservancy District voted to authorize and approve entering into the Loans with the Colorado Water Conservation Board.

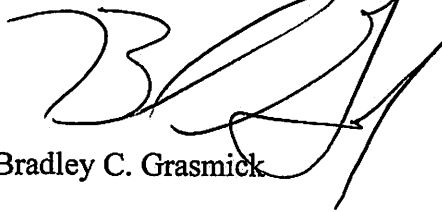
The total amount borrowed pursuant to the authority granted in the November 2012 election, including the Loans will equal approximately \$57,701,700.

We hereby certify that the debt service requirements related to the District's existing debt incurred pursuant to the November 6, 2012 election including the proposed Loans described above do not exceed the maximum annual and total repayment cost parameters approved by the voters of the District at the election held on or about November 6, 2012 and that the District has sufficient authorization to enter into the aforementioned Loans.

Sincerely,

LAWRENCE JONES CUSTER GRASMICK LLP

Bradley C. Grasmick

A handwritten signature in black ink, appearing to be 'BCG', written over the printed name 'Bradley C. Grasmick'.

BCG: alp

Cc: Randy Ray, CCWCD

BORROWER: CENTRAL COLORADO WATER
CONSERVANCY DISTRICT
REQUESTED LOAN AMOUNT: \$6,931,000
LOAN SERVICE FEE: \$69,310
TOTAL LOAN AMOUNT: \$7,000,310

AGENCY NAME: COLORADO WATER
CONSERVATION BOARD
CONTRACT TYPE: LOAN/PUBLIC
CMS NUMBER: 72518/C150407C
CORE NUMBER: CT2016-2060

LOAN CONTRACT

This contract ("CONTRACT") is made between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "State"), and Central Colorado Water Conservancy District, 3209 W. 28th Street, Greeley, Colorado, 80634, a Colorado Title 37 Water Conservancy District ("BORROWER" or "DISTRICT").

FACTUAL RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this CONTRACT; and
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. For the purposes of this LOAN CONTRACT, the District's participation in the Chatfield Reallocation Project, specific to "off-site" *"compensatory mitigation features"* and *"monitoring"* as defined in the Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado dated October 9, 2014, incorporated herein by reference is defined as the "PROJECT." The District's total participation cost is estimated to be \$28,170,000. On May 22, 2014 the CWCB approved a total loan amount not to exceed \$28,451,700 for the District's participation cost of the Chatfield Reallocation Project, to improve the operation of the District's augmentation plan. The loan amount, *for this CONTRACT, for these PROJECT activities*, is \$7,000,310, which includes a one percent (1%) loan service fee of \$69,310 at an interest rate of 1.75% for 30 years; and
4. The **PROJECT SUMMARY**, attached as **APPENDIX 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval and Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The PROJECT SUMMARY also contains sections on BORROWER's debt, collateral, procedures and eligible expenses; and
5. The CWCB now desires, by this CONTRACT, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.

PAID IN FULL

AGENCY NAME: CO. 01000 WATER
 COMMISSION BOARD
 CONTRACT TYPE: LOAN GUARANTEE
 CMA NUMBER: 1210000000
 CORE NUMBER: 1210000000

AGENCY NAME: CO. 01000 WATER
 COMMISSION BOARD
 CONTRACT TYPE: LOAN GUARANTEE
 CMA NUMBER: 1210000000
 CORE NUMBER: 1210000000

LOAN CONTRACT

This contract ("Contract") is made between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCWB") and General Colorado Water Conservancy District, 3300 W. 38th Street, Greeley, Colorado, 80634, a Colorado Public Water Conservancy District ("Borrower") of District

FACTUAL RECITALS

1. Authority exists in the law and there have been budgeted, appropriated and otherwise funds available and a sufficient unencumbered balance thereof remains available for entering and subsequent payment of this Contract and
2. Required approval, changed and coordination have been accomplished from and with appropriate agencies and
3. For the purposes of this loan contract, the District's participation in the Chadfield Reclamation Project, specifically the "Conveyance of Water Rights" and "Conveyance of Water Rights" as defined in the Agreement between the Department of the Army and the Colorado Department of Natural Resources for Reclamation of Water Storage Space, Reclamation Modification and Conveyance of Water Rights at the Chadfield Dam and Reservoir, Colorado dated October 8, 2014, incorporated herein by reference is defined as the "Project". The District's total participation cost is estimated to be \$28,170,000. On May 22, 2014, the CWCWB approved a total loan amount not to exceed \$28,451,700 for the District's participation cost of the Chadfield Reclamation Project to improve the operation of the District's augmentation plan. The loan amount, for the Contract, for these Project activities is \$2,000,000, which includes a one percent (1%) loan service fee of \$20,000 at an interest rate of 1.75% for 30 years and
4. The Project Summary, attached as Appendix 1 and incorporated herein, contains the Project Description (Section 2), the Project Description (Section 3), CWCWB's authority for making this loan (Section 3), and CWCWB Approval and Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The Project Summary also contains sections on Borrower's debt collection procedures and eligible expenses; and
5. The CWCWB now desires, by this Contract, to loan money to the Borrower for the Project upon mutually agreeable terms and conditions.

THEREFORE, in consideration of the mutual and dependent covenants contained herein, the parties agree to incorporate these recitals as part of the agreement of the parties and as follows:

A. LOAN PROVISIONS

1. **Loan Service Fee.** The amount of the loan (LOAN AMOUNT) shall include (1) the amount of the funds loaned by the CWCB to the BORROWER for the PROJECT and (2) a service fee of one percent (1%) of the PROJECT amount. In the event that the BORROWER does not use the LOAN AMOUNT authorized, the parties shall amend this CONTRACT to revise the LOAN AMOUNT including adjustment of the service fee to reflect 1% of the actual LOAN AMOUNT disbursed to the BORROWER.
2. **Contract Amendment Service Fees.** Under certain circumstances, the BORROWER shall be assessed a fee for amending the CONTRACT.
 - a. A service fee shall be imposed on the BORROWER for amendments processed for the benefit of the BORROWER and necessary for the BORROWER's course of business but not necessary for the CWCB, including, but not limited to, a change in BORROWER name, assignment of contract, substitution of collateral, loan payment deferrals in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business, including, but not limited to, loan payment deferrals (up to 3 per loan), and changes in terms of loan repayment will be processed at no additional charge to the BORROWER.
 - b. The amount charged shall be in accordance with the fee rate structure set forth in the CWCB Loan Service Charge Policy in effect at the time the BORROWER shall request an amendment. The current fee for an amendment is \$1,000.
 - c. The BORROWER shall remit the service fee to the CWCB prior to initiation of the amendment. Any service fee remitted to the CWCB cannot be refunded.
3. **Promissory Note Provisions.** The CWCB agrees to loan to the BORROWER an amount not to exceed the LOAN AMOUNT and the BORROWER agrees to repay the loan in accordance with the terms as set forth in the **PROMISSORY NOTE**, attached hereto as **APPENDIX 2** and incorporated herein. The PROMISSORY NOTE shall identify the LOAN AMOUNT. If the amount of loan funds disbursed by the CWCB to the BORROWER differs from the LOAN AMOUNT, the parties agree to amend the Promissory Note and this CONTRACT, including its appendices where necessary, to revise the LOAN AMOUNT.
4. **Interest Prior to Project Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, or to a third party for the benefit of the BORROWER, interest shall accrue on the disbursed funds at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to PROJECT's substantial completion (as determined by the CWCB) and notify BORROWER of such amount. The BORROWER shall repay that amount to the CWCB either within ten (10) days from the date of notification from the CWCB, or, at the CWCB's discretion, said interest shall be deducted from the final disbursement of loan funds that the CWCB makes to the

BORROWER.

5. **Return of Unused Loan Funds.** Any loan funds disbursed but not expended for the PROJECT in accordance with the terms of this CONTRACT shall be remitted to the CWCB within 30 calendar days from notification from the CWCB of either (1) completion of the PROJECT or (2) determination by the CWCB that the PROJECT will not be completed. Any such loan funds so remitted to CWCB shall be applied to the payment of amounts due on the Loan.
6. **Borrower's Authority to Contract.** The BORROWER warrants that it has full power and authority to enter into this CONTRACT. The execution and delivery of this CONTRACT and the performance and observation of its terms, conditions and obligations have been duly authorized by all necessary actions of the BORROWER. The **BORROWER'S AUTHORIZING RESOLUTION** is attached as **APPENDIX 3** and incorporated herein.
7. **Bond Counsel's Opinion Letter.** Prior to the execution of this CONTRACT by the CWCB, the BORROWER shall submit to the CWCB a letter from its bond counsel stating that it is the bond counsel's opinion that:
 - a. the CONTRACT has been duly executed by officers of the BORROWER who are duly elected or appointed and are authorized to execute the CONTRACT and to bind the BORROWER; and
 - b. the resolutions or ordinances of the BORROWER authorizing the execution and delivery of the CONTRACT were duly adopted by the governing bodies of the BORROWER; and
 - c. there are no provisions in the Colorado Constitution or any other state or applicable and binding local law that prevent this CONTRACT from binding the BORROWER; and
 - d. the CONTRACT will be valid and binding against the BORROWER if entered into by the CWCB.
 - e. the election held by the BORROWER to obtain voter approval of this loan met all requirements of the Colorado Constitution or any other state or local law.
8. **Pledge of revenues.** The BORROWER irrevocably pledges to the CWCB, for purposes of repayment of this loan, the PLEDGED REVENUES as defined in the Loan Resolution set forth in APPENDIX 3 and any other funds legally available to the BORROWER, as ad valorem property tax revenue, in an amount sufficient to pay the annual payment due under this CONTRACT.
 - a. **Segregation of Pledged Revenues.** The BORROWER shall set aside and keep the PLEDGED REVENUES in an account separate from other BORROWER revenues and warrants that these revenues will not be used for any other purpose.
 - b. **Establish Security Interest.** The BORROWER has duly executed a **SECURITY AGREEMENT**, attached hereto as **APPENDIX 4** and incorporated herein, to

provide a security interest to the CWCB in the PLEDGED REVENUES. The CWCB shall have priority over all other competing claims for said revenues, except for the liens of the BORROWER's existing loans as listed in Section 5 (Schedule of Existing Debt), of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s).

- c. **Debt Service Reserve Account or Fund.** To establish and maintain the debt service reserve account or fund, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account or fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds. The debt service reserve account or fund requirement is in effect until the loan is paid in full.
- d. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the PLEDGED REVENUES and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue parity debt only with the prior written approval of the CWCB, provided that:
 - i. The BORROWER is currently and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of this CONTRACT, including, but not limited to, being current on the annual payments due under this CONTRACT and in the accumulation of all amounts then required to be accumulated in the BORROWER's debt service reserve fund,
 - ii. The BORROWER provides to the CWCB a Parity Certificate from an independent certified public accountant certifying that the debt service requirements on the Borrower's tax revenues, when combined with the repayment costs required under each Loan, does not exceed the maximum annual and total repayment cost parameters approved by the voters pursuant to the 2012 ballot question CCWCD Question 4A. Upon the proposed issuance of any additional obligations payable from a general ad valorem property tax which were authorized by the voters at the same election, the Borrower shall provide the CWCB with a certificate from an independent certified public accountant certifying that the combined debt service requirements of the Loans, and any proposed additional parity obligations do not exceed the maximum annual and total repayment cost parameters approved by the voters pursuant to the 2012 ballot question CCWCD Question 4A.

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

- e. **Annual Statement of Debt Coverage.** Each year during the term of this CONTRACT, the BORROWER shall submit to the CWCB an annual financial statement.

9. **Pledged Revenues During Loan Repayment.** The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the PLEDGED REVENUES, so long as any of the principal, accrued interest, and late charges, if any, on this loan remain unpaid, without the prior written concurrence of the CWCB.

10. **Release After Loan Is Repaid.** Upon complete repayment to the CWCB of the entire principal, all accrued interest, and late charges, if any, as specified in the PROMISSORY NOTE, the CWCB agrees to release and terminate any and all of the CWCB's right, title, and interest in and to the PLEDGED REVENUES.

11. Warranties.

- a. The BORROWER warrants that, by acceptance of the loan under this CONTRACT and by its representations herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan to the CWCB as required by this CONTRACT.
- b. The BORROWER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER, to solicit or secure this CONTRACT and has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this CONTRACT.
- c. The BORROWER warrants that the PLEDGED REVENUES and COLLATERAL for this loan are not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner, except for any existing lien(s) identified in Section 5 (Schedule of Existing Debt) of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s). Documentation establishing the relative priorities of said liens, if necessary, is attached to the PROJECT SUMMARY and incorporated herein.

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

- a. suspend this CONTRACT and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;
- b. declare the entire principal amount, accrued interest, and late charges, if any, then outstanding immediately due and payable;
- c. exercise its rights under any appendices to this CONTRACT, including, but not limited to, the PROMISSORY NOTE and SECURITY AGREEMENT; and/or
- d. take any other appropriate action.

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

13. **Operation of Project.** The BORROWER shall, without expense or legal liability to the CWCB, manage, operate and maintain the PROJECT continuously in an efficient and economical manner.
14. **Borrower's Liability Insurance.** Because the BORROWER is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq., as amended ("Act"), the BORROWER shall at all time maintain such liability insurance, by commercial policy or self-insurance as is necessary to meet its liabilities under the Act.
15. **Additional Contract Requirements.** Any additional CONTRACT requirements are set forth in Additional Conditions & Contract Requirements (Section 6) of the PROJECT SUMMARY.
16. CWCB agrees that it is a political subdivision and that the obligations of the Borrower hereunder are not and will not be specifically pledged by CWCB as security or collateral for an issuance of securities by CWCB.

B. PROJECT PROVISIONS

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the CWCB Construction Fund Program Procedures (Section 7) of the PROJECT SUMMARY.
2. **Eligible Expenses.** The PROJECT expenses for which the BORROWER is eligible for loan disbursements are listed in Eligible Expenses (Section 8) of the PROJECT SUMMARY. The BORROWER shall pay all of the expenses related to the Project when such bills are due.
3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 9) of the PROJECT SUMMARY.
4. **Time for Performance.** The BORROWER recognizes that time is of the essence in the performance of all of its obligations under this CONTRACT. Therefore, the BORROWER shall complete the PROJECT within the time specified in Time for Performance (Section 10) of the PROJECT SUMMARY.
5. **Indemnification by the Construction Firm.** The BORROWER shall require all construction firms and their subcontractors to indemnify the STATE and the BORROWER against all liability and loss, and against all claims and actions based upon or arising

out of damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

6. **Liability Insurance during Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown during the term of their contracts for the construction of the PROJECT. If requested by CWCB, the BORROWER shall provide the CWCB with an Acord Form 25 evidencing said insurance prior to commencement of construction and maintained until construction is complete. The BORROWER shall provide the CWCB with documentation of renewals of said insurance. No payments shall be made to the BORROWER unless all insurance certificates are current.
- a. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.
 - b. Worker's compensation and employer's liability insurance in the required statutory amounts.
 - c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.

C. GENERAL PROVISIONS

1. **Periodic Inspections.** Throughout the term of this CONTRACT, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Such inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this CONTRACT and shall not be construed nor interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.
2. **Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this CONTRACT.
3. **Designated Agent Of The CWCB.** The CWCB's employees are designated as the agents of the CWCB for the purpose of this CONTRACT.
4. **Assignment.** BORROWER's rights and obligations, of this CONTRACT, hereunder are personal and may not be transferred, assigned without the prior, written consent of the State. Any attempt at assignment without such consent shall be void. All assignments approved by BORROWER or the State are subject to all of the provisions hereof.

5. **Contract Relationship.** The parties to this CONTRACT intend that the relationship between them under this CONTRACT is that of LENDER-BORROWER, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this CONTRACT.
6. **Integration of Terms.** This CONTRACT is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to State fiscal rules, unless expressly provided for herein.
7. **Order of Precedence.** The provisions of this CONTRACT shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this CONTRACT and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:
- i. Colorado Special Provisions (provided that the parties hereby agree that, for the purposes of such Special Provisions "CONTRACTOR" shall mean "BORROWER")
 - ii. The provisions of the main body of this CONTRACT
 - iii. Appendices
8. **Casualty and Eminent Domain.** If, at any time, during the term of this CONTRACT, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof, or to repayment of this loan. Any net proceeds remaining after such work has been completed or this loan has been repaid, shall be retained by the BORROWER. If the net insurance proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds. In the event BORROWER chooses to repay the loan, BORROWER shall remain responsible for the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.
9. **Captions.** The captions and headings in this CONTRACT are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.
10. **CWCB's Approval.** This CONTRACT requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER'S compliance with

this CONTRACT and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER and any of its consultants, by preparing any such documents, shall be solely responsible for the accuracy and completeness of any of said documents.

11. **Waiver.** Waiver of any breach under a term, provision, or requirement of this CONTRACT, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
12. **CORA Disclosure.** To the extent not prohibited by federal law, this CONTRACT and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.
13. **Binding Effect.** All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.
14. **Entire Understanding.** This CONTRACT represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.
15. **Severability.** Provided this CONTRACT can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this CONTRACT in accordance with its intent.
16. **Third Party Beneficiaries.** Enforcement of this CONTRACT and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this CONTRACT are incidental to the CONTRACT, and do not create any rights for such third parties.
17. **Counterparts.** This CONTRACT may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
18. **Addresses for mailing.** All notices, correspondence, or other documents required by this CONTRACT shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

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

Special Provisions

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

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

9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.
10. **VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.
11. **PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
12. **PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

SPs Effective
1/1/09

[END OF SPECIAL PROVISIONS]

CMS #72518/C150407C

CORE #2016-2060

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT

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

BORROWER:

Central Colorado Water Conservancy District, a
Colorado Title 37 Water Conservancy District

BY: Randall C Knutson

Signature

NAME: RANDALL C KNUTSON

TITLE: PRESIDENT

DATE: 9/24/15

STATE OF COLORADO

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

BY: Kirk Russell

Colorado Water Conservation Board

NAME: KIRK RUSSELL

TITLE: FINANCE SECTION CHIEF

DATE: 10/14/15

Attest

BY: Randy W. Ray

Signature

NAME: Randy W. Ray

TITLE: Executive Director

DATE: 9/24/2015

PAID IN FULL

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

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

STATE CONTROLLER

Robert Jaros, CPA, MBA, JD

By Robert Jaros

Susan Borup, Controller, Department of Natural Resources

Effective Date 10-16-15

Project Summary – Central Colorado Water Conservancy District

Contract Number CT2016- 2060 (C150407C)

SECTION 1 –BORROWER INFORMATION

Name: Central Colorado Water Conservancy District
Type of Entity: A Colorado Title 37 Water Conservancy District
Address: 3209 W. 28th Street, Greeley, Colorado, 80634
Contact: Danyelle McCannon
Phone Number: 970-330-4540
E-mail address: dmccannon@ccwcd.org

SECTION 2 – PROJECT DESCRIPTION

- A. Description of PROJECT: This LOAN CONTRACT is to be used for the District's participation in the Chatfield Reallocation Project, specific to "off-site" "compensatory mitigation features" and "monitoring" as defined in the Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado dated October 9, 2014, incorporated herein by reference is defined as the "PROJECT." The District's total participation cost is estimated to be \$28,170,000. On May 22, 2014 the CWCB approved a total loan amount not to exceed 28,451,700 for the District's participation cost of the Chatfield Reallocation Project, to improve the operation of the District's augmentation plan. The loan amount, *for this CONTRACT, for these PROJECT activities*, is \$7,000,310 which includes a one percent (1%) loan service fee of \$69,310 at an interest rate of 1.75% for 30 years.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report dated March 2014, on the PROJECT, titled "*Central Colorado Water Conservancy District Participation in the Chatfield Reallocation Project*" which was prepared by Ed Armbruster, P.E., with White Sands Water Engineers, Inc. and includes an alternative analysis, cost estimates, and financial statements. The feasibility study relies on the FR/EIS prepared by the Corps, and the Fish, Wildlife and Recreation Mitigation Plan (FWRMP) prepared by the Reallocation Participants in accordance with C.R.S. 37-60-122.2. Based upon the feasibility report, incorporated herein by reference, the CWCB determined the PROJECT to be technically and financially feasible.

SECTION 3 – CWCB'S AUTHORITY

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

Project Summary - Central Colorado Water Conservancy District

Contract Number C13018-2020 (C1804070)

Section 1 - Borrower Information

Name: Central Colorado Water Conservancy District
Type of Entity: A Colorado Title 37 Water Conservancy District
Address: 3208 W. 38th Street, Greeley, Colorado, 80634
Contact: Gayle Anderson
Phone Number: 970-330-4640
E-mail Address: ganderson@ccwd.org

Section 2 - Project Description

A. Description of Project: This loan contract is to be used for the District's participation in the Greeley Reservoir Project, which is a "water conservation mitigation project" and "mitigation" as defined in the Agreement between the Government of the State of Colorado and the Government of the State of Colorado for Reservoir of Water Storage Space, Reservoir Rehabilitation, and Comprehensive Mitigation Project of the Greeley Dam and Reservoir. Colorado State Order 0314, adopted herein by reference is dated as the "Project". The District's total participation cost is estimated to be \$28,170,000. On May 22, 2019, the CWCDC approved a total loan amount not to exceed \$28,170,000 for the District's participation cost of the Greeley Reservoir Project. To approve the portion of the District's participation cost, the loan amount for this contract for the Project activities is \$7,000,000 which includes a one percent (1%) loan service fee of \$69,810 and an interest rate of 3.75% for 30 years.

B. Description of Feasibility Study: The CWCDC has reviewed a feasibility study report dated March 2019 on the Project titled "Central Colorado Water Conservancy District Participation in the Greeley Reservoir Project" which was prepared by the American River, Inc. (ARI), with which the District has entered into a contract. The ARI has completed a detailed cost estimate, and detailed site plan. The feasibility study report on the Project prepared by the CWCDC, and the ARI, which are incorporated into the Project (PRMP) prepared by the Reservoir Rehabilitation Project in accordance with C.R.S. 37-60-122.2, is used upon the feasibility report. Incorporated herein by reference, the CWCDC determined the Project to be technically and financially feasible.

Section 3 - CWCDC's Authority

The CWCDC is authorized to make loans pursuant to the provisions of the Colorado Tax Code, Title 37-60-110 and 37-60-111, C.R.S., which authorize the CWCDC to loan money for water projects from the Revenue Tax Refund Base Fund for the

benefit of the people of the state, provided that the BORROWER assures repayment of that money.

SECTION 4 - BOARD APPROVAL AND LEGISLATIVE AUTHORIZATION

At its May 22, 2014, meeting the CWCB approved a Small Project Loan, from the Severance Tax Perpetual Base Fund to the BORROWER, in an amount up to \$6,931,000 for PROJECT costs with a loan service fee of 1% in accordance with CWCB Policy No. 16 resulting in a loan service fee of \$69,310 and a total loan amount of **\$7,000,310** at an interest rate of 1.75% per annum for a repayment term of 30 years.

Pursuant to CWCB projects Bill HB14-1333, the Colorado General Assembly authorized CWCB to loan to the BORROWER a total amount up to \$28,451,700 for the Chatfield Reallocation PROJECT. There will be a total of three (3) CWCB loan contracts.

SECTION 5 – SCHEDULE OF EXISTING DEBT

As of the date of the CWCB loan approval, the BORROWER has outstanding the following obligation.

2013 Bond	District	\$30,000,000	\$30,000,000	1,461,000	2035	3 Mill Tax Levy
-----------	----------	--------------	--------------	-----------	------	-----------------

SECTION 6 – ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

NONE.

PAID IN FULL

SECTION 7 – CONSTRUCTION FUND PROGRAM PROCEDURES

- A. The BORROWER shall employ or cause the entity that oversees construction of the Project to employ an engineer, registered in the State of Colorado to prepare plans and specifications for the PROJECT.
- B. Engineering contracts and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this CONTRACT when available prior to bidding. Any modifications, to the plans and specifications that effect changes to the construction costs must be approved in writing by CWCB.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide or cause the entity that oversees construction of the Project to provide a letter of approval from the State Engineer's Office prior to construction.

- D. The BORROWER shall notify or cause the entity that oversees construction of the Project to notify CWCB of the bid opening date, time and location. CWCB staff may elect to attend the bid opening.
- E. CWCB must approve the award of the construction contract.
- F. The BORROWER shall contract or cause the entity that oversees construction of the Project to contract for the construction of the work with responsible and capable construction firms, which are found acceptable by the CWCB staff.
- G. The BORROWER must provide or cause the entity that oversees construction of the Project to provide a copy of the executed construction contract documents
- H. consisting of the contractor's proposal, construction contract, performance bond, payment bond, notice of award, notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this CONTRACT, the BORROWER may issue or cause the entity that oversees construction of the Project to issue the notice to proceed to the construction firms.
- I. The BORROWER shall conduct or cause the entity that oversees construction of the Project to conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- J. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ or cause the entity that oversees construction of the Project to employ an inspector who has been approved by the CWCB staff.
- K. The BORROWER shall construct or cause the entity that oversees construction of the Project to construct the PROJECT in accordance with the approved plans and specifications.
- L. Upon completion of the PROJECT construction, the BORROWER shall provide or cause the entity that oversees construction of the Project to provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide or cause the entity that oversees construction of the Project to provide the as-built drawings to the State Engineer's Office for approval and filing.
- M. Upon completion of the PROJECT construction, the BORROWER shall arrange or cause the entity that oversees construction of the Project to arrange a final inspection for the CWCB staff.
- N. The BORROWER shall pay or cause the entity that oversees construction of the Project to pay all of the expenses related to the PROJECT when such bills are due.

Appendix 1

D. The Borrower shall notify or cause the entity that oversees construction of the project to notify CWOB of the proposed date, time and location CWOB staff may want to attend the bidding.

E. CWOB must approve the award of the construction contract.

F. The Borrower shall contract or cause the entity that oversees construction of the project to contract for the construction of the work with responsible and capable construction firms which are listed separately by the CWOB staff.

G. The Borrower must provide or cause the entity that oversees construction of the project to provide a copy of the executed construction contract documents.

H. Issuance of the contractor proposal, contract award, performance bond, payment bond, notice of award, notice to proceed, change order and sample bid or as well as the advertisement for bid and bid bond at bidding. After the CWOB staff issues the award, the Borrower shall comply with the terms of the contract. The Borrower may cause the entity that oversees construction of the project to cause the award to proceed by the construction firm.

I. The Borrower shall contract or cause the entity that oversees construction of the project to contract or cause the award to proceed at which time the CWOB staff shall have the opportunity to review and approve the construction schedule.

J. If the CWOB staff determines that the Borrower requires a resident inspector during construction, the Borrower shall employ or cause the entity that oversees construction of the project to employ a resident inspector who has been approved by the CWOB staff.

K. The Borrower shall contract or cause the entity that oversees construction of the project to contract for the project in accordance with the approved plans and specifications.

L. Upon completion of the project construction, the Borrower shall provide or cause the entity that oversees construction of the project to provide as-built drawings of the project to the CWOB staff or if required by § 37-87-102, C.R.S. the Borrower shall provide or cause the entity that oversees construction of the project to provide the as-built drawings to the State Engineer's Office for approval and filing.

M. Upon completion of the project construction, the Borrower shall arrange or cause the entity that oversees construction of the project to arrange a final inspection for the CWOB staff.

N. The Borrower shall pay or cause the entity that oversees construction of the project to pay all of the expenses related to the project which are due.

SECTION 8 – ELIGIBLE EXPENSES. The following items are eligible for loan disbursements.

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

SECTION 9 – DISBURSEMENT SCHEDULE

For PROJECT costs: The Chatfield Reservoir Mitigation Company, Inc. ("MITIGATION COMPANY") shall prepare a written request for funds which shall include copies of the MITIGATION COMPANY'S board approval and copies of the backup for the request for funds including, but not limited to invoices. After receipt of the written request from the MITIGATION COMPANY and review and acceptance of the items therein as eligible expenses, as described above by the CWCB, the CWCB will pay to the escrow agent designated by BORROWER on its behalf into its "Individual Escrow Account" (as defined in the escrow agreement between the escrow agent, BORROWER and MITIGATION COMPANY) the amount set forth in the request or such portion that has been approved by the CWCB. Such payment shall be made within thirty (30) days from the CWCB's approval of each request.

SECTION 10 – TIME FOR PERFORMANCE

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

PROJECT END DATE: Thirteen (13) years from the Effective Date of this CONTRACT.

COPY

PROMISSORY NOTE

Date: September 24, 2015

Borrower: Central Colorado Water Conservancy District, a Colorado Title 37
Water Conservancy District

Principal Amount: \$7,000,310.00

Interest Rate: 1.75% per annum

Term of Repayment: 30 years

Contract Number: CT2016-2060

Loan Payment: \$301,921.65

Payment Initiation Date*: _____

Maturity Date*: _____

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

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by: a SECURITY AGREEMENT of even date and amount and covers the tax revenues. The LOAN CONTRACT and SECURITY AGREEMENT grant additional rights to the CWCB.

COPY

8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this PROMISSORY NOTE.
9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY NOTE or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.
11. This Note is issued pursuant to and under the authority of §11-57-210, C.R.S. and §31-35-413, C.R.S., and pursuant to such statutes, the foregoing recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after its delivery for value, shall conclusively impart full compliance with all of the provisions of Title 31, Article 35, Part 4, C.R.S., and this Note containing such recital shall be incontestable for any cause whatsoever after its delivery for value.
12. This Note, including the interest hereon, is payable solely from the Pledged Revenues, does not constitute a debt or indebtedness of the BORROWER within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be a general obligation of the BORROWER.

(SEAL)

Attest:



By Randy W. Ray
Signature

NAME: Randy W. Ray
TITLE: Executive Director
DATE: 9/24/2015

BORROWER: Central Colorado Water
Conservancy District, a Colorado Title 37
Water Conservancy District

By Randall C Knutson
Signature

NAME: RANDALL C KNUTSON

TITLE: PRESIDENT

DATE: 9/24/15

PAID IN FULL

APPENDIX 3

RESOLUTION

A RESOLUTION OF CENTRAL COLORADO WATER CONSERVANCY DISTRICT, IN WELD, ADAMS AND MORGAN COUNTIES, COLORADO, AUTHORIZING LOANS FROM THE COLORADO WATER CONSERVATION BOARD TO FINANCE AUTHORIZED PURPOSES APPROVED AT THE ELECTION HELD WITHIN THE DISTRICT ON NOVEMBER 6, 2012, AND FOR THE LEVY OF PROPERTY TAXES WITHIN THE DISTRICT TO PAY SUCH LOANS; AND PROVIDING THE FORM OF THE LOANS AND OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Central Colorado Water Conservancy District, in Weld, Adams and Morgan Counties, Colorado (the "District"), is a duly organized and validly existing water conservancy district, quasi-municipal corporation and political subdivision of the State (unless otherwise indicated, capitalized terms used in this preamble shall have the meanings set forth in Section 1 of this Resolution); and

WHEREAS, Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is required for the creation of any district direct or indirect debt or other multiple-fiscal year financial obligation whatsoever except for refinancing district bonded debt at a lower interest rate; and

WHEREAS, at an election on November 6, 2012, a majority of the eligible electors of the District voting on such question, voted in favor of the following ballot issue:

SHALL THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT DEBT BE INCREASED UP TO \$60 MILLION, WITH A MAXIMUM REPAYMENT COST OF UP TO \$96.8 MILLION, AND SHALL DISTRICT TAXES BE INCREASED UP TO \$3.9 MILLION ANNUALLY FOR:

- THE PURPOSE OF ENABLING LOCAL FARM FOOD PRODUCTION, KEEPING RANCHES WORKING AND DECREASING FARM DRY-UPS BY FINANCING THE COSTS OF, AND
- SECURING ADDITIONAL WATER SUPPLIES, ACQUIRING, RECLAIMING AND IMPROVING SITES FOR WATER STORAGE, AND PARTICIPATING IN THE CHATFIELD RESERVOIR WATER STORAGE REALLOCATION PROJECT;

SUCH DEBT TO CONSIST OF THE ISSUANCE AND PAYMENT OF LIMITED TAX GENERAL OBLIGATION BONDS, WHICH BONDS SHALL BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 6.5% PER ANNUM AND SHALL BE DATED AND SOLD AT SUCH TIME OR TIMES, AT SUCH PRICES (AT, ABOVE OR BELOW PAR) AND IN SUCH MANNER AND CONTAINING SUCH TERMS, NOT INCONSISTENT HERewith, AS THE BOARD OF DIRECTORS MAY DETERMINE; SHALL (I) AD VALOREM PROPERTY TAXES BE LEVIED IN ANY YEAR AT A LIMITED MILL LEVY RATE NOT TO EXCEED 3 MILLS, EXCEPT AS PERMITTED IN SECTION 37-45-126 OF THE COLORADO REVISED STATUTES, AND IN SUCH AMOUNTS AS SET FORTH ABOVE AND (II) THE DISTRICT BE AUTHORIZED TO ENCUMBER AND PLEDGE ANY OTHER REVENUES OF THE DISTRICT TO BE USED TO

PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS AS THE SAME BECOME DUE AND TO FUND ANY RESERVES FOR THE PAYMENT THEREOF; AND SHALL ANY INVESTMENT EARNINGS (REGARDLESS OF AMOUNT) FROM SUCH TAX REVENUES AND FROM THE PROCEEDS OF SUCH BONDS CONSTITUTE A VOTER-APPROVED REVENUE CHANGE WITHIN THE MEANING OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

WHEREAS, the returns of the above-referenced election were duly canvassed and the results thereof duly declared; and

WHEREAS, on or about April 24, 2013, the District issued its Limited Tax General Obligation Bonds, Series 2013 in the aggregate principal amount of \$29,250,000, which Series 2013 Bonds have a total repayment cost of \$45,397,623 and a maximum annual tax requirement of \$1,981,662 (resulting in remaining available Ballot Authorization for an aggregate principal amount of \$30,750,000, total principal and interest repayment costs of \$51,402,377 and maximum annual tax of \$1,918,338); and

WHEREAS, the District has received three Loan Contracts (identified by CMS Number 72516C/150407A, CMS Number 72517C/150407B and CMS Number 72518C/150407C) from the Colorado Water Conservation Board, an agency of the State, for a loans in amounts of \$3,187,560, \$18,263,830 and \$7,000,310, respectively, all of which bear interest at a rate of 1.75% per annum for a repayment term of 30 years; and

WHEREAS, the District's repayment obligations under the Loan Contracts will be evidenced by Promissory Notes to be issued by the District to the CWCB, which Promissory Notes shall constitute a limited tax obligations of the District which are to be paid from Pledged Revenues on a basis which is subordinate to the District's Series 2013 Bonds and, after consideration, the Board has determined that the execution of the Loan Contracts and the issuance of the Promissory Notes to the CWCB is to the best advantage of the District; and

WHEREAS, no member of the Board has a potential conflict of interest in connection with the authorization, issuance, sale or use of proceeds of the Loan Contracts; and

WHEREAS, the form of the Loan Contracts and related appendices have been reviewed by the District staff and made available to the Board; and

WHEREAS, the Board desires to authorize the execution of the Loan Contracts, the issuance and delivery of the Promissory Notes, and the execution of any additional documentation which may be related to the financing;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT IN WELD, ADAMS AND MORGAN COUNTIES, COLORADO:

Section 1. Definitions. The following terms shall have the following meanings as used in this Resolution:

“Ballot Authorization” means the ballot issue approved by District voters on November 6, 2012 and set forth in the preambles hereto.

“Board” means the Board of Directors of the District, and any successor body.

“Counties” means Weld, Adams and Morgan Counties, Colorado.

“CWCB” means the Department of Natural Resources, Colorado Water Conservation Board.

“Debt Service Fund” means the Debt Service Fund reaffirmed by the provisions hereof for the purpose of paying debt service on the obligations of the District.

“District” means the Central Colorado Water Conservancy District, in Weld, Adams and Morgan Counties, Colorado, and any successor thereto.

“Enabling Laws” means the Water Conservancy Act and the Supplemental Act, or any successor statutes thereto.

“General Fund” means the General Fund of the District established and maintained as required under State law.

“Limited Mill Levy” means an ad valorem mill levy (a mill being equal to one-tenth of one cent) imposed upon all taxable property of the District and on any other property subject to the property tax of the District, each year in an amount sufficient to pay the principal of, premium if any, and interest on the Series 2013 Bonds, the Promissory Notes and any Parity Obligations as the same become due and payable, but not in excess of three mills, except as permitted in Section 126 of the Colorado Water Conservancy Act, as provided in the Ballot Authorization.

PAID IN FULL

“Loan Contracts” means the State public loans, identified by loan contracts CMS Number 72516C/150407A, CMS Number 72517C/150407B and CMS Number 72518C/150407C, as the same may be amended from time to time, by and between the State for the use and benefit of the CWCB and the District.

“Note Account” means the “2014 CWCB Promissory Notes Account,” established by the provisions hereof for which a separate tax levy is made to satisfy the obligations of the Promissory Notes.

“Parity Obligations” means loans, bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenues or any part thereof on a parity with the lien thereon of the Promissory Notes.

“Payment Dates” means the dates established pursuant to the Loan Contracts for the annual payment of the principal of and interest on the Promissory Notes, as set forth therein.

"*Pledged Revenues*" means the moneys derived by the District from the following sources, net of any costs of collection:

- (a) the Limited Mill Levy;
- (b) the Specific Ownership Taxes received by the District to the extent necessary to pay debt service on the Series 2013 Bonds and the Promissory Notes; and
- (c) any other legally available moneys credited to the Note Account, including Special Assessment revenues, if any.

"*Project*" means any purpose for which proceeds of the Promissory Notes may be expended under the Enabling Laws and the Ballot Authorization, as more specifically described in Appendix 1 to the Loan Contracts.

"*Project Account*" means the "2014 CWCB Promissory Notes Project Account," established by the provisions hereof for the purpose of paying the Project Costs. The Project Account may include separate subaccounts relating to the respective Loan Contracts.

"*Project Costs*" means the District's costs properly attributable to the Project and permissible as "Eligible Expenses" as set forth in provision B(2) of the Loan Contracts.

"*Promissory Notes*" means the Promissory Notes evidencing the District's repayment obligation from the date of substantial completion of the Project, as set forth in Appendix 2 to the Loan Contracts.

"*Required Reserve Amount*" means the amount equal to an annual loan payment as specified for the Required Reserve Amount under Section A(8)(c) of the Loan Contract.

"*Reserve Account*" means a special account of the District designated as the "2014 CWCB Promissory Notes Reserve Account," created by this Ordinance for the purpose of paying, if necessary, the principal of and interest on the Promissory Note. PAID IN FULL

"*Resolution*" means this Resolution, including any amendments or supplements hereto.

"*Series 2013 Bonds*" means the District's Limited Tax General Obligation Bonds, Series 2013, issued on or about April 30, 2013 pursuant to the Series 2013 Bond Resolution.

"*Series 2013 Bond Resolution*" means the District resolution adopted by the Board on March 19, 2013, which provided for the issuance of the Series 2013 Bonds.

"*Special Assessments*" means the special assessments levied and collected by the District for maintaining and operating the System and for paying the obligations of the District for special benefits accruing to property within the municipalities for which use of water is allocated as provided in Section 123 of the Water Conservancy Act, for special benefits accruing to property within public corporations for which use of water is allocated as provided in Section 124 of the Water Conservancy Act, and for special benefits accruing to land for which use of water is allocated as provided in Section 125 of the Water Conservancy Act, or any

combination of such assessments as the Board may determine from time to time, which assessments for special benefits are respectively designated in the Water Conservancy Act as "Class B" assessments, as "Class C" assessments and as "Class D" assessments, respectively.

"Specific Ownership Taxes" means the specific ownership taxes which are collected by the Counties and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute.

"State" means the State of Colorado.

"Subordinate Obligations" means loans, bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenues or any part thereof junior and subordinate to the lien thereon of the Promissory Notes.

"Supplemental Act" means Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended.

"Water Conservancy Act" means Article 45 of Title 37, Colorado Revised Statutes, as amended.

Section 2. Approval of Loan Contracts and Authorization of Promissory Notes. Pursuant to and in accordance with the Enabling Laws and the Ballot Authorization, there is hereby authorized and approved the execution of the Loan Contracts. There shall be issued by the District the Promissory Notes in the aggregate principal amount not to exceed \$30,750,000, for the purpose of paying the Project Costs and other costs in connection with the Promissory Notes. All covenants, statements, representations and agreements contained in the Loan Contracts and the Promissory Notes are hereby approved and adopted as the covenants, statements, representations and agreements of the District. The accomplishment of the Project is hereby authorized, approved and ordered and it is hereby determined that the Promissory Notes matures at such time not exceeding the estimated life of the Project.

PAID IN FULL

Section 3. Security for the Promissory Notes.

(a) The Promissory Notes are limited tax general obligations of the District, payable from the Pledged Revenues and moneys on deposit in the Reserve Account, and the District pledges its full faith and credit to the payment of principal of and interest on the Promissory Notes. All of the Promissory Notes, together with the interest thereon, shall be payable solely from and to the extent of the Pledged Revenues and moneys on deposit in the Reserve Account, and the Pledged Revenues are hereby pledged to the payment of the Promissory Notes. The Promissory Notes shall constitute an irrevocable lien upon the Pledged Revenues which is subordinate to the lien of the Series 2013 Bonds. Nothing herein shall be construed to require the District to levy an ad valorem property tax for payment of the Promissory Notes in excess of the Limited Mill Levy. The Promissory Notes shall not constitute a debt or indebtedness of the Counties, the State or any political subdivision of the State other than the District.

(b) The amounts necessary to pay all costs and expenses incidental to the issuance of the Promissory Notes and to pay the principal of and interest on the

Promissory Notes when due and to fund the Reserve Account are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Promissory Notes have been fully paid, satisfied and discharged.

(c) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify and collect said taxes in the manner provided by law for the purpose of paying the principal of and interest on the Promissory Notes and funding the Reserve Account in the amount of the Required Reserve Amount.

(d) Nothing herein shall be interpreted to prohibit or limit the ability of the District to use legally available moneys other than the proceeds of the ad valorem property taxes levied pursuant to subsection (a) of this Section to pay all or any portion of the principal of or interest on the Promissory Notes. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Promissory Notes, the District may, but shall not be required to, (i) reduce the amount of taxes levied for such purpose pursuant to subsection (b) of this Section or (ii) use proceeds of taxes levied pursuant to subsection (b) of this Section to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Promissory Notes. If the District selects alternative (ii) in the immediately preceding sentence, the taxes levied pursuant to subsection (a) of this Section shall include amounts sufficient to fund the reimbursement.

(e) It is hereby declared that, if the District does not otherwise determine and certify to the Boards of County Commissioners of each of the Counties a rate of levy for general ad valorem property taxes as required by subsection (a) of this Section, the foregoing provisions of this Section shall constitute a certificate from the Board to the Boards of County Commissioners of each of the Counties showing the aggregate amount of ad valorem taxes to be levied by the Boards of County Commissioners of the Counties from time to time, as required by law, for the purpose of paying the principal of and interest on the Promissory Notes when due.

Section 4. Form of Promissory Notes. The Promissory Notes shall be in substantially the form set forth in Appendix 2 to the respective Loan Contracts with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the District executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). The interest rate authorized for the Promissory Notes is 1.75% per annum (and the maximum net effective interest rate shall not exceed 6.5% per annum pursuant to the terms of the Ballot Authorization), exclusive of any late charges of 5.0% of the annual payment due which may be imposed pursuant to the terms of the Loan Contracts for any late payments.

:

Section 5. Funds and Accounts.

(a) *Reaffirmation of Funds; Creation of Accounts.* There are hereby reaffirmed the General Fund and the Debt Service Fund. There is hereby established within the Debt Service Fund the Note Account and the Reserve Account. There is hereby established within the General Fund the Project Account. The foregoing funds and accounts shall be maintained by the District in accordance with the provisions of this Resolution.

(b) *Project Account.* All moneys received from CWCB under the Loan Contracts shall be credited to the Project Account, in one or more subaccounts relating to each Loan Contract as determined in the discretion of the District's Executive Director, and shall be applied solely to the payment of the Project Costs. Upon the determination of the District's Executive Director that all Project Costs have been paid or are determinable, any balance remaining in the Project Account (less any amounts necessary to pay Project Costs not then due and owing) shall be applied solely in accordance with the terms of the Loan Contract, including without limitation provision A(5) thereof.

(c) *Note Account.* Moneys in the Note Account shall be used solely for the purpose of paying the interest on and principal of the Promissory Notes. Following the provision for the payment of the Series 2013 Bonds in accordance with the terms of the Series 2013 Bond Resolution, there shall be credited to the Note Account an amount of Pledged Revenues which, when combined with other legally available moneys in the Note Account, will be sufficient to pay the principal of and interest on the Notes when due. In the event of insufficient Pledged Revenues, moneys shall be applied as provided in the Loan Contracts. Moneys in the Project Account also may be used to pay the interest accruing under provision A(4) of the Loan Contract prior to the completion of the Project. To the extent that moneys are not used from the final disbursement of loan funds pursuant to provision A(4) for such purpose, Pledged Revenues and other legally available moneys shall be credited to the Note Account prior to substantial completion of the Project in order to make said payment when due.

PAID IN FULL

(d) *Reserve Account.*

(i) *Use of Moneys in the Reserve Account.* Moneys in the Reserve Account shall be used, if necessary, only to prevent a default in the payment of the principal of or interest on the Promissory Notes on any Payment Dates and the Reserve Account is hereby pledged to the payment of the Promissory Notes. In the event the amounts credited to the Note Account are insufficient to pay the principal of or interest on Promissory Notes when due, the District shall transfer from the Reserve Accounts to the Note Account an amount which, when combined with moneys in the Note Account will be sufficient to make such payments when due.

(ii) *Funding and Maintenance of Required Reserve Amount.* Commencing with the first Payment Date, the District shall annually credit an amount equal to one-tenth of the Required Reserve Amount on or before each

Payment Date until such time as the amount credited thereto is equal to the Required Reserve Amount (i.e., the Reserve Account is to be fully funded within ten years from substantial completion of the Project). In the event that moneys from the Reserve Account are transferred to the Note Account as provided in paragraph (i) of this Subsection, such amount shall be replenished as provided in the Loan Contracts. Moneys credited to the Reserve Account may be invested or deposited in lawful securities or obligations and all interest income from the investment or reinvestment of moneys credited to the Reserve Account shall be credited to the Reserve Account until the amount therein is equal to the Required Reserve Amount, at which time as the balance of the Reserve Account shall be maintained in the Required Reserve Amount and such interest income shall be credited to the Note Account.

Section 6. Additional Obligations. No bonds, notes, interim securities or other obligations shall be issued payable from the Pledged Revenues and having a lien thereon which is superior to the lien of the Promissory Notes. The District may issue Parity Lien Obligations or Subordinate Lien Obligations only upon compliance with the requirements of provision A(8)(d) of the Loan Contracts.

Section 7. Various Findings, Determinations, Declarations and Covenants. The Board, having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants that:

(a) voter approval of the Ballot Authorization was obtained in accordance with all applicable provisions of law;

(b) it is in the best interest of the District and its residents that the Promissory Notes be authorized, issued and delivered at the time, in the manner and for the purposes provided in this Resolution; and

(c) the issuance of the Promissory Notes 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, including the Enabling Laws and the Ballot Authorization, and all conditions and limitations of the Enabling Laws, the Ballot Authorization and other applicable law relating to the issuance of the Promissory Notes have been satisfied.

Section 8. Amendment of Resolution. This Resolution may be amended only with the prior written consent of CWCB.

Section 9. Pledge of Revenues. The creation, perfection, enforcement and priority of the pledge of revenues to secure or pay the Promissory Notes shall be governed by Section 208 of the Supplemental Act and this Resolution. The Pledged Revenues shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge on the Pledged Revenues shall have priority over any and all other obligations and liabilities of the District except the Series 2013 Bonds, which have priority over the Promissory Notes, and the Parity Obligations, if any, which will be on a parity with the Promissory Notes.

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

Section 10. Approval of Related Documents. The District's President (or in the President's absence the District's Vice President) and District shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of the Loan Contracts, the Promissory Notes, the Security Agreements (as set forth in Appendix 4 to the Loan Contracts) and such additional agreements, certificates and affidavits as may be reasonably required. The execution by the District's President of any document authorized herein shall be conclusive proof of the approval by the District of the terms thereof.

Section 11. No Recourse against Officers and Agents. Pursuant to Section 209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Promissory Notes. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty or otherwise.

Section 12. Limitation of Actions. In accordance with Section 212 of the Supplemental Act, no legal or equitable action can be brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Promissory Notes more than 30 days after their authorization.

Section 13. Resolution is Contract with Owners of Promissory Notes and Irrepealable. After the Promissory Notes have been issued, this Resolution shall be and remain a contract between the District and CWCB and shall be and remain irrepealable until all amounts due with respect to the Promissory Notes shall be fully paid, satisfied and discharged and all other obligations of the District with respect to the Promissory Notes shall have been satisfied in the manner provided herein.

Section 14. Headings, Table of Contents and Cover Page. The headings to the various sections and subsections to this Resolution, and the cover page and table of contents that appear at front of this Resolution, have been inserted solely for the convenience of the reader, are not a part of this Resolution and shall not be used in any manner to interpret this Resolution.

Section 15. Severability. It is hereby expressly declared that all provisions hereof and their application are intended to be and are severable. In order to implement such intent, if any provision hereof or the application thereof is determined by a court or administrative body to be invalid or unenforceable, in whole or in part, such determination shall not affect, impair or invalidate any other provision hereof or the application of the provision in question to any other situation; and if any provision hereof or the application thereof is determined by a court or administrative body to be valid or enforceable only if its application is limited, its application shall be limited as required to most fully implement its purpose.

Section 16. Repeal of Inconsistent Resolutions, Bylaws, Rules and Orders. All resolutions, bylaws, rules and orders, or parts thereof, that are inconsistent with or in conflict with this Resolution, are hereby repealed to the extent of such inconsistency or conflict.

Section 17. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Resolution, the Enabling Laws or the Ballot Authorization) by the Board or by the officers and employees of the District directed toward the issuance of the Promissory Notes for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 18. Effective Date. This Resolution shall be in full force and effect immediately upon adoption by the Board.

ADOPTED AND APPROVED this 18th day of November, 2014.

[DISTRICT SEAL]



Attest:

By *Randall C. Kuntz*
President

By *[Signature]*
Secretary

PAID IN FULL

[Signature Page to Resolution]

SECURITY AGREEMENT

(PLEDGE OF REVENUES)

COPY

DATE: September 24, 2015

DEBTOR: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$7,000,310

TERMS OF REPAYMENT: 1.75% per annum for 30 years

CONTRACT NUMBER: CT2016-2060

COLLATERAL: Pledged Revenues, from DEBTOR's property tax revenues, are pledged to repay the loan as described in Pledge of Revenues provisions of the LOAN CONTRACT, the DEBTOR'S RESOLUTION dated November 18 2014, and the ballot question approved by the voters of the District, pursuant to the 2012 ballot question CCWCD Question 4A and incorporated herein by reference.

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

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or against DEBTOR; or
- c. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on

Appendix 4

COPY

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

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

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

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

(SEAL)

Attest:

By Randy W. Bay
Signature

NAME: Randy W. Bay
TITLE: Executive Director
DATE: 9/24/2015



DEBTOR: Central Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

By Randall C Knutson
Signature

NAME: RANDALL C KNUTSON

TITLE: PRESIDENT

DATE: 9/24/15

PAID IN FULL