

WAIVER AND CONSENT  
CITY OF VICTOR, COLORADO

This WAIVER AND CONSENT is delivered in connection with the issuance by the CITY OF VICTOR, COLORADO (the “City”) of a promissory note to the Colorado Water Conservation Board (the “CWCB”) and the execution of a loan contract related thereto.

A. The City has previously entered into a loan contract with the CWCB dated as of April 23, 2021 (the “2021 Loan Contract”) pursuant to which the City executed and delivered a promissory note (the “2021 Note”). All terms not otherwise defined herein have the meanings ascribed to them in the 2021 Loan Contract.

B. Pursuant to Section 11.E., of the 2021 Loan Contract, the City covenanted that it will only issue parity debt with the prior written approval of the CWCB provided that: (i) The City is currently and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of the 2021 Loan Contract, including, but not limited to, being current on the annual payments due under the 2021 Loan Contract. (ii) The City provides to the CWCB a Parity Certificate from an independent certified public accountant certifying that, based on an analysis of the City’s revenues, for twelve (12) consecutive months out of the eighteen (18) months immediately preceding the date of issuance of such parity debt, the City’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 the 2021 Note, and the annual debt service on the proposed indebtedness to be issued. The analysis of revenues shall be based on the City’s current rate structure or the rate structure most recently adopted. No more than ten percent (10%) of total revenues may originate from tap and/or connection fees. (iii) The City acknowledges and understands that any request for approval of the issuance of additional debt must be reviewed and approved by the CWCB prior to the issuance of any additional debt (the “Additional Bonds Test”).

C. The City has received approval for an amendment to the 2021 Loan Contract to provide further loan funds from the CWCB to finance the rehabilitation of the Victor Reservoir No. 2 Dam (the “Project”).

D. The Board expects to enter into two amendments to the 2021 Loan Contract with the CWCB (the “Loan Amendments”), pursuant to which CWCB shall loan the District an

additional amount of not to exceed \$530,250 (the “Loan”) for the purposes of supplemental the costs of construction of the Project, with the Loan to be payable from Pledged Revenues on a parity basis to the 2021 Note.


E. The City has consulted with the CWCB, and the CWCB has agreed that the Additional Bonds Test as specified in the 2021 Loan Contract does not apply if the prior parity obligations are held by the CWCB, and is not required in order to facilitate the financing for the Project.

The CWCB acknowledges and agrees as follows:

1. The CWCB hereby consents to and agrees to waive the requirements of the Additional Bonds Test with respect to the Loan.
2. The CWCB does NOT waive the Additional Bonds Test with respect to any further financing to be obtained at a later date in which CWCB is not the lender.

Dated \_\_\_\_\_, 2025.

COLORADO WATER CONSERVATION  
BOARD

By:  12/30/24  
Title: CWCB Finance Section Chief

ACKNOWLEDGED:  
CITY OF VICTOR, COLORADO

By: \_\_\_\_\_  
Title: City Administrator

Dated January 17, 2025.

COLORADO WATER CONSERVATION  
BOARD

By: KE 200 12/30/24  
Title: CWCB Finance Section Chief

ACKNOWLEDGED:  
CITY OF VICTOR, COLORADO

By: 37  
Title: City Administrator