



COLORADO

Colorado Water Conservation Board

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

April 19, 2023

Town of Keenesburg
PO Box 312
Keenesburg, CO 80643

Subject: Loan Contract No. C150223
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Town of Keenesburg, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C150223. The documents have been stamped "PAID IN FULL" denoting that the Town has satisfied the terms of the agreement in full.

Should you have any questions, please contact me at Telephone No. (303) 866-3441, ext 3205 or email at mimi.winter@state.co.us. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Mimi Winter, Finance Manager
Finance Section

Attachments

cc: CWCB Files



PROMISSORY NOTE

Date: December 12, 2008

Borrower: Town of Keenesburg, acting by and through its Water Activity Enterprise

Principal Amount: \$1,127,968

Interest Rate: 3.75% per annum

Term of Repayment: 30 years

Loan Contract No.: C150223, dated June 1, 2006

Loan Payment: \$63,265.05

Payment Initiation Date: July 1, 2008

Maturity Date: July 1, 2038

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. This Promissory Note replaces and supersedes the Promissory Note dated June 1, 2006, in the principal amount of \$1,523,080.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation, 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.
4. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
5. 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.
6. This 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.
7. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
8. This 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 and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security

Appendix A to Loan Contract C150223 Amendment No. 1

PAID IN FULL

Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.


9. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
10. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
11. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: Town of Keenesburg, acting
by and through its Water Activity
Enterprise

By 
Danny Kipp, Mayor

(SEAL)

Attest:

By 
Debra Chumley, Town Clerk

PAID IN FULL

1. The following information is being furnished to you for your information only. It is not intended to be used for any other purpose.

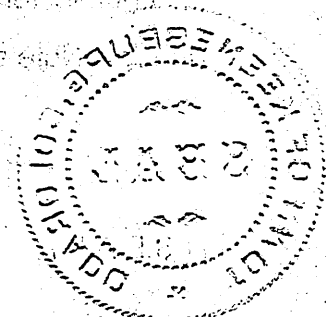
It is noted that the above information is not to be used for any purpose other than the one for which it was provided. The information is not to be used for any other purpose, and the information is not to be used for any other purpose.

It is further noted that the above information was obtained from the files of the FBI, and is being furnished to you for your information and use. It is requested that you keep this information confidential and not disseminate it to any other personnel who do not have a valid need to know. If you have any questions or need further information, please contact the FBI at (202) 452-5000.

document is not an original document or copy of a document.

END

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 01-10-2001 BY 60322 UCBAW



100-443887-100

[Handwritten signature]

CONFIDENTIAL

AMENDMENT NO. 1 TO SECURITY AGREEMENT

DEBTOR: Town of Keenesburg, acting by and through its Water Activity Enterprise

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

DATE OF ORIGINAL SECURITY AGREEMENT: June 1, 2006

Original Promissory Note: \$1,523,080, dated June 1, 2006, interest at the rate of 3.75% per annum with annual payment for a period of 30 years or until paid in full.

ORIGINAL LOAN CONTRACT: C150223, DATED June 1, 2006

1. The Parties have amended the ORIGINAL LOAN CONTRACT and Promissory Note to decrease the loan amount from \$1,523,080 to \$1,127,968 and hereby amend the original Security Agreement to document the change of loan amount.
2. The Parties expressly agree that this Amendment is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.

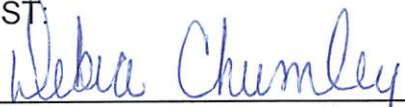
Amended Loan Contract: C150223, dated December 12, 2008

Replacement Promissory Note: \$1,127,968, dated December 12, 2008, interest at the rate of 3.75% per annum with annual payments for a period of 30 years or until paid in full

Date of Amended Security Agreement: December 12, 2008

DEBTOR: Town of Keenesburg, acting by and through its Water Activity Enterprise

By 
Danny Kipp, Mayor

ATTEST:
By 
Debra Chumley, Town Clerk

PAID IN FULL

Appendix B to Loan Contract C150223 Amendment No. 1

BORROWER: TOWN OF KEENESBURG,
ACTING BY AND THROUGH ITS WATER
ACTIVITY ENTERPRISE
Contract No. C150223
Original Loan Amount \$1,523,080
Adjustment (Decrease): \$395,112
Adjusted Loan Amount \$1,127,968

Agency Name: Water Conservation Board
Agency Number PDA
Routing Number: 09 PDA 00064

LOAN CONTRACT AMENDMENT No. 1

(STANDARD CONTRACT – WAIVER #160 – APPROVED NOVEMBER 10, 2003)

This Amendment, made this December 12, 2008, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), and the Town of Keenesburg, acting by and through its Water Activity Enterprise, P.O. Box 312, Keenesburg, CO 80643, ("BORROWER" or "CONTRACTOR").

FACTUAL RECITALS

- A. Authority exists in the law, and funds have been budgeted, appropriated, and otherwise made available for payment in Contract Encumbrance Number C150223.
- B. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
- C. The CWCB and the BORROWER entered into Contract Encumbrance Number C150223, dated June 1, 2006 ("ORIGINAL CONTRACT"), incorporated herein by reference, wherein the CWCB agreed to loan money in the total amount up to \$1,523,080, and the BORROWER agreed to repay the loan in accordance with the terms of the ORIGINAL CONTRACT.
- D. The project financed with the loan proceeds was substantially complete as of July 1, 2008, and of the \$1,523,080 loan amount available, the BORROWER used only \$1,127,968.
- E. The parties agree to amend the contract to reduce the final loan amount to \$1,127,968.

NOW THEREFORE, it is hereby agreed that

- 1. Consideration for this Amendment to the ORIGINAL CONTRACT consists of the payments that shall be made pursuant to this Amendment and ORIGINAL CONTRACT and the promises and agreements herein set forth.
- 2. It is expressly agreed by the parties that this Amendment is supplemental to the ORIGINAL CONTRACT, and all terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.
- 3. The BORROWER agrees that it shall execute the following documents, all of which shall set forth the revised loan amount of \$1,127,968:

Loan Contract C150223 Amendment No. 1

- a. Promissory Note, attached as Appendix A and incorporated herein, which shall replace and supersede the Promissory Note in the amount of \$1,523,080 dated June 1, 2006, attached to the ORIGINAL CONTRACT as Appendix 2.
 - b. Amended Security Agreement, attached hereto as Appendix B and incorporated herein, which shall supplement and operate in conjunction with the Security Agreement dated June 1, 2006, attached to the ORIGINAL CONTRACT as Appendix 4.
4. Except for the SPECIAL PROVISIONS, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the ORIGINAL CONTRACT, the provisions of this Amendment shall in all respects supersede, govern, and control. The SPECIAL PROVISIONS shall always be controlling over other provisions in the contract or amendments. The representations in the SPECIAL PROVISIONS concerning the absence of bribery or corrupt influences and personal interest of STATE employees are presently reaffirmed.

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PAID IN FULL

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 deemed 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. INDEMNIFICATION. Contractor shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

[Applicable Only to Intergovernmental Contracts] 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, protection, 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. 2671 et seq., as applicable, as now or hereafter amended.

4. INDEPENDENT CONTRACTOR. 4 CCR 801-2. 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 or shall be deemed to be an agent or employee of the state. Contractor shall pay when due all required employment taxes and income taxes and local head taxes on any monies paid by the state pursuant to this contract. Contractor acknowledges that contractor and its employees are not entitled to unemployment insurance benefits unless contractor or a third party provides such coverage and that the state does not pay for or otherwise provide such coverage. Contractor shall have no authorization, express or implied, to bind the state to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall provide and keep in force workers' compensation (and provide proof of such insurance when requested by the state) and unemployment compensation insurance in the amounts required by law and shall be solely responsible for its acts and those of its employees and agents.

5. NON-DISCRIMINATION. Contractor agrees to comply with the letter and the spirit of all applicable State and federal laws respecting discrimination and unfair employment practices.

6. CHOICE OF LAW. The laws of the State of Colorado, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision of this contract, whether or not incorporated herein by reference, which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract, to the extent that this contract is capable of execution. At all times during the performance of this contract, Contractor shall strictly adhere to all applicable federal and State laws, rules, and regulations that have been or may hereafter be established.

7. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to Intergovernmental Agreements] The State Controller may withhold payment of certain debts owed to State agencies under the State's vendor offset intercept system 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 certified by the State Controller as owing to the State as a result of final agency determination or judicial action.

Loan Contract C150223 Amendment No. 1

8. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00. No State or other public funds payable under this contract shall be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies that, for the term of this contract and any extensions, Contractor has 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 paragraph, the State may exercise any remedy available at law or 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. 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.

10. 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 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.

11. 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.

Revised May 13, 2008

PAID IN FULL

Loan Contract C150223 Amendment No. 1

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

BORROWER: Town of Keenesburg,
acting by and through its Water Activity
Enterprise

State of Colorado
Bill Ritter, Jr., Governor

By Danny Kipp
Danny Kipp, Mayor

By Mike Sest
For the Executive Director
Department of Natural Resources
Colorado Water Conservation Board
Jennifer L. Gimbel, Director



Attest
By Debra Chumley
Debra Chumley, Town Clerk

Pre-Approved Form
By Kim Basi
CWCB Contract Manager

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 until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado may not be obligated to pay for the goods and/or services provided.

David J. McDermott, CPA, State Controller

By Deanne C. Stung
Effective Date 1-5-09

PAID IN FULL

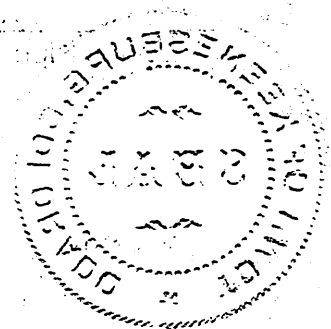
Loan Contract C150223 Amendment No. 1

UNITED STATES DEPARTMENT OF THE INTERIOR

Division of Reclamation
Washington, D. C.

FORWARDED TO THE
BUREAU OF RECLAMATION
WASHINGTON, D. C.

RECEIVED
DIVISION OF RECLAMATION
WASHINGTON, D. C.
JAN 10 1917



RECEIVED

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Charles
RECEIVED

UNITED STATES DEPARTMENT OF THE INTERIOR

RECEIVED
DIVISION OF RECLAMATION
WASHINGTON, D. C.
JAN 10 1917

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PROMISSORY NOTE

Date: December 12, 2008
Borrower: Town of Keenesburg, acting by and through its Water Activity Enterprise
Principal Amount: \$1,127,968
Interest Rate: 3.75% per annum
Term of Repayment: 30 years
Loan Contract No.: C150223, dated June 1, 2006
Loan Payment: \$63,265.05
Payment Initiation Date: July 1, 2008
Maturity Date: July 1, 2038

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. This Promissory Note replaces and supersedes the Promissory Note dated June 1, 2006, in the principal amount of \$1,523,080.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation, 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.
4. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
5. 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.
6. This 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.
7. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
8. This 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 and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security

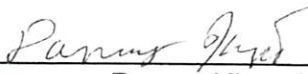
Appendix A to Loan Contract C150223 Amendment No. 1

Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.


9. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
10. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
11. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: Town of Keenesburg, acting
by and through its Water Activity
Enterprise

(S E A L)

By 
Danny Kipp, Mayor

Attest:

By 
Debra Chumley, Town Clerk

PAID IN FULL

AMENDMENT NO. 1 TO SECURITY AGREEMENT

DEBTOR: Town of Keenesburg, acting by and through its
Water Activity Enterprise

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

DATE OF ORIGINAL SECURITY AGREEMENT: June 1, 2006

Original Promissory Note: \$1,523,080, dated June 1, 2006, interest at the
rate of 3.75% per annum with annual payment
for a period of 30 years or until paid in full.

ORIGINAL LOAN CONTRACT: C150223, DATED June 1, 2006

1. The Parties have amended the ORIGINAL LOAN CONTRACT and Promissory Note to decrease the loan amount from \$1,523,080 to \$1,127,968 and hereby amend the original Security Agreement to document the change of loan amount.
2. The Parties expressly agree that this Amendment is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.

Amended Loan Contract: C150223, dated December 12, 2008


Replacement Promissory Note: \$1,127,968, dated December 12, 2008, interest
at the rate of 3.75% per annum with annual
payments for a period of 30 years or until paid in
full

Date of Amended Security Agreement: December 12, 2008

DEBTOR: Town of Keenesburg, acting by and
through its Water Activity Enterprise

SEAL

By 
Danny Kipp, Mayor

ATTEST:
By 
Debra Chumley, Town Clerk

PAID IN FULL

Appendix B to Loan Contract C150223 Amendment No. 1

BORROWER TOWN OF KEENESBURG, ACTING
BY AND THROUGH ITS WATER ACTIVITY
ENTERPRISE
Contract No. C150223
Project Amount \$1,508,000
Loan Service Fee \$15,080
Loan Amount \$1,523,080

Agency Name: Water Conservation Board
Agency Number PDA
Routing Number 07 PDA 00005

LOAN CONTRACT

(STANDARD CONTRACT – WAIVER #160 – APPROVED NOVEMBER 10, 2003)

THIS CONTRACT, made this June 1, 2006, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "STATE"), and the Town of Keenesburg, acting by and through its Water Activity Enterprise, P.O. Box 312, Keenesburg, CO 80643, a Colorado municipality ("BORROWER").

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 under: Contract Encumbrance No. C150223, Fund Number 424, Appropriation Code MC6, Organization YYYY, GBL K223, Program WTRC, Object Code 5510, Reporting Category 0223.
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
3. 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 which identifies the amount of the loan and the terms of repayment (Section 4).
4. 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 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

Loan Contract C150223

Page 1 of 12

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 (novation), assignment of contract, substitution of collateral, loan payment deferments in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business, including, but not limited to, loan payment deferments (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 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, interest shall accrue 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.
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. **Attorney'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 attorney's opinion that
 - a. the contract has been duly executed by officers of the BORROWER who are duly elected or appointed and are authorized to execute the contract and to bind the BORROWER;
 - 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;
 - c. there are no provisions in the Colorado Constitution or any other state or local law that prevent this contract from binding the BORROWER; and
 - d. the contract will be valid and binding against the BORROWER if entered into by the CWCB.
8. **Pledge of revenues.** The BORROWER irrevocably pledges to the CWCB, for purposes of repayment of this loan, revenues levied for that purpose as authorized in Appendix 3 and any other funds legally available to the BORROWER, in an amount sufficient to pay the annual payment due under this contract ("Pledged Revenues"). Further, the BORROWER agrees to:
 - 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. **Rate Covenant.** Pursuant to its statutory authority and as permitted by law, the BORROWER shall take all necessary actions consistent therewith during the term of this contract to establish, levy and collect rates, charges and fees as described in Appendix 3, in amounts sufficient to pay this loan as required by the terms of this contract and the Promissory Note, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves, including obtaining voter approval, if necessary, of increases in the BORROWER'S rate schedule or taxes, if applicable.
 - d. **Debt Service Reserve Account.** To establish and maintain the debt service reserve account, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve 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.

- e. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the pledged revenues and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue parity debt only with the prior written approval of the CWCB, provided that:
 - i. The BORROWER is currently and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of this contract, including, but not limited to, being current on the annual payments due under this contract and in the accumulation of all amounts then required to be accumulated in the BORROWER'S debt service reserve fund;
 - ii. The BORROWER provides to the CWCB a Parity Certificate from an independent certified public accountant certifying that, based on an analysis of the BORROWER'S revenues, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt, the BORROWER'S revenues are sufficient to pay its annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the pledged revenues, including this loan, the annual debt service on the proposed indebtedness to be issued, and all required deposits to any reserve funds required by this contract or by the lender(s) of any indebtedness having a lien on the pledged revenues. The analysis of revenues shall be based on the BORROWER'S current rate structure or the rate structure most recently adopted. No more than 10% of total revenues may originate from tap and/or connection fees.

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

- f. **Annual Statement of Debt Coverage.** Each year during the term of this contract, the BORROWER shall submit to the CWCB an annual audit report and a certificate of debt service coverage from a Certified Public Accountant.
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).

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. exercise its rights under any appendices to this contract, including, but not limited to, the Promissory Note and Security Agreement; and/or
- c. 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.

- a. 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 times maintain such liability insurance, by commercial policy or self-insurance as is necessary to meet its liabilities under the Act.
- b. Prior to the disbursement of any loan funds, the BORROWER shall provide the CWCB with an Acord Form 25 or other form satisfactory to the CWCB evidencing said insurance and shall provide the CWCB with documentation of renewals of said insurance.

15. Additional Contract Requirements. Any additional contract requirements are set forth in Additional Contract Requirement (Section 6) of the **Project Summary**.

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**.
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. The BORROWER shall provide the CWCB with an Acord Form 27 evidencing said insurance prior to commencement of construction,

maintained until construction is complete, and 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. Builder's risk insurance for construction in progress for all perils of loss including fire, wind, hail, and vandalism in an amount equal to the completed value of the PROJECT.
- 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.
- d. 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.

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.** The BORROWER may not assign this contract except with the prior written approval of the CWCB.
5. **Contract Relationship.** The parties to this contract intend that the relationship between them under this contract is that of lender-borrower, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this contract.
6. **Integration Of Terms.** This contract is intended as the complete integration of all

understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent novation, 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. **Controlling Terms.** In the event of conflicts or inconsistencies between the terms of this contract and conditions as set forth in any of the appendices, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: (1) Colorado Special Provisions, (2) the remainder of this contract, and (3) the 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 or 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 contained in this contract are for convenience and reference only and shall not be construed so as to define or limit the terms or provisions contracted herein.
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.** The waiver of any breach of a term of this contract shall not be construed as a waiver of any other term or of any subsequent breach of the same term.
12. **Supplemental Public Securities Act.**
 - a. Section 11-57-204 of the Supplemental Public Securities Act, being Article 57 of

Title 11, Colorado Revised Statutes (the "Supplemental Act") provides that a public entity, including the BORROWER, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The BORROWER's board hereby elects to apply all of the Supplemental Act to the Promissory Note.

- b. Pursuant to Section 11-57-210 of the Supplemental Act, the Promissory Note shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Promissory Note after its delivery for value.
 - c. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the BORROWER in connection with the authorization or issuance of the Promissory Note, including but not limited to the adoption of this Loan Agreement, shall be commenced more than thirty days after the authorization of the Promissory Note.
 - d. Pursuant to section 11-57-209 of the Supplemental Act, if a member of the BORROWER's board, or any officer or agent of the BORROWER acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Promissory Note. Such recourse shall not be available either directly or indirectly through the CWCB or the BORROWER, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise.
13. **Recital.** This Loan Contract is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling. Specifically, but not by way of limitation, this Loan Contract is authorized by the BORROWER pursuant to Title 31, Article 35, Part 4, C.R.S., Title 11, Article 57, Part 2, C.R.S. and Title 37, Article 45.1 C.R.S. and shall so recite in the Promissory Note. Such recitals shall conclusively impart full compliance with all provisions and limitations of such laws and shall be conclusive evidence of the validity and regularity of the issuance of the BORROWER, and the Promissory Note delivered by the BORROWER to the CWCB containing such recital shall be incontestable for any cause whatsoever after its delivery for value.
14. **Addresses for mailing.** All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the addresses shown in the **Project Summary**, Section 1 for the BORROWER and to the address below for the CWCB:

Colorado Water Conservation Board
Attn: Construction Fund Section
1313 Sherman Street, Room 721
Denver, CO 80203

PAID IN FULL

SPECIAL PROVISIONS (7/1/06 version). State Fiscal Rule 3-1 requires the inclusion of these Special Provisions in every STATE contract, including grants.

- 1. CONTROLLER'S APPROVAL. CRS 24-30-202 (1)

Loan Contract C150223

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This contract shall not be deemed valid until it has been approved by the Controller of the State of Colorado or such assistant as he may designate.

2. FUND AVAILABILITY. CRS 24-30-202 (5.5)

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

3. INDEMNIFICATION.

To the extent authorized by law, the contractor shall indemnify, save, and hold harmless the State against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

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, protection, or other provisions for the parties, of the Colorado Governmental Immunity Act, CRS 24-10-101 et seq. or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq. as applicable, as now or hereafter amended.

4. INDEPENDENT CONTRACTOR. 4 CCR 801-2

THE CONTRACTOR SHALL PERFORM ITS DUTIES HEREUNDER AS AN INDEPENDENT CONTRACTOR AND NOT AS AN EMPLOYEE. NEITHER THE CONTRACTOR NOR ANY AGENT OR EMPLOYEE OF THE CONTRACTOR SHALL BE OR SHALL BE DEEMED TO BE AN AGENT OR EMPLOYEE OF THE STATE. CONTRACTOR SHALL PAY WHEN DUE ALL REQUIRED EMPLOYMENT TAXES AND INCOME TAX AND LOCAL HEAD TAX ON ANY MONIES PAID BY THE STATE PURSUANT TO THIS CONTRACT. CONTRACTOR ACKNOWLEDGES THAT THE CONTRACTOR AND ITS EMPLOYEES ARE NOT ENTITLED TO UNEMPLOYMENT INSURANCE BENEFITS UNLESS THE CONTRACTOR OR THIRD PARTY PROVIDES SUCH COVERAGE AND THAT THE STATE DOES NOT PAY FOR OR OTHERWISE PROVIDE SUCH COVERAGE. CONTRACTOR SHALL HAVE NO AUTHORIZATION, EXPRESS OR IMPLIED, TO BIND THE STATE TO ANY AGREEMENTS, LIABILITY, OR UNDERSTANDING EXCEPT AS EXPRESSLY SET FORTH HEREIN. CONTRACTOR SHALL PROVIDE AND KEEP IN FORCE WORKERS' COMPENSATION (AND PROVIDE PROOF OF SUCH INSURANCE WHEN REQUESTED BY THE STATE) AND UNEMPLOYMENT COMPENSATION INSURANCE IN THE AMOUNTS REQUIRED BY LAW, AND SHALL BE SOLELY RESPONSIBLE FOR THE ACTS OF THE CONTRACTOR, ITS EMPLOYEES AND AGENTS.

5. NON-DISCRIMINATION.

PAID IN FULL

The contractor agrees to comply with the letter and the spirit of all applicable state and federal laws respecting discrimination and unfair employment practices.

6. CHOICE OF LAW

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

any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

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

7. VENDOR OFFSET. CRS 24-30-202 (1) & CRS 24-30-202.4

Pursuant to CRS 24-30-202.4 (as amended), the State Controller may withhold debts owed to State agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 21, Title 39, CRS; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) owed amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

8. SOFTWARE PIRACY PROHIBITION Governor's Executive Order D 002 00

No State or other public funds payable under this Contract shall be used for the acquisition, operation, or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. The Contractor hereby certifies that, for the term of this Contract and any extensions, the Contractor has in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that the Contractor is in violation of this paragraph, the State may exercise any remedy available at law or equity or under this Contract, including, without limitation, immediate termination of the Contract and any remedy consistent with United States copyright laws or applicable licensing restrictions.

9. EMPLOYEE FINANCIAL INTEREST. CRS 24-18-201 & CRS 24-50-507

The signatories aver that to their knowledge, no employee of the State of Colorado has any personal or beneficial interest whatsoever in the service or property described herein.

10. ILLEGAL ALIENS – PUBLIC CONTRACTS FOR SERVICES. CRS 8-17.5-101 and Public Law 208, 104th Congress, as amended and expanded in Public Law 156, 108th Congress, as amended

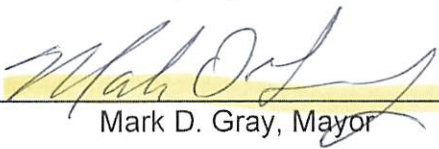
PAID IN FULL

The Contractor certifies that the Contractor shall comply with the provisions of CRS 8-17.5-101 et seq. The 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 knowingly employs or contracts with an illegal alien. The Contractor represents, warrants, and agrees that it (i) has verified that it does not employ any illegal aliens, through participation in the Basic Pilot Employment Verification Program administered by the Social Security Administration and Department of Homeland Security, or (ii) otherwise will comply with the requirements of CRS 8-17.5-101(2)(b)(I). The Contractor shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Contractor fails to comply with any requirement of this provision or CRS 8-17.5-101 et seq., the State may terminate this contract for breach and the Contractor shall be liable for actual and consequential damages to the State.

Revised July 1, 2006

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

BORROWER: Town of Keenesburg, a
Colorado municipality

By 
Mark D. Gray, Mayor

84-6000682

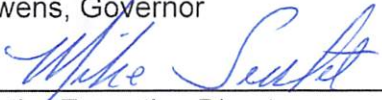
FEIN

Attest

By 
Cheryl Jesser, Town Clerk



State of Colorado
Bill Owens, Governor

By 
For the Executive Director
Department of Natural Resources
Colorado Water Conservation Board
Rod Kuharich, Director

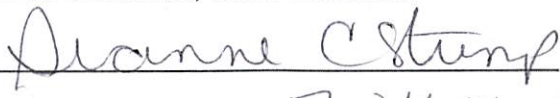
Pre-Approved Form

By 
CWCB Contract Manager

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 until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado may not be obligated to pay for the goods and/or services provided.

Leslie M. Shenefelt, State Controller

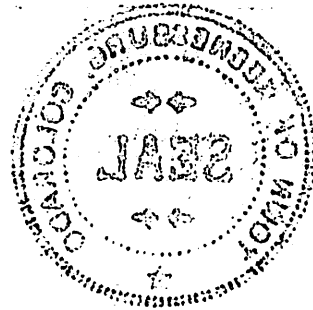
By 

Effective Date

7-24-06
PAID IN FULL

Loan Contract C150223

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Project Summary – Town of Keenesburg – Contract No. C150223

SECTION 1 –BORROWER INFORMATION

Name: Town of Keenesburg
Address: P.O. Box 312, Keenesburg, CO 80643
Federal Identification No.: 84-6000682
Contact: Mark D. Gray, Mayor
Phone Number: (303) 732-4281 Fax Number: (970) 381-5703
E-mail address: kmgray@rtebb.net
Type of Entity: A Colorado municipality, acting by and through its Water Activity Enterprise

Section 2 – Project Description

- A. Description of PROJECT: The BORROWER applied to the CWCB for a loan to purchase an existing well and construct a raw water pipeline from the well to the Town, located in Weld County, hereinafter referred to as the PROJECT, at an estimated total cost of \$2,322,200.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report on the PROJECT compiled by JB Wright & Associates, Inc., which is incorporated herein by reference, and, based upon the feasibility report, the CWCB determined the PROJECT to be technically and financially feasible.

SECTION 3 – CWCB'S AUTHORITY

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

Section 37-60-122(1)(b) C.R.S., authorizes the CWCB to make loans of up to \$5,000,000 from the CWCB's Construction Fund and the State Severance Tax Trust Fund Perpetual Base Account Fund without prior approval from the General Assembly

SECTION 4 - BOARD APPROVAL AND LEGISLATIVE AUTHORIZATION (IF NEEDED)

At its March 21, 2006 meeting, the CWCB approved a Small Project Loan from the Construction Fund to the BORROWER in an amount up to \$1,523,080 for PROJECT costs, not to exceed 65% of the cost of the PROJECT, with a loan origination fee of 1% in accordance with CWCB Policy No. 16, at an interest rate of 3.75% per annum for a repayment term of 30 years.

SECTION 5 – SCHEDULE OF EXISTING DEBT

PAID IN FULL

General obligation water bond dated 1989, for which the Borrower levies an ad valorem property tax; \$18,560 annual payment; \$90,000 current principal remaining; matures July 1, 2010. This debt does not obligate the Borrower's waterworks system revenues, and therefore no parity is required with this Loan.

Appendix 1 to Loan Contract C150223

SECTION 6 – ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

The CWCB approved this loan with the following conditions:

- (1) Prior to disbursement of loan proceeds, the Town shall execute a water rights purchase contract, in accordance with the Letter of Intent with PV Water & Sanitation Metropolitan District dated February 21, 2006.
- (2) In the event that the Town obtains grant funds for the Project from the Colorado Department of Local Affairs, said grant funds shall be used to reduce the principal amount of CWCB loan no. C150223.

SECTION 7 – CONSTRUCTION FUND PROGRAM PROCEDURES FOR WATER PURCHASE PROJECTS

- A. The BORROWER must submit a written appraisal or opinion of value from a qualified water rights appraiser supporting the purchase price prior to disbursal of loan funds.
- B. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

SECTION 8 – CONSTRUCTION FUND PROGRAM PROCEDURES

- A. The BORROWER shall employ an engineer, registered in the state of Colorado to prepare plans and specifications for the PROJECT.
- B. The BORROWER's and the Engineering Consultant's 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 must be approved in writing by the CWCB staff.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.
- D. CWCB staff must be present at bid opening and must approve the award of the construction contract.
- E. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, which said Construction Firms shall be selected by the BORROWER and found acceptable by the CWCB staff.
- F. The BORROWER must 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 the notice to proceed to the Construction Firms.

- G. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- H. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.
- I. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- J. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval and filing.
- K. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- L. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

SECTION 9 – ELIGIBLE EXPENSES FOR WATER PURCHASE PROJECTS.

- A. Engineering associated with the feasibility report prepared as a requirement for this loan and associated with evaluating the suitability of the water rights for purchase by the BORROWER.
- B. Interest during completion of the PROJECT pursuant to Paragraph A.4 herein.
- C. Legal services for reviewing engineering services contracts and this Contract.
- D. Purchase of the water rights.

SECTION 10 – OTHER ELIGIBLE EXPENSES. The following items are eligible for loan disbursements.

- A. Preparing final designs and specifications for the PROJECT.
- B. Preparing bid and construction contract documents.
- C. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- D. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- E. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.
- F. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.
- G. Engineering services for construction management, including design and construction management for CWCB-approved change orders.

Appendix 1 to Loan Contract C150223

- 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.

SECTION 11 – DISBURSEMENT SCHEDULE

For Project costs: The BORROWER shall prepare a periodic progress report which contains a statement of the PROJECT costs expended for that period and shall forward said statement to the CWCB. After receipt of the periodic progress report from the BORROWER, and review and acceptance of the items therein as eligible expenses as described below, the CWCB will pay to the BORROWER the amount set forth in the report 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 progress report.

For a water rights purchase, the BORROWER shall prepare a written request for funds that shall describe the upcoming closing on water rights purchase including, but not limited to, the name of the seller, cost, closing date, and appraisal value and support documentation in the form of copies of the sales agreement and the appraisal pursuant to Section 7(a) above. After receipt of the written request from the BORROWER, and review and acceptance of the items therein as eligible expenses as described above, the CWCB will pay to the BORROWER the amount set forth in the 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 12 – TIME FOR PERFORMANCE

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

PROJECT Finish: 2 years from the Effective Date of this Contract.

PAID IN FULL

PROMISSORY NOTE

Date: June 30, 2006

Borrower: Town of Keenesburg, acting by and through its Water Activity Enterprise

Principal Amount: \$1,523,080

Interest Rate: 3.75% per annum

Term of Repayment: 30 years

Loan Contract No.: C150223, dated June 1, 2006

Loan Payment: \$85,425.94

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 721, 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 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 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 ("Security Instruments") of even date and amount and

PAID IN FULL

8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
9. The BORROWER and any co-signer or guarantor hereby agree that if this 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 Governmental Agency Bond is issued under the authority of and in full conformity with the Constitution and laws of the State of Colorado, including without limitation, Article X, Section 20 of the Constitution,; Title 31, Article 35, Part 4, C.R.S., Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act"), Title 37, Article 45.1 C.R.S. and pursuant to the Loan Contract. Pursuant to § 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and regularity of the issuance of the Note after its delivery for value. Pursuant to § 31-35-413, C.R.S., such recital shall conclusively impart full compliance with all the provisions of said statutes, and this Note issued containing such recital is incontestable for any cause whatsoever after its delivery for value.
11. This Note shall be governed in all respects by the laws of the State of Colorado.



By Cheryl Jesser
Cheryl Jesser, Town Clerk

BORROWER: Town of Keenesburg, a
Colorado municipality

By Mark D. Gray
Mark D. Gray, Mayor

PAID IN FULL

THE SECRETARY OF THE ARMY

WASHINGTON, D. C.

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

WASHINGTON, D. C.

DEPARTMENT OF THE ARMY

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DEPARTMENT OF THE ARMY

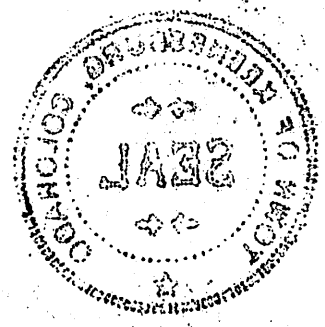
OFFICE OF THE SECRETARY

WASHINGTON, D. C.

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

WASHINGTON, D. C.



ORDINANCE NO. 2006-14

AN EMERGENCY ORDINANCE APPROVING A LOAN FROM THE COLORADO WATER CONSERVATION BOARD; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN CONTRACT, A PROMISSORY NOTE TO EVIDENCE SUCH LOAN, AND A SECURITY AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Town of Keenesburg, Colorado, (the "Town"), is a statutory town organized and governed by the laws of the State of Colorado (the "State"), in particular Title 31 of the Colorado Revised Statutes ("C.R.S."); and

WHEREAS, the members of the Board of Trustees of the Town (the "Board") have been duly elected and qualified; and

WHEREAS, the Town has heretofore determined and undertaken to combine, operate, and maintain its waterworks facilities as a public utility and income-producing project (the "System") and accounts for the financial operations of the System in the Town's Waterworks Enterprise Fund; and

WHEREAS, the Board hereby determines that the System is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Board has heretofore determined that the interest of the Town and the public interest and necessity demand and require the purchase of an existing well and construction of a raw water pipeline from the well to the Town, including design, engineering, legal, financing and administrative costs relating thereto, and any other costs incidental thereto, at an estimated cost of \$2,322,200 (the "Project"); and

WHEREAS, the Board has determined that in order to finance a portion of the Project, it is necessary and advisable and in the best interests of the Town to enter into a loan contract (the "Loan Contract") with the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), pursuant to which CWCB shall loan the Town an amount not to exceed \$1,523,080 for such purposes; and

WHEREAS, the Town's repayment obligations under the Loan Contract shall be evidenced by a promissory note (the "Promissory Note") to be issued by the Town to the CWCB; and

WHEREAS, pursuant to Title 31, Article 35, Part 4, C.R.S., and Title 37, Article 45.1, the Promissory Note, the Loan Contract and the security agreement executed in connection with the Loan Contract (the "Security Agreement" and collectively with the Promissory Note and the Loan Contract, the "Financing Documents") may be approved by the Board without an election; and

WHEREAS, the Financing Documents shall be a revenue obligation of the Town, payable from the Pledged Revenues (as defined herein and in the Financing Documents); and

WHEREAS, the Town's obligations under the Loan Agreement and the Bond (collectively referred to herein as the "Financing Documents") shall not constitute a general obligation of the Town within the meaning of any constitutional or statutory provision or limitation; and

WHEREAS, there have been presented to the Board the forms of the Financing Documents; and

WHEREAS, the Board desires to approve the forms of the Financing Documents and authorize the execution thereof.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF KEENESBURG, COLORADO:

Section 1. Approvals, Authorizations, and Amendments. The forms of the Financing Documents presented at this meeting are incorporated herein by reference and are hereby approved. The Town shall enter into and perform its obligations under the Financing Documents in the forms of such documents, with such changes as are not inconsistent herewith and as are hereafter approved by the Mayor of the Town (the "Mayor"). The Mayor and the Town Clerk (the "Clerk") are hereby authorized and directed to execute the Financing Documents and to affix the seal of the Town thereto, and further to execute and authenticate such other documents or certificates as are deemed necessary or desirable in connection therewith. The Financing Documents shall be executed in substantially the forms approved at this meeting.

The execution of any instrument or certificate or other document in connection with the matters referred to herein by the Mayor and the Clerk or by other appropriate officers of the Town, shall be conclusive evidence of the approval by the Town of such instrument.

Section 2. Election to Apply Supplemental Act. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act") provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Financing Documents.

Section 3. Delegation.

(a) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the Mayor or any member of the Board the authority to make the following determinations relating to and contained in the Financing Documents, subject to the restrictions contained in paragraph (b) of this Section 3:

- (i) The interest rate on the Loan;
 - (ii) The principal amount of the Loan;
 - (iii) The amount of principal of the Loan maturing in any given year and the final maturity of the Loan;
 - (iv) The dates on which the principal of and interest on the Loan are paid;
- and
- (v) The existence and amount of reserve funds for the Loan, if any.

(b) The delegation in paragraph (a) of this Section 3 shall be subject to the following parameters and restrictions: (i) the interest rate on the Loan shall not exceed 4.00%; (ii) the principal amount of the Loan shall not exceed \$1,523,080; and (iii) the final maturity of the Loan shall not be later than December 31, 2035.

Section 4. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Financing Documents shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Promissory Note after its delivery for value.

Section 5. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Financing Documents provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance. The amounts pledged to the payment of the Financing Documents shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described in the Loan Agreement. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Town irrespective of whether such persons have notice of such liens.

For purposes of this Ordinance and the Loan Agreement, "Pledged Revenue" shall mean the Gross Income of the System, after deducting Operation and Maintenance Expenses. "Gross Income" shall mean all gross income and revenue derived by the Town from the operation of the System, or any part thereof, whether resulting from improvements, extensions, enlargements, repairs or betterments to the System, or otherwise, and including availability of service charges and all gross income and revenue received by the Town from the System and from the sale and use of water service and facilities, or any combination thereof, by means of the System owned and operated by the Town as the same may at any time exist to serve customers outside the Town's boundaries as well as customers within the Town's boundaries. "Operation and Maintenance Expenses" shall mean all reasonable and necessary current expenses of the Town, paid or accrued, of operating, maintaining and repairing the System, and shall include, without limiting the generality of the foregoing, legal and overhead expenses of the Town directly related and reasonably allocable to the administration of the System, insurance premiums, the reasonable charges of depository banks and paying agents, contractual services, professional services required by any ordinance, resolution or agreement authorizing debt of the Town, salaries and administrative expenses, labor, and the cost of materials and supplies used for current operation, but not including depreciation, legal liabilities incurred by the Town as the result of its negligence in the operation of the System or other ground of legal liability not based on contract, improvements, extensions, enlargements or betterments, or any charges for the accumulation of reserves or required to be rebated to the United States of America pursuant to the Tax Code. "System" shall mean all of the Town's water facilities now owned or hereafter acquired, whether situated within or without the boundaries of the Borrower.

Section 6. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the Financing Documents shall be commenced more than thirty days after the authorization of the Promissory Note.

Section 7. Limited Obligation; Special Obligation. The Financing Documents are payable solely from the Pledged Revenue and the Financing Documents do not constitute a debt within the meaning of any constitutional or statutory limitation or provision.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Town acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal of or interest on the Promissory Note. Such recourse shall not be available either directly or indirectly through the Board or the Town, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Promissory Note and as a part of the consideration of its sale or purchase, CWCB specifically waives any such recourse.

Section 9. Disposition and Investment of Loan Contract Proceeds. The proceeds of the Loan Contract shall be applied only to pay the costs and expenses of acquiring, constructing and equipping the Project, including costs related thereto and reimbursement to the Town for capital expenditures heretofore incurred and paid from Town funds in anticipation of the incurrence of long-term financing therefor, and all other costs and expenses incident thereto, including without limitation the costs of obtaining the Loan Contract. CWCB shall not be responsible for the application or disposal by the Town or any of its officers of the funds derived from the Loan Contract.

Section 10. Estimated Life of Improvements. It is hereby determined that the estimated life of the Project to be financed with the proceeds of the Loan Contract is not less than the final maturity of the Loan Contract.

Section 11. Direction to Take Authorizing Action. The appropriate officers of the Town and members of the Board are hereby authorized and directed to take all other actions

necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to such certificates and affidavits as may reasonably be required by CWCB.

Section 12. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the Town and members of the Board, not inconsistent with the provisions of this Ordinance, relating to the Financing Documents, or actions to be taken in respect thereof, are hereby authorized, ratified, approved, and confirmed.

Section 13. Repealer. All acts, orders, ordinances, or resolutions, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 14. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 15. Ordinance Irrepealable. After said Promissory Note is issued, this Ordinance shall be and remain irrepealable until said Promissory Note and the interest thereon shall have been fully paid, satisfied and discharged.

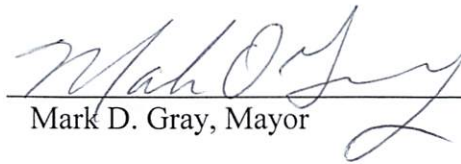
Section 16. Emergency Declaration. It is hereby found and determined by the Board of Trustees that: (i) the construction and acquisition of the Project is necessary in the public interest in order to properly and safely serve the Town and its residents; (ii) the long-term financing of the Project by the authorization of the Loan is necessary in order to reduce the costs of the Project. As a result of the foregoing, the Board of Trustees hereby declares that an emergency exists, and that this Ordinance is necessary to the immediate preservation of the public health and safety, all in accordance with §31-16-105, C.R.S.

Section 17. Effective Date. This Ordinance shall take effect upon adoption by the affirmative vote of three-fourths (3/4) of the members of the Board of Trustees pursuant to §31-16-105, C.R.S.

PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE this 19th
day of June, 2006.

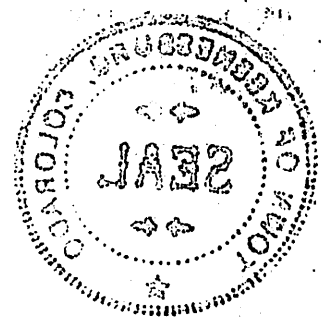


TOWN OF KEENESBURG, COLORADO


Mark D. Gray, Mayor


Cheryl Jesser, Town Clerk

PAID IN FULL



STATE OF COLORADO)
)
COUNTY OF WELD) SS.
)
TOWN OF KEENESBURG)

I, the Town Clerk of the Town of Keenesburg, Colorado (the "Town"), do hereby certify:

(1) That the foregoing pages are a true, correct, and complete copy of an ordinance (the "Ordinance") adopted by the Board of Trustees (the "Board") of the Town at regular meetings of the Board held at the Town Hall on June 19, 2006.

(2) The Ordinance was adopted on first reading as an emergency ordinance at an open, regular meeting of the Board on June 19, 2006 by an affirmative vote of three fourths (3/4) of the members of the Board as follows:

Name	"Yes"	"No"	Absent	Abstain
Mayor Gray	X			
Trustee Vis	X			
Trustee Gfeller	X			
Trustee Smith	X			
Trustee Martinez	X			
Trustee Blackston	X			
Trustee Dreher	X			

(3) The Ordinance has been signed by the Mayor, sealed with the corporate seal of the Town, attested by me as Town Clerk, and duly recorded in the books of the Town; and that the same remains of record in the book of records of the Town.


(4) That notice of the regular meeting of June 19, 2006 attached hereto as Exhibit A was posted within the Town at least 24 hours before such meeting as required by law.

(5) That the Ordinance was published in full after first reading in the South Weld Sun, a newspaper of general circulation within the Town, on July 6, 2006. The

affidavit of publication is attached hereto as **Exhibit B.**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Town this 19th day of June, 2006.




Cheryl Jesser, Town Clerk

PAID IN FULL

"EXHIBIT A"

TOWN OF KEENESBURG
BOARD MEETING AGENDA
JUNE 19, 2006 @ 7:00 P.M.

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Public Hearings
 - a. Amending Section 16-2 of Zoning Code of the Town of Keenesburg to add Bowling Alleys as Use by Right to Commercial Business District Zone.
 - Adopt ORDINANCE 2006-11 - AN ORDINANCE AMENDING CHAPTER 16 ARTICLE 2 SECTION 16-2-120 COMMERCIAL BUSINESS DISTRICT BY THE ADDITION OF BOWLING ALLEYS AS A USE BY RIGHT
 - b. Rezoning 75 N. Market and 35 N. Market to CH Highway Commercial from R-2 Two Family Residential.

(Planning Board Recommendations)
 - Adopt ORDINANCE 2006-12 AN ORDINANCE REZONING CERTAIN PROPERTY WITHIN THE TOWN OF KEENESBURG (75 N. Market)
 - Adopt ORDINANCE 2006-13 AN ORDINANCE REZONING CERTAIN PROPERTY WITHIN THE TOWN OF KEENESBURG (35 N. Market)
 - c. Buntrock Minor Subdivision Final Approval
(stipulations on curb/gutter and sidewalk)
5. Items from the Public (5 minute time limit)
6. Lost Creek Commons – Rick Petry and Larry Owen
 - Request for Conditional Acceptance of Constructed Public Improvements
 - Discussion of Letter of Credit Partial Release (Expires August 1, 2006)
7. Departmental Issues
 - Legal - Kathleen Harrington
 - Sherman & Howard LLC – Letter of Acceptance for Bond Council for Loan with CWCB
 - Adopt Ordinance 2006-14 AN EMERGENCY ORDINANCE APPROVING A LOAN FROM THE COLORADO WATER CONSERVATION BOARD; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN CONTRACT, A PROMISSORY NOTE TO EVIDENCE SUCH LOAN, AND A SECURITY AGREEMENT IN CONNECTION THEREWITH: AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.
 - Kennedy Plumbing/Hoff Athletic Complex
 - Public Works

PAID IN FULL

- Clerk/Treasurer
 - Payment of Bills
 - Weld County Humane Society Agreement (no changes)
 - Country Liquor Store – Liquor License Renewal
 - United Power – Utility Line Extension Agreement for Fair Ground Property and Hoff Municipal Athletic Fields – to use the Towns Underground Credits
 - Weld County Planning Referrals
 - Albert Earl & Debra Raymond – Two Lot Recorded Exemption (RE-4455)
 - Boyd & Helen Arnold – Recorded Exemption (RE-4452)
 - Boyd & Helen Arnold – Recorded Exemption (RE-4434)
 - Roy Enter, James Pansing, Steve Parry – Recorded Exemption (RE-4449)
 - Julia Pastelak – Two Lot Recorded Exemption (RE-4441)
 - A Site Specific Development Plan and a Special Review Permit for a Major Facility of a Public Utility (a 72 mile 230 KV transmission line and one new switching station) in the A (Agricultural) Zone District (USR-1562)
 - Weld County Dept. of Public Health & Environment
 - James Brnak – Bio Solids Permit

8. Board Comments and Reports
9. Adjournment

PAID IN FULL

EXHIBIT B

(Affadavit of Publication)

PAID IN FULL

CPAXLP

ORDINANCE NO. 2006-14

AN EMERGENCY ORDINANCE APPROVING A LOAN FROM THE COLORADO WATER CONSERVATION BOARD, AUTHORIZING THE FORM AND EXECUTION OF THE LOAN CONTRACT, A PROMISSORY NOTE TO EVIDENCE SUCH LOAN, AND A SECURITY AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO AND PRESCRIBING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Town of Keenesburg, Colorado, (the "Town"), is a statutory town organized and governed by the laws of the State of Colorado (the "State"), in particular Title 31 of the Colorado Revised Statutes ("C.R.S."); and

WHEREAS, the members of the Board of Trustees of the Town (the "Board") have been duly elected and qualified; and

WHEREAS, the Town has heretofore determined and undertaken to combine, operate, and maintain its waterworks facilities as a public utility and income-producing project (the "System") and accounts for the financial operations of the System in the Town's Waterworks Enterprise Fund; and

WHEREAS, the Board hereby determines that the System is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Board has heretofore determined that the interest of the Town and the public interest and necessity demand and require the purchase of an existing well and construction of a new water pipeline from the well to the Town, including design, engineering, legal, financing and administrative costs relating thereto, and any other costs incident thereto, at an estimated cost of \$2,322,200 (the "Project"); and

WHEREAS, the Board has determined that in order to finance all or a portion of the Project, it is necessary and advisable and in the best interests of the Town to enter into a loan contract (the "Loan Contract") with the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), pursuant to which CWCB shall loan the Town an amount not to exceed \$1,523,080 for such purposes; and

WHEREAS, the Town's repayment obligations under the Loan Contract shall be evidenced by a promissory note (the "Promissory Note") to be issued by the Town to the CWCB; and

WHEREAS, pursuant to Title 31, Article 35, Part 4, C.R.S., and Title 37, Article 45.1, the Promissory Note, the Loan Contract and the security agreement executed in connection with the Loan Contract (the "Security Agreement" and collectively with the Promissory Note and the Loan Contract, the "Financing Documents") may be approved by the Board without an election; and

WHEREAS, the Financing Documents shall be a revenue obligation of the Town, payable from the Pledged Revenues (as defined herein and in the Financing Documents); and

WHEREAS, the Town's obligations under the Loan Agreement and the Bond (collectively referred to herein as the "Financing Documents") shall not constitute a general obligation of the Town within the meaning of any constitutional or statutory provision or limitation; and

WHEREAS, there have been presented to the Board the forms of the Financing Documents; and

WHEREAS, the Board desires to approve the forms of the Financing Documents and authorize the execution thereof.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE TOWN OF KEENESBURG, COLORADO:

Section 1. Approvals, Authorizations, and Amendments. The forms of the Financing Documents presented at this meeting are incorporated herein by reference and are hereby approved. The Town shall enter into and perform its obligations under the Financing Documents in the forms of such documents, with such changes as are not inconsistent

herewith and as are hereafter approved by the Mayor of the Town (the "Mayor"). The Mayor and the Town Clerk (the "Clerk") are hereby authorized and directed to execute the Financing Documents and to affix the seal of the Town thereto, and further to execute and authenticate such other documents or certificates as are deemed necessary or desirable in connection therewith. The Financing Documents shall be executed in substantially the forms approved at this meeting.

The execution of any instrument or certificate or other document in connection with the matters referred to herein by the Mayor and the Clerk or by other appropriate officers of the Town, shall be conclusive evidence of the approval by the Town of such instrument.

Section 2. Election to Apply Supplemental Act. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S., (the "Supplemental Act") provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act. The Board hereby elects to apply all of the Supplemental Act to the Financing Documents.

Section 3. Delegation. (a) Pursuant to Section 11-57-205 of the Supplemental Act, the Board hereby delegates to the Mayor or any member of the Board the authority to make the following determinations relating to and contained in the Financing Documents, subject to the restrictions contained in paragraph (b) of this Section 3:

(i) The interest rate on the Loan;
(ii) The principal amount of the Loan;
(iii) The amount of principal of the Loan maturing in any given year and the final maturity of the Loan;

(iv) The dates on which the principal of and interest on the Loan are paid; and
(v) The existence and amount of reserve funds for the Loan, if any.

(b) The delegation in paragraph (a) of this Section 3 shall be subject to the following parameters and restrictions: (i) the interest rate on the Loan shall not exceed 4.00%; (ii) the principal amount of the Loan shall not exceed \$2,322,200; and (iii) the final maturity of the Loan shall not be later than December 31, 2035.

Section 4. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Financing Documents shall contain a recital that it is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Promissory Note after its delivery for value.

Section 5. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Financing Documents provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance. The amounts pledged to the payment of the Financing Documents shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described in the Loan Agreement. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Town irrespective of whether such persons have notice of such liens.

For purposes of this Ordinance and the Loan Agreement, "Pledged Revenue" shall mean the Gross Income of the System, after deducting Operation and Maintenance Expenses. "Gross Income" shall mean all gross income and revenue derived by the Town from the operation of the System, or any part thereof, whether resulting from improvements, extensions, enlargements, repairs or betterments to the System, or otherwise, and including availability of service charges and all gross income and revenue received by the Town from the System and from the sale and use of water service and facilities, or any combination thereof, by means of the System owned and operated by the Town as the same may at any time exist to serve customers outside the Town's boundaries. "Operation and Maintenance Expenses" shall mean all reasonable and necessary current expenses of the Town, paid or accrued, of operating, maintaining and repairing the System, and shall include, without limiting the generality of the foregoing, legal and

overhead expenses of the Town directly related and reasonably allocable to the administration of the System, insurance premiums, the reasonable charges of depository banks and paying agents, contractual services, professional services required by any ordinance, resolution or agreement authorizing debt of the Town, salaries and administrative expenses, labor, and the cost of materials and supplies used for current operation, but not including depreciation, legal liabilities incurred by the Town as the result of its negligence in the operation of the System or other ground of legal liability not based on contract, improvements, extensions, enlargements or betterments, or any charges for the accumulation of reserves or required to be related to the United States of America pursuant to the Tax Code. "System" shall mean all of the Town's water facilities now owned or hereafter acquired, whether situated within or without the boundaries of the Borrower.

Section 6. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the Financing Documents shall be commenced more than thirty days after the authorization of the Promissory Note.

Section 7. Limited Obligation; Special Obligation. The Financing Documents are payable solely from the Pledged Revenue and the Financing Documents do not constitute a debt within the meaning of any constitutional or statutory limitation or provision.

Section 8. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Town acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal of or interest on the Promissory Note. Such recourse shall not be available either directly or indirectly through the Board or the Town, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Promissory Note and as a part of this consideration of its sale or purchase, CWCB specifically waives any such recourse.

Section 9. Disposition and Investment of Loan Contract Proceeds. The proceeds of the Loan Contract shall be applied only to pay the costs and expenses of acquiring, constructing and equipping the Project, including costs related thereto and reimbursement to the Town for capital expenditures heretofore incurred and paid from Town funds in anticipation of the incurrence of long-term financing therefor, and all other costs and expenses incident thereto, including without limitation the costs of obtaining the Loan Contract. CWCB shall not be responsible for the application or disposal by the Town or any of its officers of the funds derived from the Loan Contract.

Section 10. Estimated Life of Improvements. It is hereby determined that the estimated life of the Project to be financed with the proceeds of the Loan Contract is not less than the final maturity of the Loan Contract.

Section 11. Direction to Take Authorizing Action. The appropriate officers of the Town and members of the Board are hereby authorized and directed to take all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to such certificates and affidavits as may reasonably be required by CWCB.

Section 12. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the Town and members of the Board, not inconsistent with the provisions of this Ordinance, relating to the Financing Documents, or actions to be taken in respect thereof, are hereby authorized, ratified, approved, and confirmed.

Section 13. Repealer. All acts, orders, ordinances, or resolutions, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 14. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 15. Ordinance Irrepealable.

After said Promissory Note is issued, this Ordinance shall be and remain irrepealable until said Promissory Note and the interest thereon shall have been fully paid, satisfied and discharged.

Section 16. Emergency Declaration. It is hereby found and determined by the Board of Trustees that: (i) the construction and acquisition of the Project is necessary in the public interest in order to properly and safely serve the Town and its residents; (ii) the long-term financing of the Project by the authorization of the Loan is necessary in order to reduce the costs of the Project. As a result of the foregoing, the Board of Trustees hereby declares that an emergency exists, and that this Ordinance is necessary to the immediate preservation of the public health and safety, all in accordance with §31-16-105, C.R.S.

Section 17. Effective Date. This Ordinance shall take effect upon adoption by the affirmative vote of three-fourths (3/4) of the members of the Board of Trustees pursuant to §31-16-105, C.R.S.

PASSED AND ADOPTED AS AN EMERGENCY ORDINANCE this 19th day of June, 2006.

TOWN OF KEENESBURG, COLORADO

Mark D. Gray, Mayor

ATTEST:

Cheryl Jesser, Town Clerk

Published in the South Weld Sun July 6, 2006.

NOTICE OF CONTRACTOR'S FINAL SETTLEMENT

Notice is hereby given that, pursuant to C.R.S. 38-26-107, the Weld County School District Re-3(J), Keenesburg, Weld County, Colorado, has established Wednesday, July 26, 2006, at 2:00 p.m., as the date and time of final settlement with The Neenan Company, L.L.P., Design/Builder for construction of Weld Central High School at:

Weld Central High School
4715 Weld County Road 59
Keenesburg, Colorado 80643

Any person, co-partnership, association of persons, company, corporation, or entity who has an unpaid claim against the Design/Builder or any subcontractors on the project for or on account of the furnishing of labor, materials, rental machinery, tools or equipment, sustenance, provisions, or other supplies used or consumed by the Design/Builder or any subcontractor, in or about the performance of work on the project may file, at any time up to and including the time of final settlement, a verified statement of the amount due and unpaid on account of such claim with the Board of Education of the School District, c/o the Superintendent of Schools, at the following office:

Drr Marvin Wade, Superintendent
Weld County School District Re-3(J)
99 West Broadway
P.O. Box 269
Keenesburg, CO 80643

Failure on the part of a claimant to file such statement prior to the established date, and time of final settlement will relieve Weld County School District Re-3(J) from any and all liability for such claimant's claim.

Date: June 28, 2006

Weld County School District Re-3(J)

By: Richard L. Huwa

Owner's Representative

First Publication: July 6, 2006
Second Publication: July 20, 2006

Published in the South Weld Sun July 6 & 20, 2006.

CPAXLP

SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: JUNE 30, 2006

DEBTOR: TOWN OF KEENESBURG, ACTING BY AND THROUGH ITS WATER
ACTIVITY ENTERPRISE

SECURED PARTY: COLORADO WATER CONSERVATION BOARD
1313 SHERMAN STREET, ROOM 721
DENVER, CO 80203

PROMISSORY NOTE: \$1,523,080, DATED JUNE 30, 2006

TERMS OF REPAYMENT: 3.75% PER ANNUM FOR 30 YEARS

LOAN CONTRACT: C150223, DATED JUNE 1, 2006

COLLATERAL: All revenues pledged to repay the loan as described in
Pledge of Revenues provisions of the LOAN CONTRACT.

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 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:

Appendix 4 to Loan Contract C150223

- 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 Article 9 of the Colorado Uniform Commercial Code. 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.

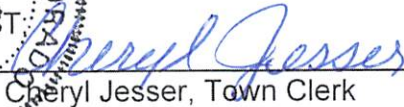
DEBTOR: Town of Keenesburg, a Colorado municipality

By



Mark D. Gray, Mayor

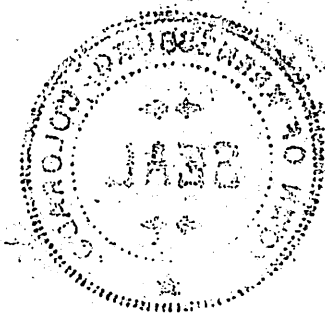



Cheryl Jesser, Town Clerk

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UCC Financing Statement Amendment

Initial Financing Statement

File #: 20192108867

File Date: 11/22/2019 03:51:30 PM

Filing office: Secretary of State

This amendment is a termination.

Optional Information

Optional filer reference data/miscellaneous information:

loan paid in full

UCC Financing Statement

Colorado Secretary of State

Date and Time: 11/22/2019 03:51:30 PM

Master ID: 20192108867

Validation Number: 20192108867

Amount: \$8.00

Debtor: (Organization)

Name: TOWN OF KEENESBURG

Address1: PO BOX 312

Address2:

City: KEENESBURG

State: CO

ZIP/Postal Code: 80643

Province:

Country: United States

Secured Party: (Organization)

Name: STATE OF COLORADO WATER CONSERVATION BOARD

Address1: 1313 SHERMAN ST RM718

Address2:

City: DENVER

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

Collateral

Description:

SECURED PARTYS REVENUES PLEDGED TO REPAY LOAN OF \$1,127,968.00 IN ACCORDANCE WITH LOAN CONTRACT NO. C150223 AND PROMISSORY NOTE, DATED DECEMBER 12, 2008