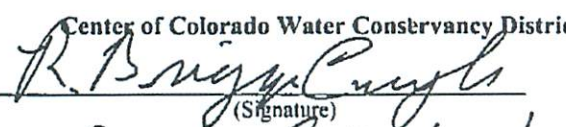
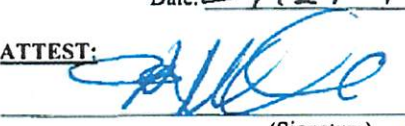




# LOAN CONTRACT AMENDMENT NO. 1

<b>State Agency</b> Department of Natural Resources Colorado Water Conservation Board (CWCB) 1313 Sherman St, Room 718 Denver, CO 80203	<b>Amendment No. 1 Contract Number</b> CMS 167125 CT2016-2048
<b>Borrower and Address</b> Center of Colorado Water Conservancy District	<b>Original Contract Number</b> CMS 72477 C150406B
<b>Current Contract Maximum Amount</b> \$0	<b>Contract Performance Beginning Date</b> 10/16/2015
<b>Project Name</b> Chatfield Reservoir Reallocation- Phase I (engineering, recreation facilities construction, on-site mitigation, off-site mitigation, and mitigation monitoring)	<b>Deauthorization of Loan by CWCB</b> 11/18/2020
<b>Reason for Modification</b> Decrease total loan amount to zero due to close-out of loan	<b>Loan Contract Terms</b> 2.50% for 15 years <b>Loan Contract Repayment Schedule</b> No repayment schedule, no funds were disbursed to Borrower

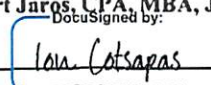
## THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT

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

Center of Colorado Water Conservancy District  Name: <u>Briggs Cunningham</u> Title: <u>President</u> Date: <u>5/12/21</u> <b>ATTEST:</b>  Name: <u>Elizabeth R. McVicker</u> Title: <u>Secretary</u> Date: <u>5/12/21</u>	<b>STATE OF COLORADO</b> Jared S. Polis, Governor Colorado Department of Natural Resources Dan Gibbs, Executive Director DocuSigned by:  Name: Kirk Russell, P.E., Section Chief Colorado Water Conservation Board Date: <u>May 21, 2021   6:48 AM MDT</u> 
---	---

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

**STATE CONTROLLER**  
**Robert Jaros, CPA, MBA, JD**

By:   
 Name: Ian Cotsapas

Title: DNR Contracts Director

Amendment Effective Date: May 24, 2021 | 10:52 AM MDT

**1. PARTIES**

This Amendment (the "Amendment") to the Original Contract (the "Contract") shown on the Signature and Cover Page for this Amendment is entered into by and between the Borrower ("Borrower" or "Authority"), and the State ("CWCB").

**2. TERMINOLOGY**

Except as specifically modified by this Amendment, all terms used in this Amendment that are defined in the Contract shall be construed and interpreted in accordance with the Contract.

**3. AMENDMENT EFFECTIVE DATE AND TERM**

**A. Amendment Effective Date**

This Amendment shall not be valid or enforceable until the Amendment Effective Date shown on the Signature and Cover Page for this Amendment. The State shall not be bound by any provision of this Amendment before that Amendment Effective Date.

The Parties' respective performances under this Amendment and the changes to the Contract contained herein shall commence on the Amendment Effective Date shown on the Signature and Cover Page for this Amendment.

**4. PURPOSE**

The Borrower was approved for a CWCB loan contract, on October 16, 2015, for the Chatfield Reservoir Reallocation-Phase I (Engineering, recreation facilities construction, on-site mitigation, off-site mitigation, and mitigation monitoring). Both Parties agree to decrease the total loan amount due to closeout of loan. No payments were ever disbursed to Borrower. Project did not move forward. Deauthorization approved by CWCB on November 18, 2020. The amount of the current loan contract amount is decreased by \$511,363.00 from \$511,363.00 to \$0.00. The total loan amount is hereby modified accordingly.

**5. MODIFICATIONS**

The Contract and all prior amendments thereto, if any, are modified as follows:

- A. The original loan contract amount is hereby deleted and replaced with the Current Contract Maximum Amount of \$0.00, shown on the Signature and Cover Page for this Amendment
- B. The Promissory Note, attached to the Original Loan Contract as Appendix 2, is now canceled and it shall be marked as such.
- C. The Security Agreement, attached to the Original Loan Contract as Appendix 4, is now canceled and it shall be marked as such.
- D. The Contract is closed-out and canceled, as of the Effective Date of this Amendment.

**VOID**



## PROMISSORY NOTE

Date: October 14, 2015

Borrower: Center of Colorado Water Conservancy District, a Colorado Title  
37 Water Conservancy District

Principal Amount: \$511,363.00

Interest Rate: 2.50% per annum

Term of Repayment: 15 years

Contract Number: CT2016-2048

Loan Payment: \$41,300.98

Payment Initiation Date\*: \_\_\_\_\_

Maturity Date\*: \_\_\_\_\_

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

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

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

BORROWER: Center of Colorado Water  
Conservancy District, a Colorado Title 37  
Water Conservancy District

(SEAL)

Attest:

By

Signature

NAME:

TITLE:

DATE:

By

Signature

NAME:

TITLE:

DATE:



# SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: October 14, 2015

DEBTOR: Center of Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$511,363

TERMS OF REPAYMENT: 2.50% per annum for 15 years

CONTRACT NUMBER: CT2016-2048

COLLATERAL: Pledged Revenues, from DEBTOR's property tax revenues, are pledged to repay the loan as described in Pledge of Revenues provisions of the LOAN CONTRACT, the DEBTOR'S RESOLUTION dated October 7, 2015, and the tax levy approved by the voters of the District, pursuant to the 2010 ballot question and incorporated herein by reference.

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

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

furnished.

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

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

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

DEBTOR: Center of Colorado Water Conservancy  
District, a Colorado Title 37 Water Conservancy  
District

(SEAL)

Attest:

By

Signature

By

Signature

NAME:

Elizabeth R McOrken

TITLE:

president

DATE:

10/14/2015

NAME:

Craig Steinmetz

TITLE:

Treasurer

DATE:

10/14/2015



## Certificate Of Completion

Envelope Id: 144F9395B9C846FE99F047717E7565D3	Status: Completed
Subject: CMS 167125 CENTER OF COLORADO WCD-Loan Amend 1-Decrease Due to Closeout of Loan-CT2016-2048	
Source Envelope:	
Document Pages: 6	Signatures: 2
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	Peg Mason
Time Zone: (UTC-07:00) Mountain Time (US & Canada)	peg.mason@state.co.us
	IP Address: 165.127.23.2

## Record Tracking

Status: Original	Holder: Peg Mason	Location: DocuSign
5/19/2021 3:38:05 PM	peg.mason@state.co.us	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: DNR	Location: DocuSign

## Signer Events

Signature	Timestamp
<b>Completed</b>	Sent: 5/19/2021 3:48:45 PM
	Viewed: 5/20/2021 9:52:30 AM
	Signed: 5/20/2021 9:52:34 AM
DNR Pre-Review	
dnr_edo_reviewcontract@state.co.us	
DNR	
Security Level: Email, Account Authentication (None)	
<b>Electronic Record and Signature Disclosure:</b>	
Not Offered via DocuSign	

Peg Mason	<b>Completed</b>	Sent: 5/20/2021 9:52:37 AM
peg.mason@state.co.us		Viewed: 5/20/2021 10:03:35 AM
CWCB Contracts Manager		Signed: 5/20/2021 10:03:44 AM
DNR		
Security Level: Email, Account Authentication (None)		
<b>Electronic Record and Signature Disclosure:</b>		
Not Offered via DocuSign		

Kirk Russell		Sent: 5/20/2021 10:03:49 AM
kirk.russell@state.co.us		Viewed: 5/21/2021 6:47:46 AM
Finance Chief		Signed: 5/21/2021 6:48:10 AM
Security Level: Email, Account Authentication (None)		
<b>Electronic Record and Signature Disclosure:</b>		
Accepted: 5/21/2021 6:47:46 AM		
ID: 87218d0e-150d-480f-b2eb-0ef9e85d7e5d		

Ion Cotsapas		Sent: 5/21/2021 6:48:14 AM
dnr_edo_allcontroller@state.co.us		Viewed: 5/24/2021 10:52:50 AM
DNR Contracts Director		Signed: 5/24/2021 10:52:57 AM
DNR		
Security Level: Email, Account Authentication (None)		
<b>Electronic Record and Signature Disclosure:</b>		
Not Offered via DocuSign		

V O I D

## In Person Signer Events

### Signature

### Timestamp

## Editor Delivery Events

### Status

### Timestamp

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Daniel Drucker djdrucker2@gmail.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 5/24/2021 10:52:59 AM
Jessica Halvorsen jessica.halvorsen@state.co.us Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 5/24/2021 10:52:59 AM Viewed: 5/24/2021 11:36:00 AM
Lauren Miremont lauren.miremont@state.co.us Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 5/24/2021 10:52:59 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/19/2021 3:48:45 PM
Certified Delivered	Security Checked	5/24/2021 10:52:50 AM
Signing Complete	Security Checked	5/24/2021 10:52:57 AM
Completed	Security Checked	5/24/2021 10:52:59 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

VOID



## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, DNR (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

#### **How to contact DNR:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [lilo.santos@state.co.us](mailto:lilo.santos@state.co.us)

#### **To advise DNR of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [lilo.santos@state.co.us](mailto:lilo.santos@state.co.us) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

#### **To request paper copies from DNR**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [lilo.santos@state.co.us](mailto:lilo.santos@state.co.us) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

#### **To withdraw your consent with DNR**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

VOID



i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [lilo.santos@state.co.us](mailto:lilo.santos@state.co.us) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify DNR as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by DNR during the course of your relationship with DNR.

# PROMISSORY NOTE

Date: October 14, 2015

Borrower: Center of Colorado Water Conservancy District, a Colorado Title  
37 Water Conservancy District

Principal Amount: \$511,363.00

Interest Rate: 2.50% per annum

Term of Repayment: 15 years

Contract Number: CT2016-2048

Loan Payment: \$41,300.98

Payment Initiation Date\*: \_\_\_\_\_

Maturity Date\*: \_\_\_\_\_

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

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



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

BORROWER: Center of Colorado Water  
Conservancy District, a Colorado Title 37  
Water Conservancy District

(SEAL)

Attest:

By   
Signature  
NAME: Elizabeth R. McNicken  
TITLE: President  
DATE: 10/14/2015

By   
Signature  
NAME: Craig Sternmetz  
TITLE: Treasurer  
DATE: 10/14/2015

V O I D

# SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: October 14, 2015

DEBTOR: Center of Colorado Water Conservancy District, a Colorado Title 37 Water Conservancy District

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$511,363

TERMS OF REPAYMENT: 2.50% per annum for 15 years

CONTRACT NUMBER: CT2016-2048

COLLATERAL: Pledged Revenues, from DEBTOR's property tax revenues, are pledged to repay the loan as described in Pledge of Revenues provisions of the LOAN CONTRACT, the DEBTOR's RESOLUTION dated October 7, 2015, and the tax levy approved by the voters of the District, pursuant to the 2010 ballot question and incorporated herein by reference.

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

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

## Appendix 4



furnished.

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

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

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

DEBTOR: Center of Colorado Water Conservancy  
District, a Colorado Title 37 Water Conservancy  
District

(SEAL)

Attest:

By

  
Signature

By

  
Signature

NAME:

Craig Steinmetz

TITLE:

Treasurer

DATE:

10/14/2015

NAME:

Elizabeth R. McOrker

TITLE:

president

DATE:

10/14/2015

\* COPY  
original in CT2016-2047

**FELT, MONSON & CULICHIA, LLC**

Attorneys at Law  
319 North Weber Street, Colorado Springs, CO 80903

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Email: [jwc@fmcwater.com](mailto:jwc@fmcwater.com)

October 12, 2015

Peg Mason  
Contracts Manager  
Colorado Water Conservation Board  
Water Supply and Finance Section  
1313 Sherman Street, Room 718  
Denver, CO 80203

VOID

Re: Center of Colorado Water Conservancy District  
CWCB Loan Contract No. CT2016-2047  
CWCB Loan Contract No. CT2016-2048

Dear Peg:

We are attorneys admitted to practice in the State of Colorado and we have acted as counsel to the Center of Colorado Water Conservancy District ("CCWCD") which proposes to enter into CWCB Loan Contract No. CT2016-2047 and CWCB Loan Contract No. CT2016-2048 (collectively the "Loan Contracts") with the Colorado Water Conservation Board ("CWCB"), and have acted as such in connection with the authorization, execution and delivery by CCWCD of the Loan Contracts and the related Loan Documents. In connection with that representation, it is our opinion that:

1. The Loan Contracts and applicable Loan Documents have been duly executed by the officers of CCWCD who are duly appointed and are authorized to execute the contract and to bind CCWCD.
2. The resolution of CCWCD authorizing the execution and delivery of the contract and the related Loan documents necessary to fully document and implement the Loan terms were duly adopted by the Board of Directors of CCWCD.



3. There are no provisions in the Colorado Constitution or any other state or local law that prevent the Loan Contract from binding CCWCD.
4. The Loan Contract, Promissory Note and the related Loan Documents will be valid and binding against CCWCD if entered into by the CWCB; and
5. The election held by CCWCD to obtain voter approval of the Loan met all requirements of the Colorado Constitution and all other state and local laws.

Very Truly Yours,



James W. Culichia

cc: Elizabeth McVicker, President CCWCD  
Daniel J. Drucker, Operations Manager  
Craig Erickson, C.P.A.

VOID

BORROWER: CENTER OF COLORADO WATER  
CONSERVANCY DISTRICT  
REQUESTED LOAN AMOUNT: \$506,300  
LOAN SERVICE FEE: \$5,063  
TOTAL LOAN AMOUNT: \$511,363

AGENCY NAME: COLORADO WATER  
CONSERVATION BOARD  
CONTRACT TYPE: LOAN/PUBLIC  
CMS NUMBER: 72477/C150406B  
CORE NUMBER: CT2016-2048

## LOAN CONTRACT

This contract ("CONTRACT") is made between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "State"), and Center of Colorado Water and Sanitation District, 548 Front Street, Fairplay, Colorado, 80440, a Colorado Title 37 Water Conservancy District ("BORROWER" or "DISTRICT").

### FACTUAL RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this CONTRACT; and
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. For the purposes of this LOAN CONTRACT, the District's participation in the Chatfield Reallocation Project, specific to Chatfield Reallocation Project, for engineering, recreation facilities construction, on-site mitigation, off-site mitigation, and mitigation monitoring as defined in the Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado dated October 9, 2014, incorporated herein by reference, is defined as the "PROJECT". The District's total participation cost is estimated to be \$931,000. On May 22, 2014 the CWCB approved a total loan amount not to exceed \$606,000 for the District's participation cost of the Chatfield Reallocation Project. This is part of a multi-year and multi-phased project. The total loan amount, *for this CONTRACT, for these Project activities* is \$511,363, which includes a loan one percent (1%) loan service fee of \$5,063 at an interest rate of 2.50% for 15 years; and
4. The **PROJECT SUMMARY**, attached as **APPENDIX 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval and Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The PROJECT SUMMARY also contains sections on BORROWER's debt, collateral, procedures and eligible expenses; and
5. The CWCB now desires, by this CONTRACT, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.



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

**A. LOAN PROVISIONS**

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



BORROWER.

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



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

- c. **Debt Service Reserve Account or Fund.** To establish and maintain the debt service reserve account or fund, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account or fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds. The debt service reserve account or fund requirement is in effect until the loan is paid in full.
- d. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the PLEDGED REVENUES and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue parity debt only with the prior written approval of the CWCB, provided that:
  - i. The BORROWER is currently and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of this CONTRACT, including, but not limited to, being current on the annual payments due under this CONTRACT and in the accumulation of all amounts then required to be accumulated in the BORROWER's debt service reserve fund;
  - ii. The BORROWER provides to the CWCB a Parity Certificate from an independent certified public accountant certifying that the debt service requirements on the Borrower's tax revenues, when combined with the repayment costs required under each Loan, does not exceed the maximum annual and total repayment cost parameters approved by the voters pursuant to the November 2010 ballot question. Upon the proposed issuance of any additional obligations payable from a general ad valorem property tax which were authorized by the voters at the same election, the Borrower shall provide the CWCB with a certificate from an independent certified public accountant certifying that the combined debt service requirements of the Loans, and any proposed additional parity obligations do not exceed the maximum annual and total repayment cost parameters approved by the voters pursuant to the November 2010 ballot question.

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

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



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

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

11. **Warranties.**

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

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

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



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

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

#### **B. PROJECT PROVISIONS**

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



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

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

C. **GENERAL PROVISIONS**

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



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



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

11. **Waiver.** Waiver of any breach under a term, provision, or requirement of this CONTRACT, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
12. **CORA Disclosure.** To the extent not prohibited by federal law, this CONTRACT and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.
13. **Binding Effect.** All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.
14. **Entire Understanding.** This CONTRACT represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.
15. **Severability.** Provided this CONTRACT can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this CONTRACT in accordance with its intent.
16. **Third Party Beneficiaries.** Enforcement of this CONTRACT and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this CONTRACT are incidental to the CONTRACT, and do not create any rights for such third parties.
17. **Counterparts.** This CONTRACT may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
18. **Addresses for mailing.** All notices, correspondence, or other documents required by this CONTRACT shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:  
Colorado Water Conservation Board, Attn: Finance Section  
1313 Sherman Street, Room 718  
Denver, CO 80203



## Special Provisions

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

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



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

SPs Effective  
1/1/09

[END OF SPECIAL PROVISIONS]



IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT

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

BORROWER:

Center of Colorado Water Conservancy District,  
a Colorado Title 37 Water Conservancy District

BY: [Signature]

Signature

NAME: Elizabeth R McVicker

TITLE: president

DATE: 10/14/2015

STATE OF COLORADO

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

BY: [Signature]

Colorado Water Conservation Board

NAME: KIRK RUSSELL

TITLE: FINANCE SECTION CHIEF

DATE: 10/14/15

Attest

BY: [Signature]

Signature

NAME: Craig Steinmetz

TITLE: Treasurer

DATE: 10/14/2014

VOID

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

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

STATE CONTROLLER  
Robert Jaros, CPA, MBA, JD

By [Signature]

Susan Borup, Controller, Department of Natural Resources

Effective Date 10-16-15

## Project Summary – Center of Colorado Water Conservancy District

Contract Number CT2016-2048 (C150406B)

### SECTION 1 –BORROWER INFORMATION

Name: Center of Colorado Water Conservancy District  
Type of Entity: A Colorado Title 37 Water Conservancy District  
Address: 548 Front Street, Fairplay, Colorado, 80440  
Contact: James Culichia  
Phone Number: 719-471-1212  
E-mail address: jwc@fmcwater.com

### SECTION 2 – PROJECT DESCRIPTION

- A. Description of PROJECT: the District's participation in the Chatfield Reallocation Project, specific to Chatfield Reallocation Project, for engineering, recreation facilities construction, on-site mitigation, off-site mitigation, and mitigation monitoring as defined in the Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado dated October 9, 2014, incorporated herein by reference, is defined as the "PROJECT". This is part of a multi-year and multi-phased project. The total loan amount, *for this CONTRACT, for these Project activities* is \$511,363, which includes a loan one percent (1%) loan service fee of \$5,063 at an interest rate of 2.50% for 15 years; and
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report dated March 13, 2014 on the PROJECT, titled "*Loan Feasibility Report-Chatfield Reservoir Reallocation*," which was prepared by James Culichia, Attorney for the District and includes an alternative analysis, cost estimates, and financial statements. The feasibility study relies on the FR/EIS prepared by the Corps, and the Fish, Wildlife and Recreation Mitigation Plan (FWRMP) prepared by the Reallocation Participants in accordance with C.R.S. 37-60-122.2. Based upon the feasibility report, incorporated herein by reference, the CWCB determined the PROJECT to be technically and financially feasible.

### SECTION 3 – CWCB'S AUTHORITY

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



#### SECTION 4 - BOARD APPROVAL AND LEGISLATIVE AUTHORIZATION

At its May 22, 2014, meeting the CWCB approved a Small Project Loan, from the Severance Tax Perpetual Base Fund to the BORROWER, in an amount up to \$506,300 for PROJECT costs with a loan service fee of 1% in accordance with CWCB Policy No. 16 resulting in a loan service fee of \$5,063 and a total loan amount of **\$511,363** at an interest rate of 2.50% per annum for a repayment term of 15 years.

Pursuant to CWCB projects Bill HB14-1333, the Colorado General Assembly authorized CWCB to loan to the BORROWER a total amount up to \$606,000 for the Chatfield Reallocation PROJECT. There will be a total of two (2) CWCB loan contracts.

#### SECTION 5 – SCHEDULE OF EXISTING DEBT

As of the date of the CWCB loan approval, the District had \$659,144 in existing debt, consisting of two CWCB loans shown in the table below. The loans are current and in good standing.

Lender	Original Balance	Current Balance	Annual Payment	Maturity Date	Collateral
CWCB (C150276)	\$454,500	\$291,204	\$54,650	2019	Pledge of Tax Revenues
CWCB (C150335)	\$404,000	\$367,940	\$46,161	2023	Pledge of Tax Revenues
Total		\$659,144	\$100,811		

#### SECTION 6 – ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

NONE.

#### SECTION 7 – CONSTRUCTION FUND PROGRAM PROCEDURES

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



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

## **Appendix 1**



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

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

**SECTION 9 – DISBURSEMENT SCHEDULE**

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

**SECTION 10 – TIME FOR PERFORMANCE**

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

PROJECT END DATE: Seven (7) years from the Effective Date of this CONTRACT.

# PROMISSORY NOTE

COPY

Date: October 14, 2015  
Borrower: Center of Colorado Water Conservancy District, a Colorado Title  
37 Water Conservancy District  
Principal Amount: \$511,363.00  
Interest Rate: 2.50% per annum  
Term of Repayment: 15 years  
Contract Number: CT2016-2048  
Loan Payment: \$41,300.98  
Payment Initiation Date\*: \_\_\_\_\_  
Maturity Date\*: \_\_\_\_\_

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

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

## Appendix 2



COPY

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

BORROWER: Center of Colorado Water  
Conservancy District, a Colorado Title 37  
Water Conservancy District

(SEAL)

By

  
Signature

NAME:

Elizabeth R. McNicker

TITLE:

President

DATE:

10/14/2015

Attest:

By

  
Signature

NAME:

Craig Sternmetz

TITLE:

Treasurer

DATE:

10/14/2015

Resolution of the Board of Directors of the Center of Colorado  
Water Conservancy District

The Board of Directors of the Center of Colorado Water Conservancy District (CCWCD), at a public meeting conducted on October 7, 2015, adopts the following resolution:

WHEREAS, the eligible voters of Park County approved at the November, 2010 general election a ballot question which authorized CCWCD to borrow up to \$1,000,000.00 for the purposes of paying for storage projects, including but not limited to the acquisition of storage space in the Chatfield Reservoir reallocation project (the "Chatfield Project").

WHEREAS, the Colorado Water Conservation Board (CWCB) approved CCWCD's requests for \$600,000 in loans for participation in the Chatfield Project (individually referred to as the "Loan" or collectively the "Loans"). The terms of the Loans approved by the CWCB were as follows: Loan CT2016-2047: \$94,637 principal, plus the 1% loan service fee of \$937.00 for a total loan amount of \$94,637.00, with interest at the rate of 2.5% per annum, payable in 15 annual installments of principal and interest of approximately \$7,643.50; Loan CT2016-2048: \$506,300.00 in principal, plus the 1% loan service fee of \$5,063.00 for a total loan amount of 511,263.00, with interest at the rate of 2.5% per annum, payable in 15 annual installments of principal and interest of approximately \$41,300.98.

WHEREAS, the Loans with the CWCB will be memorialized in certain loan documents, including a "Loan Contract", a Promissory Note and a Security Agreement for each of the above described Loans (the "Loan Documents").

WHEREAS, CCWCD receives ad valorem tax revenues from its 1.0 mil tax assessment on all taxable real property in Park County (hereafter "CCWCD's General Fund Revenue") and the collateral for the Loans will be a pledge of that portion of CCWCD's annual General Fund Revenue necessary to pay the annual payment on Loan Contract CT2016-2048 and Loan Contract CT2016-2047 to the CWCB as set forth in the respective Loan Contract and the Loan Documents.

Be it resolved by unanimous approval of the Board of Directors of CCWCD that:

1. Approval of Loan terms. The terms of the Loan Contract CT2016-2048 and Loan Contract CT2016-2047 Loan to CCWCD from the CWCB, as stated in the Loan Documents, including the Loan Contract, Promissory Note and Security Agreement, for each of the Loans are approved.
2. Pledge of Revenues to CWCB as collateral. The sum of \$41,300.98 and \$7,643.50 for Loan Contract CT2016-2048 and Loan Contract CT2016-2047, respectively, of CCWCD's annual General Fund Revenues are pledged annually to the CWCB as



collateral for the repayment of the Loans in accordance with the terms established in the Loan Contracts and the Loan Documents (the "Pledged Revenues"). The Pledged Revenues are pledged to the CWCB as collateral for the term of the Loans. CCWCD shall segregate each year into separate Loan repayment accounts for each of the Loans the Pledged Revenues and the Pledged Revenues shall be used only for repayment of the respective Loans and no other purposes. In addition, CCWCD shall deposit to the Loan repayment accounts for each of the Loans an amount equal to one-tenth of an annual payment on the due date of its first annual Loan payment and annually thereafter until the Loans are paid in full.

3. Authorization to execute Loan Documents. The President and Treasurer or Secretary are authorized to sign all Loan Documents as necessary to conclude the Loan transactions with the CWCB, including but not limited to all of the Loan Documents and any related and incidental additional documents deemed necessary by the President and Treasurer or Secretary to conclude the Loan transactions.

Dated this 7th day of October, 2015.

  
Elizabeth R. McVicker, President

  
Craig Steinmetz, Treasurer

VOID

# SECURITY AGREEMENT

(PLEDGE OF REVENUES)

COPY

DATE: October 14, 2015

DEBTOR: Center of Colorado Water Conservancy District, a Colorado Title 37  
Water Conservancy District

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$511,363

TERMS OF REPAYMENT: 2.50% per annum for 15 years

CONTRACT NUMBER: CT2016-2048

COLLATERAL: Pledged Revenues, from DEBTOR's property tax revenues, are pledged to repay the loan as described in Pledge of Revenues provisions of the LOAN CONTRACT, the DEBTOR'S RESOLUTION dated October 7, 2015, and the tax levy approved by the voters of the District, pursuant to the 2010 ballot question and incorporated herein by reference.

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

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

## Appendix 4

Page 1 of 2



COPY

furnished.

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

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

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

DEBTOR: Center of Colorado Water Conservancy  
District, a Colorado Title 37 Water Conservancy  
District

(SEAL)

Attest:

By [Signature]  
Signature

By Craig Steinmetz  
Signature

NAME: Elizabeth R McOrker

NAME: Craig Steinmetz

TITLE: president

TITLE: Treasurer

DATE: 10/14/2015

DATE: 10/14/2015

V O I D