



## COLORADO

### Colorado Water Conservation Board

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

April 19, 2023

City of Cortez  
123 Roger Smith Ave  
Cortez, CO 81321

Subject: Loan Contract No. CT2015-152  
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the City of Cortez, and the Colorado Water Conservation Board (CWCB), Loan Contract No. CT2015-152. The documents have been stamped "PAID IN FULL" denoting that the City 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](mailto: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: April 14, 2015  
Borrower: City of Cortez, a Home Rule Municipality  
acting by and through its City of Cortez Water Enterprise  
Principal Amount: \$858,500  
Interest Rate: 2.10% per annum  
Term of Repayment: 10 years  
Contract Number: CT2015-152  
Loan Payment: \$96,074.56  
Payment Initiation Date\*: December 1, 2016  
Maturity Date\*: December 1, 2026

\* 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 annual equal loan payments, as set forth in "Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a SECURITY AGREEMENT, ("SECURITY INSTRUMENT") of even date and amount herewith and cover certain revenues and/or accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB.
8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for

## Appendix 2

purposes of this PROMISSORY NOTE.

9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY NOTE or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.

City of Cortez, Home Rule Municipality acting by  
and through its City of Cortez Water Enterprise

(S E A L)

By   
Signature

Attest:

NAME: Karen W Sheek

TITLE: Mayor

DATE: 4/14/15

By   
Signature

NAME: Linda L Smith

TITLE: City Clerk

DATE: 4/14/15

**PAID IN FULL**



**CITY OF CORTEZ, COLORADO  
WATER ENTERPRISE  
RESOLUTION NO: WE-2015-2, SERIES 2015**

**A RESOLUTION OF THE CITY OF CORTEZ WATER ENTERPRISE APPROVING  
THE TERMS OF A SECURED LOAN FROM THE STATE OF COLORADO WATER  
CONSERVATION BOARD TO THE CITY OF CORTEZ ENTERPRISE FOR THE  
REPLACEMENT OF MANUALLY READ WATER METERS WITH ELECTRONIC  
AUTOMATED METERS, AND AUTHORIZING THE MAYOR TO EXECUTE  
DOCUMENTS NECESSARY TO ACCOMPLISH SAME**

WHEREAS, the City of Cortez ("City") is a Colorado home-rule municipality, with all powers attributable thereto; and

WHEREAS, the City has established and maintained in good standing its City of Cortez Water Enterprise (the "Enterprise") pursuant to Article X, Section 20 of the Colorado Constitution and Title 37, Article 45.1, Colorado Revised Statutes; and

WHEREAS, in order to facilitate the replacement of manually-read water meters with electronic automated meters (the "Project") the City, acting by and through the Enterprise, has applied for and been approved for a loan in the maximum amount of \$858,500.00 from the Colorado Water Conservation Board ("CWCB"); and

WHEREAS, the Cortez City Council, as the governing body of the Enterprise, has reviewed the loan documentation at a regular meeting on April 14, 2015, in the City Council Chambers at City Hall, 210 East Main Street, Cortez, and with the advice of counsel, is prepared to approve the loan and authorize the Enterprise to enter into the loan transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORTEZ, ACTING AS THE GOVERNING BODY OF THE CITY OF CORTEZ WATER ENTERPRISE, AS FOLLOWS:

**PAID IN FULL**

1. The Mayor of the Cortez City Council ("Mayor"), on behalf of the Enterprise, is authorized to enter into and comply with the terms of a contract with the CWCB for a loan in the amount of \$858,500.00 or such actual amount, more or less, as needed to finance the Project costs, including a CWCB loan origination fee of 1% ("Loan Contract").

2. The Enterprise is authorized and directed to levy and collect water activity enterprise revenues in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge said revenues and the Enterprise's right to receive said revenues for repayment of the loan approved herein.



3. The Enterprise shall place said pledged revenues in the Water Revenue Fund established pursuant to Ordinance No. 1138, Series 2010.

4. The Enterprise is to make the annual payments required by the Loan Contract and related Promissory Note, and to make annual deposits to a debt service reserve fund as required by the Loan Contract.

5. The Water Enterprise is authorized to pledge its revenues, backed by CWCB's customary rate covenant and annual financial reporting, as collateral for the loan and to execute all documents, including a Promissory Note and Security Agreement, necessary to convey a security interest in said property to the CWCB.

6. The Mayor is authorized to execute all documents as required by the Loan Contract, including, but not limited to, a Promissory Note and Security Agreement.

7. The Cortez City Manager is authorized to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

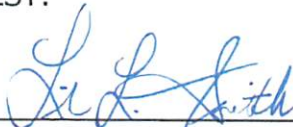
INTRODUCED, READ, AND PASSED AS A RESOLUTION THIS 14<sup>TH</sup> DAY OF APRIL 2015, AT A REGULAR MEETING OF THE CORTEZ CITY COUNCIL, ACTING AS THE GOVERNING BODY OF THE CITY OF CORTEZ WATER ENTERPRISE.

CITY OF CORTEZ, COLORADO,  
BY AND THROUGH ITS CITY OF CORTEZ  
WATER ENTERPRISE

By: \_\_\_\_\_

Karen W. Sheek, Mayor

ATTEST:

  
\_\_\_\_\_  
Linda L. Smith, City Clerk

**PAID IN FULL**

# SECURITY AGREEMENT

(PLEDGE OF ASSESSMENT REVENUES)

DATE: APRIL 14, 2015

DEBTOR: CITY OF CORTEZ, A HOME RULE MUNICIPALITY ACTING BY AND THROUGH ITS CITY OF CORTEZ WATER ENTERPRISE

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

PROMISSORY NOTE: \$858,500

TERMS OF REPAYMENT: 2.10% PER ANNUM FOR 10 YEARS

CONTRACT NUMBER: CT2015-152

COLLATERAL: The Pledged Revenues, as such term is defined in the PLEDGE OF REVENUE provisions of the LOAN CONTRACT and DEBTOR'S Loan Resolution adopted by the Debtor on APRIL 14, 2015.

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or

## Appendix 4



against DEBTOR; or

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

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

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.

City of Cortez, Home Rule Municipality acting by  
and through its City of Cortez Water Enterprise

(S E A L)

Attest:

By 

NAME: Karen W Sheek

TITLE: Mayor

DATE: 4/14/15

By   
Signature

NAME: Linda L Smith

TITLE: City Clerk

DATE: 4/14/15

## Appendix 4



# Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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STATE OF COLORADO                    )  
  )  
COUNTY OF MONTEZUMA            )  
  )  
CITY OF CORTEZ                        )       PARITY CERTIFICATE

The undersigned, an Independent Certified Public Accountant, in connection with the delivery by the City of Cortez, Colorado (the "City"), acting by and through its City of Cortez Water Enterprise (the "Enterprise"), of that certain Loan Contract (the "Loan Contract") and Promissory Note in the aggregate principal amount of \$858,500 (the "2015 Note") hereby certifies that:

Based on an analysis of the revenues (the "Revenues") of the water system (the "System") of the Enterprise (attached as Exhibit 1) on the basis of the current rate structure of the Enterprise or the rate structure most recently adopted and with the understanding that no more than 10% of total revenues may originate from tap and/or connection fees, Revenues for 12 consecutive months out of 18 months preceding the issuance of the 2015 Note are sufficient to pay the annual operating and maintenance expenses of the System, annual debt service on all outstanding indebtedness having a lien on the Pledged Revenue (as defined in the Loan Contract) including the 2015 Note, and all required deposits to any reserve funds required by the 2015 Loan Contract or any indebtedness having a lien on Pledged Revenue.

IN WITNESS WHEREOF, I have hereunder subscribed my name this 16<sup>th</sup> day of April, 2015.

By:  \_\_\_\_\_

Principal

Title

STATE OF COLORADO                    )  
COUNTY OF MONTEZUMA            ) ss.            COVERAGE CERTIFICATE  
CITY OF CORTEZ                        )

The undersigned, as the Finance Director for the City of Cortez, Montezuma County, Colorado (the "City"), in connection with the execution and delivery by the City, acting by and through its City of Cortez Water Enterprise (the "Enterprise") of that certain Loan Contract dated as of April 14, 2015, with the Colorado Water Conservation Board (the "Loan Contract") and Promissory Note representing the financial obligation of the City acting by and through the Enterprise under the Loan Contract in the maximum principal amount of \$858,500 (the "2015 Loan"), hereby certifies as follows:

1. Capitalized terms used herein and not defined shall have the meanings set forth in the Loan Contract.

2. As of the date hereof, the City acting by and through the Enterprise has an outstanding parity obligation described as that Governmental Agency Bond issued by the City acting by and through the Enterprise, dated February 18, 2010, and pursuant to a Loan Agreement with the Colorado Water Resources and Power Development Authority of said date (the "2010 Loan Agreement" (the "Parity Lien Obligation"), and no others, which have irrevocable and first lien (but not exclusive such liens) upon the Pledged Property (as defined in the Loan Agreement). The terms Pledged Property and Net Revenues are used interchangeably in this Certificate.

3. As of the date hereof, there are no outstanding obligations which have either a superior or a subordinate lien upon the Pledged Property.

4. The coverage requirements set forth in Exhibit F of the 2010 Loan Agreement, in accordance with the waiver by the Executive Direction of the Colorado Water Resources and Power Development Authority ("CWRPDA") pursuant to the policy change and authority granted him by the Board of Directors of the CWRPDA at its March 6, 2015 meeting, have been and are being met in that the revenues of the System after payment of operation and maintenance expenses for the twelve (12) consecutive months out of eighteen (18) months preceding the month in which such obligations are to be issued is at least equal to the sum of (a) one hundred ten percent (110%) of the maximum annual debt service of (i) the Governmental Agency Bond and all obligations of the Governmental Agency outstanding within such twelve (12) month period payable on a parity with the Governmental Agency Bond from the Pledged Property, and (ii) such proposed obligations to be issued, and (b) one hundred percent (100%) of all other indebtedness payable from the Pledged Property.

5. No other coverage requirements of any Parity Lien Obligations exist which are not met by meeting the requirements set forth in paragraphs 4 hereof.

IN WITNESS WHEREOF, I have hereunder subscribed my name this 14th day of April, 2015.

CITY OF CORTEZ, MONTEZUMA COUNTY, COLORADO

By Kathie Moss  
Title: Finance Director



City of Cortez  
Debt Service Parity Certification  
2015 Colorado Water Conservation Board Loan  
Exhibit 1

	2014 Preliminary Totals	12 Months Ended 3/31/2015 (1)	2015 Budget
Water Charges	\$ 2,188,895	\$ 2,209,329 (2)	\$ 2,360,725 (2)
Water Development Fees	97,515	79,386	25,000
Penalties, Connection and Other Charges	35,729	36,797	40,000
Investment Earnings	1,860	2,020	2,500
Total Revenues	<u>2,323,999</u>	<u>2,327,532</u>	<u>2,428,225</u>
Total Expenses	1,878,950	2,133,305	2,896,370
Less: Depreciation	(405,520)	(398,973)	(379,332)
Less: Capital Outlay		(148,750)	(595,000)
Less: Debt Service	(236,916)	(270,100)	(369,650)
Operating Expenses (not including depreciation)	<u>1,236,514</u>	<u>1,315,482</u>	<u>1,552,388</u>
Net Revenues	<u>1,087,485</u>	<u>1,012,050</u>	<u>875,837</u>
<b>Annual Debt Service Requirement:</b>			
2010 Colo Water Res & Power Development Loan	27,247	27,247	27,247
2015 Colorado Water Conservation Board	96,075	96,075	96,075
1986 Colorado Water Conservation Board (4)	72,506	72,506	72,506
1986 Delores Water Conservancy District (4)	246,125	246,125	246,125
2005 CO Dept of Local Affairs Water Loan (4)	23,772	23,772	23,772
Total Annual Debt Service Requirement	<u>465,725</u>	<u>465,725</u>	<u>465,725</u>
<b>Reserve Funding Requirement:</b>			
2015 Colorado Water Conservation Board	9,608	9,608	9,608
2010 CWRPDA Operations and Maintenance Reserve Funding (3)	41,127	41,127	4,397
Total Annual Debt Service and Reserve Funding	<u>516,460</u>	<u>516,460</u>	<u>479,730</u>
Debt Coverage Ratio	<u>211%</u>	<u>196%</u>	<u>183%</u>

**Pertinent Debt Compliance Provisions**

**1986 Delores Water Conservancy District**

Petition to DWCD Section 4 - Charges and resources of the City sufficient to meet the obligation.

**1986 Colorado Water Conservation Board**

Section 9 - Adjust charges sufficient to cover O&M, emergency repairs, and obsolescence and debt reserves

Ord. 694 Series 1998 Section 1 - Full faith and credit pledge

**2005 DOLA Requirement**

Section 22 - Payment from user fees and charges

Section 23 - Rate covenant sufficient to repay debt

**2010 CWRPDA Requirement**

110% of Debt service for loan and 100% of subordinate debt maturing during the period

3 month operations and maintenance reserve

**2015 CWCB loan**

Rate covenant sufficient to pay secured debt and any required debt service reserves

(1) - 12 month revenues and expenses based on proportionate allocation of 2014 actual and 2015 budgeted amounts except water charges

(2) - Includes adjustment for rate increase adopted December 9, 2014 via Resolution WE-2104-1, Series 2014 and effective 1/1/15

(3) - Only incremental change is presented, amount is funded in year prior based on subsequent year's budget. 2014 O&M reserve is based on the 2015 budget. The 2015 amount is based on 2016 proposed amounts presented in the 2015 budget.

(4) - The terms of the agreements may not represent a lien of "Pledged Revenue" as defined in the 2015 CWCB loan document as referenced in the Parity Certificate, but user fees are expected to be used to repay these obligations.

**SPENCER FANE**  
BRITT & BROWNE LLP  
*Attorneys & Counselors at Law*

April 23, 2015

State of Colorado  
For the use and benefit of the  
Department of Natural Resources,  
Colorado Water Conservation Board

Gentlemen

We are attorneys admitted to practice in the State of Colorado and have acted as Bond Counsel for the City of Cortez, Colorado, acting by and through its City of Cortez Water Enterprise (the "Enterprise" or "Borrower") which has entered into a Loan Contract (the "Loan Contract") with the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), and have acted as such in connection with the authorization, execution, and delivery by the Borrower of the Loan Contract.

In so acting, we have examined the constitution and laws of the State of Colorado and the proceedings relating to organization of the Borrower. We have also examined originals, or copies certified or otherwise identified to our satisfaction of the following:

- a. The Loan Contract No. CORE: CT2015-152 by and between the CWCB and the Borrower, executed by the Borrower on April 14, 2015;
- b. Resolution No.: WE-2015-2; Series 2015 of the governing body of the Borrower relating to approval of the Loan Contract, and the execution, issuance and delivery thereof on behalf of the Borrower.

Based upon the foregoing, we are of the opinion that:

1. The Contract has been duly executed by officers of the Borrower who are duly elected or appointed and are authorized to execute the Contract and to bind the Borrower; and
2. Resolution No. WE-2015-2, Series 2015 of the Borrower authorizing the execution and delivery of the Contract was duly adopted by the governing body of the Borrower; and
3. There are no provisions in the Colorado Constitution or any other state or local law that prevent this Contract from binding the Borrower; and

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Denver, Colorado 80203-4554

Denver 1237272.1

(303) 839-3800    [www.spencerfane.com](http://www.spencerfane.com)    Fax (303) 839-3838

**SPENCER FANE**  
BRITT & BROWNE LLP  
*Attorneys & Counselors at Law*

State of Colorado  
April 23, 2015  
Page 2

4. The Contract will be valid and binding against the Borrower if entered into by the CWCB; subject, however, to the effect of, and to restrictions and limitations imposed by, or resulting from, bankruptcy, insolvency, moratorium, reorganization, debt adjustment, or similar laws affecting creditor's rights generally (creditor's rights limitations), heretofore or hereafter enacted.

5. Based on the Parity Certificate of Holscher, Mayberry & Company, LLC, Certified Public Accountants, dated April 16, 2015, revenues of the Borrower, as reflected in the water enterprise fund (which fund accounts for the financial activities of the Borrower) are sufficient to enable the Borrower to execute the Promissory Note under the Loan Contract.

6. The Enterprise is a government-owned business authorized to issue its own revenue bonds and receives less than 10% of annual revenue in grants from all Colorado state and license governments combined within the meaning of Article X, Section 20 of the Colorado Constitution.

This opinion is rendered on the basis of the law of the State of Colorado as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs herein.

SPENCER FANE BRITT & BROWNE LLP





BORROWER: CITY OF CORTEZ, A HOME RULE  
MUNICIPALITY ACTING BY AND THROUGH ITS  
CITY OF CORTEZ WATER ENTERPRISE  
REQUESTED LOAN AMOUNT: \$850,000  
LOAN ORIGINATION FEE: \$8,500  
TOTAL LOAN AMOUNT: \$858,500

AGENCY NAME: COLORADO WATER  
CONSERVATION BOARD/PDA  
CONTRACT TYPE: LOAN/PUBLIC  
CWCB CMS: 77047/CORE: CT2015-152

## LOAN CONTRACT

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

This contract ("CONTRACT" or "LOAN CONTRACT") is made between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "State"), and the City of Cortez, a Home Rule Municipality acting by and through its City of Cortez Water Enterprise, 210 East Main Street, Cortez, Colorado, 81321, ("BORROWER").

### FACTUAL RECITALS

1. CWCB authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this CONTRACT; and
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. On January 27, 2015, CWCB ("Board") approved a loan request from the BORROWER for the Water Meter Replacement Project ("PROJECT") to replace the City's manually read water meters with electronic automated meters. The total estimated project cost is \$1,200,000. The BORROWER was approved for a total loan contract amount of **\$858,500** which includes a one percent (1%) loan origination fee of \$8,500 payable over 10 years at an interest rate of 2.10%; and
4. The BORROWER was approved for a Water Efficiency Grant not to exceed \$50,000, which will be processed using a State purchase order; and
5. The **PROJECT SUMMARY**, attached as **APPENDIX 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval and Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The PROJECT SUMMARY also contains sections on BORROWER's debt, collateral, procedures and eligible expenses.
6. 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 Origination 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 loan origination fee of one percent (1%) of the PROJECT amount. In the event that the BORROWER does not use the full LOAN AMOUNT authorized, the parties shall amend this CONTRACT to revise the LOAN AMOUNT including adjustment of the loan origination fee to reflect 1% of the actual LOAN AMOUNT disbursed to the BORROWER.
2. **Contract Amendment Service Fees.** Under certain circumstances, the BORROWER shall be assessed a service fee for amending the CONTRACT.
  - a. A service fee shall be imposed on the BORROWER for amendments processed for the benefit of the BORROWER and necessary for the BORROWER'S course of business but not necessary for the CWCB, including, but not limited to, a change in BORROWER name, assignment of contract, substitution of collateral, loan payment deferrals in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business, including but not limited to, loan payment deferrals (up to 3 per loan) and changes in terms of loan repayment will be processed at no additional charge to the BORROWER.
  - b. The amount charged shall be in accordance with the service fee rate structure set forth in the CWCB Loan Service Charge Policy in effect at the time the BORROWER shall request an amendment. The current service fee for an amendment is \$1,000.
  - c. The BORROWER shall remit the service fee to the CWCB prior to initiation of the amendment. Any service fee remitted to the CWCB cannot be refunded.
3. **Promissory Note Provisions.** The CWCB agrees to loan to the BORROWER an amount not to exceed the LOAN AMOUNT and the BORROWER agrees to repay the loan in accordance with the terms as set forth in the **PROMISSORY NOTE**, attached hereto as **APPENDIX 2** and incorporated herein. The **PROMISSORY NOTE** shall identify the LOAN AMOUNT. If the amount of loan funds disbursed by the CWCB to the BORROWER differs from the LOAN AMOUNT, the parties agree to amend the Promissory Note and this CONTRACT, including its appendices where necessary, to revise the LOAN AMOUNT.
4. **Interest Prior to Project Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, interest shall accrue on the disbursed funds at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to PROJECT'S substantial completion (as determined by the CWCB) and notify BORROWER of such amount. The BORROWER shall repay that amount to the CWCB either within ten (10) days from the date of notification from the CWCB, or, at the CWCB'S discretion, said interest shall be deducted from



the final disbursement of loan funds that the CWCB makes to the BORROWER.

5. **Return of Unused Loan Funds.** Any loan funds disbursed but not expended for the PROJECT in accordance with the terms of this CONTRACT shall be remitted to the CWCB within 30 calendar days from notification from the CWCB of either (1) completion of the PROJECT or (2) determination by the CWCB that the PROJECT will not be completed. Any such loan funds so remitted to CWCB shall be applied to the principal payment of amounts due on the Loan.
6. **Borrower's Authority to Contract.** The BORROWER warrants that it has full power and authority to enter into this CONTRACT. The execution and delivery of this CONTRACT and the performance and observation of its terms, conditions and obligations have been duly authorized by all necessary actions of the BORROWER. The **BORROWER'S AUTHORIZING RESOLUTION** ("LOAN RESOLUTION") OR **ORDINANCE(S)** are attached as **APPENDIX 3** and incorporated herein.
7. **Bond Counsel's Opinion Letter.** Prior to the execution of this CONTRACT by the CWCB, the BORROWER shall submit to the CWCB a letter from its **bond counsel** stating that it is the bond counsel's opinion that:
  - a. the CONTRACT has been duly executed by officers of the BORROWER who are duly elected or appointed and are authorized to execute the CONTRACT and to bind the BORROWER; and
  - b. the resolutions or ordinances of the BORROWER authorizing the execution and delivery of the CONTRACT were duly adopted by the governing bodies of the BORROWER; and
  - c. there are no provisions in the Colorado Constitution or any other state or applicable and binding local law that prevent this CONTRACT from binding the BORROWER; and
  - d. the CONTRACT will be valid and binding against the BORROWER if entered into by the CWCB subject to typical limitations related to bankruptcy, police power, and creditor's rights generally; and
  - e. based upon the parity certificate, Water Activity Enterprise revenues as reflected in the Water Enterprise Fund (which funds accounts for the financial activities of the Water Activity Enterprise) are sufficient to enable the Town to execute the Promissory Note under the Loan Agreement.
  - f. the enterprise is a government-owned business authorized to issue its own revenue bonds and receiving fewer than 10% of annual revenue in grants from all Colorado state and local governments combined within the meaning of Article X, Section 20 of the Colorado Constitution.
8. **Pledge of revenues.** The BORROWER irrevocably pledges to the CWCB, for purposes of repayment of this loan, the **PLEGDED REVENUES** as defined in the Loan Resolution set forth 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.



- 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, except for the payment of operations and maintenance expenses of the water system and the payment of parity bonds and obligations.
- 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 with respect to the Pledged Revenue, except for the liens of the BORROWER's existing loans as listed in Section 5 (Schedule of Existing Debt) of Appendix 1, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien.
- 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 or Fund.** To establish and maintain the debt service reserve account or fund, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account or fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds. The debt service reserve account or fund requirement will remain in effect until the loan is paid in full.
- e. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the NET REVENUE and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue additional Parity Bonds only with the prior written approval of the CWCB and consent will be provided only if the following occurs:
  - i. The BORROWER is currently and at the time of the issuance of the Parity Bonds 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 Bonds, 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 REVENUE (as defined in the LOAN RESOLUTION), 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 PLEDGED REVENUE. 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 CWCB prior to the issuance of any additional debt.

- f. **Annual Statement of Debt Coverage.** Each year during the term of this CONTRACT, the BORROWER shall 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 NET REVENUE is 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.

**15. Additional Contract Requirements.** Any additional CONTRACT requirements are set forth in Additional Conditions & Contract Requirements (Section 7) 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 8) 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 9) of the PROJECT

SUMMARY.

3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 10) 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 11) of the PROJECT SUMMARY.
5. **Indemnification by the Construction Firm.** The BORROWER shall require all construction firms and their subcontractors to indemnify the STATE and the BORROWER against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.
6. **Liability Insurance during Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown during the term of their contracts for the construction of the PROJECT. If requested by CWCB, the BORROWER shall provide the CWCB with an Acord Form 25 evidencing said insurance prior to commencement of construction and maintained until construction is complete. The BORROWER shall provide the CWCB with documentation of renewals of said insurance. No payments shall be made to the BORROWER unless all insurance certificates are current.
  - a. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.
  - b. Worker's compensation and employer's liability insurance in the required statutory amounts.
  - c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.

C. GENERAL PROVISIONS

1. **Periodic Inspections.** Throughout the term of this CONTRACT, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Such inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this CONTRACT and shall not be construed or interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.



2. **Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this CONTRACT.
3. **Designated Agent Of The CWCB.** The CWCB's employees are designated as the agents of the CWCB for the purpose of this CONTRACT.
4. **Assignment.** BORROWER'S rights and obligations, under this CONTRACT, are personal and may not be transferred, assigned without the prior, written consent of CWCB. Any attempt at assignment without such consent shall be void. All assignments approved by BORROWER or CWCB are subject to all of the provisions hereof.
5. **Contract Relationship.** The parties to this CONTRACT intend that the relationship between them under this CONTRACT is that of LENDER-BORROWER, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this CONTRACT.
6. **Integration of Terms.** This CONTRACT is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or affect whatsoever unless embodied herein in writing. No subsequent renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to State fiscal rules, unless expressly provided for herein.
7. **Order of Precedence.** The provisions of this CONTRACT shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this CONTRACT and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:
  - i. Colorado Special Provisions (provided that the parties hereby agree that, for the purposes of such Special Provisions "CONTRACTOR" shall mean "BORROWER")
  - ii. The provisions of the main body of this CONTRACT
  - iii. Appendices
8. **Casualty and Eminent Domain.** If, at any time during the term of this CONTRACT, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged 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 apply the net proceeds of an insurance claim or a condemnation award to repayment of the loan, BORROWER shall repay the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.

9. **Captions.** The captions and headings in this CONTRACT are for convenience of reference only, and shall not be construed so as to define or limit its provisions.
10. **CWCB's Approval.** This CONTRACT requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER'S compliance with this CONTRACT and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER and any of its consultants, by preparing any such documents, shall be solely responsible for the accuracy and completeness of any of said documents.
11. **Waiver.** Waiver of any breach under a term, provision, or requirement of this CONTRACT, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed as or deemed a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
12. **CORA Disclosure.** To the extent not prohibited by federal law, this CONTRACT and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the Colorado Open Records Act, CRS §24-72-101, et seq.
13. **Binding Effect.** All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.
14. **Entire Understanding.** This CONTRACT represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.
15. **Severability.** Provided this CONTRACT can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this CONTRACT in accordance with its intent.

16. **Third Party Beneficiaries.** Enforcement of this CONTRACT and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this CONTRACT are incidental to the CONTRACT, and do not create any rights for such third parties.
17. **Counterparts.** This CONTRACT may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
18. **Addresses for mailing.** All notices, correspondence, or other documents required by this CONTRACT shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

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

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

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 valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY. CRS §24-30-202(5.5).** Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.
4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.** State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.
9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not



acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

- 10. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.
- 11. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c). Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
- 12. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

SPs Effective  
1/1/09

[END OF SPECIAL PROVISIONS]

CMS #77047  
CORE #CT2015-152

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT

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

City of Cortez, Home Rule Municipality acting  
by and through its City of Cortez Water  
Enterprise

BY: Karen Sheek  
Signature

NAME: Karen Sheek

TITLE: Mayor

DATE: 4/14/15

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

BY: Kirk Russell

Name: Kirk Russell, P.E., Section Chief  
Finance Section  
Colorado Water Conservation Board

DATE: 5/5/15

Attest

BY: Linda L. Smith  
Signature

NAME: Linda L. Smith

TITLE: City Clerk

DATE: 4/14/15

Pre-Approved Form Contract Reviewer

BY: Peg Mason  
Peg Mason, CWCB Contracts Manager

DATE: 5-5-15

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

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

STATE CONTROLLER  
Robert Jaros, CPA, MBA, JD

By Susan Borup  
Susan Borup, Controller, Department of Natural Resources

Effective Date 5/19/15

PAID IN FULL



## Project Summary

### SECTION 1 –BORROWER INFORMATION

Name: City of Cortez, Home Rule Municipality acting by and through its City of Cortez Water Enterprise  
Type of Entity: Water Activity Enterprise  
Address: 210 East Main Street, Cortez, Colorado 81321  
Contact: Shane Hale, City Manager  
Phone Number: 970-564-4004  
E-mail address: shale@cityofcortez.com

### SECTION 2 – PROJECT DESCRIPTION

- A. Description of PROJECT: The BORROWER applied to the CWCB for a loan to be used to replace the City's manually read water meters with electronic automated meters. The total estimated project cost is \$1,200,000.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report dated November 2014 on the PROJECT, titled "*Feasibility of the Water Meter Replacement Project for the City of Cortez*," which was prepared by Shane Hale, City Manager. Technical support was prepared by Ken Torres, P.E., City of Cortez and is incorporated herein by this reference. 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 \$10,000,000 from the CWCB's Construction Fund without prior approval from the General Assembly.

### SECTION 4 - BOARD APPROVAL

At its January 27, 2015 meeting the CWCB approved a Small Project Loan, from the Construction Fund to the BORROWER, in an amount up to \$850,000 for PROJECT costs. CWCB's loan origination fee of 1%, in accordance with CWCB Policy No. 16, of \$8,500 added to the LOAN CONTRACT resulting in a total loan amount of **\$858,500**, at an interest rate of 2.10% per annum for a repayment term of 10 years.

### SECTION 5 – SCHEDULE OF EXISTING DEBT

As of the date of the CWCB loan approval, the BORROWER has outstanding the following obligations payable from the PLEDGED REVENUES of the Enterprise, which obligations constitute PARITY OBLIGATIONS under the LOAN CONTRACT and require a Parity Certificate.

#### EXISTING DEBT

Lender	Project	Current Balance	Annual Payment	Maturity Date	Collateral
DOLA	Water system improvements	\$210,696	\$23,772	2025	Water Enterprise Revenues
Dolores Water Conservancy District	1,500 acre-feet of water	\$3,225,076	\$246,125	2046	Water Enterprise Revenues
Colorado Water Resources and Power Development	Water treatment facility	\$391,027	\$27,246	2038	Water Enterprise Revenues

The BORROWER must provide, 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 the Promissory Note under this Loan Contract and that 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 REVENUE including this loan, and all required deposits to any reserve funds required by this CONTRACT or by the lender(s) of any indebtedness having a lien on PLEDGED REVENUE. 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.

#### SECTION 6 – Loan Security

The SECURITY provided for this loan, as evidenced by the executed SECURITY AGREEMENT (Appendix 4), incorporated herein, shall be a pledge of Water Activity Enterprise revenues backed by a rate covenant and evidenced by annual financial reporting.

#### Section 7- ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

NONE.

PAID IN FULL

#### SECTION 8 – “CONSTRUCTION FUND PROGRAM” PROCEDURES

- The BORROWER shall employ an engineer, registered in the State of Colorado to prepare plans and specifications for the PROJECT.
- Engineering contracts and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this CONTRACT when available prior to bidding. Any modifications, to the plans and specifications that effect changes to the construction costs must be approved in writing by CWCB.
- 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.
- The BORROWER shall notify CWCB of the bid opening date, time and location. CWCB staff may elect to attend the bid opening.
- CWCB must approve the award of the construction contract.

#### Appendix 1



- F. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, selected by the BORROWER and found acceptable by the CWCB staff.
- G. The BORROWER must provide a copy of the following construction contract documents: executed contractor's proposal, executed construction contract, executed performance bond, executed payment bond, executed notice of award, proposed notice to proceed, sample change order, and sample field order, as well as the advertisement for bid 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.
- H. 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.
- I. 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.
- J. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- K. 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.
- L. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- M. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

**SECTION 9 – ELIGIBLE EXPENSES.** The following items are eligible for loan disbursements.

- A. Preparing final designs and specifications for the PROJECT. **PAID IN FULL**
- 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.
- 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

**Appendix 1**



local regulatory requirements.

- J. PROJECT-related expenses incurred prior to the Effective Date of this CONTRACT in accordance with the approval of this loan.

#### **SECTION 10 – DISBURSEMENT SCHEDULE**

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

#### **SECTION 11 – TIME FOR PERFORMANCE**

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

PROJECT END DATE is three (3) years from the Effective Date of this CONTRACT.

**PAID IN FULL**

# PROMISSORY NOTE

Date: April 14, 2015  
Borrower: City of Cortez, a Home Rule Municipality  
acting by and through its City of Cortez Water Enterprise  
Principal Amount: \$858,500  
Interest Rate: 2.10% per annum  
Term of Repayment: 10 years  
Contract Number: CT2015-152  
Loan Payment: \$96,074.56  
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 annual equal loan payments, as set forth in "Loan Payment" above, with the first payment due and payable one year from the Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 718, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a SECURITY AGREEMENT, ("SECURITY INSTRUMENT") of even date and amount herewith and cover certain revenues and/or accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB.
8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for

## Appendix 2

purposes of this PROMISSORY NOTE.

9. The BORROWER and any co-signer or guarantor hereby agree that if this PROMISSORY NOTE or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This PROMISSORY NOTE shall be governed in all respects by the laws of the State of Colorado.

City of Cortez, Home Rule Municipality acting by  
and through its City of Cortez Water Enterprise

(SEAL)

By   
Signature

Attest:

NAME: Karen W Sheek

TITLE: Mayor

DATE: 4/14/15

By   
Signature

NAME: Linda L Smith

TITLE: City Clerk

DATE: 4/14/15

**PAID IN FULL**



**CITY OF CORTEZ, COLORADO  
WATER ENTERPRISE  
RESOLUTION NO: WE-2015-2, SERIES 2015**

**A RESOLUTION OF THE CITY OF CORTEZ WATER ENTERPRISE APPROVING  
THE TERMS OF A SECURED LOAN FROM THE STATE OF COLORADO WATER  
CONSERVATION BOARD TO THE CITY OF CORTEZ ENTERPRISE FOR THE  
REPLACEMENT OF MANUALLY READ WATER METERS WITH ELECTRONIC  
AUTOMATED METERS, AND AUTHORIZING THE MAYOR TO EXECUTE  
DOCUMENTS NECESSARY TO ACCOMPLISH SAME**

WHEREAS, the City of Cortez ("City") is a Colorado home-rule municipality, with all powers attributable thereto; and

WHEREAS, the City has established and maintained in good standing its City of Cortez Water Enterprise (the "Enterprise") pursuant to Article X, Section 20 of the Colorado Constitution and Title 37, Article 45.1, Colorado Revised Statutes; and

WHEREAS, in order to facilitate the replacement of manually-read water meters with electronic automated meters (the "Project") the City, acting by and through the Enterprise, has applied for and been approved for a loan in the maximum amount of \$858,500.00 from the Colorado Water Conservation Board ("CWCB"); and

WHEREAS, the Cortez City Council, as the governing body of the Enterprise, has reviewed the loan documentation at a regular meeting on April 14, 2015, in the City Council Chambers at City Hall, 210 East Main Street, Cortez, and with the advice of counsel, is prepared to approve the loan and authorize the Enterprise to enter into the loan transaction.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORTEZ, ACTING AS THE GOVERNING BODY OF THE CITY OF CORTEZ WATER ENTERPRISE, AS FOLLOWS:

1. The Mayor of the Cortez City Council ("Mayor"), on behalf of the Enterprise, is authorized to enter into and comply with the terms of a contract with the CWCB for a loan in the amount of \$858,500.00 or such actual amount, more or less, as needed to finance the Project costs, including a CWCB loan origination fee of 1% ("Loan Contract").

2. The Enterprise is authorized and directed to levy and collect water activity enterprise revenues in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge said revenues and the Enterprise's right to receive said revenues for repayment of the loan approved herein.

3. The Enterprise shall place said pledged revenues in the Water Revenue Fund established pursuant to Ordinance No. 1138, Series 2010.

4. The Enterprise is to make the annual payments required by the Loan Contract and related Promissory Note, and to make annual deposits to a debt service reserve fund as required by the Loan Contract.

5. The Water Enterprise is authorized to pledge its revenues, backed by CWCB's customary rate covenant and annual financial reporting, as collateral for the loan and to execute all documents, including a Promissory Note and Security Agreement, necessary to convey a security interest in said property to the CWCB.


6. The Mayor is authorized to execute all documents as required by the Loan Contract, including, but not limited to, a Promissory Note and Security Agreement.

7. The Cortez City Manager is authorized to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

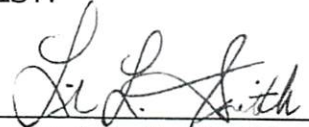
INTRODUCED, READ, AND PASSED AS A RESOLUTION THIS 14<sup>TH</sup> DAY OF APRIL 2015, AT A REGULAR MEETING OF THE CORTEZ CITY COUNCIL, ACTING AS THE GOVERNING BODY OF THE CITY OF CORTEZ WATER ENTERPRISE.

CITY OF CORTEZ, COLORADO,  
BY AND THROUGH ITS CITY OF CORTEZ  
WATER ENTERPRISE

By: \_\_\_\_\_

  
Karen W. Sheek, Mayor

ATTEST:

  
\_\_\_\_\_  
Linda L. Smith, City Clerk

**PAID IN FULL**



# SECURITY AGREEMENT

(PLEDGE OF ASSESSMENT REVENUES)

DATE: APRIL 14, 2015

DEBTOR: CITY OF CORTEZ, A HOME RULE MUNICIPALITY ACTING BY AND  
THROUGH ITS CITY OF CORTEZ WATER ENTERPRISE

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

PROMISSORY NOTE: \$858,500

TERMS OF REPAYMENT: 2.10% PER ANNUM FOR 10 YEARS

CONTRACT NUMBER: CT2015-152

COLLATERAL: The Pledged Revenues, as such term is defined in the PLEDGE OF REVENUE provisions of the LOAN CONTRACT and DEBTOR'S Loan Resolution adopted by the Debtor on APRIL 14, 2015.

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or Loan CONTRACT;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or

## Appendix 4



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

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

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.

City of Cortez, Home Rule Municipality acting by  
and through its City of Cortez Water Enterprise

(SEAL)

Attest:

By 

NAME: Karen W Sheek

TITLE: Mayor

DATE: 4/14/15

By   
Signature

NAME: Linda L Smith

TITLE: City Clerk

DATE: 4/14/15

**PAID IN FULL**

**Appendix 4**

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# UCC Financing Statement Amendment

<b>Initial Financing Statement</b>
------------------------------------

File #: 20192014759

File Date: 02/21/2019 02:36:04 PM

Filing office: Secretary of State

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This amendment is a termination.

# UCC Financing Statement

**Colorado Secretary of State**

Date and Time: 02/21/2019 02:36:04 PM

Master ID: 20192014759

Validation Number: 20192014759

Amount: \$8.00

## Debtor: (Organization)

Name: City of Cortez

Address1: 123 Roger Smith Ave

Address2:

City: Cortez

State: CO

ZIP/Postal Code: 81321

Province:

Country: United States

## Secured Party: (Organization)

Name: State of Colorado - Colorado Water Conservation Board

Address1: 1313 Sherman St Room 718

Address2:

City: Denver

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

## Collateral

### Description:

SECURED PARTYS REVENUES PLEDGED TO REPAY LOAN OF \$858,500 IN ACCORDANCE WITH LOAN CONTRACT NO. CT2015-152 AND PROMISSORY NOTE, DATED 04/14/2015