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, Well Augmentation Subdistrict (WAS)
3209 West 28th Street
Greeley, CO 80634

Subject: Loan Contract No. CT2018-2851
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Central Colorado Water Conservancy District, Well Augmentation Subdistrict (WAS), and the Colorado Water Conservation Board (CWCB), Loan Contract No. CT2018-2851. 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

Wendy Cheek, Finance Manager
Finance Section

Attachments

cc: CWCB Files

STATE OF COLORADO LOAN CONTRACT

SIGNATURE AND COVER PAGE

THREE (3) SIGNATURE PAGES (COVER PAGE), WITH ORIGINAL SIGNATURES, ARE REQUIRED

State Agency Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718 Denver, CO 80203	**Contract Number** CT: 2018-2851 CMS: 107431
Borrower and Address Central Colorado Water Conservancy District, Well Augmentation Subdistrict (WAS) 3209 W. 28th Street Greeley, CO 80634 **Entity Type** Colorado Title 37 Water Conservancy District	**Loan Contract Project Performance Beginning Date:** Effective Date of Contract **Loan Contract Project Performance End Date:** Three (3) years from Effective Date or upon the date of CWCB's Notice of Project Substantial Completion of the Project.
Base Loan Amount $2,344,000.00 **Loan 1% Origination Fee** $23,440.00 **Total Loan Amount** $2,367,440.00	**Loan Contract Terms** 1.65% for 30 years **Project Name** Shores Lakes Pond C Infrastructure Improvement **Loan Contract Purpose** To increase the efficiency by which the Shores Lakes can capture and release water for augmentation use.

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

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

BORROWER Central Colorado Water Conservancy District, Well Augmentation Subdistrict Randall C Knutson (Signature) Name: RANDALL C KNUTSON Title: PRESIDENT Date: 2/7/18	**STATE OF COLORADO** John W. Hickenlooper, Governor Colorado Department of Natural Resources Colorado Water Conservation Board (CWCB) (Signature) Name: Kirk Russell, P.E., Section Chief CWCB Finance Section Date: 3/28/18
ATTEST: RLR (Signature) Name: RANDY RAY Title: Secretary Date: 2/5/2018	

In accordance with §24-30-202 C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER

Robert Jaros, CPA, MBA, JD

By: Maggie Van Cleef

~~By: Susan Bopp, Controller,~~ Department of Natural Resources

Maggie VanCleef
Purchasing Director

Effective Date: 4/17/2018

APPENDIX 3, PROMISSORY NOTE

Date:	February 7, 2018
Borrower:	Central Colorado Water Conservancy District, Well Augmentation Subdistrict
Total Loan Amount:	$2,367,440.00
Interest Rate:	1.65% per annum
Term of Repayment:	30 years
Loan Contract Number:	CT2018-2851
Annual Loan Payment:	$100,687.12
Payment Initiation Date*:	August 1, 2020 (To be filled in at Substantial Completion of Project)
Maturity Date*:	August 1, 2050 (To be filled in at Substantial Completion of Project)

* 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 Contract and this Promissory Note.

2. Principal and interest shall be payable in annual equal payments as set forth in "Annual Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.

3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.

4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 60 calendar days of the due date. At the discretion of the CWCB, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCB. CWCB will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.

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.

PAID IN FULL

6. This Promissory Note is issued pursuant to the Contract between the CWCB and the Borrower. The 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 bythe Security Agreement, Appendix 5 ("Security Instrument") of even date and amount herewith and cover the Pledged Revenues. The Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Promissory Note in certain events.

7. If any annual payment is not paid when due or any default under the Contract or the Security Instruments securing this Promissory Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the Borrower written notice of any alleged default and an opportunity to cure within sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.

8. The Borrower hereby agrees that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.

9. This Promissory Note is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the Contract and this Promissory

Note are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Promissory Note and the Promissory Note shall be incontestable for any cause whatsoever after its delivery for value.

(S E A L)

WELL AUGMENTATION SUBDISTRICT - CCWCD
CORPORATE SEAL 2004
COLORADO

Attest:

By: _____
Signature

Name: RANDY RAY

Title: Secretary

Date: 2/5/2018

Borrower: Central Colorado Water Conservancy District, Well Augmentation Subdistrict

By: _____
Signature

Name: RANDALL C KNUTSON

Title: PRESIDENT

Date: 2/7/18

PAID IN FULL

Contract Number: CT2018-2851

Section 13. Resolution is Contract with Owners of Promissory Note and Irrepealable. After the Promissory Note 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 Note shall be fully paid, satisfied and discharged and all other obligations of the District with respect to the Promissory Note 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 Note for the purposes herein set forth are hereby ratified, approved and confirmed.

PAID IN FULL

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

ADOPTED AND APPROVED this 20th day of March, 2018.

[DISTRICT SEAL]

By Randall C Knutson
Randall C. Knutson, President

Attest:

By RER
Randy Ray, Secretary

4843-0359-8943.2

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 Borrower written notice of any alleged default and an opportunity to cure within sixty (60) business days of receipt of such notice before the Borrower shall be considered in default for purposes of this Security Agreement. No default shall be waived by Secured Party except in writing, and no waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this Security Agreement shall not waive or impair any other security Secured Party may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this Security Agreement; but Secured Party shall retain its rights of set-off against the Borrower. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and the Borrower consents to venue and personal jurisdiction in said Court.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of the Borrower shall bind its successors or assigns.

Borrower: Central Colorado Water Conservancy District, Well Augmentation Subdistrict

By: Randall C Knutson
Signature

Name: RANDALL C KNUTSON

Title: PRESIDENT

Date: 2/7/18

(S E A L)

WELL AUGMENTATION SUBDISTRICT - CCWCD
CORPORATE SEAL 2004
COLORADO

Attest:

By: RLR
Signature

Name: RANDY RAY

Title: Secretary

Date: 2/5/2018

PAID IN FULL

Contract Number: CT2018-2851

COPY

STATE OF COLORADO LOAN CONTRACT

SIGNATURE AND COVER PAGE

THREE (3) SIGNATURE PAGES (COVER PAGE), WITH ORIGINAL SIGNATURES, ARE REQUIRED

State Agency Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718 Denver, CO 80203	**Contract Number** CT: 2018-2851 CMS: 107431
Borrower and Address Central Colorado Water Conservancy District, Well Augmentation Subdistrict (WAS) 3209 W. 28th Street Greeley, CO 80634 **Entity Type** Colorado Title 37 Water Conservancy District	**Loan Contract Project Performance Beginning Date:** Effective Date of Contract **Loan Contract Project Performance End Date:** Three (3) years from Effective Date or upon the date of CWCB's Notice of Project Substantial Completion of the Project.
Base Loan Amount $2,344,000.00 **Loan 1% Origination Fee** $23,440.00 **Total Loan Amount** $2,367,440.00	**Loan Contract Terms** 1.65% for 30 years **Project Name** Shores Lakes Pond C Infrastructure Improvement **Loan Contract Purpose** To increase the efficiency by which the Shores Lakes can capture and release water for augmentation use.

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

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

BORROWER Central Colorado Water Conservancy District, Well Augmentation Subdistrict Randall C Knutson (Signature) Name: RANDALL C KNUTSON Title: PRESIDENT Date: 2/7/18	**STATE OF COLORADO** John W. Hickenlooper, Governor Colorado Department of Natural Resources Colorado Water Conservation Board (CWCB) (Signature) Name: Kirk Russell, P.E., Section Chief CWCB Finance Section Date: 3/20/18
ATTEST: (Signature) Name: RANDY RAY Title: Secretary Date: 2/5/2018	PAID IN FULL

In accordance with §24-30-202 C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.

STATE CONTROLLER

Robert Jaros, CPA, MBA, JD

By: Maggie Van Cleef

~~By: Susan Bond, Controller,~~ Department of Natural Resources

Maggie VanCleef
Purchasing Director

Effective Date: 4/17/2018

TABLE OF CONTENTS

PAID IN FULL

1. PARTIES

This Contract is entered into by and between Borrower named on the Signature and Cover Page for this Contract (the "Borrower"), and the STATE OF COLORADO acting by and through the State agency named on the Signature and Cover Page for this Contract (the "State" or "CWCB"). Borrower and the State agree to the terms and conditions in this Contract.

2. TERM AND EFFECTIVE DATE

A. Loan Effective Date

The Loan Effective Date is the date on which this Contract is approved and signed by the Colorado State Controller or Designee, as shown on the signature and cover page of this Contract. The State shall not have any obligation under this Contract prior to the Loan Effective Date.

B. Loan Expiration Date

The Loan Expiration Date is the date on which this Contract expires. The Loan Expiration Date is when the term of the loan ends; which is based upon the Loan Effective Date or the date of CWCB's Notice of Project Substantial Completion of Project.

C. Project Term

The Parties' respective performances of the project under this Contract shall commence on the Contract Project Performance Beginning Date shown on the Signature and Cover Page for this Contract and shall terminate on the Contract Project Performance End Date shown on the Signature and Cover Page for this Contract unless sooner terminated or further extended in accordance with the terms of this Contract. This project term does not include the full repayment period for the loan or this Contract.

D. Project Extension Terms - State's Option

The State, at its discretion, shall have the option to extend the Project performance under this Contract beyond the Project End Date for a period, at the same rates and under the same terms specified in the Contract (each such period a "Project Extension Term"). In order to exercise this option, the Borrower shall provide written justification to CWCB and CWCB will provide written authorization for the Project term extension.

3. AUTHORITY

Authority to enter into this Contract exists in §37-60-119 (2), C.R.S., §37-60-120, C.R.S., and §37-60-121, C.R.S.

4. PURPOSE

At the January 22, 2018 board meeting, CWCB approved a loan request to increase the efficiency by which the Shores Lakes can capture and release water for augmentation use.

5. DEFINITIONS

The following terms shall be construed and interpreted as follows:

PAID IN FULL

A. **"Appendices"** means the following appendices attached to this contract:

i. Appendix 1, Project Summary

ii. Appendix 2, Option Letter

iii. Appendix 3, Promissory Note

iv. Appendix 4, Resolutions or Ordinances

v. Appendix 5, Security Agreement

B. **"Base Loan Amount"** means the amount disbursed to the Borrower, which does not include the one percent (1%) loan origination fee.

C. "**Contract**" means this agreement, including all attached Appendices, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.

D. "**Contract Funds**" means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by the State under this Contract.

E. **"CORA"** means the Colorado Open Records Act, §§24-72-200.1 *et. seq.*, C.R.S.

F. **"Effective Date"** means the date on which this Contract is approved and signed by the Colorado State Controller or designee, as shown on the Signature and Cover Page for this Contract.

G. **"Incident"** means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access or disclosure of State Confidential Information or of the unauthorized modification, disruption, or destruction of any State Records.

H. **"Origination Fee"** means the amount equal to one percent (1%) of the Base Loan Amount.

I. **"Parity Indebtedness"** means any existing parity debt and additional indebtedness that may be secured in the future.

J. "**Party**" means the State or Borrower, and "Parties" means both the State and Borrower.

K. **"Pledged Revenues"** means the revenues that consist solely of the Borrower's revenues pledged for repayment of this loan, as defined in the Resolution and set forth in the Security Agreement.

L. **"Project Extension Terms-State Option"** means the time period defined in **§2.D**.

M. **"Project Term"** means the time period defined in **§2.C**.

N. **"Promissory Note"** means the document issued to secure repayment of this loan.

O. **"Resolution or Ordinance"** means the Borrower's written authority to enter into this Contract.

P. **"Security Agreement"** means the document that provides a security interest in a specified revenue pledged to repay this loan.

PAID IN FULL

Q. **"State Fiscal Rules"** means that fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a).

R. **"State Records"** means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.

S. "**Subcontractor**" means third-parties, if any, engaged by Borrower to aid in performance of the Project.

T. "**Tax Information**" means federal and State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation. Tax Information includes, but is not limited to all information defined as federal tax information in Internal Revenue Service Publication 1075.

U. **"Total Loan Amount"** means the total of the Base Loan Amount plus the Origination fee of one percent (1%).

Any other term used in this Contract that is defined in an Appendix shall be construed and interpreted as defined in that Appendix.

6. LOAN ORIGINATION FEE

CWCB's Origination Fee of one percent (1%), added to the Base Loan Amount in accordance with CWCB Policy No. 16, results in the Total Loan Amount shown on the Signature and Cover page of this Contract.

7. AMENDMENTS AND OPTION LETTERS

In the event that the Borrower does not use the full amount authorized, the parties shall amend this Contract or exercise an Option Letter (attached as Appendix 2) and incorporated herein, to decrease the Total Loan Amount including an adjustment of the Origination Fee to reflect 1% of the actual amount disbursed to the Borrower. An amendment to this Contract shall be executed for the following changes including, but not limited to, a change in Pledged Revenues, an increase in Total Loan Amount, and a decrease in Total Loan Amount with a change in the annual loan payment. Additionally, upon substantial completion of the Project, the following applies:

A. **Upon substantial completion of the Project** with a decrease in the Total Loan Amount and if the Borrower requests a change in the annual loan payment; the Parties may amend this Contract to modify the annual loan payment accordingly.

B. **Upon substantial completion of the Project** with a decrease in the Total Loan Amount but no change in the annual payment, which then results in a shortened term of the loan, the State may exercise an option and shall provide written notice to the Borrower in form substantially equivalent to Appendix 2 to decrease the term of the loan. If exercised, the provisions of the Option Letter and supporting documentation shall become part of and be incorporated into this Contract for the total duration of this Contract.

8. CONTRACT AMENDMENT SERVICE FEES.

Under certain circumstances, the Borrower may be assessed a service fee for amending the Contract.

A. A service fee may 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 the Borrower's name, assignment of contract, substitution of Pledged Revenues, loan payment deferments in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business will be processed at no additional charge to the Borrower.

PAID IN FULL

B. The amount charged shall be in accordance with the service fee rate structure set forth in the CWCB Loan Service Charge Policy in effect at the time the Borrower shall request an amendment. The current service fee for an amendment is $1,000.

C. The Borrower shall remit the service fee to the CWCB prior to initiation of the amendment. Any service fee remitted to the CWCB cannot be refunded.

9. PROMISSORY NOTE PROVISIONS.

The Promissory Note shall identify the Total Loan Amount. The CWCB agrees to loan to the Borrower an amount not to exceed the Total Loan Amount and the Borrower agrees to repay the loan in accordance with the terms as set forth in the Promissory Note, (attached as Appendix 3) and incorporated herein.

10. INTEREST PRIOR TO PROJECT COMPLETION.

For all loan funds disbursed by the CWCB to the Borrower prior to the Contract Project Performance End Date, 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 the Project's substantial completion (as determined by the CWCB) and notify the Borrower of such amount. The Borrower shall repay that amount to the CWCB either (1) within thirty (30) days from the date of notification from the CWCB, (2) at the CWCB's discretion, said interest shall

be deducted from the final disbursement of loan funds that the CWCB makes to the Borrower, or (3) at the CWCB's discretion, said interest shall be rolled into the Total Loan Amount due.

11. 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 thirty (30) calendar days from notification from the CWCB of either (1) completion of the Project or (2) determination by the CWCB that the Project will not be completed. Any such loan funds so remitted to CWCB shall be applied to the principal payment of amounts due on the Loan.

12. 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 (attached as Appendix 4) and incorporated herein.

13. BOND COUNSEL'S OPINION LETTER.

Prior to the final execution of this Contract the Borrower shall submit to the CWCB a letter from its bond counsel stating that it is the attorney'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 Borrower's articles of incorporation or bylaws or any state or local law that prevent this Contract from binding the Borrower; and

D. The Contract will be valid and binding against the Borrower if entered into by the CWCB subject to typical limitations related to bankruptcy, police power and creditor's rights generally.

PAID IN FULL

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.

14. PLEDGE OF REVENUES.

The Borrower irrevocably (but not exclusively) pledges to the CWCB, for the purpose of repaying the Total Loan Amount, the Pledged Revenues, in such amount as is necessary to make each annual payment due under this Contract. Such pledge of the Pledged Revenues is on parity with the debt identified in §5., of Appendix 1 (Schedule of Existing Debt) and any additional indebtedness that may be secured by the Pledged Revenues in the future that is incurred in accordance with §14.E., hereof, and together with the Existing Parity Debt, shall be the Borrower's "Parity Indebtedness."

A. **Segregation of Pledged Revenues.** The Pledged Revenues shall be accounted for and maintained in an account separate from other Borrower revenues at all times. The Pledged Revenues shall be used first to pay debt service on the Total Loan Amount and all other Parity Indebtedness on an equal basis and thereafter may be used for any and all other expenses.

B. **Establish Security Interest.** The Borrower has duly executed a Security Agreement, (attached as Appendix 5) and incorporated herein, to provide a security interest to the CWCB in the Pledged Revenues. The lien of this Contract on the Pledged Revenues shall have

priority over all other competing claims with respect to the Pledged Revenues, except for the parity lien on the Pledged Revenues of any Parity Indebtedness.

C. **Assessment Covenant.** Pursuant to its statutory authority and as permitted by law, the Borrower shall take all necessary actions consistent therewith during the term of this Contract to establish, levy and collect rates, charges and fees as described in Appendix 5, in amounts sufficient to pay this loan as required by the terms of this Contract and the Promissory Note, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves.

D. **Debt Service Reserve Account or Fund.** To establish and maintain the debt service reserve account or fund, the Borrower shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account or fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the Borrower applies funds from this account to repayment of the loan, the Borrower shall replenish the account within 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.

E. **Additional Debts or Bonds.** The Borrower shall not issue any indebtedness payable from the Pledged Revenues and having a lien thereon which is superior to the lien of this loan. The Borrower may issue 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, based on an analysis of the Borrower's revenues, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt, the Borrower's revenues are sufficient to pay its annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the pledged revenues, including this loan, the annual debt service on the proposed indebtedness to be issued, and all required deposits to any reserve funds required by this Contract or by the lender(s) of any indebtedness having a lien on the pledged revenues. The analysis of revenues shall be based on the Borrower's current rate structure or the rate structure most recently adopted. No more than 10% of total revenues may originate from tap and/or connection fees;

   iii. 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.

F. **Annual Statement of Debt Coverage.** Each year during the term of this Contract, the Borrower shall promptly submit, to CWCB, a copy of the annual audit report of an audit performed on Borrower's records that relates to this Contract or the Project.

G. **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.

15. 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.

16. 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 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 the Existing Parity Loans 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.

17. CHANGE OF OWNERSHIP DURING TERM OF CONTRACT.

If the interest rate for this loan is based on the CWCB's agricultural or blended agricultural and municipal and/or commercial and/or industrial rates, the Borrower agrees to notify the CWCB of any change of the ownership of the water rights from irrigation to municipal or commercial or industrial use. The interest rate shall be revised when said change in ownership would increase the original interest rate by 0.5% or more. The parties shall amend this Contract including a revised Promissory Note, to effect said change in interest rate.

PAID IN FULL

18. 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.

19. DISPUTE RESOLUTION

A. Initial Resolution

Except as herein specifically provided otherwise, disputes concerning the performance of this Contract which cannot be resolved by the designated Contract representatives shall be referred in writing to a senior departmental management staff member designated by the State and a senior manager designated by Borrower for resolution.

B. Resolution of Controversies

i. Resolution of Controversies other than Loan Default

For any dispute not involving Borrower's default on the Loan, if the initial resolution described in §19.A., fails to resolve the dispute within 60 Business Days, Borrower shall submit any alleged breach of this Contract by the State to the Procurement Official of the Colorado Department of Natural Resources as described in §24-101-301(30), C.R.S. for resolution in accordance with the provisions of §§24-106-109, 24-109-101.1, 24-109-101.5, 24-109-106, 24-109-107, 24-109-201 through 24-109-206, and 24-109-501

through 24-109-505, C.R.S., (the "Resolution Statutes"), except that if Borrower wishes to challenge any decision rendered by the Procurement Official, Borrower's challenge shall be an appeal to the executive director of the Department of Personnel and Administration, or their delegate, under the Resolution Statutes before Borrower pursues any further action as permitted by such statutes. Except as otherwise stated in this Section, all requirements of the Resolution Statutes shall apply including, without limitation, time limitations, regardless of whether this Contract is subject to the Colorado Procurement Code.

ii. Resolution of Controversies Regarding Loan Default

For any dispute not involving Borrower's default on the Loan, if the initial resolution described in §19.A., fails to resolve the dispute within 60 Business Days, the CWCB will submit the dispute to the CWCB board for review, who will determine a resolution to the dispute.

20. REMEDIES

A. State's Remedies

i. Loan Default Remedies

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 do any of the following:

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.

PAID IN FULL

c. Exercise its rights under any appendices to this Contract, including, but not limited to, the Promissory Note, Security Agreement, and/or any instrument securing pledged revenues.

d. Take any other action deemed appropriate by the CWCB.

The CWCB shall provide written notice to the Borrower of any such default and shall give the Borrower an opportunity to cure within sixty (60) 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.

B. Borrower's Remedies

If the State is in breach of any provision of this Contract and does not cure such breach, Borrower, following the notice and cure period in §23.B., and the dispute resolution process in §20., shall have all remedies available at law and equity.

21. INSURANCE.

Borrower shall maintain at all times during the term of this Loan Contract such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S. (the "GIA"). Borrower shall ensure that any Subcontractors maintain all insurance customary for the completion of the Work done by that Subcontractor and as required by the State or the GIA.

22. CONFLICTS OF INTEREST

A. Actual Conflicts of Interest

Borrower shall not engage in any business or activities, or maintain any relationships that conflict in any way with the full performance of the obligations of Borrower under this Contract. Such a conflict of interest would arise when a Borrower or Subcontractor's employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Contract.

B. Apparent Conflicts of Interest

Borrower acknowledges that, with respect to this Contract, even the appearance of a conflict of interest shall be harmful to the State's interests. Absent the State's prior written approval, Borrower shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Borrower's obligations under this Contract.

C. Disclosure to the State

If a conflict or the appearance of a conflict arises, or if Borrower is uncertain whether a conflict or the appearance of a conflict has arisen, Borrower shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict constitutes a breach of this Contract.

23. BREACH

A. Defined

The failure of a Party to perform any of its obligations in accordance with this Contract, in whole or in part or in a timely or satisfactory manner, shall be a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Borrower, or the appointment of a receiver or similar officer for Borrower or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach.

B. Notice and Cure Period

In the event of a breach, the aggrieved Party shall give written notice of breach to the other Party. If the notified Party does not cure the breach, at its sole expense, within 30 days after the delivery of written notice, the Party may exercise any of the remedies as described in §21., for that Party. Notwithstanding any provision of this Contract to the contrary, the State,

in its discretion, need not provide notice or a cure period and may immediately terminate this Contract in whole or in part or institute any other remedy in the Contract in order to protect the public interest of the State.

24. NOTICES AND REPRESENTATIVES

Each individual identified below shall be the principal representative of the designating Party. All notices required or permitted to be given under this Contract shall be in writing, and shall be delivered **(i)** by hand with receipt required, **(ii)** by certified or registered mail to such Party's principal representative at the address set forth below or **(iii)** as an email with read receipt requested to the principal representative at the email address, if any, set forth below. If a Party delivers a notice to another through email and the email is undeliverable, then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's principal representative at the address set forth below. Either Party may change its principal representative or principal representative contact information by notice submitted in accordance with this §24 without a formal amendment to this Contract. Unless otherwise provided in this Contract, notices shall be effective upon delivery of the written notice.

For the State:
Jonathan Hernandez
Project Manager
Colorado Water Conservation Board
1313 Sherman St., Room 718
Denver, CO 80203
jonathan.hernandez@state.co.us
303-866-3441 x3234

For Borrower:
Randy Ray, Executive Director
Central Colorado Water Conservancy District, Well Augmentation Subdistrict
3209 W. 28th Street
Greeley, CO 80634
rray@ccwcd.org
970-330-4540

25. GOVERNMENTAL IMMUNITY

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the GIA; the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, *et seq.* C.R.S.

PAID IN FULL

26. GENERAL PROVISIONS

A. Assignment

Borrower's rights and obligations under this Contract are personal and may not be transferred or assigned without the prior, written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Borrower's rights and obligations approved by the State shall be subject to the provisions of this Contract.

B. Captions and References

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. All references in this Contract to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

C. Entire Understanding

This Contract represents the complete integration of all understandings between the Parties related to the Work, and all prior representations and understandings related to the Work, oral or written, are merged into this Contract. Prior or contemporaneous additions, deletions, or other changes to this Contract shall not have any force or effect whatsoever, unless embodied herein.

D. Modification

Except as otherwise provided in this Contract, any modification to this Contract shall only be effective if agreed to in a formal amendment to this Contract, properly executed and approved in accordance with applicable Colorado State law and State Fiscal Rules. Modifications permitted under this Contract, other than contract amendments, shall conform to the policies promulgated by the Colorado State Controller.

E. Statutes, Regulations, Fiscal Rules, and Other Authority.

Any reference in this Contract to a statute, regulation, State Fiscal Rule, fiscal policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the Effective Date of this Contract.

F. Order of Precedence

In the event of a conflict or inconsistency between this Contract and any Appendices or attachment such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:

i. Colorado Special Provisions in §27., of the main body of this Contract.

ii. The provisions of the other sections of the main body of this Contract.

iii. Appendices.

PAID IN FULL

G. Severability

The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Contract in accordance with the intent of the Contract.

H. Survival of Certain Contract Terms

Any provision of this Contract that imposes an obligation on a Party after termination or expiration of the Contract shall survive the termination or expiration of the Contract and shall be enforceable by the other Party.

I. Third Party Beneficiaries

Except for the Parties' respective successors and assigns described in §26.A., this Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. 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.

J. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Contract, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

27. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-1)

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

A. CONTROLLER'S APPROVAL. §24-30-202(1), C.R.S.

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee.

B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. 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, §24-10-101 *et seq.* C.R.S., or the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b).

D. INDEPENDENT CONTRACTOR

Borrower shall perform its duties hereunder as an independent contractor and not as an employee. Neither Borrower nor any agent or employee of Borrower shall be deemed to be an agent or employee of the State. Borrower 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 Borrower or any of its agents or employees. Unemployment insurance benefits will be available to Borrower and its employees and agents only if such coverage is made available by Borrower or a third party. Borrower shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Borrower shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Borrower shall **(i)** provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, **(ii)** provide proof thereof when requested by the State, and **(iii)** be solely responsible for its acts and those of its employees and agents.

E. COMPLIANCE WITH LAW.

Borrower 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.

F. 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.

G. 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.

H. 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. Borrower hereby certifies and warrants that, during the term of this Contract and any extensions, Borrower has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Borrower 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.

I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.

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. Borrower has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Borrower's services and Borrower shall not employ any person having such known interests.

PAID IN FULL

J. VENDOR OFFSET. §§24-30-202(1) and 24-30-202.4, C.R.S.

[***Not applicable to intergovernmental agreements***] Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: **(i)** unpaid child support debts or child support arrearages; **(ii)** unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; **(iii)** unpaid loans due to the Student Loan Division of the Department of Higher Education; **(iv)** amounts required to be paid to the Unemployment Compensation Fund; and **(v)** other unpaid debts owing to the State as a result of final agency determination or judicial action.

K. PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, et seq. C.R.S.

[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] Borrower 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 established under Pub. L. 104-208 or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Borrower 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 Borrower that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Borrower **(i)** shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Contract is being performed, **(ii)** shall notify the Subcontractor and the contracting State agency within 3 days if Borrower has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, **(iii)** shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within 3 days of receiving the notice, and **(iv)** shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Borrower participates in the State program, Borrower shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Borrower has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If Borrower fails to comply with any requirement of this provision or §§8-17.5-101 *et seq.*, C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Borrower shall be liable for damages.

L. PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, *et seq.*, C.R.S.

PAID IN FULL

Borrower, if a natural person 18 years of age or older, hereby swears and affirms under penalty of perjury that he or she **(i)** is a citizen or otherwise lawfully present in the United States pursuant to federal law, **(ii)** shall comply with the provisions of §§24-76.5-101 *et seq.*, C.R.S., and **(iii)** has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Contract.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX 1, PROJECT SUMMARY
Loan Contract Number CT2018-2851

Section 1 –Borrower's Name

Central Colorado Water Conservancy District, Well Augmentation Subdistrict

Section 2 – Project Description

A. Description of Project: The Borrower applied to the CWCB for a loan to be used for the Shores Lakes Pond C Infrastructure Improvement (Project), located in Weld County, at a total estimated project cost of $3,430,000.00. The purpose of the Project is to increase the efficiency by which the Shores Lakes can capture and release water for augmentation use.

B. Description of Feasibility Study: Ed Armbruster, P.E., with White Sands Water Engineers, Inc., prepared the Loan Feasibility Study titled, "CWCB Loan Feasibility Study, Shores Lakes Infrastructure Improvement Project," dated September 15, 2017. The feasibility study was prepared in accordance with CWCB guidelines and includes an alternative analysis and construction costs estimates. Audited financial statements of WAS were provided by Anton Collins Mitchell, LLP. Based upon the feasibility report, the CWCB determined the Project to be technically and financially feasible.

Section 3 – CWCB's Authority

Construction Fund: This loan is made pursuant to the provisions of §§37-60-119 and 37-60-120, C.R.S., which authorizes the CWCB to loan money for water projects from the CWCB Construction Fund for the benefit of the people of the state, provided that the Borrower assures repayment of that money.

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

Section 4 - Board Approval

At its January 22, 2018 meeting the CWCB approved a Project Loan from the Construction Fund, to the Borrower, in an amount up to $2,344,000.00 for Project Costs. CWCB's Origination Fee of 1% in the amount of $23,440.00, in accordance with CWCB Policy No. 16, added to the Base Loan Amount results in a Total Loan Amount of **$2,367,440.00**, at an interest rate of 1.65% per annum for a repayment term of 30 years.

PAID IN FULL

Section 5 – Schedule of Existing Debt

As of the date of the CWCB loan approval, the Borrower's existing debt consists of the following CWCB loans. Both loans are in good standing.

Loan No.	Original Bal	Current Bal	Annual Payment	Maturity Date	Collateral
C150194	$14,934,612	$12,367,163	$713,541	2040	Pledge of taxrevenues
CT2015-060	$1,651,905	$1,651,905	$71,246	2047	Pledge of tax revenues

Section 6 – Loan Security

The Security for this loan, as evidenced by the executed Security Agreement (Appendix 5) and incorporated herein, shall be: (i) an irrevocable (but not exclusive) pledge to the CWCB of the Pledged Revenues in such amount as is necessary to make each annual payment due under this Contract; (ii) an assessment covenant; and (iii) annual financial reporting. All Loan Security shall be in accordance with CWCB Policy No. 5.

Section 7 – Additional Conditions and Requirements

None.

Section 8 – "Construction Fund Program" Procedures for Projects

A. The Borrower shall employ an engineer, registered in the State of Colorado to prepare plans and specifications for the Project.

B. Engineering contracts and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this Contract when available prior to bidding. Any modifications, to the plans and specifications that effect changes to the construction costs must be approved in writing by CWCB.

C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by §37-87-105 C.R.S., the Borrower shall provide a letter of approval from the State Engineer's Office prior to construction.

D. The Borrower shall notify CWCB of the bid opening date, time and location. CWCB staff may elect to attend the bid opening.

E. The Borrower shall contract for the construction of the work with responsible and capable Construction Firms, selected by the Borrower and found acceptable by the CWCB staff. CWCB must approve the award of the construction contract.

F. The Borrower must provide a copy of the following construction contract documents: executed contractor's proposal, executed construction contract, executed performance bond, executed payment bond, executed notice of award, proposed notice to proceed, sample change order, and sample field order, as well as the advertisement for bid. After the CWCB staff verifies that these documents comply with the terms of this Contract, the Borrower may issue the notice to proceed to the Construction Firms.

G. The Borrower shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.

H. If the CWCB staff determines that the Project requires a resident inspector during construction, the Borrower shall employ an inspector who has been approved by the CWCB staff.

I. The Borrower shall construct the Project in accordance with the approved plans and specifications.

J. Upon completion of the Project construction, the Borrower shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by §37-87-105, C.R.S., the Borrower shall provide the as-built drawings to the State Engineer's Office for approval and filing.

K. Upon completion of the Project construction, the Borrower shall arrange a final inspection for the CWCB staff.

L. The Borrower shall pay all of the expenses related to the Project when such bills are due.

Section 9 – Eligible Expenses

The Borrower shall initiate disbursement requests by invoice to CWCB, in a form and manner approved by CWCB. The following items are eligible for loan disbursements:

A. Engineering associated with the feasibility report prepared as a requirement for this loan.

B. Preparing final designs and specifications for the Project.

C. Preparing bid and construction contract documents.

D. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.

E. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.

F. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.

G. Actual construction as called for in the design documents and in change orders approved by the CWCB and the Borrower.

H. Engineering services for construction management, including design and construction management for CWCB approved change orders.

I. Interest during completion of the Project pursuant to Section 10., of the Contract.

J. 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.

K. Project related expenses incurred prior to the Effective Date of this Contract in accordance with the approval of this loan.

Section 10 – Disbursement Schedule

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

PAID IN FULL

Section 11 – Time for Performance

Project To Begin: Upon Effective Date of this Contract (the date this Contract is signed by the State Controller or his designee).

Project To End: Three (3) years from the Effective Date of this Contract
or upon the date stated within the CWCB Notice of Project Substantial Completion.

APPENDIX 2, OPTION LETTER

(TO BE SIGNED, IF APPLICABLE, ONLY UPON SUBSTANTIAL COMPELTION OF PROJECT)

State Agency Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718 Denver, CO 80203	**Option Letter Number**
Borrower Central Colorado Water Conservancy District, Well Augmentation Subdistrict 3209 W. 28th Street Greeley, CO 80634	**Original Contract Number** CT: 2018-2851 CMS: 107431
Current Contract Maximum Amount	**Option Contract Number**
	Current Contract Expiration Date

1. **OPTIONS:**
   A. Option to decrease total contract amount and revise contract expiration date.
2. **REQUIRED PROVISIONS:**
   A. The amount of the current Loan Contract Amount is decreased by ($ amount of change) from $_____ to $_____ in consideration of substantial completion of the Project. The Total Loan Amount is hereby modified accordingly.
   B. This change does not include a change to the annual payment and interest rate.
   C. This Option Letter and supporting documentation shall become part of and be incorporated into this Contract for the total duration of the Loan Contract.
   D. This Option Letter shall include the written Notice of Project Substantial Completion.
   E. The Contract Maximum Amount table on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Maximum Amount table shown above.
3. **OPTION EFFECTIVE DATE:**
   A. The effective date of this Option Letter is upon approval of the State Controller or (Date), whichever is later.

STATE OF COLORADO **John W. Hickenlooper, Governor** **Department of Natural Resources** **Colorado Water Conservation Board** By: _____ Title: _____ Date: _____	In accordance with §24-30-202 C.R.S., this Option is not valid until signed and dated below by the State Controller or an authorized delegate. **STATE CONTROLLER** **Robert Jaros, CPA, MBA, JD** By: _____ Title: PAID IN FULL Option Effective Date: _____

APPENDIX 3, PROMISSORY NOTE

Date:	February 7, 2018
Borrower:	Central Colorado Water Conservancy District, Well Augmentation Subdistrict
Total Loan Amount:	$2,367,440.00
Interest Rate:	1.65% per annum
Term of Repayment:	30 years
Loan Contract Number:	CT2018-2851
Annual Loan Payment:	$100,687.12
Payment Initiation Date*:	_____ (To be filled in at Substantial Completion of Project)
Maturity Date*:	_____ (To be filled in at Substantial Completion of Project)

* 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 Contract and this Promissory Note.

2. Principal and interest shall be payable in annual equal payments as set forth in "Annual Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.

3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.

4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 60 calendar days of the due date. At the discretion of the CWCB, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCB. CWCB will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.

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. This Promissory Note is issued pursuant to the Contract between the CWCB and the Borrower. The 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 bythe Security Agreement, Appendix 5 ("Security Instrument") of even date and amount herewith and cover the Pledged Revenues. The Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Promissory Note in certain events.

7. If any annual payment is not paid when due or any default under the Contract or the Security Instruments securing this Promissory Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the Borrower written notice of any alleged default and an opportunity to cure within sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.

PAID IN FULL

8. The Borrower hereby agrees that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.

9. This Promissory Note is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the Contract and this Promissory

COPY

Note are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Promissory Note and the Promissory Note shall be incontestable for any cause whatsoever after its delivery for value.

(SEAL)

WELL AUGMENTATION SUBDISTRICT - CCWCD
CORPORATE SEAL 2004
COLORADO

Attest:

By: _____
Signature

Name: RANDY RAY

Title: Secretary

Date: 2/5/2018

Borrower: Central Colorado Water Conservancy District, Well Augmentation Subdistrict

By: _____
Signature

Name: RANDALL C KNUTSON

Title: PRESIDENT

Date: 2/7/18

PAID IN FULL

Contract Number: CT2018-2851

CERTIFIED RECORD

OF

PROCEEDINGS OF

THE BOARD OF DIRECTORS

OF

THE WELL AUGMENTATION SUBDISTRICT OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT IN WELD, ADAMS AND MORGAN COUNTIES, COLORADO

Relating to a resolution authorizing the issuance of the

CWCB LOAN CONTRACT NUMBER CT2018-2851
AND PROMISSORY NOTE
IN THE AGGREGATE AMOUNT NOT TO EXCEED
$2,367,440

PAID IN FULL

This cover page is not a part of the following resolution and is included solely for the convenience of the reader.

Table of Contents

PAID IN FULL

STATE OF COLORADO)
WELL AUGMENTATION)
SUBDISTRICT OF THE CENTRAL)
COLORADO WATER CONSERVANCY)
DISTRICT IN WELD, ADAMS AND)
MORGAN COUNTIES)

As the Secretary of the Board of Directors of the Well Augmentation Subdistrict of the Central Colorado Water Conservancy District in Weld, Adams and Morgan Counties, Colorado (the "District"), I do hereby certify that:

1. Attached is a true and correct copy of a resolution (the "Resolution") adopted by the Board of Directors (the "Board") at a regular meeting held on March 20, 2018.

2. The Resolution was duly moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board.

3. The Resolution was duly approved by the Board, signed by the President of the Board, sealed with the District's seal, attested by the Secretary of the Board and recorded in the minutes of the Board.

4. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted, in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado and all other applicable laws.

WITNESS my hand and the seal of the District as of March 20, 2018.

Secretary

[SEAL]

GROUNDWATER MANAGEMENT SUBDISTRICT - CCWCD
CORPORATE
SEAL
1973
COLORADO

PAID IN FULL

RESOLUTION

A RESOLUTION OF THE WELL AUGMENTATION SUBDISTRICT OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT, IN WELD, ADAMS AND MORGAN COUNTIES, COLORADO, AUTHORIZING A LOAN FROM THE COLORADO WATER CONSERVATION BOARD TO FINANCE AN AUTHORIZED PURPOSE APPROVED AT THE ELECTION HELD WITHIN THE DISTRICT ON NOVEMBER 2, 2004, AND FOR THE LEVY OF PROPERTY TAXES WITHIN THE DISTRICT TO PAY SUCH LOAN; AND PROVIDING THE FORM OF THE LOAN AND OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Well Augmentation Subdistrict of 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 2, 2004, a majority of the eligible electors of the District voting on such question, voted in favor of the following ballot issue:

SHALL THE WELL AUGMENTATION SUBDISTRICT OF THE CENTRAL COLORADO WATER CONSERVANCY DISTRICT DEBT BE INCREASED UP TO $39,000,000, WITH A MAXIMUM REPAYMENT COST OF UP TO $83,575,000, AND SHALL SUBDISTRICT TAXES BE INCREASED UP TO $2,885,000 ANNUALLY FOR THE PURPOSES OF FINANCING:

- THE PURCHASE OR LEASE OF WATER RIGHTS;
- THE CONSTRUCTION AND IMPROVEMENT OF WATER STORAGE RESERVOIRS FOR STORAGE, WATER CONSERVATION, OPEN SPACE AND RECREATIONAL PURPOSES;
- WATER RECHARGE FACILITIES FOR AUGMENTATION PURPOSES; AND
- SUCH OTHER COSTS AS ARE REASONABLE AND NECESSARY TO OBTAIN A DECREED PLAN OF WATER AUGMENTATION;

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 7.0% 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 9 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 SUBDISTRICT BE AUTHORIZED TO ENCUMBER AND PLEDGE ANY OTHER REVENUES OF THE SUBDISTRICT 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, from the Ballot Authorization the District previously issued its Limited Tax General Obligation Notes, Series 2005 in the principal amount of $9,000,000, its Subordinate Limited Tax General Obligation Notes, Taxable Series 2009, in the principal amount of $2,000,000, both of which series of notes have been paid and cancelled prior to the date of this Resolution, as well as two Loan Contracts (identified by Loan Contract Numbers C150194 and CT2015-060, and defined hereafter as the Outstanding CWCB Loans) from the Colorado Water Conservation Board, an agency of the State, for original loans in amounts of $14,934,612 and $1,651,905, respectively; and

WHEREAS, as of the date of this Resolution there remains $11,414,293 of authorized but unissued principal authorization from the Ballot Authorization which is available for the financing of the purposes set forth in the Ballot Authorization; and

WHEREAS, the District has been presented with the Loan Contract from the CWCB, identified as Contract Nunber CT2018-2851, to finance a portion of the costs of the Shores Lakes Pond C Infrastructure Improvement Project, which project will increase the efficiency by which the Shores Lakes can capture and release water for augmentation use and is within the purposes set forth in the Ballot Authorization; and

WHEREAS, the District's repayment obligation under the Loan Contract will be evidenced by a Promissory Note to be issued by the District to the CWCB, which Promissory Note shall constitute a limited tax obligations of the District which is to be paid from Pledged Revenues on a basis which is on a parity with the District's Outstanding CWCB Loans and, after consideration, the Board has determined that the execution of the Loan Contract and the issuance of the Promissory Note to the CWCB is to the best advantage of the District; and

PAID IN FULL

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 Contract; and

WHEREAS, the form of the Loan Contract 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 Contract, the issuance and delivery of the Promissory Note, 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 WELL AUGMENTATION SUBDISTRICT 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 2, 2004 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, an agency of the State.

"*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 Well Augmentation Subdistrict of 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 Outstanding CWCB Loans, the Promissory Note and any Parity Obligations as the same become due and payable, but not in excess of nine mills, except as permitted in Section 126 of the Colorado Water Conservancy Act, as provided in the Ballot Authorization.

"*Loan Contract*" means the State public loan, identified by Loan Contract Number CT 2018-2851, as the same may be amended from time to time, by and between the District and the State acting by and through the CWCB.

"*Note Account*" means the "2018 CWCB Promissory Note Account," established by the provisions hereof for which a separate tax levy is made to satisfy the obligations of the Promissory Note.

"*Outstanding CWCB Loans*" means the outstanding State loans, acting by and through the CWCB, identified by Loan Contract Numbers C150194 and CT2015-060 (which was formerly referenced as C150337 prior to internal contract renumbering by CWCB), as the same may be amended from time to time, by and between the District and the State acting by and through the CWCB.

"*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 Note.

"*Payment Dates*" means the dates established pursuant to the Loan Contract for the annual payment of the principal of and interest on the Promissory Note, 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 Outstanding CWCB Loans and the Promissory Note; 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 Note may be expended under the Enabling Laws and the Ballot Authorization, as more specifically described in Appendix 1 to the Loan Contract.

"*Project Account*" means the "2018 CWCB Promissory Note 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 Contract.

"*Project Costs*" means the District's costs properly attributable to the Project and permissible as "Eligible Expenses" as set forth in Section 9 of Appendix 1 of the Loan Contract.

"*Promissory Note*" means the Promissory Note evidencing the District's repayment obligation from the date of substantial completion of the Project, as set forth in Appendix 3 to the Loan Contract.

"*Required Reserve Amount*" means the amount equal to an annual loan payment as specified for the Required Reserve Amount under Section (14)(D) of the Loan Contract.

"*Reserve Account*" means a special account of the District designated as the "2018 CWCB Promissory Note Reserve Account," created by this Resolution for the purpose of paying, if necessary, the principal of and interest on the Promissory Note.

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

"*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 Note.

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

"*System*" means all of the District's water facilities and properties, now owned or hereafter acquired, whether situated within or without the District boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto.

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

Section 2. Approval of Loan Contract and Authorization of Promissory Note. Pursuant to and in accordance with the Enabling Laws and the Ballot Authorization, there is hereby authorized and approved the execution of the Loan Contract. There shall be issued by the District the Promissory Note in the aggregate principal amount not to exceed $2,367,440, for the purpose of paying the Project Costs and other costs in connection with the Promissory Note. All covenants, statements, representations and agreements contained in the Loan Contract and the Promissory Note 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 Note matures at such time not exceeding the estimated life of the Project.

Section 3. Security for the Promissory Note.

(a) The Promissory Note is a limited tax general obligation 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 Note. All of the Promissory Note, 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 Note. The Promissory Note shall constitute an irrevocable lien upon the Pledged Revenues which is on a parity with the lien of the Outstanding CWCB Loans. Nothing herein shall be construed to require the District to levy an ad valorem property tax for payment of the Promissory Note in excess of the Limited Mill Levy. The Promissory Note 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 Note and to pay the principal of and interest on the Promissory Note 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 Note 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 Note 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 Note. If and to the extent such other legally available moneys are used to pay the principal of or interest on the Promissory Note, 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 Note. 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 respective Board 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

respective Board of County Commissioners of each of the Counties showing the aggregate amount of ad valorem taxes to be levied by the respective Board 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 Note when due.

Section 4. Form of Promissory Note. The Promissory Note shall be in substantially the form set forth in Appendix 3 to the Loan Contract 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 Note is 1.65% per annum (and the maximum net effective interest rate does not exceed 7.0% 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 Contract 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 Contract 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 Section 11 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 Note. 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 Note when due. In the event of insufficient Pledged Revenues the Outstanding CWCB Loans and the Promissory Note, moneys shall be applied as provided in the Loan Contract and the loan contracts providing for the Outstanding CWCB Loans.

(d) *Reserve Account*.

(i) 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 Note on any Payment Dates and the Reserve Account is hereby pledged to the payment of the Promissory Note. In the event the amounts credited to the Note

Account are insufficient to pay the principal of or interest on Promissory Note when due, the District shall transfer from the Reserve Account 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) 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 Contract. 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 Note. The District may issue Parity Lien Obligations or Subordinate Lien Obligations only upon compliance with the requirements Section 14(E) of the Loan Contract.

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 and is not stale or otherwise expired to the extent that there remains $11,414,293 of authorized but unissued principal authorization;

(b) as of the date of this Resolution, the only outstanding loans, notes or other multiple fiscal year obligations with a lien on the Pledged Revenues are the Outstanding CWCB Loans;

PAID IN FULL

(c) as of the date of this Resolution, the District is in substantial compliance with all of the obligations under the respective contracts providing for the Outstanding CWCB Loans, including but not limited to being current on annual payments and the accumulation of all amounts required to be accumulated under the respective debt service reserve funds;

(d) the Project, as set forth in Section 2 of Appendix 1 of the Loan Contract, is within the purposes set forth in the Ballot Authorization;

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

(f) the Board elects to apply all of the provisions of the Supplemental Act to the execution of the Loan Contract and to the issuance of the Promissory Note; and

(g) the issuance of the Promissory Note 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 Note 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 Note 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 Outstanding CWCB Loans and the Parity Obligations, if any, which will be on a parity with the Promissory Note. 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 Contract, the Promissory Note, the Security Agreement (as set forth in Appendix 5 to the Loan Contract) 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 Note. 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 Note more than 30 days after their authorization.

COPY

Section 13. Resolution is Contract with Owners of Promissory Note and Irrepealable. After the Promissory Note 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 Note shall be fully paid, satisfied and discharged and all other obligations of the District with respect to the Promissory Note 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 Note 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 20th day of March, 2018.

[DISTRICT SEAL]

By Randall C Knutson
Randall C. Knutson, President

Attest:

By Ron
Randy Ray, Secretary

PAID IN FULL

4843-0359-8943.2

APPENDIX 5, SECURITY AGREEMENT

Date: February 7, 2018

Borrower: Central Colorado Water Conservancy District, Well Augmentation Subdistrict

Secured Party: Colorado Water Conservation Board

Promissory Note: $2,367,440.00

Terms of Repayment: 1.65% interest for 30 years

Loan Contract Number: CT2018-2851

Pledged Revenues: All revenues, net of any costs of collection, derived by the District from (a) an ad valorem mill levy, but not in excess of nine (9) mills, (b) specific ownership taxes, to the extent necessary and (c) any other legally available revenues all as more specifically described in the Pledged Revenues provisions of the Contract and as provided in the Borrower's authorizing resolution adopted by its governing board on March 20, 2018.

To secure payment of the loan evidenced by the Promissory Note payable in accordance with the terms of repayment, or until all principal, interest, and late charges, if any, are paid in full, the Borrower grants to Secured Party a security interest in the above described Pledged Revenues.

BORROWER EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby and any other security interests described in Appendix 1, Project Summary, Section 5, the Borrower is the owner of the Pledged Revenues free from any adverse lien, security interest or encumbrances; and that the Borrower will defend the Pledged Revenues 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 the Borrower will not violate any law or agreement governing the Borrower or to which the Borrower is a party.
3. Except in accordance with Section 14.E., to not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Pledged Revenues 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, the Borrower shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the Pledged Revenues pursuant to the terms of this agreement.
5. To pay all taxes and assessments of every nature that may be levied or assessed against the Pledged Revenues.
6. That the Borrower's articles of incorporation and by-laws do not prohibit any term or condition of this agreement.

UNTIL DEFAULT Borrower may have possession of the Pledged Revenues, provided that Borrower keeps the Pledged Revenues in an account separate from other revenues of Borrower and does not use Pledged Revenues for any purpose not permitted by the Contract. Upon default, Secured Party shall have the immediate right to the possession of the Pledged Revenues.

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

PAID IN FULL

a. default in the payment or performance of any obligation contained herein or in the Promissory Note or Contract; or
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 the Borrower; or
c. the making or furnishing of any warranty, representation or statement to Secured Party by or on behalf of the Borrower which proves to have been false in any material respect when made or furnished.

Upon such default and at any time thereafter, Secured Party shall have the remedies of a secured party under Section 11-57-208, Colorado Revised Statutes. Secured Party may require the Borrower to deliver or make the Pledged Revenues available to Secured Party at a place to be designated by Secured Party, which is reasonably

COPY

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 Borrower written notice of any alleged default and an opportunity to cure within sixty (60) business days of receipt of such notice before the Borrower shall be considered in default for purposes of this Security Agreement. No default shall be waived by Secured Party except in writing, and no waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this Security Agreement shall not waive or impair any other security Secured Party may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this Security Agreement; but Secured Party shall retain its rights of set-off against the Borrower. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and the Borrower consents to venue and personal jurisdiction in said Court.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of the Borrower shall bind its successors or assigns.

Borrower: Central Colorado Water Conservancy District, Well Augmentation Subdistrict

By: Randall C Knutson
Signature

Name: RANDALL C KNUTSON

Title: PRESIDENT

Date: 2/7/18

(SEAL)

WELL AUGMENTATION SUBDISTRICT - CCWCD
CORPORATE SEAL 2004
COLORADO

Attest:

By: RLR
Signature

Name: RANDY RAY

Title: Secretary

Date: 2/5/2018

PAID IN FULL

Contract Number: CT2018-2851