

**TOWN OF SILT
 BOARD OF TRUSTEES WORK SESSION AGENDA
 MONDAY, SEPTEMBER 25, 2023
 5:30 – 6:50 P.M.
 MUNICIPAL COUNCIL CHAMBERS**

ESTIMATED TIME	AGENDA ITEM	PUBLIC HEARING or ACTION ITEM	STAFF PRESENTOR
	Agenda		
5:30			
	<ul style="list-style-type: none"> • Affordable Housing • Code adjustments related to affordable housing • Multi-family parking requirements • On-street parking 	Discussion Items	
6:50	Adjournment		

TOWN OF SILT
BOARD OF TRUSTEES/PLANNING AND ZONING COMMISSION WORK SESSION
September 25, 2023

AGENDA ITEM SUMMARY

SUBJECT: Housing Discussion

PROCEDURE: Board/P&Z Discussion

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

We all know that the housing market in our region is difficult. The West Mountain Regional Housing Coalition Housing Programs/Strategies Toolkit says:

Colorado's extremely tight housing supply is no longer news to most, it's become a daily topic of conversation and planning focus throughout the state. Largely, this issue means that many individuals and families struggle to find quality, affordable housing options and when they do find it, it tends to be in locations that are not conveniently located to their employment.

Silt has long played an important role in providing affordable housing to those who work all over the region through private development of housing stock. Silt's Trustees recently asked that this be a topic of conversation with the Silt Planning and Zoning Commission to explore whether, how and when the Town should get involved in helping to resolve these issues. It is noted that there are many varieties of grant funding available to assist the Town in assessing its housing needs,

The Board and Commission will have an open conversation about this issue. Garfield County's Former Director of Community Development Sheryl Bower will attend as a subject matter expert to provide some comment and context to the conversation, to the extent her assistance is desired.

The outcome of this conversation should be to direct Staff to bring concrete next steps to the Board/Commission for consideration.

ORIGINATED BY: Jeff Layman

PRESENTED BY: Board of Trustees/
Planning and Zoning
Commission

SUBMITTED BY:

Jeff Layman
Jeff Layman, Town Administrator

REVIEWED BY:

Sheila M. McIntyre
Sheila M. McIntyre, Town Clerk

**TOWN OF SILT
REGULAR BOARD OF TRUSTEES AGENDA
MONDAY, SEPTEMBER 25, 2023 – 7:00 P.M.
MUNICIPAL COUNCIL CHAMBERS**

5:30 p.m. – Joint work session between the Board and the Planning & Zoning Commission

ESTIMATED TIME	AGENDA ITEM	PUBLIC HEARING or ACTION ITEM	STAFF PRESENTOR
	Agenda		Tab A
7:00	Call to order		Mayor Richel
	Roll call		
	Pledge of Allegiance and Moment of Silence		
7:05	Public Comments - Persons desiring to make public comment on items not on the agenda shall activate the “raise hand” function in the meeting program. For persons who will participate in the meeting by telephone, they should send an email by 5:00 p.m. on the day of the meeting to sheila@townofsilt.org indicating their desire to make public comment. For those attending in person, a “Sign in Sheet” is available in the Council Chambers. Each speaker will limit comments to no more than three (3) minutes, with a total time of 30 minutes allotted to public comments, pursuant to Section 2.28.020 of the Silt Municipal Code		
	Shop Local Video – Wild Roots		
7:20 5 min	Consent agenda – 1. Draft minutes of the September 11, 2023 Board of Trustees meeting 2. High Q - Renewal of Retail Marijuana License 3. Engagement Letter with Kutak Rock LLP as Bond Counsel for the financing of the Water Treatment Plant Improvements	Action Item	Tab B Mayor Richel
	Conflicts of Interest		
7:25	Agenda Changes		
7:25 20 min	2023 Heyday Report – Peggy Swank	Info Item	Tab C Town Clerk McIntyre
7:45 15 min	Youth Zone Annual Presentation and Request for Support – Ali Naaseh-Shahry	Action Item	Tab D Administrator Layman
8:00 10 min	First reading of Ordinance No. 6, Series 2023 , AN ORDINANCE OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE, AUTHORIZING ONE OR MORE LOANS FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY TO FINANCE WATER TREATMENT SYSTEM AND RELATED IMPROVEMENTS; AUTHORIZING EXECUTION OF ONE OR MORE LOAN AGREEMENTS AND BONDS TO EVIDENCE THE LOANS; AND PROVIDING FOR PAYMENT OF THE BONDS FROM THE OPERATION OF THE TOWN'S WATER AND WASTEWATER SYSTEM COMPRISING THE ENTERPRISE	Public Hearing	Tab E Attorney Sawyer

8:10 5 min	Administrator and Staff Comments	Info Item	Tab F Administrator Layman
8:15 10 min	Updates from Board / Board Comments		
8:25 60 min	Executive Session – For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiation, and instructing negotiators under CRS Section 24-6-402(4)(e) – Dewberry and Garney, and for discussion of a personnel matter under CRS Section 24-6-402(4)(f) – Town Administrator Jeff Layman performance evaluation		
9:25	Adjournment		
The next regularly scheduled meeting of the Silt Board of Trustees is Tuesday, October 10, 2023. Items on the agenda are approximate and intended as a guide for the Board of Trustees. “Estimated Time” is subject to change, as is the order of the agenda. For deadlines and information required to schedule an item on the agenda, please contact the Silt Town Clerk at 876-2353.			

Tentative upcoming work sessions:

- October 10, 2023 – 5:30 p.m. Budget work session – Enterprise Funds
- October 23, 2023 – 5:30 p.m. – Budget work session – General Fund

**TOWN OF SILT
REGULAR BOARD OF TRUSTEES MEETING
SEPTEMBER 11, 2023 – 7:00 P.M.**

The Silt Board of Trustees held their regular meeting on Monday, September 11, 2023. Mayor Richel called the meeting to order at 7:01 p.m.

Roll call	Present	Mayor Keith Richel Mayor Pro-tem Derek Hanrahan Trustee Justin Brintnall Trustee Chris Classen Trustee Samuel Flores Trustee Andreia Poston Trustee Jerry Seifert
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Also present were Town Administrator Jeff Layman, Town Clerk Sheila McIntyre, Town Treasurer Amie Tucker, Public Works Director Trey Fonner, Community Development Manager Nicole Centeno, Town Attorney Mike Sawyer and members of the public.

Pledge of Allegiance and Moment of Silence

Public Comments – Resident Amy Goodman commented about the general upkeep of the town including the skatepark, stating that there are several goat heads and tall weeds in the area. She added that there are also goat heads all along the soccer field by the old Roy Moore School site. She also commented about the litter around the Dollar General Store and that someone needs to apply pressure to get it cleaned up. Ms. Goodman stated that she would be willing to be part of the solution.

Consent Agenda –

1. Minutes of the August 28, 2023 Board of Trustees meeting

Trustee Seifert made a motion to approve the consent agenda as presented. Trustee Classen seconded the motion, and the motion carried unanimously.

Conflicts of Interest – There were no conflicts of interest.

Agenda Changes – There were no agenda changes.

Announcement of Discover Silt Photo Contest Winners

Community Development Manager Centeno announced the winners of the photo contest and Mayor Richel presented Taylor Smith with her prize for her first-place entry.

Planning & Zoning Commission Interview – Vanesa Westmoreland

Vanesa Westmoreland was present to be interviewed for the Planning & Zoning Commission vacancy. The Board asked Ms. Westmoreland questions regarding her desire to be on the Commission.

Trustee Seifert made a motion to appoint Vanesa Westmoreland to the Planning & Zoning Commission. Mayor Pro-tem Hanrahan seconded the motion, and the motion carried unanimously.

Recordation of Final Plat for Autumn Ridge Subdivision

Attorney Sawyer went over his report on the parcel adding that the final plat was approved several months ago. He stated that there has been an issue with a utility company who has chosen not to sign the plat. He added that Silt is the only community that he knows of who requires a signature block for utility companies. Derek Walter was present to convey the conversation he had with Xcel Energy and their concerns of signing the plat due to two separate easements. Attorney Sawyer asked that the Board allow the plat to be recorded absent the Xcel signature.

Trustee Brintnall made a motion to direct staff to record the Autumn Ridge Final Plat without the Xcel Energy signature. Trustee Classen seconded the motion, and the motion carried unanimously.

Resolution No. 23, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE AUTHORIZING ACCEPTANCE OF A LOAN AGREEMENT FOR DIRECT LOAN(S) BETWEEN THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY AND THE TOWN OF SILT, COLORADO, FOR WATER UTILITY IMPROVEMENTS

Administrator Layman briefed the Board and the public on the action steps for tonight. Director Fonner and Financial Analyst Jim Mann went over a power point presentation that covered how we got to this point and the steps towards building and financing the improvements. Also, present tonight were Toby Reid and Tony Zancanella to assist with answering questions.

It was stated that the total cost of the project from Garney at the 90% stage has come down to \$24,356,636. Mr. Mann stated that this now provides the town with a conservative estimate on the borrowing package of \$17,950,000. He proceeded to go over the loans and the rates that the town would be working with. He added that the town would have more details on the Leveraged Loan sometime in late November or early December and that there are still a couple of unknowns that could bring the final number down even lower. The estimated average customer monthly impact currently sits at \$105.62 which includes an increase to help the water fund support itself along with the increase due to the new water plant.

Mr. Mann talked about “stepping” into the rates to bring them up at a slower pace for the citizens with the first increase of \$19.65 taking place October 1, 2023 and the second increase of \$31.55 to take place on January 1, 2024. He also went over an increase of \$9.97 that would be implemented January 1, 2028. He stated these numbers are subject to change once the town knows what the bonds sell for plus possible money from a DOLA grant.

There was discussion regarding a recent increase received by staff from Dewberry for the cost of construction management that more than tripled to \$1.5M. Administrator Layman stated that staff is working with them now to try and understand the extra costs. There was concern why the town wasn't made aware of this increase early. Administrator Layman explained some of the options that staff is looking at in regards to funds and grants to assist with paying this increased amount.

Mr. Reid explained that some costs cannot be nailed down yet and that they would still continue to get competitive numbers and that they would need to meet the engineering criteria, the states requirements and the towns goals for longevity. There was brief discussion regarding training costs that have been built in, the 2-year warranty and how it works, the parts at the current plant that they would be able to use at the new plant, what type of growth the new plant would be able to handle, the life span of the new plant and the recommended new tiered rate system. The Board thanked all persons involved in this process and the proposed new plant.

Mayor Richel stated that he feels that the town is confident in the number that is being presented, that the rates need to be raised slowly, that the town needs to negotiate with Dewberry regarding their increase in fees and that the town needs to apply for the \$1M EIAF grant.

Attorney Sawyer then went over the resolutions to be considered tonight stating that with the many things happening in the last few days to secure the financing it has now been determined after a discussion with a State Revolving Loan representative that both resolutions no. 23 and 24 would not need to be approved tonight. He stated that an ordinance would come before the board at the next meeting that would be drafted by loan counsel and contain the same information that is in those two resolutions. He added that the remaining three resolutions would need to be passed tonight.

Resolution No. 23 has been pulled with no need to approve.

Resolution No. 24, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE AUTHORIZING ACCEPTANCE OF A LOAN AGREEMENT FOR LEVERAGED LOAN(S) BETWEEN THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY AND THE TOWN OF SILT, COLORADO, FOR WATER UTILITY IMPROVEMENTS

Resolution No. 24 has been pulled with no need to approve.

Resolution No. 25, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE APPROVING THE APPOINTMENT OF TOWN BOND COUNSEL

Attorney Sawyer explained the resolution.

Trustee Brintnall made a motion to approve Resolution No. 25, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE APPROVING THE APPOINTMENT OF TOWN BOND COUNSEL. Trustee Flores seconded the motion, and the motion carried unanimously.

Resolution No. 26, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY

ENTERPRISE ADOPTING THE WATER RATE STUDY AND PROVIDING FOR ADJUSTMENTS TO THE MONTHLY WATER RATES

Attorney Sawyer passed out an updated resolution and proceeded to go through the changes requested by the State Revolving Loan representative which included the increases that would start stepping up beginning October 1, 2023, again on January 1, 2024 and January 1, 2028. Mr. Mann stated that he would recommend continuing to increase the water rates at 2% annually or 4% every two years. He added that the town would need to evaluate this every year based on the current finances of the utility and make sure the town is meeting the covenants that they are agreeing to in order to pay back the debt.

Trustee Seifert made a motion to approve Resolution No. 26, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE ADOPTING THE WATER RATE STUDY AND PROVIDING FOR ADJUSTMENTS TO THE MONTHLY WATER RATES in the form that was handed out by the Town Attorney during the meeting. Trustee Poston seconded the motion, and the motion carried unanimously.

Resolution No. 27, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE, AUTHORIZING THE TOWN ADMINISTRATOR TO NEGOTIATE AN EARLY PROCUREMENT CONTRACT WITH GARNEY COMPANIES, INC.

Attorney Sawyer and Mr. Reid explained the resolution.

Trustee Seifert made a motion to approve Resolution No. 27, Series 2023, A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE, AUTHORIZING THE TOWN ADMINISTRATOR TO NEGOTIATE AN EARLY PROCUREMENT CONTRACT WITH GARNEY COMPANIES, INC. Trustee Classen seconded the motion and the motion carried unanimously.

The Board thanked Tony Zancanella for the job he has done since coming on as the towns ORC.

Administrator and Staff Reports

Administrator Layman commented about being contacted by a Trustee to do a drive around the community and just wanted to let the rest of the board members know and state that they can also contact him to do the same. The mayor stated he had no problem with that type of request and also reminded everyone that they are not to direct any employees of the town and to always follow the proper chain of command with any issues. Mayor Richel asked Administrator Layman that when he does do a tour with a member of the board to write something about it in his report.

Staff was asked about the status of the interchange paving and when is Silt's would be done and Director Fonner stated that CDoT has still not provided the dates.

Updates from Board / Board Comments

Staff was thanked for all of their hard work especially on the water plant improvements and commented on how hard the decision making has been along the way. The board also thanked the resident for coming in tonight for public comment.

Executive Session

It was determined that the executive session would not be necessary tonight

Adjournment

Trustee Seifert made a motion to adjourn. Trustee Brintnall seconded the motion, and the motion carried unanimously. Mayor Richel adjourned the meeting at 9:40 p.m.

Respectfully submitted,

Approved by the Board of Trustees

Sheila M. McIntyre
Town Clerk, CMC

Keith B. Richel
Mayor

**TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
September 25, 2023**

AGENDA ITEM SUMMARY

SUBJECT: Renewal of Retail Marijuana Store Business License for HQ LLC, d/b/a High Q Silt

PROCEDURE: (Public Hearing, Action item, Information Item) Consent Action Item

RECOMMENDATION: Staff recommends approval

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

Annual renewal for a retail marijuana store license. The applicant is current on all licenses and fees. No infractions found

FUNDING SOURCE: HQ, LLC

ORDINANCE FIRST READING DATE: N/A

ORDINANCE SECOND READING DATE: N/A

RESOLUTION READING DATE: N/A

ORIGINATED BY: HQ LLC d/b/a High Q Silt

PRESENTED BY: Lori Malsbury

DOCUMENTS ATTACHED: Renewal application and supporting documentation

TOWN ATTORNEY REVIEW [] YES [X] NO **INITIALS** _____

SUBMITTED BY:

REVIEWED BY:


Lori Malsbury, Deputy Town Clerk


Jeff Layman, Town Administrator



TOWN OF SILT

MEDICAL MARIJUANA AND/OR RETAIL MARIJUANA STORE BUSINESS LICENSE
NEW AND RENEWAL APPLICATION

NEW RENEWAL

Applicant Name: Renee Grossman	Applicant Address and Phone Number(s): 314 Sopris Circle Basalt, CO 81621 [REDACTED]	Social Security # or FEIN: 46-2296641
dba (Doing Business As) Name: High Q Silt	Business Legal Name: HQ LLC	Business Phone Number(s): 970-876-4114
Business Mailing Address: 314 Sopris Circle Basalt, CO 81621	Physical Business Address and Zoning District: 730 Main St, Silt, CO 81652 Zone B-1	Landlord Name & Mailing Address: HQ Holdings LLC 314 Sopris Circle Basalt, CO 81621
Business Manager and Date of Birth: Renee Grossman [REDACTED]	Business Manager's Address and Phone #: 314 Sopris Circle Basalt, CO 81621 212-851-6448	E-Mail : Renee@plumcompanies.com
US Citizen: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
Business Owners (all must be listed) and Dates of Birth: Renee Grossman [REDACTED] See attached addendum	Business Owners Addresses and Phone #s: 314 Sopris Circle Basalt, CO 81621 212-851-6448	Owners' Social Security Numbers: [REDACTED]
US Citizens: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
Hours of Operation: Mon-Wed 10AM-8PM Thurs-Sat 10AM-10PM Sun 12PM-8PM	Days of Operation: Mon-Sun	Business Square Footage: 1,000 sq ft
Nature of Business (as you would like it described on your license): Retail Marijuana Store		

TYPE OF BUSINESS:

- Medical Marijuana Store (requires a public hearing) – List of Products:
- Retail Marijuana Store (requires a public hearing) – List of Products:
Medical/Retail Marijuana Store (requires a public hearing) – List of Products:
Marijuana, marijuana-infused products, CBD products,
accessories

TYPE OF OWNERSHIP:

- Corporation Limited Liability Company Partnership Sole Proprietorship Franchise
- Non-profit Corporation (attach IRS Letter of Determination) Other _____

STATE LICENSES (COPIES MUST BE ATTACHED TO THIS APPLICATION, IF AVAILABLE):

- State Medical/Retail Marijuana License #(s) 402R-00332 FEIN # 46-2296641
- State Health Department License # n/a State Sales Tax # 29843485 (registered Silt as home base)

REQUIRED DECLARATIONS:

1. Has the applicant or any of the owners of this business been denied a medical marijuana or retail marijuana business or liquor license or similar State or local license, or had such a license suspended or revoked? Yes No
If yes, please explain on a separate sheet of paper.
2. Has the applicant or any of the owners of this business been convicted of a felony or has completed any portion of a sentence due to a felony conviction within the past 5 years, or has the applicant or any of the owners completed any portion of a sentence for a conviction of a felony regarding the possession, distribution, manufacturing, cultivation or use of a controlled substance within the past 10 years? Yes No
If yes, please explain on a separate sheet of paper.
3. Is the applicant and the owners or manager U.S. Citizens and Colorado residents of two years and twenty-one (21) years of age or older? Yes No
If no, please explain on a separate sheet of paper.
4. Is the applicant or any of the owners a law officer and/or employee of the State or local licensing authority? Yes No
5. Has a transfer of capital stock, change in principal officers or directors, transfer of membership interest or managers occurred? Yes No **See addendum**
6. Does the business utilize any hazardous, toxic or flammable materials? Yes No
If so, please list out which kind, quantities, and for what purpose.
7. Is your business a change of use or occupancy for this location? Yes No
(If a **change of use**, then two sets of registered design professional stamped plans are required. Please go to: <http://townofsilt.org> to apply for a building permit.)
8. Will there be ANY remodeling or building alterations? Yes No
(Please go to: <http://townofsilt.org> to apply for a building permit.)
9. If renewal, have you added any space to your previous square footage? Yes No
10. Will you be installing a new sign or changing an existing sign? Yes No

FEE SCHEDULE:

- 1. New license application for medical/retail marijuana store. \$5000.00
- 2. Renewal license application for medical/retail marijuana store. \$2000.00

- ❖ A change of ownership requires a new license application and fee.
- ❖ A license must be obtained for each marijuana establishment location.
- ❖ A license is valid for one year

REQUIRED ATTACHMENTS:

- Completed copy of the State Medical/Retail Marijuana application(s) (as submitted to the State)
- Copy of State Sales Tax License Application (renewal only if different)
- Copies of Articles of Incorporation or Partnership/Operating Agreements (renewal only if different)
- Lease or Deed for Premises, listing the business as the Owner or Lessee (renewal only if different)
- Floor plan diagram, drawn to scale, showing public medical/retail store area and private areas (offices, etc), as well as secured areas for marijuana storage. (renewal only if different)
- Completed fingerprint card(s) for applicant, manager, and all owners, with a cashier's check or money order for \$39.50 made payable to CBI for each card. (renewal only if different)
- All necessary Town fees, in checks payable to the Town of Silt.

REQUIRED APPROVALS PRIOR TO ISSUANCE OF INITIAL LICENSE:

1. Town of Silt Community Development Department:

Please contact the Community Development Department at 970-876-2353, ext. 108 to confirm zoning.

ZONING District: _____ Zoning Use Correct? Yes No

Date of application _____ Date of Planning Commission Hearing _____

Date of Notice in the Paper _____ Date of Notice to 200' property owners' _____

Date of Board of Trustees Hearing _____ Date of Approval _____

License and Certificate Issued? Yes No

Does medical/retail store meet setback of 500' from another licensed medical/retail marijuana store? Yes No

Does medical/retail store meet setback of 500' from private or public school, daycare or preschool that is located outside of a commercial zone district? Yes No

Date of Board of Trustees public hearing _____

Date of Notice in the Paper _____ Date of posting notice at establishment _____

Date of Approval _____ Conforming Sign: Yes No

Approved Denied Held

Reason if held _____

Zoning Administrator Signature: _____ Date: _____

Comments:

2. Town of Silt Building Department:

Please go to: <http://townofsilt.org> or apply at Community Development Department for a building permit to schedule a medical/retail marijuana store building life safety inspection.

Change of Location Approved Denied Held

Reason if held _____
Building Official Signature:  Date: 9-18-23

Comments:

3. Town of Silt Police Department:

Town staff will contact the Town of Silt Police Department for review.

Approved Denied Held

Reason if held _____
Police Chief Signature:  Date: _____

Comments:

PLEASE READ CAREFULLY AND INITIAL THE FOLLOWING STATEMENTS:

^{ds}
R 1. I have obtained and examined a copy of all ordinances pertaining to the regulation of marijuana, and I agree to abide by and conform to all of the conditions of any license issued to me thereunder. <http://townofsilt.org/ordinances/>.

^{ds}
R 2. I understand an approved and issued business license is required to conduct business within the Town of Silt. I fully understand and will comply with all the rules and regulations of the State and the Town of Silt. It is my responsibility to acquire all necessary approvals for this application, and to submit a completed application *annually* with appropriate fees to the Town Clerk. Finally, this application is complete and correct to the best of my knowledge.

^{bs}
R 3. I will operate my establishment in a safe manner that does not endanger the public welfare, and will post all licenses in a conspicuous location at the marijuana establishment(s).

^{bs}
R 4. I understand that the Town accepts no legal liability in connection with the approval and subsequent operation of the medical/retail marijuana-based business.

^{bs}
R 5. I understand that by accepting a medical/retail marijuana business license issued pursuant to the ordinances of the Town of Silt, the licensee, jointly and severally if more than one, agrees to indemnify and defend the Town, its officers, elected officials, employees, attorneys, agents, insurers, and self-insurance pool against all liability, claims, and demands, on account of injury, loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever, which arise out of or are in any manner connected with the operation of the medical marijuana business that is the subject of the license. The licensee further agrees to investigate, handle, respond to, and to provide defense for and defend against, any such liability, claims, or demands at its expense, and to bear all other costs and expenses related thereto, including court costs and attorney fees.

PLEASE SIGN AND DATE BELOW

DocuSigned by:

Renee S. Grossman

Signature of Applicant

Renee S. Grossman

Manager

8/29/2023

Print Applicant Name

Title

Date

FOR OFFICE USE ONLY

Paid 9-6-23 Date of Completed Application 9-6-23 Received by LM

The Local Licensing Authority shall approve, deny, or conditionally approve a pending application within 45 days from the receipt of a completed application.

Inspections completed: Yes No

Application Approved or Denied

Clerk Signature _____

If Denied, please state reason:

If Renewal and applicable, confirmed with Town Treasurer that sales tax has been collected

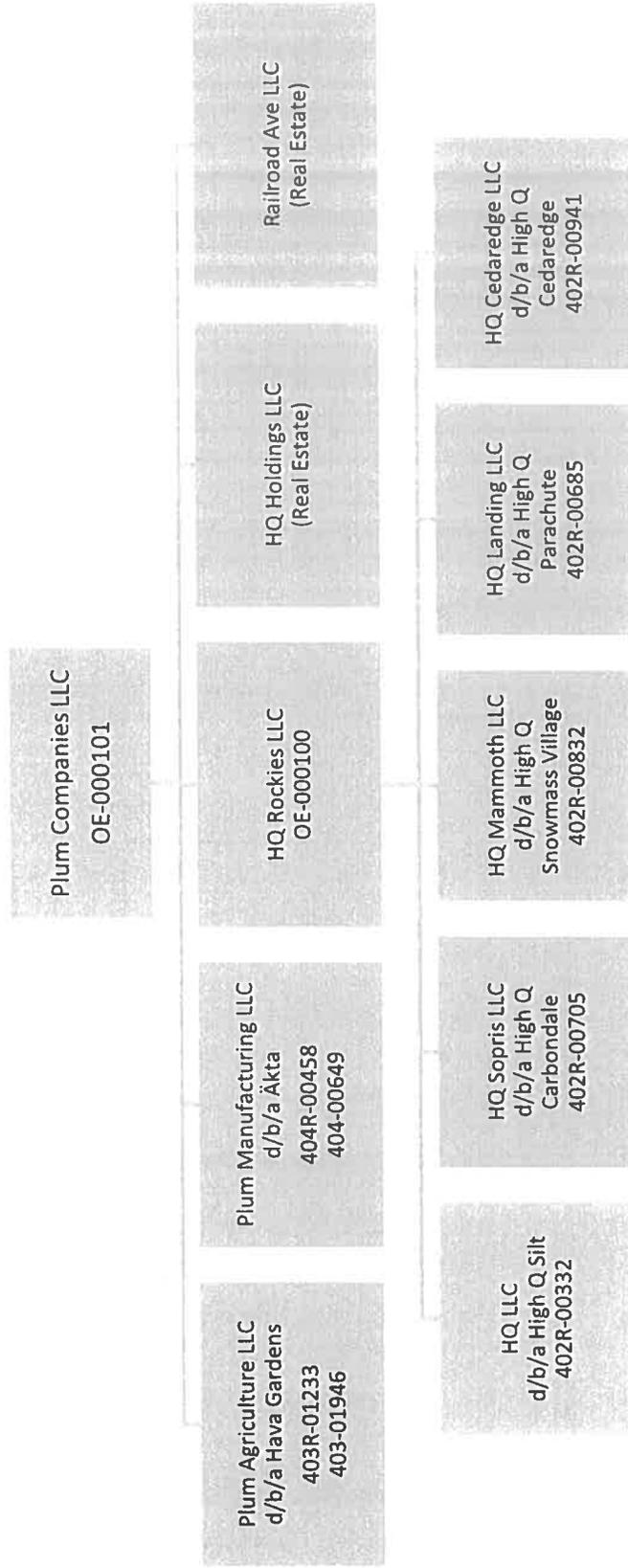
Treasurer Signature Amie Tucker

Revoked or suspended _____ Date _____ by _____

Reason:

**REGULATED MARIJUANA BUSINESS LICENSE RENEWAL APPLICATION
ADDENDUM
HQ LLC (402R-00332)**

HQ LLC (in orange) is 100% owned by HQ Rockies LLC, which is 100% owned by Plum Companies LLC. The following chart shows the corporate structure of Plum Companies LLC.



The following shows the ownership, including the CBOs of Plum Companies LLC.

<p>All Other Members 39.655%</p>	<p>Renée S. Grossman M19788 48.194%</p>	<p>Chandra Edwards Geren M109552 12.151%</p>
<p>Plum Companies LLC d/b/a</p>	<p>Hava Companies LLC OE-000101 100%</p>	<p>HQ Rockies LLC OE-000100 100%</p>
<p>HQ LLC</p>	<p>402R-00332</p>	

Page 2 – Required Declarations #1

In January 2015, Renée S. Grossman, majority owner of Plum Companies LLC, which owns 100% of HQ LLC, was denied licenses to operate a Retail Marijuana Cultivation Facility and a Retail Marijuana Products Manufacturing Facility in Silt, CO.

Page 2 – Required Declarations #5

John Walter Wilson/JAWS Mammoth LLC were already below 10% and are now surrendering the owner badge.

STATE OF COLORADO

DEPARTMENT OF REVENUE



Marijuana Enforcement Division



Regulated Marijuana Conditional License

HQ LLC

High Q Silt

730 Main Street, Silt, CO 81652

Retail Marijuana Store - 402R-00332

License Issue Date: 10/01/2022

License Valid Through: 10/01/2023

This license is conditioned upon Local Authority approval, pursuant to section 44-10-305 C.R.S.

This conditional license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 44, Article 10, as amended. This conditional license is nontransferable and shall be conspicuously posted in the place above described.

This conditional license is only valid through the expiration date shown above. Any questions concerning this conditional license should be addressed to Colorado Marijuana Enforcement Division, 1697 Cole Blvd., Suite 200, Lakewood, CO 80401. In testimony whereof, I have hereunto set my hand.

Handwritten signature of Dominique Mendiola.

Dominique Mendiola, Senior Director

Handwritten signature of Mark Ferrandino.

Mark Ferrandino, Executive Director

DR 0140 (02/16/11)
DEPARTMENT OF REVENUE
DENVER CO 80261-0013

STATE COUNTY CITY
COLORADO GARFIELD SILT



Must collect taxes for:
SALES TAX LICENSE

USE ACCOUNT NUMBER for all references	LIABILITY INFORMATION					ISSUE DATE			LICENSE VALID TO DECEMBER 31
	county	city	industry	type	liability date	month	day	year	
29843485-0000	24	0042	007	L	100114	Dec	13	21	2023

THIS LICENSE MUST BE POSTED AT THE FOLLOWING LOCATION
IN A CONSPICUOUS PLACE: HQ LLC
730 MAIN ST SILT CO 81652-8620

THIS LICENSE IS NOT TRANSFERABLE



HQ LLC
ATTN: RENEE S GROSSMAN
314 SOPRIS CIR
BASALT CO 81621-5066

Executive Director
Department of Revenue

Letter Id: L0061115872

▲ Detach Here ▲
IMPORTANT INFORMATION

Now that you have your license, here's what you need to know:

- Use the letter ID above and go to Colorado.gov/RevenueOnline to set up your online access, manage your account, file electronic returns and submit payments. *Paper returns will NOT be mailed to you.*
- Both your sales tax return AND payments are due by the 20th day of the month following the end date of the reporting period in order to avoid any penalty and/or interest. Be sure you know what your filing frequency is in order to avoid missing due dates.
 - *Monthly filer* due dates: On the 20th day of the month following the reporting period end date.
 - *Quarterly filer* due dates: April 20th, July 20th, October 20th and January 20th.
 - *Annual filer* due dates: January 20th following the reporting period end date.
- If no sales were made during the reporting period, you are still required to file a return to report zero sales were made during the reporting period. Otherwise, the Department of Revenue will assess a non-filer estimate for tax.
- All licensed retailers are required to collect and remit all state-collected sales taxes based on the location where their products are delivered.
- State law requires you to collect sales tax from your customers solely for the purpose of remitting those taxes to the Colorado Department of Revenue. Businesses are entrusted with collecting and remitting taxes that belong to the State of Colorado and local jurisdictions.
- Your Colorado Sales Tax License must be displayed in a conspicuous place at your physical location.
- Your license must be renewed and the renewal fee paid at the end of the license period ending December 31 of odd-numbered years in order to maintain a valid license. Failure to renew your license will invalidate your license, but it won't automatically close your account. In order to close your account and cease any future liability, you must file form DR 1102 with the Department of Revenue.
- Having a Colorado Sales Tax License gives you the privilege to purchase non-taxable items-for-resale. Items that you consume in the course of your business are not included in this privilege.

We strongly recommend that you set up your Revenue Online account as soon as possible in order to remain compliant.

If you have any questions regarding sales tax in Colorado, then please visit our website Colorado.gov/tax and click on "Education and Legal Research" for helpful FYIs, Regulations, Letter Rulings and Statutes. While there, you can also sign up for free Public Sales Tax Classes.

Thank you for registering with the Colorado Department of Revenue.



Member	Title/Role	Own %
Renée S. Grossman	President & CEO	48.194%
Charles Reid Ewart	Purchasing Mgr	1.987%
Matt J. Tate	Consultant	1.468%
Alan Altman	Passive Investor	0.388%
Blake & Leann Wright	Passive Investor	0.339%
Brotman Family Partners LP	Passive Investor	0.678%
Chandra Edwards Geren	Passive Investor	12.151%
Chelsea Family Partners, L.P.	Passive Investor	1.131%
Courtney Clark	Passive Investor	0.338%
David J. Kudish Revocable Trust	Passive Investor	0.452%
Ed & Simone Chmar	Passive Investor	0.113%
Elf Equities, LLC	Passive Investor	0.352%
Felipe Armenta	Passive Investor	0.776%
Floyd Wilson	Passive Investor	0.455%
For the Girls LP	Passive Investor	0.339%
Green Grow Fund LP	Passive Investor	4.756%
Hannah Moreland	Passive Investor	0.136%
Heat Five7 LLC	Passive Investor	1.371%
JAWS Mammoth, LLC	Passive Investor	8.882%
Larry L. Helm	Passive Investor	0.452%
Lejos Investments, LLC	Passive Investor	2.563%
Melyssa Canonico	Passive Investor	1.238%
Midland Trust Company FBO Alan Kitchens	Passive Investor	0.452%
RLT Family Holdings, LLC	Passive Investor	8.882%
Shivam Real Estate LLC	Passive Investor	0.226%
Thomas Rouse	Passive Investor	0.294%
Vince Ackerson	Passive Investor	1.131%
Wilmot Road Investors 1 LLC	Passive Investor	0.455%
Total		100.000%



June 14, 2023

I, Naomi Laidlaw, as the landlord for the property located at 730 Main St, Silt, CO 81652, hereby consent to and authorize the town to enter the property for inspection of the licensed premises, in accordance with Silt Municipal Code 5.32.070(B)(2).

Naomi Laidlaw

Name

DocuSigned by:
Naomi Laidlaw

12B235BE-C123-4BE6-BE1F-8DCEBD583195

Signature

6/14/2023

Date

COMMERCIAL LEASE

THIS LEASE is effective the 5th day of June 2023 (the "Effective Date"), by and between TOM F. LAIDLAW and NAOMI M. LAIDLAW their affiliates, beneficiaries, successors, and assigns ("Landlord") and HQ LLC, its beneficiaries, successors, and assigns ("Tenant"). The Landlord and Tenant agree as follows:

1. Premises. For and in consideration of the payment of rent and the keeping and performing of the covenants and agreements by Tenant as hereinafter provided, Landlord hereby leases to Tenant as commercial property the premises known as 730 Main Street, Silt, Colorado 81652 and legally described in Exhibit A, attached hereto, consisting of approximately 2,497 square feet (the "Premises").
2. Term. The Term of this Lease shall be for a period of ten (10) years commencing on the Effective Date.
3. Rent. Rent shall be payable monthly at a rate [REDACTED] month, beginning on the Effective Date. In the event the Effective Date is not the first day of the month, the rent for the first month will be adjusted for the number of days remaining in the first month. Thereafter, Rent shall be due on the first day of each month during the Term.
4. Security Deposit. [REDACTED]
5. Triple Net (NNN) Absolute. This Lease is a NNN lease. Tenant's responsibility includes, but is not limited to, the following: taxes, building insurance, and maintenance (collectively "Additional Rent"), as provided for herein. All Additional Rent shall be paid by Tenant to Landlord in equal monthly installments concurrently with the Rent. Payments of Additional Rent shall be calculated as follows: on, or before the Effective Date of this Lease, Landlord shall give Tenant a statement of the estimated annual Additional Rent ("Estimate of Costs"). Tenant shall pay Additional Rent to Landlord based upon the Estimate of Costs divided by twelve (12). The Estimate of Costs shall be the basis of such Additional Rent calculated until Tenant is notified by Landlord of a change thereof. Within ninety (90) days after the end of each calendar year, Landlord shall compute actual Additional Rent for the preceding year (the "Actual Costs"). Landlord shall provide Tenant with a statement of Actual Costs. In the event that Tenant's payment of Additional Rent for said calendar year is less than the Tenant's Pro-Rata Share of the Actual Costs, Tenant shall be obligated to pay Landlord, within thirty (30) days of receipt of the statement, the difference between Tenant's Pro-Rata Share of Actual Costs and the Additional Rent actually paid for said calendar

year. In the event Tenant's Additional Rent actually paid for said calendar year exceeds Tenant's Pro-Rata Share of Actual Costs, such excess shall be credited to Tenant's account within ten (10) days of receipt of the statement, or if the Lease is then expired, shall be paid to Tenant within thirty (30) days of the statement. The Actual Costs of the prior calendar year shall be used for the purpose of calculating the Estimate of Costs for the then current year.

6. Late Payment Charge. If Tenant fails to pay Rent in full before the end of the 5th day after it's due, Tenant will be assessed a late charge of twenty-five and no/100 dollars (\$25.00). Landlord reserves the right to waive such late charges.
7. Permitted Uses. Landlord permits Tenant to operate a Retail Marijuana Store, as defined in the Colorado Marijuana Code, and such other lawful purposes duly licensed and/or permitted under applicable Colorado and local laws and ordinances (the "Permitted Uses").
8. Subletting. Landlord grants Tenant the right to sublet the Premises or any portion thereof for the Permitted Uses, subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.
9. Utility Charges. Tenant shall be solely responsible for and promptly pay all utility charges, including but not limited to charges for heat, water, gas, sewer, electricity, or any other utility or service used on or attributable to the Premises commencing on the Effective Date. Landlord shall not be liable for any interruption or failure in the supply of any such utilities or services to the Premises, and no such interruption or failure shall constitute an actual or constructive eviction or disturbance of Tenant's right to possession, occupancy and use of the Premises or any part thereof, or entitle Tenant to any abatement or diminution of Rent or any other amounts payable under this Lease, unless it is the result of Landlord's willful misconduct or gross negligence.
10. Real Property Taxes. Tenant shall pay the real property taxes annually assessed against the Premises, in accordance with the payment requirements of the county and within twenty (20) days of receipt of property tax bill from Landlord.
11. Personal Property Taxes. Tenant shall be liable for and shall pay before delinquency, taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises.
12. Property Insurance. The Landlord shall keep and maintain fire, casualty and extended coverage insurance on the Premises with minimum coverage limits equal to the actual replacement cost of the same as Landlord shall from time to time determine. Tenant shall provide public liability insurance in connection with the

utilization of the Premises and the operation of any business conducted by Tenant on the Premises with minimum coverage limits of not less than one million and no/100 dollars (\$1,000,000.00) and shall name the Landlord as an additional insured on said policy or policies. Tenant shall provide Landlord with a certificate of such insurance from time to time as Landlord may require and no such policy or policies may be canceled without thirty (30) days prior written notice to Landlord and said certificate shall so provide. Without affecting any other rights or remedies, Tenant and Landlord each hereby fully release and relieve the other and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against under this Section. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable thereto. The parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance is not invalidated thereby.

13. Parking. The Premises includes four (4) dedicated parking spaces in the rear of the Premises ("On Premises Parking Spaces"). During the Term, Tenant and its employees and invitees, at no additional charge, shall have an exclusive right to the On Premises Parking Spaces.
14. Tenant Improvements. The Tenant shall not make any alterations, improvements or additions to the Premises without prior consent of the Landlord, which consent shall not be unreasonably denied, conditioned or delayed. All such alterations, improvements and additions made by the Tenant, except for trade fixtures, and except as prohibited by the Marijuana Laws (defined herein), shall remain upon the Premises at the expiration or earlier termination of this Lease and shall become the property of the Landlord. Notwithstanding the foregoing, Tenant shall notify the Landlord of any alterations, improvements or additions required in order to comply with the Marijuana Laws but shall not be required to obtain Landlord's consent with respect to any such alterations, improvements or additions.
15. Maintenance and Repair.
 - a. Tenant's Repairs. Tenant will at its sole cost and expense, keep and maintain the non-structural elements of the Premises in a condition and repair similar to its original condition and repair, reasonable wear and tear excepted, including without limitation, repair and maintenance of the operational parts, cooling, heating, air conditioning, plumbing equipment and fixtures, and electrical systems, removal of snow and ice from the Premises and the parking lot, interior repair and maintenance of floors, floor coverings, doors, toilets, light replacement, glass

replacement , and all other elements or systems of the Premises. Janitorial service and normal maintenance and repairs within the Premises will be the sole responsibility of Tenant. Replacement and repair parts, materials, and equipment used by Tenant to fulfill its obligations hereunder will be of a quality reasonably equivalent to those initially installed within the Premises. All repair and maintenance work will be done in accordance with the then existing federal, state, and local laws, regulations and ordinances pertaining thereto.

- b. Landlord's Repairs. Landlord will, at its sole cost and expense, keep and maintain the foundation and structural components of the Premises in good condition and repair, ordinary wear and tear excepted. Replacement and repair parts, materials and equipment used by Landlord to fulfill its obligations hereunder will be of a quality reasonably equivalent to those initially installed within the Premises. All maintenance and repair work will be done in accordance with then existing federal, state and local laws, regulations and ordinances pertaining thereto. Except as otherwise provided herein, Landlord will have no obligation whatsoever with respect to the maintenance and repair of the Premises. Repairs necessitated by the negligent or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, excluding ordinary wear and tear, are the sole responsibility of the Tenant, and Tenant will be immediately responsible for payment for any such maintenance or repair work necessitated by such conduct.
16. Eminent Domain. If the whole or any part of the Premises shall be taken by any public authority under the power of eminent domain, then this Lease shall terminate as to the part so taken, as of the date said public authority obtains the right to possession, and Rent shall abate thereafter in the same proportion to which the square footage of the part taken bears to the square footage of the entire Premises. In the event the portion taken is such as to render the balance of the Premises unfit for its intended purpose, then either party hereto shall have the right to terminate this Lease as of the date said public authority obtains the right to possession. The parties may receive any awards or rights in condemnation or payments in lieu thereof as their interests may be determined in such proceedings.
17. Bankruptcy. If Tenant is adjudicated bankrupt, or if Tenant shall file a voluntary petition in bankruptcy, or if Tenant makes an assignment for the benefit of creditors, or if a receiver is appointed over all or any portion of the Tenant's assets located upon the Premises and such receivership continues for a period of thirty (30) days, then Landlord, at its option, may terminate this Lease upon written

notice to Tenant. Upon any such termination, Landlord shall have the right, subject to compliance with any restrictions set forth in the Marijuana Laws, to retake possession of the Premises and to recover possession from Tenant or any other person who may be occupying the Premises or any part thereof; and Landlord shall have the further right to recover liquidated damages in an amount equal to the Rent reserved herein for six (6) months next succeeding the date of surrender of the Premises to Landlord. Landlord may also recover all unpaid Rent accrued up to the date of termination.

18. Landlord's Access. At any reasonable time and upon reasonable notice, except in the event of an emergency, Landlord and its agents shall have the right to enter upon the Premises for any of the following purposes or to inspect the same: (i) to maintain the Premises; (ii) to make repairs to the Premises as the Landlord is obligated or may elect to make; and (iii) to post notices of non-responsibility for alterations or additions or repairs. Notwithstanding the foregoing, any such entry upon, or repairs, alterations or additions to, the Premises shall be conducted strictly in compliance with the Marijuana Laws.
19. Signs. Tenant may erect and install signs and related symbols in and about the Premises, subject to the conditions of this section. All such signs shall comply with local statutes and codes and shall be kept in good condition and repair at Tenant's sole cost and expense. Damage to the Premises from any signs shall be repaired at the expense of the Tenant. Notwithstanding anything herein to the contrary, Tenant shall notify Landlord of any sign, device, fixture or attachment which Tenant is required to install in order to comply with the Marijuana Laws but shall not be required to obtain Landlord's consent prior to installing any such sign, device, fixture or attachment.
20. Permitted Exceptions, Subordination, Quiet Enjoyment. This Lease and all of Tenant's rights hereunder are subject to all the matters, restrictions and encumbrances of record and all restrictions in this Lease (collectively, the "Permitted Exceptions"). This Lease shall be subject and subordinate to all mortgages and deeds of trust which may now or hereafter affect the real property of which the Premises form a part, and also to all renewals, modifications, consolidations and replacements of said mortgages and deeds of trust, provided that any subordination by Tenant of Tenant's rights under this Lease shall provide that while Tenant is not in default under the terms of this Lease, Tenant shall be entitled to the use, possession and quiet enjoyment of the demised Premises in accordance with the terms of this Lease. Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination, Tenant will nevertheless execute and deliver such further reasonable instruments required to verify or confirm such subordination as may be desired by the holders of said mortgages or deeds of trust. Tenant hereby appoints Landlord as its attorney-in-

fact, irrevocably, solely to execute and deliver any such instrument for Tenant, and solely if Tenant fails to deliver any such instrument within twenty (20) days after its receipt of a request for the same.

21. Landlord's Right to Cure. If Tenant breaches any covenant or condition of this Lease, Landlord may cure such breach at the expense of Tenant and the reasonable amount of all expenses, including attorney's fees, incurred by Landlord in doing so shall be deemed additional rent payable within thirty (30) days after Tenant receives notice of such costs from Landlord.
22. Covenants of Landlord. Landlord represents, warrants and covenants that it is the owner of the Premises and has the power and authority to grant and make this Lease; that during the term hereof and on condition that Tenant shall discharge all obligations hereunder, Tenant shall have and enjoy the quiet and undisturbed possession of the Premises; that Landlord shall perform all covenants and obligations on its part to be performed under any mortgage, deed of trust, or other security instrument to which Landlord is a party or shall become a party, to the extent that the same may in any way affect the Premises. Landlord shall keep and maintain the physical and structural integrity of the Premises, including the roof, exterior walls and all exterior common areas. In the event Landlord fails to maintain the Premises in accordance with the provisions stated herein, Tenant shall have the right to perform or contract for such maintenance and Landlord shall be responsible for the reasonable cost of such services, which costs Landlord shall pay over to Tenant within thirty (30) days of Landlord's receipt of notice from Tenant specifying such costs.
23. Miscellaneous Covenants of Tenant. Tenant agrees as follows:
 - a. To pay the Rent, all adjustments thereto, and all other sums chargeable to Tenant hereunder, on or before the time the same shall be due;
 - b. To not use the Premises for any use other than the Permitted Uses;
 - c. To neither permit nor suffer the Premises or the walls or floors thereof to be endangered by overloading;
 - d. To keep the Premises in a clean and wholesome condition and comply with all applicable health and police regulations. See attached **Exhibit B, Rules and Regulations**, included by reference herein.
 - e. To indemnify, protect, defend and hold Landlord, its officers, directors, shareholders, managers, members, agents, employees, successors and assigns free and harmless from any and all loss, claim or damage by

reason of any accident, injury, or damage to any person or property occurring on the Premises, unless such accident, injury, or damage shall be caused by the gross negligence or willful misconduct of the Landlord, its agents, servants and/or employees;

- f. To be responsible for and pay all personal property taxes levied against the personal property of Tenant kept at the Premises; to pay any and all bills and accounts for labor performed, supplies and materials furnished, not to allow any claim or lien to be effectively made or served against the Landlord or the Premises on account of work performed on behalf of, or materials supplied to or on behalf of, Tenant, and to pay all federal, state and local income taxes, sales taxes, employee withholding taxes, unemployment taxes and workmen's compensation charges on or before the time the same shall become due, and to indemnify and hold the Landlord harmless from any and all liability for claims in connection therewith, and against any and all claims and demands of whatsoever kind or nature which may be made against the Landlord or against the Premises for or on account of any debt, expense or omission of Tenant, or Tenant's agents or employees;
- g. Within ten (10) days after request by Landlord, to deliver a statement certifying that this Lease is in full force and that there are no defenses or offsets thereto or stating those claimed by Tenant.
- h. To not use or occupy or permit the Premises to be used or occupied, nor do or permit anything to be done in or on the Premises, which would in any way make void or voidable any insurance then in force with respect to it, or which would make it impossible to obtain fire or other insurance required to be furnished by Tenant, or which will cause structural injury to the Premises, or as will constitute a public or private nuisance (as determined by a court of law), and shall not use or occupy or permit the Premises to be used or occupied in a manner which violates any present or future federal (excluding federal laws and regulations related to marijuana), state, city, quasi-governmental and utility provider laws, statutes, ordinances, orders, codes, rules, regulations, covenants and restrictions now or hereafter in effect (including the Americans With Disabilities Act and all environmental laws) (collectively referred to as "Laws") applicable to Tenant's use, occupancy or alteration of the Premises.
- i. To be fully compliant with all applicable federal, state and local laws and regulations (excluding federal laws regarding marijuana), including but not limited to, zoning and licensing laws and regulations.

- j. To obtain all permits or licenses required for its business conducted at the Premises.
 - k. To not commit waste or permit waste to be committed or cause or permit any unpleasant odor or noise or other nuisance in, from, or on the Premises; except for any odors or noises reasonably necessary for the Permitted Uses.
 - l. To not store, keep, use, sell, dispose of or offer for sale in, from, or on the Premises any article or substance prohibited by any insurance policy covering the Premises nor shall Tenant keep, store, produce, dispose of or release in, from, or on the Premises (or allow others to do so) any substance which may be deemed an infectious waste, hazardous waste, hazardous or toxic material, or hazardous substance under any Laws (collectively called "Hazardous Materials"). Tenant represents and warrants to Landlord that it shall not bring onto or allow others to bring any Hazardous Materials onto the Premises, and that it has received no notice or complaint from any governmental authority or third party that the business it intends to operate in the Premises or that any property or materials it intends to keep or allow on or in the Premises is a Hazardous Material or violates any Laws. Tenant shall give prompt notice to Landlord of any such notice or complaint it has received or does receive in the future. Marijuana, any extracts therefrom, and any products containing marijuana or marijuana extracts shall not be deemed to be Hazardous Materials. Notwithstanding anything herein to the contrary, Tenant shall be permitted to store and use in the Premises such Hazardous Materials, in such amounts, as are typically used in the operation of a business engaged in the Permitted Use, including, but not limited to, household cleaning supplies.
24. Hold Over. Tenant shall vacate the Premises and remove all of Tenant's personal property from the Premises prior to Expiration Date and return the Premises to the Landlord in the same condition as at the Commencement Date, ordinary wear and tear and damage due to casualty excepted. Subject to the provisions of the Marijuana Laws, any personal property remaining on the Premises after the Expiration Date shall become the sole and separate property of the Landlord. If, after the expiration of this Lease, Tenant shall remain in possession of the Premises and continues to pay Rent without written agreement as to such possession, then Tenant shall be regarded as a tenant from month-to-month at a rent payable, in advance, equivalent to the Rent in effect during the last month of the Term, as it may be extended or renewed according to the terms herein, which Rent shall continue to escalate each year as provided in Section 2.

25. Default. Landlord's rights under this paragraph are in addition to any remedy allowed by law. It is mutually agreed by the parties hereto as follows: (a) that if default shall be made in any of the covenants or agreements herein contained to be kept and performed by the Tenant, including without limitation the payment of the Rent and any other amounts due herein required to be made by the Tenant, and such default shall continue for a period of thirty (30) days after written notice thereof shall have been provided by Landlord, it shall thereafter be lawful for said Landlord to declare said Term ended and, without releasing Tenant from any of Tenant's obligations hereunder, but subject to compliance with the Marijuana Laws, to enter into the Premises and repossess said leased property, either with or without process of law, and in this event, Tenant hereby covenants and agrees to surrender and deliver up the Premises peaceably to said Landlord immediately upon such termination, but Tenant shall remain liable as hereinafter provided; and (b) that in case the Premises are left vacant for more than thirty (30) days, except due to renovations, repairs or governmental orders, and any part of the Rent herein reserved be unpaid, or in case Landlord shall recover possession of the Premises by reason of Tenant's default, then the Landlord may, without being obligated to do so and without terminating this Lease, but subject to compliance with the Marijuana Laws, retake possession of the Premises and rent the same for such rent and upon such conditions as the Landlord may be able to obtain, making such repairs as may be required, giving credit to Tenant for the amount of the rent so received less all expenses of such repairs, and Tenant shall be liable for the balance of the Rent and other sums herein agreed to be paid by Tenant for the unexpired Term of this Lease.
26. Condition of Premises/Tenant Finish. Except for the improvements to be made by Landlord pursuant to Section 14, above, Tenant accepts the Premises in "AS-IS, WITH ALL FAULTS" condition and shall be responsible for any Tenant finish desired by Tenant. Landlord permits Tenant to alter, re-key or install locks or doors to the Premises and install or alter any alarm system on the Premises. Landlord further permits Tenant to remodel and make structural changes and alterations to the Premises, subject to Landlord's approval as set forth in Section 13, above. Tenant shall permit no mechanic's, materialmen's or other lien to be filed with respect to the Premises as a result of any work performed by or on behalf of the Tenant upon the Premises. In the event any such lien is filed, Tenant shall bond against or otherwise secure the release of such lien within ten (10) days after the filing thereof. Tenant shall indemnify and hold harmless the Landlord, its officers, directors, shareholders, managers, members, agents, employees, successors and assigns against any loss or damage arising as the result of any such lien or any claim arising therefrom. Prior to any remodeling or alteration of the Premises, Tenant shall post and keep posted until the completion of such work, in a conspicuous place upon the doors providing entrance to the Premises, and shall personally serve upon any contractors or subcontractors performing such work, a notice, in the form

provided by local law, stating that Landlord's interest in the Premises shall not be subject to any lien for such work. Notwithstanding anything herein to the contrary, in the event that any alterations, additions or improvements are required for compliance with the Marijuana Laws, Tenant shall notify Landlord prior to commencing such alterations, additions or improvements, but shall not be required to obtain Landlord's consent with respect to such alterations, additions or improvements.

27. Casualty.

- a. Partial Destruction of Leased Premises. In the event of the partial destruction (meaning 50% or less of the insurable value) of the building containing the Premises or improvements located on the Premises by fire or any other casualty, Landlord shall restore or repair, to the extent of available insurance proceeds, said building and improvements with reasonable diligence to the condition they were in immediately prior to the date of the destruction. A just and proportionate part of the Rent payable by Tenant to the extent that such damage or destruction renders the Premises untenable shall abate from the date of such damage or destruction until the Premises are repaired or restored.
- b. Substantial Destruction of Premises. In the event of the substantial destruction, meaning the Premises shall be so damaged by fire or other casualty as to be substantially destroyed, then Landlord shall have the option to terminate this Lease by giving Tenant written notice within thirty (30) days after such destruction, and any unearned Rent shall be apportioned and returned to Tenant. If Landlord does not elect to cancel this Lease as aforesaid, then the Lease shall remain in full force and effect and Landlord shall proceed with all reasonable diligence to repair and restore, to the extent of available insurance proceeds, the Premises to the condition they were in prior to the date of such destruction, and during the time the Premises are so destroyed and totally untenable, the Rent shall be abated. Unless this Lease is terminated by Landlord, as aforesaid, Tenant shall repair, restore or replace Tenant's furniture, trade fixtures, machinery, equipment, signs, inventory and other personal property in the Premises in a manner and to at least a condition equal to that existing prior to their damage or destruction and the proceeds of all insurance carried by Tenant on said property shall be held in trust by Tenant for the purpose of such repair, restoration or replacement. Tenant repairs under this provision shall in no way relieve Landlord of liability and responsibility for the damage or destruction.

28. Right of Entry. At any reasonable time and upon reasonable notice, except in the

event of an emergency, Landlord and its agents shall have the right to enter upon the Premises for any of the following purposes or to inspect the same: (i) to maintain the Premises; (ii) to make repairs to the Premises as the Landlord is obligated or may elect to make; and (iii) to post notices of non-responsibility for alterations or additions or repairs. Notwithstanding the foregoing, any such entry upon, or repairs, alterations or additions to, the Premises shall be conducted strictly in compliance with the Marijuana Laws. During the six (6) months prior to the expiration of the Term of this Lease, Landlord may exhibit the Premises to prospective tenants or purchasers and place upon the Premises the usual signage for space rental. Notwithstanding the foregoing, any such entry upon, exhibition of or posing of signs upon, the Premises shall be conducted strictly in compliance with the Marijuana Laws. .

29. Notices. Any notice by either party to the other shall be in writing and shall be deemed to be duly given and deemed received on the date of actual receipt, if delivered personally or mailed ordinary mail, postage prepaid, addressed as follows (or to such other address as either party may provide to the other by notice in accordance with this section):

Landlord: Tom F. Laidlaw and Naomi M. Laidlaw
234 County Road 236
Silt, CO 81652
njohnson523@yahoo.com
tnlaidlaw@yahoo.com

Tenant: Renée S. Grossman
314 Sopris Circle
Basalt, CO 81621
renee@plumcompanies.com

30. Force Majeure. "Force Majeure" shall mean any delay in the achievement of any deadline required under this Lease by reason of fire, casualty, act of God, unusually inclement weather, strikes, lockouts, labor troubles, inability to procure materials or supplies, failure of power, restrictive governmental laws or regulations (excluding federal marijuana laws), riots, insurrection, war, or other reason of a like nature which delay, hindrance or prevention of performance is not within the reasonable control of the party obligated or permitted to perform and is not avoidable by reasonable diligence. In no event shall Force Majeure operate to excuse Tenant from the prompt payment of Rent, or any other payments required by the terms of this Lease. In the event that Force Majeure is determined, the party whose performance is affected by the Force Majeure shall be excused from such performance during the continuation of the Force Majeure.

31. Condemnation. In the event of any condemnation or conveyance in lieu thereof of the whole or more than fifty percent (50%) of the square footage of the Premises, Landlord may terminate this Lease, upon not less than thirty (30) days' notice to Tenant. In the event of condemnation or conveyance in lieu thereof of less than fifty percent (50%) of the square footage of the Premises, this Lease shall continue in full force and effect, except that Rent shall be abated proportionately to the percentage of the Premises so taken and Landlord shall promptly make such repairs as are necessary to ensure that the Premises are a complete structural unit. In the event of any condemnation or conveyance in lieu thereof, Tenant shall have no claim against Landlord or the condemning authority for the value of the unexpired Term, and Tenant shall not be entitled to any part of the compensation or award, whether paid as compensation for diminution in value to the leasehold or to the fee of the Leased Premises, and Landlord shall receive the full amount thereof, Tenant hereby waiving any right to any part thereof and assigning to Landlord Tenant's interest therein; provided, however, to the extent the amount recoverable by Landlord, as hereinabove set forth, is not diminished thereby, Tenant shall have the right to claim and recover from the condemning authority (but not from Landlord) such compensation as may be separately awarded to Tenant in Tenant's own name and right on account of all damage to Tenant's business by reason of the condemnation and any cost which Tenant may incur in removing Tenant's Property from the Leased Premises. Provided, further, Tenant's rights to recover under this Section shall be subordinate to the rights of Landlord's mortgagee.
32. Marijuana Laws. For purposes of this Lease, the term "Marijuana Laws" shall mean the Colorado Medical Marijuana Code, the Colorado Retail Marijuana Code and any rules, orders, guidance or instructions promulgated by the MED or (to the extent the same relate to marijuana) by the Town of Silt (the "Local Authority"), in each case, whether now in effect, or adopted in the future.
33. Marijuana Business Acknowledgment. Each party acknowledges that the Tenant shall be engaged in the sale of marijuana. Each party acknowledges that Colorado law permitting the sale of marijuana is in conflict with current federal law. As of the date hereof, federal law criminalizes the sale of marijuana and products containing marijuana and federal laws take precedence over Colorado law. Each party acknowledges that the current federal policy of non-enforcement of federal marijuana laws in states that have legalized marijuana – such as Colorado – is subject to change at any time in the sole discretion of the federal government. Each party hereby waives any defenses to enforcement of this Lease based on illegality of purpose or related defenses.
34. Sessions Memorandum. Landlord and Tenant acknowledge that the United States Department of Justice issued a Memorandum for all United States

Attorneys, dated January 4, 2018 regarding Marijuana Enforcement (the "Sessions Memo"). In light of the Sessions Memo, Landlord and Tenant agree that, if the U.S. federal government commences legal actions based on violation of federal marijuana laws, rules, regulations or orders against marijuana businesses in Colorado, which businesses are licensed by the MED and the applicable local authority, and despite those businesses being in compliance with the Marijuana Laws, then Tenant may terminate this Lease upon not less than thirty (30) days' written notice to Landlord. Such termination shall be effective on the date specified in such notice. Upon such termination, this Lease shall have no further force or effect, and Landlord and Tenant shall both be discharged and released from their liabilities and obligations hereunder; provided that Tenant shall pay to Landlord all amounts that become due hereunder on or before the effective date of such termination, and Landlord shall return the unapplied portion of any security deposit to Tenant within ten (10) days after such termination.

35. Miscellaneous. If any clause or provision of this Lease be determined to be illegal, invalid, or unenforceable under present or future laws (except as a result of violation of federal laws regarding marijuana), then it is the intention of the parties hereto that the other terms and provisions of this Lease shall remain in full force and effect. No assent, expressed or implied, to any breach of any one or more of the covenants hereof shall be taken or deemed to be a waiver of any succeeding or other breach. This Lease shall extend to and be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto. Any word contained in the text of this Lease shall be read as the singular or the plural and as the masculine and feminine or neuter gender as may be applicable in the particular context. The captions of this Lease are for convenience only, are not part of the Lease, and do not in any way limit or amplify the terms and provisions hereof. None of the terms of this Lease shall be waived or modified to any extent, except by written instrument signed and delivered by both parties. This Lease may be executed in one or more counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. It is understood and agreed that the relationship between the parties hereto is one of Landlord and Tenant and Landlord has no ownership in Tenant's business and Tenant is not an agent or representative of Landlord.
36. Attorneys' Fees. In the event of a default on the part of either party in any of the terms and conditions of this Lease, the defaulting party agrees to pay any and all reasonable attorneys' fees and expenses incurred by the non-defaulting party as a result of such default.

37. Corporate Authority. Any corporate Tenant represents and warrants that it has full corporate power and authority to enter into this Lease and has taken all corporate action necessary to carry out the transaction contemplated hereby, so that when executed this Lease constitutes a valid and binding obligation enforceable in accordance with its terms. Any corporate Tenant shall provide Landlord its corporate resolution authorizing execution of the Lease at the time of said execution.
38. Paragraph Headings. The headings of particular paragraphs and subparagraphs are inserted only for convenience and are not part of this Lease and are not to act as a limitation on the scope of the particular paragraph to which the heading refers.
39. Entire Agreement. This document constitutes the final and entire agreement between the parties hereto with respect to the subject matter hereof, and no promises or representations, other than those contained here and those implied by law, have been made by Landlord or Tenant. Neither Landlord nor Tenant shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained unless made in writing and signed by both Landlord and Tenant.
40. Governing Law. This Lease shall be governed by the laws of the state of Colorado.
41. Arbitration. Except for the right of either party to apply at any time to a court of competent jurisdiction for injunctive relief, which right is expressly reserved, any controversy or claim arising out of or relating to this Lease or a breach thereof shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall take place in Glenwood Springs, Colorado before one (1) arbitrator. The party initiating arbitration shall give notice thereof to the other party or parties to the dispute. If the parties are unable to agree on one (1) arbitrator within thirty (30) days after the date of such arbitration notice, each party shall select one arbitrator within forty-five (45) days after the date of such arbitration notice, and such arbitrators shall jointly select an additional arbitrator within fifty (50) days after the date of such arbitration notice, which additional arbitrator shall conduct the arbitration. Arbitration shall commence within thirty (30) days after the appointment of the arbitrator. Each party shall bear its own costs and expenses associated with such arbitration and the parties shall equally split the arbitrator's costs. Any arbitration proceeding commenced under the provisions of this Lease is a private proceeding and, except to the extent necessary for the enforcement of any award or decision entered into by the arbitrator, shall be held and maintained as a private and confidential

proceeding. No request or demand for arbitration shall be made after the date on which the applicable statute of limitations would expire.

42. IRS FORM W-9. IRS Form W-9. Tenant agrees to execute and deliver to Landlord together with Tenant's execution and delivery of this Lease, an IRS Form W-9.

43. Additional Provisions.

a. This Lease is fully assignable at the sole discretion of the Landlord, including by not limited to assignment in conjunction with a 1031 Exchange. In the event of any such assignment, the assignee shall assume in writing Landlord's obligations hereunder arising from and after the transfer date

b. THIS Lease replaces that certain lease dated December 1, 2014 between HQ Holdings LLC as Landlord and HQ LLC as Tenant, which is terminated effective June 1, 2023.

c. This Lease is contingent upon the successful closing of the sale of the property on which the Premises are located according to the Contract To Buy And Sell Real Estate, dated 5/7/2023 and mutually executed on 5/12/2023 by Seller, Renée Grossman, Manager of HQ Holdings, LLC and Buyers Tom F. Laidlaw and Naomi M. Laidlaw.

44. Exhibits. The following exhibits are attached to this Lease and are incorporated herein by reference.

Exhibit "A" (Legal Description and Site Plan)

Exhibit "B" (Rules and Regulations)

Executed as of the date first above written.

LANDLORD: TOM F. LAIDLAW

LANDLORD: NAOMI M. LAIDLAW



Name:

Title:



Name:

Title:

TENANT: HQ LLC



Name: Renee S. Grossman

Title: Manager

EXHIBIT "A"

LEGAL DESCRIPTION AND SITE PLAN

A PARCEL OF LAND BEING A PORTION OF LOTS 17, 18 AND 19, BLOCK 20, TOWN OF SILT, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID LOT 17 WHENCE THE SOUTHWEST CORNER OF SAID LOT 17 BEARS SOUTH 89° 46' 40" WEST 12.50 FEET;
THENCE NORTH 00° 13' 20" WEST 105.00 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 17;
THENCE ALONG SAID NORTHERLY LINE NORTH 89° 46' 40" EAST 39.00 FEET;
THENCE SOUTH 00° 13' 20" EAST 36.10 FEET;
THENCE NORTH 89° 46' 40" EAST 10.00 FEET;
THENCE SOUTH 00° 13' 20" EAST 28.81 FEET;
THENCE NORTH 85° 46' 40" EAST 4.00 FEET;
THENCE SOUTH 00° 13' 20" EAST 40.09 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID LOT 19,
THENCE ALONG SAID SOUTHERLY LINE SOUTH 89° 46' 40" WEST 53.00 FEET TO THE POINT OF BEGINNING.

also known by street and number as:
730 Main Street, Silt, CO 81652

EXHIBIT "B"
RULES AND REGULATIONS

Rules and Regulations. Tenant agrees as follows:

(a) No loud speakers, televisions, phonographs, radios, or other devices shall be used in any manner so as to be heard or seen outside the Premises without the prior written consent of Landlord.

(b) Tenant shall not permit on the Leased Premises any act or practice which is unlawful (except with respect to federal marijuana laws); provided, however, that the Permitted Use shall not be deemed injurious to the reputation of the Premises.

(c) Tenant and Tenant's employees and agents shall not solicit business in the parking areas, nor shall Tenant distribute or place handbills or other advertising matter on automobiles parked in the parking areas.

(d) Tenant shall use reasonable commercial efforts to keep the Premises free and clear of rodents, bugs, and vermin, and Tenant shall use, at Tenant's sole cost and expense and at least twice a month, a reputable pest extermination contractor to provide extermination services in the Premises.

(e) Tenant shall keep the Premises orderly, neat, clean, and free from rubbish and trash at all times and permit no refuse to accumulate around the exterior of the Premises, except for rubbish and trash in the appropriate receptacles. Tenant shall not burn any trash, rubbish or garbage in or about the Premises.

Landlord reserves the right from time to time to amend or supplement the foregoing rules and regulations and to adopt and promulgate reasonable additional rules and regulations applicable to the Premises. Notice of such rules and regulations and amendments thereto, if any, shall be given to Tenant in writing. Tenant agrees to comply with all such rules and regulations, and Tenant shall be responsible for the observance of these rules and regulations by Tenant's employees, agents, subtenants, contractors and invitees. The foregoing rules are solely for the benefit of Landlord, and Landlord shall have no obligation to enforce such rules for the benefit of Tenant. Landlord, at Landlord's option, may waive certain rules with respect to individual tenants.



COLORADO
Department of Revenue

Marijuana Enforcement Division
1697 Cole Blvd., Suite 200
Lakewood, CO 80401

September 12, 2023

HQ LLC
High Q Silt
License Type: Retail Marijuana Store
License #: 402R-00332
Expiration date of license: 10/01/2023
730 Main Street
Silt, CO 81652

To whom it may concern:

The purpose of this correspondence is to inform you that should the renewal license investigation for HQ LLC continue past the date of expiration for the current license, the license will be administratively continued by the State Licensing Authority pursuant to 44-10-314 until the completion of the renewal license investigation. At the completion of the renewal license investigation, the Marijuana Enforcement Division will notify you of the outcome of the investigation.

Sincerely,

Dominique Mendiola
Senior Director

Glenwood Springs – Main Office

201 14th Street, Suite 200
P. O. Drawer 2030
Glenwood Springs, CO 81602

Aspen

323 W. Main Street
Suite 301
Aspen, CO 81611

Montrose

1544 Oxbow Drive
Suite 224
Montrose, CO 81402

Office: 970.945.2261

Fax: 970.945.7336

**Direct Mail to Glenwood Springs*

MEMORANDUM

DATE: September 20, 2023
TO: Mayor and Board of Trustees, Town of Silt
FROM: Karp Neu Hanlon, P.C.
RE: Kutak Rock Engagement Letter

The Board will recall passing resolution No. 25, series 2023 directing staff to retain legal counsel to assist with the Drinking Water Revolving Fund loans. In previous debt issuances, the Town has worked with Kutak Rock, a national law firm that has a specialty in representing local governments in debt issuances. Specifically, the Town has reached out to Thomas Peltz a longtime partner at Kutak Rock. Mr. Peltz has provided a legal engagement letter. The engagement letter is consistent with standard Colorado agreements to retain legal counsel. The engagement agreement proposes to undertake the legal work for a flat fee of \$25,500. Staff recommends approval of the engagement agreement.

September 12, 2023

VIA E-MAIL

Jeff Layman, MPA
Silt Town Administrator
231 N. 7th Street
Silt, Colorado 81652

Re: Colorado Water Resources and Power Development Authority Loans to Finance
Water Treatment Plant Improvements

Dear Jeff:

We are pleased to submit this letter to document the engagement of Kutak Rock LLP (the “Firm”) as local bond counsel (“Local Bond Counsel”) to the Town of Silt (the “Town”), Colorado (the “State”), in connection with the financing of water treatment plant improvements and the execution of documents relating to Drinking Water Revolving Fund (“DWRF”) loans by the Colorado Water Resources and Power Development Authority (“Authority”) comprised of the following (collectively, the “Revolving Fund Loans”):

- A DWRF loan in the approximate total amount of \$15,605,000 plus cost of issuance for a term of 20 years at 80% of the interest rate obtained on the Authority’s State Revolving Fund Revenue Bonds 2023 Series A; and
- a DWRF Disadvantaged Communities Program direct loans in the principal amount of \$12,834,825 comprised of
 - o (i) a DWRF Bipartisan Infrastructure Law (“BIL”) General Supplemental direct loan for approximately \$3,000,000,
 - o (ii) a DWRF BIL General Supplemental direct loan for approximately \$1,189,825, and
 - o (iii) up to \$5,000,000 of up-front BIL principal forgiveness (“PF”), PF funds of \$1,645,000.00 through BIL Emerging Contaminants, and \$2,000,000.00 of base PF.

The Revolving Fund Loans are anticipated to represent required matching moneys for principal forgiveness which does not impact the borrowing status of the Town's proprietary operations which qualify as an enterprise under Article X, Section 20 of the State Constitution.

Legal Services Provided

As Local Bond Counsel in connection with the Revolving Fund Loans, the Firm has provided or will provide the following specific services:

- (1) Confer with the Town's administrative staff, general counsel and advisors regarding the proposed financing.
- (2) Review documentation with respect to the Town's enterprise status and the Town's ability to incur the loan without voter approval.
- (3) Review the most recent audit and budget of the Town with respect to the status of outstanding pledges for Town obligations.
- (4) Review documentation regarding the Town's outstanding obligations secured by a pledge of revenues which will also secure repayment of the Revolving Fund Loans and the preparation of appropriate documentation for parity obligation compliance.
- (5) Review and provide comments on the documentation prepared by or for the Authority for the Revolving Fund Loans.
- (6) Draft the form of ordinance and other documentation, if necessary, to authorize the Town's execution and delivery of the governmental agency bonds and related repayment documentation.
- (7) Issue the required local bond counsel opinions to the Authority on the closing date for the Revolving Fund Loans. Our legal opinions will provide, among other things, that as to questions of fact material to our opinions, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Limitation of Duties

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include making an investigation or expressing any view as to the creditworthiness of the Town.

Responsible Attorney

Kutak Rock is a national firm of over 550 lawyers engaged in a multidisciplinary practice of law throughout the United States. More than 120 of the firm's lawyers work in the public finance area. The firm, which was formed in 1965, has offices in 19 cities. Kutak Rock's Denver office has the largest group of public finance lawyers of any firm with a Colorado office. For calendar year 2022 Refinitiv (formerly Thomson Reuters) ranked Kutak Rock the number two bond counsel in Colorado and nation-wide based on total principal amount and number one based upon the number of bond issues. The Firm's public finance partner who will be principally involved in this representation is Tom Peltz. Mr. Peltz has concentrated his practice in the area of public finance in Colorado for over 35 years and is currently serving as local bond counsel to other local governments in connection with a number of Authority direct loan financings.

Attorney-Client Relationship

With respect to this engagement, the Town will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Town, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Town's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Town and the attorney-client relationship created by this engagement letter will be concluded the delivery of our legal opinions.

Conflicts

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Town, one or more of our present or future clients will have transactions with the Town. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from this engagement so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of this engagement. Execution of this letter will signify the Town's consent to our representation of others consistent with the circumstances described in this paragraph. The Firm will perform all of its obligations in accordance with the standards of professional responsibility applicable to attorneys. While the Firm does have open engagements in which it represents the State, the Firm will not represent the Authority in connection with the matters covered by this engagement and has no outstanding engagements in which it is representing the Authority in connection with other matters.

Legal Fees

Our fee to act as Local Bond Counsel for the Revolving Fund Loans will be a flat fee of \$25,500 for the Revolving Fund Loans; said fee is inclusive of expenses which we have incurred in connection with this representation. We understand and agree that our flat fee will be paid on or about the date of closing of the Revolving Fund Loans. If the financing is not consummated, we understand and agree that we will not be paid for services rendered to the Town pursuant to this engagement.

This engagement may be terminated by either party at any time. Our Firm will follow the requirements of the Colorado Code of Professional Responsibility and any applicable court rules before terminating our services.

Records

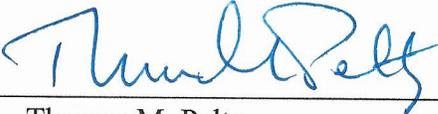
At your request, papers and property furnished by you will be returned. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the termination of this engagement.

Acceptance of Engagement

Upon acceptance by the Town, this engagement letter shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

If the foregoing does not reflect our understanding or if you wish to discuss other matters with us, please contact Tom Peltz. We appreciate your confidence in us.

Kutak Rock LLP

By: 
Thomas M. Peltz

Accepted:

Town of Silt, Colorado

By: _____
Authorized Official

**TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
September 25, 2023**

AGENDA ITEM SUMMARY

SUBJECT: 2023 Heyday Report

PROCEDURE: (Public Hearing, Action item, Information Item) Info item

SUMMARY AND BACKGROUND OF SUBJECT MATTER: Peggy Swank will be present to provide the Board with an update on this year's Heyday event which took place on August 19, 2023.

ORIGINATED BY: Town Clerk McIntyre

PRESENTED BY: Peggy Swank

DOCUMENTS ATTACHED: Thank you letter

TOWN ATTORNEY REVIEW [] YES [x] NO INITIALS _____

SUBMITTED BY:



Sheila M. McIntyre, Town Clerk, CMC

REVIEWED BY:



Jeff Layman, Town Administrator

53rd Silt Heyday 2023 a Success!



The Silt Heyday Committee would like to thank all the contributors that helped to make the 53rd Silt Heyday a success. This includes **ALL** those who **donated financial support, door prizes, and services**. Because of you, we were able to provide our Home Town Celebration at Veterans Park in Silt and provide a venue for fundraising for our own Silt Historical Society and Silt Historical Park.

We want to give special thanks to our Gold Sponsors, The Town of Silt & Police Department, Down Valley Septic, High Frequency Living, Mountain Waste & Recycling, Valley View Hospital-Silt Family Practice, Waste Management, Mountain Waste & Recycling, The Whimsical Wagon; our Platinum Sponsors Alpine Bank, Briscoe & Howe Accounting Services, Defiance Rafting &

Rislende Events, Elmer Glass, Native American Crane Service, Timberline Pool & Spa.

The other sponsors are too numerous to mention, but we appreciate all that they did this year to make Heyday successful, whether they provided financial support or in-kind donations.

We wish to thank all the people that donated their time for Silt Heyday, including our Parade entrants, our Parade Judges; our Grand



Marshals- the Silt Police Department who raised our Park flag; Gage Donelson who sang our National Anthem, our Booth providers; local Support including the Silt Police Department and the security volunteers, Silt Historical Society friends in the Kitchen & in the beer booth,



the Town of Silt employees, and all of the others that helped as we celebrated “Cheers to 40 Years” with the Silt Historical Society. Thanks to our sound providers Precise Decibels and our bands, the Colorado Currys, Feeding Giants, and Louie and the Lizards.

If we forgot anyone it is not intentional, and we thank you too, it was difficult to keep track of all the work going on.

Without all of this support, we could not have done it.

Silt Heyday
Committee – Justin
Brintnall, Levy
Burris, Michael
Clark, Chris
Classen, Tela
Forehand, Amanda
Fulmer, Sheila
McIntyre, Joan
Nestor, Kim Price,
Sydney Reynolds,
Robin Robinson,
Hope Stewart,
Peggy Swank and
Carly Webbick



**TOWN OF SILT
BOARD OF TRUSTEES REGULAR MEETING
September 25, 2023**

AGENDA ITEM SUMMARY

SUBJECT: YouthZone request for support and update

PROCEDURE: (Public Hearing, Action item, Information Item) Action item

RECOMMENDATION: N/A

SUMMARY AND BACKGROUND OF SUBJECT MATTER: Jami Hayes with YouthZone will be present to provide the Board with an annual update of the services they provide to the Town along with their request of support in the amount of \$4000.

FUNDING SOURCE: N/A

ORDINANCE FIRST READING DATE: N/A

ORDINANCE SECOND READING DATE: N/A

RESOLUTION READING DATE: N/A

ORIGINATED BY: Jami Hayes

PRESENTED BY: Jami Hayes

DOCUMENTS ATTACHED: Donation application from YouthZone

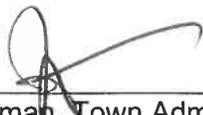
TOWN ATTORNEY REVIEW [] YES [x] NO **INITIALS** _____

SUBMITTED BY:



Sheila M. McIntyre, Town Clerk, CMC

REVIEWED BY:



Jeff Layman, Town Administrator

Town of Silt Charitable Donations Application

Name of Organization: **YouthZone**

Mailing Address: **413 9th Street, Glenwood Springs, CO 81601**

Contact Person: **Jami Hayes, Executive Director**

Contact Number(s): **970-309-4634**

Email Address: **jhayes@youthzone.com**

Purpose of Organization: **YouthZone provides comprehensive assessment and advocacy to inspire healthy relationships between youth, families, and communities.**

Are you registered as a non-profit? **Yes.**

(If so, please provide a copy of your Certificate of Good Standing with the Secretary of State's Office)

If not, what is your status? **Not applicable.**

Amount that you are requesting? **\$4,000**

Briefly state the nature of your request and how it benefits the citizens of Silt:

YouthZone requests the Town of Silt budget \$4,000 to support YouthZone direct services provided to at-risk youth and their families who reside in Silt. Services provided to clients include Assessment, Individual and Group Counseling, Restorative Circles, Conversations and Conferences, Substance Use Intervention and Education, LGBTQ+ Support, Parent Consult and Coaching, and more.

In the 2022-2023 fiscal year, the approximate cost of direct services for the Town of Silt youth was \$40,000. YouthZone's cost per youth client is \$2,000 for three to six months of services. 5% of YouthZone's youth clients resided in the Town of Silt in the 22-23 fiscal year. In Fiscal Year 2022-2023, 99% of youth clients referred through or diverted from the juvenile justice system did not reoffend while at YouthZone. According to the Colorado Division of Criminal Justice 2018, if that same youth remained in the court system and placed on probation, the recidivism rate averages 49%.

Signature of person applying:

DocuSigned by:

50E3A077F35471

Jami Hayes, Executive Director

Date of application: **August 22, 2023**

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO
CERTIFICATE OF REGISTRATION

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

GARFIELD YOUTH SERVICES AKA YOUTHZONE

is a **Charitable Organization** registered to solicit contributions in Colorado as required by the Colorado Charitable Solicitation Act, Title 6, Article 16, C.R.S.

This organization has been assigned a registration number of 20023003429.

The status of its registration is **Good**, and this status has been in effect since 01/24/2023.

The organization's registration expires on 02/15/2024.

Registrants may legally solicit contributions, provide consulting services in connection with a solicitation campaign, and conduct solicitation campaigns in Colorado until the registration expires or is withdrawn, suspended, or revoked.

This certificate reflects facts established or disclosed by documents delivered to this office electronically through 03/21/2023.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed the Great Seal of Colorado, at the City of Denver on 03-21-2023 15:24:14



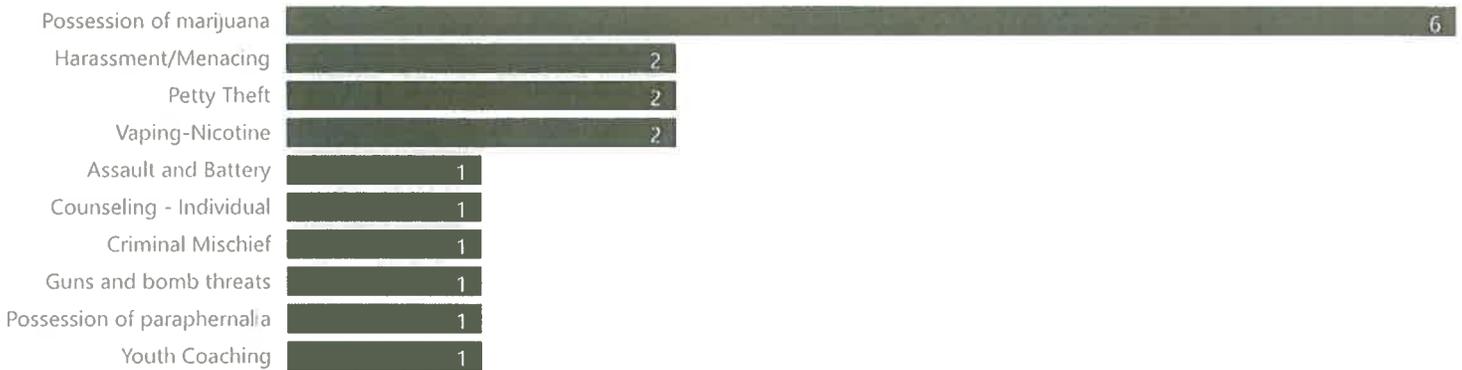
Jena Griswold

Secretary of State of the State of Colorado

YouthZone in Silt

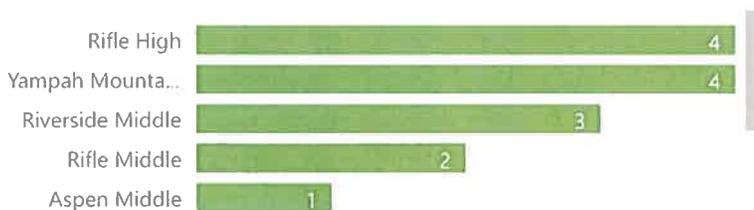
Fiscal Year 2022-2023

Charge or Reason for Referral



YouthZone provides comprehensive assessment and advocacy to inspire healthy relationships between youth, families, and communities. Silt clients are 65% male and 35% female. They are 70% Caucasian, and 30% Latino. 87% did not reoffend while working with YZ, and 88% were able to complete their contracts successfully. 44% of clients reported an improvement in at least one post-survey focus area.

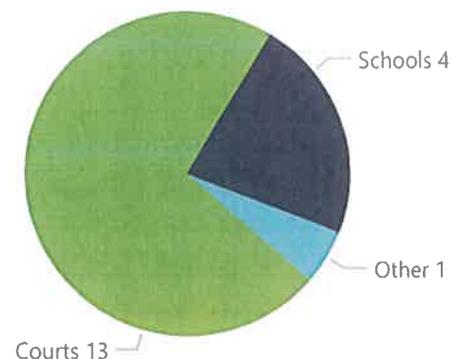
Number of Clients by School Attended



County of Residence



Referral Source



YZ YouthZone presentation

YouthZone

Fiscal Year 23-24

Silt

YZ YouthZone presentation

MISSION
YouthZone provides comprehensive assessment and advocacy to inspire healthy relationships between youth, families, and communities.

VISION
Hopeful Youth, Strong Families, A Safe Community

CORE VALUES
Inspire with integrity, No judgments, Stewardship and believe in Possibilities, Inclusiveness, Restoration and Encouragement

YZ YouthZone presentation

GOALS AND OUTCOMES

- To intervene with youth who exhibit risky, disruptive or criminal juvenile behaviors, YouthZone:
 - Provides youth tools and resources to reduce risk and elevate success
 - Supports the entire family unit and promotes healthier family relationships
 - Supports mental health through coaching, counseling and education
 - Intervenes with substance use through intervention, education and counseling
 - Heals communities through restorative processes

YZ YouthZone presentation

9th Judicial District and YouthZone

Our organization serves a very diverse and expansive region, encompassing Pitkin, Garfield, Rio Blanco, and Eagle counties

YZ YouthZone presentation
SCREENING FOR POSITIVE YOUTH DEVELOPMENT

**Evidence Based: Sensitive to program effectiveness, completion, and client recidivism. The screener includes 60 questions, of which seven are identifying and demographic. Staff collect quality screening answers, as well as assets and risks. The screener is at a 7th-grade reading level and takes about 15 minutes to complete.*

The YouthZone survey measures the following five domains:

- Substance Use
- Alcohol Use
- Optimism and Problem Solving
- Delinquency and Community Engagement
- Trauma



YZ YouthZone presentation
PROGRAMS & SERVICES

Youth Services
 Assessments – Youth and Family
 Youth Advocacy - Case Management
 Counseling – Individual
 Substance Use Counseling & Education
 Restorative Justice
 Victim/Offender Mediation
 Teen Groups
 Useful Public Service
 Deferred Sentencing Programs through Courts
 Diversion
 Life Skills Classes
 Youth Coaching
 CYDC Detention Screening 9th District

Parent Support
 Parent Consultation
 Parent Education
 Family Mediation

[Online Referral Form](https://www.youthzone.com)
www.youthzone.com



YZ YouthZone presentation
COST AND SCOPE OF SERVICES

- \$150 fee per family to initiate services
- Average overall cost per youth is \$2,000
- In FY22-23, YouthZone provided 488 assessments to 397 unique youth
- Approximately 1500 additional community members served
- Anticipated numbers stable next year



YZ YouthZone presentation
FOCUS ON BARRIERS

- YouthZone utilizes grants and charitable donations in order to subsidize or eliminate the cost for families if payment is a barrier
- YouthZone has satellite offices from Parachute to Aspen for our staff to travel into our communities and provide services to eliminate the challenge of transportation
- YouthZone has bilingual staff and 24/7 interpretation services to provide services in the preferred language of the family
- Cost of Living increase, housing challenges and childcare require significant attention in all fundraising efforts in order to attract and retain staff



YZ YouthZone presentation
youthzone **ORGANIZATION-WIDE DEMOGRAPHICS**

- 62% male, 37% female, 1% non-binary
- 53% Caucasian; 41% Latino; 2% African American; 2% multi racial; 2% Asian American, Native American, or other
- 60% of referrals come straight from court. Common charges include:
 - Possession of marijuana
 - Possession of alcohol
 - Petty theft
 - Nicotine vaping
 - Assault and battery
- 30% of referrals are from schools and pre-ticket law enforcement contact. This allows YouthZone to provide prevention services prior to formal engagement with the judicial system.



YZ YouthZone presentation
youthzone **IMPACT**

- 91% of clients did not reoffend while working with YouthZone
- 88% completed their contracts successfully.
- 30% of clients who completed a post survey self-reported improvement in at least one metric
 - 19% improved in alcohol use
 - 20% improved in delinquency
 - 20% improved in optimism
 - 19% improved in substance use
 - 15% improved in trauma

YZ YouthZone presentation
youthzone **GARFIELD COUNTY**

- 286 unique clients, 347 intakes
- 63% male, 37% female
- 55% Caucasian, 41% Latino, 4% other or multiple races
- 65% court referrals and 25% school and law enforcement referrals
- Top charges include possession of marijuana, possession of alcohol, assault and battery, petty theft, and criminal mischief
- 90% non-reoffense rate and 87% successful completion rate
- 31% reported improvement in at least one post-survey area

YZ YouthZone presentation
youthzone **SILT**

- 18 unique clients
- 65% male, 35% female
- 70% Caucasian, 30% Latino
- 72% court referrals, 28% school and law enforcement referrals
- Top reasons for referral include possession of marijuana, harassment/menacing, petty theft, vaping/nicotine, and assault/battery
- 87% non-reoffense rate and 88% completion rate
- 44% reported improvement in at least one survey area

Contact:

Jami Hayes, Executive Director

970-309-4634

Glenwood Springs Office

970-945-9300

Rifle Office

970-625-3141

Donations to support our work can be made at:

www.youthquest.com

Glenwood Springs – Main Office

201 14th Street, Suite 200
P. O. Drawer 2030
Glenwood Springs, CO 81602

Aspen

323 W. Main Street
Suite 301
Aspen, CO 81611

Montrose

1544 Oxbow Drive
Suite 224
Montrose, CO 81402

Office: 970.945.2261

Fax: 970.945.7336

*[*Direct Mail to Glenwood Springs](#)*

MEMORANDUM

DATE: September 21, 2023
TO: Mayor and Board of Trustees, Town of Silt
FROM: Karp Neu Hanlon, P.C.
RE: Ordinance No. 6 – Approval of CWPDA Loans

Ordinance #6 enacts the framework to accept loans from the Colorado Water Resources and Power Development Authority (CWRPDA), through the Drinking Water Revolving Fund (DWRF), associated with construction of the new water treatment plant. The ordinance authorizes the approval of loans and the issuance of bonds for the following financial obligations:

- (i) a DWRF loan in the approximate total amount of \$15,605,000 plus allocable cost of issuance, for a term of 20 years, bearing interest at 80% of the rate obtained on the CWRPDA's State Revolving Fund Revenue Bonds 2023 Series A; and
- (ii) DWRF Disadvantaged Communities Program direct loans in the approximate principal amount of \$12,834,825 comprised of:
 - (a) a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$3,000,000 bearing interest at the rate of 1.0%,
 - (b) a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$1,189,825 bearing interest at the rate of 3.0%, and
 - (c) up to \$5,000,000 of up-front Bipartisan Infrastructure Law principal forgiveness ("PF"), PF funds of approximately \$1,645,000 through Bipartisan Infrastructure Law Emerging Contaminants, and approximately \$2,000,000 of base PF.

Section 2 of the ordinance approves loan agreements with CWRPDA and authorizes the form of the bonds. The content of the loan agreements is discussed in a separate memorandum with the draft loan

agreements attached. Prior to second reading on this ordinance, the final form of the loan agreements will be completed.

You will note in Section 3(c) of the ordinance that the leveraged loan has a not to exceed \$16 million amount identified. While the principle of the leveraged loan is estimated to be 15,605,000, the \$16 million number includes potential issuance costs which could arise.

Under Section 4, the Town agrees to have a non-revocable pledge of revenues from the water and wastewater enterprise for purpose of repaying the bonds. As discussed in the separate memorandum, the loan agreements also contain a rate covenant that requires the Town to establish such rates as are necessary to repay the bonds and to maintain adequate reserves.

Section 5(e) contains the various findings of the Board of Trustees is making within the ordinance.

These include:

- (i) the Enterprise has been duly established and is operating during the current calendar year as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution;
- (ii) the Board of Trustees elects to apply all of the provisions of the Supplemental Public Securities Act to the execution of the Loan Agreements and to the issuance and delivery of the Bonds;
- (iii) the execution of the Loan Agreements and the issuance and delivery of the Bonds, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Enabling Law, and all conditions and limitations of the Enabling Law and other applicable law relating to the execution of the Loan Agreements and the issuance and delivery of the Bonds have been satisfied; and
- (iv) it is in the best interests of the Town and its residents that the Bonds be authorized, issued and delivered at the time, in the manner and for the purposes provided in this Ordinance.

We are still waiting for comments on this ordinance from the loan analyst at CWRPDA. As such, there may be minor revisions to this ordinance at the board meeting on Monday or prior to second

reading. After the ordinances passed, the loan documents will be finalized for execution at a closing when the bonds are issued sometime in late November or early December.

**TOWN OF SILT
ORDINANCE NO. 6
SERIES OF 2023**

AN ORDINANCE OF THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE, AUTHORIZING ONE OR MORE LOANS FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY TO FINANCE WATER TREATMENT SYSTEM AND RELATED IMPROVEMENTS; AUTHORIZING EXECUTION OF ONE OR MORE LOAN AGREEMENTS AND BONDS TO EVIDENCE THE LOANS; AND PROVIDING FOR PAYMENT OF THE BONDS FROM THE OPERATION OF THE TOWN'S WATER AND WASTEWATER SYSTEM COMPRISING THE ENTERPRISE.

WHEREAS, the Town of Silt, Colorado, is a municipal corporation duly organized and operating as a home-rule municipality under its Town Charter and the Constitution and laws of the State of Colorado (unless otherwise indicated, capitalized terms used in this preamble shall have the meanings set forth in Section 1 of this Ordinance); and

WHEREAS, the Town has heretofore undertaken to acquire and develop certain properties and facilities for the distribution of water and the collection, treatment, or disposition of wastewater, which facilities are operated and maintained as a self-supporting public utility and referenced herein as the "System"; and

WHEREAS, under Section 9-8 of the Charter, the Town has all the authority and powers provided by the Colorado Constitution, State of Colorado statutes, and other applicable laws in any matter pertaining to Town-owned utilities, and the Board shall from time to time fix, establish, maintain, and provide for the collection of rates, fees and charges for water, wastewater, and other utility services furnished by the Town, which rates, fees, and charges shall be sufficient to cover the cost of operation, maintenance, additions, extensions, betterments and improvements; and

WHEREAS, under Section 8-19 of the Charter, the Town may, subject to any applicable limitations in the Colorado Constitution, borrow money and issue securities or enter into other obligations to evidence such borrowing in any form and in any manner determined by the Board of Trustees to be in the best interests of the Town; and

WHEREAS, under Sections 8-21 and 9-9 of the Charter, the Board may, subject to ordinance requirements and limitations, adopt ordinances providing for the establishment and operations of any enterprise deemed to be in the best interest of the Town; and

WHEREAS, in 2001 the System was established by the Board as the Town of Silt, Colorado, Water and Wastewater Activity Enterprise under the provisions of the Water Activity Law and Resolution No. 29, Series of 2001 and in accordance with the requirements of Article X, Section 20 of the Colorado Constitution and the financial activities of the System are accounted for in the Enterprise Fund of the Town; and

WHEREAS, the Board is acting hereunder as the governing body of the Enterprise;
and

WHEREAS, the Board of Trustees has determined, for the benefit of the Town and its inhabitants, that it is necessary to provide for the overhauling and expanding the existing water treatment plant; and

WHEREAS the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State, has established and administers a Drinking Water Revolving Fund (“DWRF”) to enable the State to comply with the provisions of the federal Safe Drinking Water Act of 1996, as amended; and

WHEREAS, on August 23, 2023 the governing body of the CWRPDA approved the Town for DWRF loans comprised of the following:

- (i) a DWRF loan in the approximate total amount of \$15,605,000 plus allocable cost of issuance, for a term of 20 years, bearing interest at 80% of the rate obtained on the CWRPDA’s State Revolving Fund Revenue Bonds 2023 Series A; and
- (ii) DWRF Disadvantaged Communities Program direct loans in the approximate principal amount of \$12,834,825 comprised of:
 - (a) a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$3,000,000 bearing interest at the rate of 1.0%,
 - (b) a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$1,189,825 bearing interest at the rate of 3.0%, and
 - (c) up to \$5,000,000 of up-front Bipartisan Infrastructure Law principal forgiveness (“PF”), PF funds of approximately \$1,645,000 through Bipartisan Infrastructure Law Emerging Contaminants, and approximately \$2,000,000 of base PF; and

WHEREAS, the terms of the CWRPDA loans are set forth in Loan Agreements and the Town’s repayment obligation under the Loan Agreements will be evidenced by governmental agency bonds to be issued by the Town to the CWRPDA, and which shall constitute a special revenue obligation of the Town to be paid from the income and revenue derived from the operation and use of the System less reasonable and necessary current expenses of the Town of operating, maintaining and repairing the System; and,

WHEREAS, after consideration, the Board of Trustees has determined that the execution of the Loan Agreements and the issuance of the Bonds to the CWRPDA is to the best advantage of the Town; and

WHEREAS, as an obligation of the Water Activity Enterprise voter approval in advance is not required under Article X, Section 20 of the Colorado Constitution for the execution of the Loan Agreements or the issuance of the Bonds; and

WHEREAS, as of the date of its delivery of the Loan Agreements and issuance of the Bonds, the Outstanding Parity Obligations and the Bonds will represent the only outstanding multi-year obligations payable from and secured by the Net Revenue; and

WHEREAS, the form of the Loan Agreements and the Bonds have been presented to the Town and made available upon request to the Board of Trustees; now, therefore,

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

Section 1. Definitions. The following terms shall have the following meanings as used in this Ordinance:

“*Board of Trustees*” means the Board of Trustees of the Town, acting as the governing body of the Enterprise.

“*Bonds*” or “*Bond*” means the governmental agency bonds, collectively or respectively as the context indicates, to be issued by the Town to the CWRPDA pursuant to the Loan Agreements, the forms of which are set forth in Exhibit D to the respective Loan Agreements.

“*Capital Improvements*” means the acquisition of land, water or water rights, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by or in connection with the System which, under Generally Accepted Accounting Principles, are properly chargeable as capital items.

“*Charter*” means the Home Rule Charter for the Town.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented.

“*CWRPDA*” means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State.

“*Disadvantaged Communities Program Loan Agreement*” means the Loan Agreement, anticipated to be dated November 1, 2023, by and between the CWRPDA and the Town, providing for Disadvantaged Communities Program direct loans in the approximate principal amount of \$12,834,825.

“*Enabling Law*” means the State Constitution, the Charter, the Water Activity Law, the Supplemental Public Securities Act, and all other laws of the State establishing the power of the Town to complete the financings contemplated by this Ordinance.

“*Enterprise*” means the Town of Silt, Colorado, Water and Wastewater Activity Enterprise, organized under the provisions of the Water Activity Law and Resolution No. 29, Series of 2001 of the Town, and its successors and assigns.

“*Enterprise Fund*” means the fund of the Town designated as the “Water/Wastewater Fund,” reaffirmed by the provisions hereof, which is used to account for the financial

operations of the Enterprise, and any additional or other funds established hereafter for such purpose.

“*Financing Documents*” means the Loan Agreements and the Bonds.

“*Future Parity Obligations*” means one or more series of additional bonds, notes, interim securities or other obligations issued by the Town having a lien on the Net Revenue which is on a parity with the lien of the Bonds and the Outstanding Parity Obligations.

“*Generally Accepted Accounting Principles*” means accounting principles, methods and terminology followed and construed for enterprises which are employed in business comparable to the business of the Town, as amended from time to time.

“*Gross Revenue*” means all income and revenue directly or indirectly derived by the Town from the operation and use of the System, or any part thereof, including, without limitation, any rates, fees, plant investment fees, standby charges, availability fees and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights or related contracts, settlements or judgments held or obtained in connection with the System or its operations, and including investment income accruing from moneys held to the credit of the Enterprise Fund; provided however, that there shall be excluded from Gross Revenue any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account or similar account pledged to the payment of any bonds or other obligations; and any moneys received as grants or appropriations from the United States, the State of Colorado or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

“*Leveraged 2023 Series A Loan Agreement*” means the Loan Agreement, anticipated to be dated November 1, 2023, by and between the CWRPDA and the Town, providing for a loan in an amount not to exceed \$16,000,000 which is to be funded from proceeds of the CWRPDA’s State Revolving Fund Revenue Bonds 2023 Series A.

“*Loan Agreements*” means the Disadvantaged Communities Program Loan Agreement and the Leveraged 2023 Series A Loan Agreement.

“*Net Revenue*” means the Gross Revenue after deducting Operation and Maintenance Expenses.

“*Operation and Maintenance Expenses*” means all reasonable and necessary current expenses of the Town, acting by and through the Enterprise, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and overhead expenses of the Town, acting by and through the Enterprise, directly related to the administration of the System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operation; provided however, that there shall be excluded

from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for the accumulation of reserves.

“Ordinance” means this Ordinance which authorizes the execution of the Loan Agreements and the issuance of the Bonds, including any amendments properly made hereto.

“Outstanding Parity Obligations” means the unpaid amounts related to the Town of Silt, Colorado, acting by and through its Water and Wastewater Activity Enterprise, (i) Water and Wastewater Revenue Refunding Note, Series 2020A and (ii) Water and Wastewater Revenue Improvement Note, Series 2020B, both of which evidence loans from Zions Bancorporation, National Association.

“Prime Rate” means the prevailing commercial interest rate established pursuant to the terms of the respective Loan Agreements.

“Project” means overhauling and expanding the existing water treatment plant which includes improvements to pretreatment to include coagulation, ballasted flocculation, and sedimentation, as more fully described in the Loan Agreements as the same may be amended.

“Project Costs” means the Town’s costs properly attributable to the Project, or any parts thereof, and permitted by the provisions of the Enabling Law.

“Pro Rata Portion” means when used with respect to a required credit to the accounts or subaccounts established for the payment of the principal of and interest on the Bonds and any Future Parity Obligations, the dollar amount derived by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

“State” means the State of Colorado.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S.

“System” means all of the water and wastewater facilities and properties, now owned or hereafter acquired, whether situated within or without the Town boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto, which comprise the Enterprise.

“Town” means the Town of Silt, Colorado.

“Water Activity Law” means Title 37, Article 45.1, C.R.S.

Section 2. Approval of Loan Agreements and Authorization of Bonds. Pursuant to and in accordance with the Enabling Law, the Bonds shall be issued by the Town acting by and through its Water and Wastewater Activity Enterprise. The form of the Loan Agreements setting forth the terms, conditions and details of the Bonds and the procedures relating thereto, is incorporated herein by reference and is hereby approved; all Town officials and employees

are hereby directed to take such actions as are necessary and appropriate to fulfill the obligations of the Town under the Financing Documents. The Town shall enter into the Loan Agreements and deliver the Bonds in substantially the forms presented to the Town at or prior to this meeting of the Board of Trustees with only such changes as are not inconsistent herewith; provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. The accomplishment of the Project and the payment of Project Costs are hereby authorized, approved, and ordered. It is hereby determined that the date of final maturity of the Bonds does not exceed the estimated life of the Project.

Section 3. Details for the Bonds.

(a) ***Form of Bonds.*** The Bonds shall be in substantially the forms set forth in Exhibit D to the Loan Agreements with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the Town executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval).

(b) ***Disadvantaged Communities Program Loan Agreement Bonds.*** The Bonds to be issued and delivered in connection with the Disadvantaged Communities Program Loan Agreement shall be comprised of (i) a Bond in a principal amount not to exceed \$3,000,000 which shall bear interest at a net effective rate not to exceed one percent (1.00%) per annum and (ii) a Bond in a principal amount not to exceed \$1,189,825 which shall bear interest at a net effective rate not to exceed three percent (3.00%) per annum, both of which Bonds shall be payable semi-annually and mature not more than twenty-one years from the date of their issuance as more particularly set forth in the Disadvantaged Communities Program Loan Agreement.

(c) ***Leveraged 2023 Series A Loan Agreement Bond.*** The Bond to be issued and delivered in connection with the Leveraged 2023 Series A Loan Agreement shall be comprised of a Bond in a principal amount not to exceed \$16,000,000 which shall bear interest at a net effective rate not to exceed four and one-half percent (4.50%) per annum, which Bond shall be payable semi-annually and mature not more than twenty-one years from the date of its issuance as more particularly set forth in the Leveraged 2023 Series A Loan Agreement.

(d) ***Late Charges.*** The Bonds may provide for a late charge (penalty interest rate) in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on late payments; provided however, such late charge rate shall not exceed the maximum rate permitted by law.

(e) ***Delegation.*** For a period not to exceed one year from the effective date of this Ordinance, the Board of Trustees hereby delegates to the Mayor, or in the absence of the Mayor the Mayor Pro Tem, the right to determine, within the parameters established in this Section, the final principal of, interest rates and loan terms for the Bonds.

Section 4. Pledge for Payment of the Bonds.

(a) ***Pledge of Net Revenue.*** Net Revenue is hereby pledged to the payment of the Bonds and the amounts due under the Loan Agreements. The Bonds shall constitute a first lien upon the Net Revenue, but not necessarily an exclusive first lien. Pursuant to and in accordance with Section 11-57-208, C.R.S., Net Revenue, as received by or otherwise credited to the Town, shall immediately be subject to the lien of the pledge stated above without any physical delivery, filing, or further act. The lien of each such pledge, and the obligation to perform the contractual provisions made in this Ordinance and the Financing Documents, shall have priority over any or all other obligations and liabilities of the Town except as may be otherwise provided in this Ordinance or in the Financing Documents. The lien of the above 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.

(b) ***Establishment of Accounts.*** There is hereby reaffirmed the Enterprise Fund which shall continue to be maintained by the Town to carry out the terms and provisions of this Ordinance and the Loan Agreements. There shall be created and established within the Enterprise Fund such accounts or subaccounts as are necessary and desirable under the requirements of the Loan Agreements and this Ordinance to account for the Project and the payment of the Bonds. In accordance with generally accepted accounting principles, for the purpose of accounting for the moneys provided for in this Ordinance, the Town Treasurer shall create offsetting revenue and expense accounts consistent with the provisions hereof, all as may be determined by the Town Treasurer.

(c) ***Flow of Funds.*** The Town shall credit to the Enterprise Fund all Gross Revenue immediately upon receipt. The Town shall pay from the Enterprise Fund all Operation and Maintenance Expenses as they become due and payable. After such payment or the allocation of Gross Revenue to such payment, the Town shall apply the Net Revenue in the following order of priority:

FIRST, to the credit of or deposit in the accounts or subaccounts established for the payment of interest on the Bonds, the Outstanding Parity Obligations and any Future Parity Obligations, the Pro Rata Portion equal to the interest coming due on the next succeeding interest payment date for the respective obligations;

SECOND, to the credit of or deposit in the accounts or subaccounts established for the payment of principal of the Bonds, the Outstanding Parity Obligations and any Future Parity Obligations, the Pro Rata Portion equal to the principal coming due on the next succeeding principal payment date for the respective obligations;

THIRD, to the credit of any reserve accounts established for the payment of the Bonds, the Outstanding Parity Obligations and any Future Parity Obligations, the amounts required in the ordinances or related documents authorizing and controlling the establishment of such reserve accounts; and

FOURTH, to the credit of or deposit in the accounts or subaccounts established for the payment of principal of and interest on other obligations the payment of which is subordinate to the payment of the Bonds, the Outstanding Parity Obligations and any

Future Parity Obligations, the Pro Rata Portion equal to the principal of or interest on such obligations coming due on the next succeeding payment date for the respective obligations; and

FIFTH, to the credit of any other fund or account as may be designated by the Town, to be used for any lawful purpose, any moneys remaining in the Enterprise Fund after the payments and accumulations set forth in FIRST through FOURTH hereof.

(d) ***The Bonds Do Not Constitute a Debt.*** The CWRPDA may not look to any general or other fund of the Town for the payment of the principal of or interest on the Bonds, except the funds and accounts pledged thereto pursuant to authority of this Ordinance, and the Bonds shall not constitute a debt or an indebtedness of the Town within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be a general obligation of the Town.

Section 5. Various Findings, Determinations, Declarations and Covenants. The Board of Trustees, having been fully informed of and having considered all the pertinent facts and circumstances, hereby affirms the covenants set forth in Section 2.01 of both Loan Agreements and in Section 2.02 of the Leveraged 2023 Series A Loan Agreement, and further finds, determines, declares and covenants that:

(a) ***Additional Obligations.*** No bonds, notes, interim securities or other obligations shall be issued payable from the Net Revenue and having a lien thereon which is superior to, on a parity with, or subordinate to the lien of the Bonds unless there has been met the requirements set forth in EXHIBIT F of the Loan Agreements, under captions titled “Additional Bonds” in the Disadvantaged Communities Program Loan Agreement and “Additional Senior, Parity and Subordinate Lien Bonds” in the Leveraged 2023 Series A Loan Agreement.

(b) ***Maintenance of Rates and Coverage.*** The Town hereby covenants that it will establish, maintain, enforce and collect rates, fees and charges for services furnished by or the use of the System as required in provisions set forth (i) in EXHIBIT A of the Disadvantaged Communities Program Loan Agreement under the caption titled “Rate Covenant” and (ii) in EXHIBIT F of the Leveraged 2023 Series A Loan Agreement under the caption titled “Rate Covenant”. In the event that the Gross Revenue at any time is not sufficient to make the payments required by said provision, the Town covenants to promptly increase such rates, fees and charges to an extent which will ensure compliance with said covenant.

(c) ***Continuing Disclosure.*** The Town hereby covenants that it will provide continuing disclosure as provided in Section 2.03 of the Leveraged 2023 Series A Loan Agreement for the benefit of the holders of the revenue bonds to be issued by CWRPDA.

(c) ***Enterprise Status.*** The Town has established, and covenants to continue to maintain, the System as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution; provided, however, after calendar year 2023 the Town may disqualify either the System as an “enterprise” in any year in which said disqualification does not materially, adversely affect the enforceability of the covenants made pursuant to this Ordinance. In the event that the System is disqualified as an enterprise and the enforceability

of the covenants made pursuant to this Ordinance are materially, adversely affected, the Town covenants to immediately take all actions necessary to (i) qualify the System as an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution and (ii) permit the enforcement of the covenants made herein.

(d) ***Obligations Currently Secured by Net Revenue.*** Other than the Outstanding Parity Obligations, as of the date of this Ordinance the Town has no outstanding debt, bonds, notes, loans or other multiple fiscal year obligations which are secured by Net Revenue.

(e) ***Findings of the Board of Trustees.*** The Board of Trustees having been fully informed of and having considered all the pertinent facts and circumstances, hereby finds, determines, declares and covenants with the CWRPDA that:

(i) the Enterprise has been duly established and is operating during the current calendar year as an “enterprise” within the meaning of Article X, Section 20 of the Colorado Constitution;

(ii) the Board of Trustees elects to apply all of the provisions of the Supplemental Public Securities Act to the execution of the Loan Agreements and to the issuance and delivery of the Bonds;

(iii) the execution of the Loan Agreements and the issuance and delivery of the Bonds, and all procedures undertaken incident thereto, are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Enabling Law, and all conditions and limitations of the Enabling Law and other applicable law relating to the execution of the Loan Agreements and the issuance and delivery of the Bonds have been satisfied; and

(iv) it is in the best interests of the Town and its residents that the Bonds be authorized, issued and delivered at the time, in the manner and for the purposes provided in this Ordinance.

Section 6. Amendment of Ordinance. This Ordinance may be amended only with the prior written consent of the CWRPDA.

Section 7. Limitation of Actions. Pursuant Section 11-57-212, C.R.S., no action or proceeding concerning the issuance of the Bonds shall be maintained against the Town unless commenced within thirty days after the date of passage of this Ordinance.

Section 8. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board of Trustees or by the officers and employees of the Town directed toward the issuance of the Bonds for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 9. Headings. The headings to the various sections and paragraphs to this Ordinance have been inserted solely for the convenience of the reader, are not a part of this Ordinance, and shall not be used in any manner to interpret this Ordinance.

Section 10. Ordinance Irrepealable. After the Bonds has been issued, this Ordinance shall constitute a contract between the CWRPDA and the Town, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

Section 11. General Provisions Applicable to this Ordinance. The following general provisions and findings are applicable to the interpretation and application of this Ordinance:

(a) **Severability.** If any clause, sentence, paragraph, or part of this Ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance or its application to other persons or circumstances.

(b) **Inconsistent Ordinances.** All other Ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

(c) **Safety Clauses.** The Board hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the Town of Silt, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The Town further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

(d) **Publication.** Publication of this Ordinance may be in the Town's official newspaper, the Town's official website, or both. Publication shall be effective upon the first publication by either authorized method.

(e) **Actions Authorized to Effectuate this Ordinance.** The Mayor is hereby authorized and directed to execute all documents necessary to effectuate the approval authorized by this Ordinance, and the Town Clerk is hereby authorized and directed to attest to such execution by the Mayor where necessary. In the absence of the Mayor, the Mayor Pro Tem is hereby authorized to execute the above-referenced documents. The execution of any documents by said officials shall be conclusive evidence of the approval by the Town of such documents in accordance with the terms thereof and this Ordinance. Town staff is further authorized to take additional actions as may be necessary to implement the provisions of this Ordinance. Additionally, authorized officers and representatives as identified in Exhibit B to the Loan Agreements shall be Jeff Layman, Town Administrator and Trey Fonner, Public Works Director.

Section 12. Repealer. All orders, bylaws, resolutions and ordinances of the Town, or parts thereof, inconsistent or in conflict with this Ordinance are hereby repealed to the extent only of such inconsistency or conflict.

Section 13. Effective Date. Upon final passage by the Board, this Ordinance shall be in full force and effect thirty days following the date of final publication.

INTRODUCED, READ AND APPROVED ON FIRST READING, a public hearing, this 25th day of September 2023, at 7:00 p.m. in the Town Hall, Town of Silt, Colorado.

PASSED, APPROVED ON SECOND READING, ADOPTED AND ORDERED PULBISHED, following a continued public hearing this ___ day of _____ 2023.

TOWN OF SILT, COLORADO

Mayor Keith B. Richel

ATTEST:

Town Clerk Sheila M. McIntyre, CMC

Glenwood Springs – Main Office
201 14th Street, Suite 200
P. O. Drawer 2030
Glenwood Springs, CO 81602

Aspen
323 W. Main Street
Suite 301
Aspen, CO 81611

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1544 Oxbow Drive
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*[*Direct Mail to Glenwood Springs](#)*

MEMORANDUM

DATE: September 21, 2023
TO: Board of Trustees, Town of Silt, Colorado
FROM: Lawrence M. Bond, Karp Neu Hanlon PC
RE: Summary of the DWRPDA Loan Agreements

I. Summary of Loan Agreements:

This memorandum summarizes the two separate loan agreements between the Town of Silt and the Colorado Water Resources and Power Development Authority (CWRPDA) pertaining to the Drinking Water Revolving Fund (DWRPDA) Loans required for Silt to construct its new Water Treatment Plant (WTP). Approval of the indebtedness, as proposed in the drafts two separate loan agreements¹ (collectively the “Loan Agreements”), by and through approval of Ordinance No. 6, are on the Board of Trustees’ Agenda its September 25, 2023 meeting.

The Loan Agreements work in tandem to provide a complete picture of the various loans required to construct the new WTP, and together provide funding to meet the required loans needed to complete the WTP. Separately, the Loans are referred to as 1) the Direct Loan, which is comprised of the approximate principal amount of \$12,834,825, with up to \$8,645,000 in principal forgiveness (the Direct Loan); and 2) a Leveraged Loan for the remainder of the construction costs, in an amount not to exceed a total of \$16,000,000 in governmental bonds (the “Leveraged Loan”).

II. The Direct Loan:

The Direct Loan is funded in part through the Disadvantaged Communities Program Loan Agreement Bonds. DWRPDA Disadvantaged Communities Program direct loans in the approximate principal amount of \$12,834,825 are comprised of the following:

- (a) Two separate loans totaling \$4,189,825, which include:
 - i. a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$3,000,000 bearing interest at the rate of 1.0%,

¹ The two Loan Agreements are in draft form as provided and are currently incomplete. The drafts are being provided to demonstrate the form and substantive of the two agreements for future approval by the Town.

- ii. a Bipartisan Infrastructure Law General Supplemental direct loan for approximately \$1,189,825 bearing interest at the rate of 3.0%, and
- (b) Loan Principal Forgiveness (“PF”) of \$8,645,000, including:
 - i. up to \$5,000,000 of up-front Bipartisan Infrastructure Law PF,
 - ii. PF of approximately \$1,645,000 through Bipartisan Infrastructure Law Emerging Contaminants, and
 - iii. approximately \$2,000,000 of base PF; and

Thus, of the \$12,834,825 in principal loans, up to \$8,645,000 shall be forgiven by principal loan forgiveness, with a remainder of \$4,189,825 outstanding for repayment with the above interest rates. Both of the bonds shall be payable semi-annually and mature not more than twenty-one years from the date of their issuance as more particularly set forth in the Disadvantaged Communities Program Loan Agreement.

The Principal Forgiveness will be applied up-front to the principal amount of the Direct Loan, in the amounts set forth in **Exhibit B**, Part (4)(a) of the Direct Loan Agreement (as summarized above). Therefore, the amount of Up-Front Principal Forgiveness will not need to be repaid and should not accrue any interest.

III. The Leveraged Loan:

Leveraged 2023 Series A Loan Agreement Bond. The Bond to be issued and delivered in connection with the Leveraged 2023 Series A Loan Agreement shall be comprised of a Bond in a principal amount not to exceed \$16,000,000, plus allocable costs, bearing interest at 80% of the rate obtained on the CWRPDA’s State Revolving Fund Revenue Bonds, which shall not exceed four and one-half percent (4.50%) per annum, which Bond shall be payable semi-annually and mature not more than twenty-one years from the date of its issuance.

IV. Terms of the Loan Agreements:

The Loan Agreements, in pertinent part, authorize the Town of Silt (the “Government Agency”) to borrow from the CWRPDA (the “Authority”) the amounts stated above, which are memorialized in **Exhibit B** of the Loan Agreements. At this time, the Loan Agreements are still in draft form and the CWRPDA have not finalized the agreements, including the amounts stated in **Exhibit B**. Outside of the loan amounts, the two Loan Agreements have near identical terms and conditions. Therefore, the following description of the agreements applies to both Loan Agreements unless stated otherwise.

- **Exhibit A** describes the project and the system being installed and the pledges of capital and property required to secure the loans.
- **The Bonds Do Not Constitute a Debt to the Town.** The CWRPDA, however, may not look to any general or other fund of the Town for the payment of the principal of or interest on the

Bonds. The Bonds do not constitute a debt or an indebtedness of the Town, nor shall they be considered or held to be a general obligation of the Town.

- **Article 2** of the Loan Agreements contains representations and warranties by the Town that it has disclosed all relevant information accurately that induced the Authority to provide the loans and nothing unknown, such as pending lawsuits, which would affect the ability of the Town to repay its indebtedness.
- **Section 2.02(n)** provides that the Town may be subject to audits to confirm it is not in default of its Rate Covenant, see Exhibit F ¶ (1). The Rate Covenant mandates that the Town shall establish and collect fees and charges for the use and sale of the water, to produce Gross Revenue that will be sufficient to pay:
 - Operational and Maintenance Expenses;
 - A sum equal to 110% of the debt service due;
 - Amounts, if any, for debt service reserve, in an amount equal to three months of operation and maintenance expenses;
 - A sum equal to the debt service on any obligations secured by a lien on the Pledged property;
 - Any other amounts necessary to pay and discharge any charges or liens or indebtedness.
- **Exhibit F** covenants that the Town shall establish and collect such rates, fees and charges to produce gross revenue for the Enterprise such that it shall be able to meet the above debt service obligations. **Exhibit F** ¶ (1). If the revenue is not sufficient to meet these requirements, within 90 days, the Town shall carry out an independent rate study to provide sufficient gross revenue to meet these requirements. *See Exhibit F* ¶ (2). Finally, no additional bonds or liens may be had that are superior to any of the liens, debt or loans set forth in this Loan Agreement.
- **Article 5** specifies the procedures upon default. What constitutes a default varies between the two Loan Agreements, but failure to pay for a period of time would cause a default to occur. During a default, the Authority would have the power to take any action necessary to enforce the performance of the Town's duty to repay, including changing the Town's water rates.
- **Article 3** specifies that the Authority will repay the Loan, that the Town shall repay the principal semi-annually on May 1st and November 1st in accordance with the schedule set forth in **Exhibit C**.

DRINKING WATER REVOLVING FUND

LOAN AGREEMENT

BETWEEN

COLORADO WATER RESOURCES AND

POWER DEVELOPMENT AUTHORITY

AND

**THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND
WASTEWATER ACTIVITY ENTERPRISE**

DATED AS OF NOVEMBER 1, 2023

THIS LOAN AGREEMENT, made and entered into as of November 1, 2023, by and between **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the “Authority”), a body corporate and political subdivision of the State of Colorado, and **THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE** (the “Governmental Agency”);

WITNESSETH THAT:

WHEREAS, the United States of America, pursuant to the federal Safe Drinking Water Act Amendments of 1996, as amended, requires each state, as a condition to the receipt of certain funds, to establish a drinking water revolving fund to be administered by an instrumentality of the state before the state may receive capitalization grants to finance the costs of infrastructure needed to achieve or maintain compliance with federal drinking water requirements for such projects;

WHEREAS, the Authority was created to initiate, acquire, construct, maintain, repair and operate or cause to be operated water management projects which include water facilities and to issue its bonds to pay the cost of such projects;

WHEREAS, Section 37-95-107.6 of the Colorado Revised Statutes has created a drinking water revolving fund to be administered by the Authority which will enable the State of Colorado to comply with the provisions of said federal Safe Drinking Water Act Amendments of 1996, as amended;

WHEREAS, the Authority has determined to issue its bonds and to loan the proceeds of such bonds to public entities in Colorado to finance the costs of drinking water facilities, and to use moneys on deposit in the Drinking Water Revolving Fund to assist such public entities in connection with the financing of such facilities;

WHEREAS, the Authority, in accordance with the Act and the Bond Resolution (as such terms are hereinafter defined), will issue its bonds for the purpose of making loans from the proceeds thereof to public entities, including the Governmental Agency, to finance all or any portion of the cost of drinking water facilities;

WHEREAS, the Governmental Agency has made timely application to the Authority for a loan to finance all or any portion of the cost of a water facility;

WHEREAS, the General Assembly of the State of Colorado has approved a project eligibility list which includes the water facilities proposed to be financed hereunder;

WHEREAS, the Authority has approved the Governmental Agency’s application for a loan from available proceeds of the bonds of the Authority in an amount not to exceed the amount of the loan commitment set forth in paragraph (3) of Exhibit B hereto to finance all or any portion of the cost of a water treatment facility of the Governmental Agency.

WHEREAS, the Governmental Agency will issue its bond to the Authority to evidence said loan from the Authority;

NOW, THEREFORE, for and in consideration of the award of the loan by the Authority and of the mutual covenants herein, the Authority and the Governmental Agency each agree to perform their respective obligations under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 Definitions. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

“Act” means the “Colorado Water Resources and Power Development Authority Act,” being Section 37-95-101 et. seq. of the Colorado Revised Statutes, as the same may from time to time be amended and supplemented.

“Administrative Fee” means the fee payable pursuant to subsection (b) of Section 3.03 hereof which is calculated on the basis of an annual fee of one and [one quarter percent (1.25%)] of the initial principal amount of the Loan, or such lesser amount, if any, as the Authority may approve from time to time.

“Allocable Investment Income” means the interest earnings or accrual thereof on the Project Loan Subaccount which are to be credited to the Loan Repayments in accordance with subsection (c) of Section 3.03.

“Allocable Percentage” means the percentage allocated to the Governmental Agency under the definition of “Allocable Share” contained in Section 1.01 of the Bond Resolution.

“Annual Information” means the information specified in Section 2.03 in this Loan Agreement.

“Authority” means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado with corporate succession duly created and validly existing under and by virtue of the Act.

“Authority Bonds” means bonds authorized by the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to the Bond Resolution, in each case in order to provide the source of funding of the Loan, including the particular Project Loan Subaccount from which the amounts loaned to the Governmental Agency pursuant to this Loan Agreement are taken.

“Authorized Officer” means, in the case of the Governmental Agency, the person whose name is set forth in Exhibit B hereto or such other person or persons authorized pursuant to a resolution or ordinance of the governing body of the Governmental Agency to act as an Authorized Officer of the Governmental Agency to perform any act or execute any document relating to the Loan, the Governmental Agency Bond or this Loan Agreement whose name is furnished in writing to the Authority.

“Bond Resolution” means the State Revolving Fund 2023 Series A Revenue Bond Resolution, as adopted by the Authority on October 6, 2023, authorizing the issuance of the Authority Bonds,

and all further amendments and supplements thereto adopted in accordance with the provisions thereof.

“Code” means the “Internal Revenue Code of 1986,” as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

“Cost” means those costs that are eligible to be funded from draws under the Federal Capitalization Agreement and are reasonable, necessary and allocable to the Project and are permitted by GAAP to be costs of the Project. Cost shall also include Costs of Issuance (as defined in the Bond Resolution).

“Enterprise Fund” means the fund of the Town designated as the “Water/Wastewater Fund,” reaffirmed by the provisions hereof, which is used to account for the financial operations of the Enterprise, and any additional or other funds established hereafter for such purpose.

“Event of Default” means any occurrence or event specified in Section 5.01 hereof.

“Federal Capitalization Agreement” means the instrument or agreement established or entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the federal Safe Drinking Water Act, as amended (43 U.S.C. § 300 et. seq.)

“Fiscal Year” means the fiscal year of the Governmental Agency.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“Governmental Agency” means the public entity that is a party to and is described in the first paragraph of this Loan Agreement, and its successors and assigns.

“Governmental Agency Bond” means the bond executed and delivered by the Governmental Agency to the Authority to evidence the Loan, dated the date of the Loan Closing, the form of which is attached hereto as Exhibit D and made a part hereof.

“Governmental Agencies” means the Governmental Agency and any other governmental agencies permitted by the Act that have entered into Loan Agreements with the Authority pursuant to which the Authority will make Loans to such Governmental Agencies from moneys on deposit in the Project Account financed with the proceeds of the Authority Bonds.

“Gross Revenue” means the defined term of this Loan Agreement set forth in paragraph (3) of Exhibit A attached hereto and made a part hereof.

“Holder” means any holder of Authority Bonds as defined under the Bond Resolution and, for the purposes of Section 2.03 of this Loan Agreement, shall also mean any beneficial owner of Authority Bonds within the meaning of Rule 13-d under the Securities Exchange Act of 1934, as amended.

“Loan” means the loan made by the Authority to the Governmental Agency to finance or refinance all or any portion of the Cost of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the principal amount of the Loan at any time shall be equal to the amount of the loan commitment set forth in paragraph (3) of Exhibit B attached hereto and made a part of this Loan Agreement (which loan commitment amount equals the sum of (i) the amount actually deposited in the Project Loan Subaccount from the proceeds of the Authority Bonds, moneys of the Authority and moneys drawn by the Authority pursuant to the Federal Capitalization Agreement, (ii) the Governmental Agency’s Allocable Percentage of the Costs of Issuance, original issue discount and underwriter’s discount for all Authority Bonds issued in connection with the making of the Loan and the deposit to the 2023 Series A Matching Account, and (iii) capitalized interest during the Project construction period to be paid with the proceeds of Authority Bonds), less any portion of such principal amount as has been repaid by the Governmental Agency under this Loan Agreement.

“Loan Agreement” means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof and of the Bond Resolution.

“Loan Agreements” means this Loan Agreement and any other loan agreements entered into between the Authority and one or more of the Governmental Agencies pursuant to which the Authority will make Loans to such Governmental Agencies from moneys on deposit in the Project Account financed with the proceeds of certain of the Authority Bonds and funds of the Authority.

“Loan Closing” means the date upon which the Authority shall issue and deliver the initial Authority Bonds.

“Loan Repayments” means the payments payable by the Governmental Agency pursuant to Section 3.03 of this Loan Agreement, including payments payable under the Governmental Agency Bond.

“Loan Servicer” means the Loan Servicer for the Loans, duly appointed and designated as such pursuant to the Loan Servicing Agreement, dated as of the dated date of the Authority Bonds, between the Authority and the Loan Servicer, and its successors as Loan Servicer under the Loan Servicing Agreement.

“Loans” means the Loan and loans made by the Authority to other Governmental Agencies under the Loan Agreements.

“Loan Term” means the defined term set forth in paragraph (4) of Exhibit B attached hereto and made a part hereof.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Net Revenue” means the defined term of this Loan Agreement set forth in paragraph (3) of Exhibit A attached hereto and made a part hereof.

“Pledged Property” means the defined term set forth in paragraph (3) of Exhibit A attached hereto and made a part hereof.

“Prime Rate” means the prevailing commercial interest rate announced by the Trustee from time to time as its prime lending rate.

“Project” means the water facilities of the Governmental Agency described in paragraph (1) of Exhibit A attached hereto and made a part hereof, all or any portion of the Cost of which is financed or refinanced by the Authority through the making of the Loan under this Loan Agreement.

“Project Account” means the 2023 Series A Project Account created under the Bond Resolution.

“Project Loan Subaccount” means the 2023 Series A Project Loan Subaccount established on behalf of the Governmental Agency in the Project Account in accordance with the Bond Resolution.

“Rule 15c2-12” means Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of adoption of the Bond Resolution, together with all interpretive guidances or other official interpretations and explanations thereof that are promulgated by the SEC.

“SEC” means the United States Securities and Exchange Commission.

“2023 Series A Matching Account” means the 2023 Series A Matching Account created under the Bond Resolution.

“System” means the water system of the Governmental Agency, including the Project, described in paragraph (2) of Exhibit A attached hereto and made a part hereof for which the Governmental Agency is making the borrowing under this Loan Agreement, as such System may be modified or expanded from time to time.

“Trustee” means the Trustee appointed by the Authority pursuant to the Bond Resolution and its successor or successors and any other corporation which may at any time be substituted in its place as Trustee pursuant to the Bond Resolution.

Terms not otherwise defined in this Section 1.01 or in Exhibits A and B hereto shall have the meanings ascribed to them in the Bond Resolution.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

ARTICLE II.

REPRESENTATIONS AND COVENANTS OF GOVERNMENTAL AGENCY

SECTION 2.01 Representations of Governmental Agency. The Governmental Agency represents for the benefit of the Authority and the holders of the Authority Bonds as follows:

(a) Organization and Authority.

- (i) The Governmental Agency is a governmental agency as defined in the Act and as described in the first paragraph of this Loan Agreement.
- (ii) The System is a system for the provision to the public of water for human consumption through the pipes or other constructed conveyances which has at least fifteen service connections or regularly serves at least twenty-five individuals;
- (iii) The Governmental Agency has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the System, to carry on its activities relating thereto, to execute and deliver this Loan Agreement, to execute, issue and deliver the Governmental Agency Bond, to undertake the Project (other than licenses, permits, and approvals relating to the construction and acquisition of the Project which the Governmental Agency expects to receive in the ordinary course of business), and to carry out and consummate all transactions contemplated by this Loan Agreement. The Project is on the drinking water project eligibility list approved by the General Assembly of the State of Colorado pursuant to the Act and is a project which the Governmental Agency may undertake pursuant to Colorado law and for which the Governmental Agency is authorized by law to borrow money.
- (iv) The proceedings of the Governmental Agency's governing body and voters, if a referendum is necessary, approving this Loan Agreement and the Governmental Agency Bond and authorizing their execution, issuance and delivery on behalf of the Governmental Agency, and authorizing the Governmental Agency to undertake the Project have been duly and lawfully adopted in accordance with the laws of Colorado and such proceedings were duly approved and published, if necessary, in accordance with applicable Colorado law, at a meeting or meetings which were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout.
- (v) This Loan Agreement and the Governmental Agency Bond, when delivered at the Loan Closing, will have been, duly authorized, executed and delivered by an Authorized Officer of the Governmental Agency; and, assuming that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered, this Loan Agreement, this Loan Agreement constitutes, and the Governmental Agency Bond when delivered to the Authority will constitute, the legal, valid and binding obligations of the Governmental Agency in accordance with their respective terms, and the information contained under "Description of the Loan" on Exhibit B attached hereto and made a part hereof is true and accurate in all respects.

(b) Full Disclosure.

There is no fact that the Governmental Agency has not disclosed to the Authority in writing on the Governmental Agency's application for the Loan or otherwise that materially adversely affects the properties, activities or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond.

(c) Pending Litigation.

There are no proceedings pending, or, to the knowledge of the Governmental Agency threatened, against or affecting the Governmental Agency, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond, that have not been disclosed in writing to the Authority in the Governmental Agency's application for the Loan or otherwise to the Authority.

(d) Compliance with Existing Laws and Agreements.

The authorization, execution and delivery of this Loan Agreement and the Governmental Agency Bond by the Governmental Agency, the observation and performance by the Governmental Agency of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions provided for in this Loan Agreement and the Governmental Agency Bond, the compliance by the Governmental Agency with the provisions of this Loan Agreement and the Governmental Agency Bond and the undertaking and completion of the Project will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Governmental Agency pursuant to any existing ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument (other than the lien and charge of (i) this Loan Agreement and the Governmental Agency Bond and (ii) any ordinance, resolution or indenture which authorized outstanding debt obligations of the Governmental Agency that are at parity with, or superior to, the Governmental Agency Bond as to lien on, and source and security for, payment thereon from the Pledged Property) to which the Governmental Agency is a party or by which the Governmental Agency, the System or any of its property or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Governmental Agency was established or any laws, ordinances, resolutions, governmental rules, regulations or court orders to which the Governmental Agency, the System or its properties or operations is subject.

(e) No Defaults.

No event has occurred and no condition exists that, upon authorization, execution and delivery of this Loan Agreement and the Governmental Agency Bond or receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Governmental

Agency is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, the System or its property may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Governmental Agency or the System or the ability of the Governmental Agency to make all Loan Repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond.

(f) Governmental Consent.

The Governmental Agency has obtained all permits and approvals required to date by any governmental body or officer (and reasonably expects to receive all permits required in the future by any governmental body or officer) for the making, observance and performance by the Governmental Agency of its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond or for the undertaking of the Project and the financing or refinancing thereof; and the Governmental Agency has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Governmental Agency of its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond or with the undertaking or completion of the Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer that has not been obtained (or that is not reasonably expected to be obtained) is required on the part of the Governmental Agency as a condition to the authorization, execution and delivery of this Loan Agreement and the Governmental Agency Bond, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law.

The Governmental Agency (i) is in compliance with all laws, ordinances, resolutions, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Governmental Agency to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Governmental Agency or the System; and (ii) has obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property or for the conduct of its activities which, if not obtained, would materially adversely affect the ability of the Governmental Agency to conduct its activities or undertake the Project or the condition (financial or otherwise) of the Governmental Agency or the System (other than licenses, permits, franchises or other governmental authorizations relating to the construction and acquisition of the Project which the Governmental Agency expects to receive in the ordinary course of business).

(h) Use of Proceeds.

The Governmental Agency will apply the proceeds of the Loan from the Authority (i) to finance or refinance all or any portion of the Cost of the Project; and (ii) where applicable,

to reimburse the Governmental Agency for all or any portion of the Cost of the Project, which portion was paid or incurred in anticipation of reimbursement by the Authority.

SECTION 2.02 Particular Covenants of the Governmental Agency.

(a) Repayment Pledge.

The Governmental Agency irrevocably pledges and grants a lien on the Pledged Property for the punctual payment of the Loan Repayments.

(b) Performance Under Loan Agreement.

The Governmental Agency covenants and agrees (i) to maintain the System in good repair and operating condition; (ii) to cooperate with the Authority in the observance and performance of the respective duties, covenants, obligations and agreements of such Governmental Agency and the Authority under this Loan Agreement; and (iii) to comply with the covenants described in the Exhibits to this Loan Agreement.

(c) Completion of Project and Provision of Moneys Therefor.

The Governmental Agency covenants and agrees (i) to exercise its best efforts in accordance with prudent water utility practice to complete the Project and to so accomplish such completion on or before the estimated Project Completion Date set forth in Exhibit B hereto and made a part hereof; and (ii) to the extent legally available, to provide from the Gross Revenue all moneys, in excess of the total amount of Loan proceeds it receives under the Loan, required to complete the Project.

(d) Disposition of the System.

Except for the disposal of any portion of the System which the Governmental Agency determines is no longer necessary for the operation of the System, the Governmental Agency shall not sell, lease, abandon or otherwise dispose of all or substantially all of the System, or any other component of the System which provides revenues to provide for the payment of this Loan Agreement or the Governmental Agency Bond except on ninety (90) days' prior written notice to the Authority and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the following conditions are met: (i) the Governmental Agency shall assign this Loan Agreement in accordance with Section 4.02 hereof and its rights and interests hereunder to the purchaser or lessee of the System and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Governmental Agency under this Loan Agreement; and (ii) the Authority shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect the Authority's ability to meet its duties, covenants, obligations and agreements under the Bond Resolution, and will not adversely affect the value of this Loan Agreement as security for the payment of Authority Bonds and interest thereon, adversely affect the eligibility of interest on Authority Bonds then outstanding for exclusion from gross income for purposes of Federal income taxation or adversely affect any agreement entered into by the Authority or the State with, or condition of any grant received by the Authority or the State from, the United States of America,

which is related to the Federal Capitalization Agreement or any capitalization grant received by the Authority or the State under the federal Safe Drinking Water 1 Act Amendments, as amended (43 U.S.C. § 300 et seq.)

(e) Exclusion of Interest from Federal Gross Income and Compliance with Code.

- (i) The Governmental Agency covenants and agrees that it shall not take or permit any action or fail to take any action which action or omission would result in the loss of the exclusion of the interest on any Authority Bonds (assuming solely for this purpose that the proceeds of the Authority Bonds loaned to the Governmental Agency represent all of the proceeds of the Authority Bonds) from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.
- (ii) The Governmental Agency covenants and agrees that it shall not take or permit any action or fail to take any action, which action or omission would cause the Authority Bonds (assuming solely for this purpose that the proceeds of the Authority Bonds loaned to the Governmental Agency represent all of the proceeds of the Authority Bonds) to be “private activity bonds” within the meaning of section 141(a) of the Code. Accordingly, unless the Governmental Agency receives the prior written approval of the Authority, and subject to the conditions of Section 2.02(d)(ii), the Governmental Agency shall neither (A) permit in excess of 10 percent of either (1) the proceeds (as such term is used in Section 141 of the Code) of the Authority Bonds loaned to the Governmental Agency or (2) the Project financed (or refinanced) with the proceeds of the Authority Bonds loaned to the Governmental Agency, to be used directly or indirectly in any manner that would constitute “private business use” within the meaning of Section 141(b)(6) of the Code, nor (B) use directly or indirectly any of the proceeds of the Authority Bonds loaned to the Governmental Agency to make or finance loans to persons other than governmental units (as such term is used in section 141(c) of the Code); provided further, that more than one half of the private business use permitted by clause (A) shall be neither (1) disproportionate related business use, nor (2) private business use not related to the government use of such proceeds of the Authority Bonds, as those terms are used in Section 141(b)(3) of the Code.
- (iii) The Governmental Agency covenants and agrees that it shall not directly or indirectly use or permit the use of any proceeds of the Authority Bonds (or amounts treated as replaced with such proceeds) or any other funds, or take or permit any action or fail to take any action, which use, action or omission would cause the Authority Bonds (assuming solely for this purpose that the proceeds of the Authority Bonds in the hands of the Governmental Agency represent all of the proceeds of the Authority Bonds) to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

- (iv) The Governmental Agency covenants and agrees that it shall not use or permit the use of any portion of the proceeds of the Authority Bonds to retire any other obligations of the Governmental Agency or any other entity, unless the Governmental Agency obtains the written consent of the Authority, which consent may be given or withheld in the Authority's sole discretion.
- (v) The Governmental Agency covenants and agrees to maintain records of its investments, if any, of proceeds of the Authority Bonds loaned to the Governmental Agency which are held by the Governmental Agency and earnings thereon, and will maintain records of expenditures of such proceeds. The Governmental Agency will pay to the Authority any earnings on proceeds of the Authority Bonds loaned to the Governmental Agency which are held by the Governmental Agency (including earnings on such earnings) which, in the opinion of the Authority, are required to be rebated to the United States Treasury Department. The Governmental Agency will provide copies of all records of its investment of such proceeds and of its expenditures to the Authority on a periodic basis upon request by the Authority and will furnish to the Authority, in writing, information regarding any facilities financed or refinanced therewith.
- (vi) Notwithstanding anything herein to the contrary, as long as is necessary to maintain the exclusion of interest on the Authority Bonds from gross income for Federal income tax purposes, the covenants contained in this subsection (e) shall survive the payment of the Authority Bonds and the interest thereon, including any payment pursuant to Section 12.01 of the Bond Resolution or prepayment pursuant to Section 3.08 of this Loan Agreement, respectively.
- (vii) The Governmental Agency shall not, pursuant to any arrangement formal or informal, purchase Authority Bonds in an amount related to the amount of the Loan.
- (viii) The Governmental Agency hereby certifies and represents that it has complied with the requirements of Treasury Regulation Section 1.150-2 in its authorizing resolution or other official action with regard to proceeds of the Authority Bonds, if any, to be used to reimburse the Governmental Agency for expenses incurred by the Governmental Agency prior to the issuance of the Authority Bonds. In the event that any of the proceeds of the Authority Bonds are to be used to pay debt service on any prior issue of the Governmental Agency, and any of the proceeds of such prior issue (or any obligations refinanced by such prior issue) were used to reimburse the Governmental Agency for expenditures incurred prior to the issuance of the prior issue (or refinanced obligations, as the case may be), the Governmental Agency hereby certifies and represents that the allocation of such proceeds to the reimbursed expenditure was a valid expenditure under the applicable law on reimbursement expenditures on the date of issue of

the prior issue (or the refinanced obligations), as required by Federal Income Tax Regulation Section 1.150-2(g)(2).

- (ix) By executing this Loan Agreement, the Governmental Agency hereby certifies, represents and agrees that:
- (1) The proceeds of the Authority Bonds to be loaned to the Governmental Agency pursuant to this Loan Agreement do not, taking into account available earnings thereon, exceed the amount necessary to pay for the Cost of the Project.
 - (2) The Governmental Agency has entered into (or will enter into within six months from the date hereof) a binding commitment for the acquisition, construction or accomplishment of the Project, and will, within six months from the date of the Loan Closing, expend at least five percent of the proceeds of the Authority Bonds loaned to the Governmental Agency.
 - (3) The Governmental Agency reasonably expects that 85% of the proceeds of the Loan will be expended within three years from the date of delivery of the initial series of Authority Bonds. Work on the acquisition, construction or accomplishment of the Project will proceed with due diligence to completion.
 - (4) The total proceeds of the sale of all obligations issued to date for the Project do not exceed the total Cost of the Project, taking into account available earnings thereon.
 - (5) The Governmental Agency does not expect that the Project will be sold, leased or otherwise disposed of in whole or in part during the term of the Loan or of the Authority Bonds or for any portion of the term of the Loan or of the Authority Bonds. The Governmental Agency shall not sell, lease or otherwise dispose of the Project in whole or in part during the term of the Loan or of the Authority Bonds or for any portion of the term of the Loan or of the Authority Bonds unless the conditions of Section 2.02(d)(ii) have been satisfied.
 - (6) Any fund established, utilized or held by or on behalf of the Governmental Agency to pay debt service on the Loan will be used to achieve a proper matching of revenues and debt service and will be depleted at least annually except for a reasonable carryover amount not to exceed earnings on the fund for the immediately preceding year or 1/12 of the annual debt service on the Loan for the immediately preceding year.
 - (7) No portion of the amounts received from the Loan will be used as a substitute for other funds which were otherwise to be used as a

source of financing for the Project and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Authority Bonds. The Governmental Agency does not expect to receive any amounts in the future that are intended to finance the portion of the Project being financed with proceeds of the Loan. No portion of the amounts received from the Loan will be used to finance working capital expenditures. The Loan has a weighted average maturity that does not exceed 120 percent of the average reasonably expected economic life of the capital projects financed or refinanced by the Loan.

- (8) No portion of the proceeds of the Loan which are held by the Governmental Agency will be invested, directly or indirectly, in federally-insured deposits or accounts, or federally-guaranteed investments, other than amounts of unexpended Loan proceeds invested in the debt service fund, in any reasonably required reserve or replacement fund, or investments of unexpended Loan proceeds for any remaining initial temporary period (e.g., no later than three years after the date of the Loan Closing) until the proceeds are needed for the Project.
- (9) No other obligations of the Governmental Agency (1) are reasonably expected to be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds) as will be used to pay the Loan; and (2) are being sold at substantially the same time as the Loan (i.e., less than 15 days apart); and (3) were sold pursuant to the same plan of financing with the Loan.
- (10) The Governmental Agency has neither received notice that its certifications as to expectations may not be relied upon with respect to its obligations nor has it been advised that any adverse action by the Commissioner of the Internal Revenue Service is contemplated.
- (11) To the best of the knowledge and belief of the undersigned officer of the Governmental Agency, the facts and estimates set forth in this subsection of the Loan Agreement on which the Governmental Agency's expectations as to the application of the proceeds of the Authority Bonds loaned to the Governmental Agency are based, are reasonable.
- (12) None of the proceeds of the Authority Bonds loaned to the Governmental Agency which are held by the Governmental Agency will be invested in investments having a substantially guaranteed yield of four years or more.

(f) Operation and Maintenance of the System.

The Governmental Agency covenants and agrees that it shall, in accordance with prudent water utility practice, (i) at all times operate the properties of the System and any business in connection therewith in an efficient manner, (ii) maintain the System in good repair, working order and operating condition, (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this covenant shall not be construed as requiring the Governmental Agency to expend any funds which are derived from sources other than the Gross Revenue, and provided further that nothing herein shall be construed as preventing the Governmental Agency from doing so.

(g) Records; Accounts.

The Governmental Agency shall keep accurate records and accounts for the System (the "System Records"), separate and distinct from its other records and accounts (the "General Records"). Such System Records shall be maintained in accordance with GAAP and shall be audited annually by an independent accountant, which audit may be part of the annual audit of the General Records of the Governmental Agency. Such System Records and General Records shall be made available for inspection by the Authority at any reasonable time, and a copy of such annual audit(s) therefor, including all written comments and recommendations of such accountant, shall be furnished to the Authority within 210 days of the close of the fiscal year being so audited.

(h) Inspections; Information.

The Governmental Agency shall permit the Authority, and any party designated by the Authority, to examine, visit and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the Authority may reasonably require in connection therewith.

(i) Insurance.

The Governmental Agency shall maintain or cause to be maintained, in force, insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of the System, at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining utility system facilities of the nature of the System, including liability coverage, all to the extent available at reasonable cost. Nothing herein shall be deemed to preclude the Governmental Agency from asserting against any party, other than the Authority, a defense which may be available to the Governmental Agency, including, without limitation, a defense of sovereign immunity.

(j) Cost of Project.

The Governmental Agency certifies that the Cost of the Project, as listed in paragraph (2) of Exhibit B hereto and made a part hereof, is a reasonable and accurate estimation and upon direction of the Authority will supply the same with a certificate from its engineer stating that such Cost is a reasonable and accurate estimation, taking into account investment income to be realized during the course of the Project and other money that would, absent the Loan, have been used to pay the Cost of the Project.

(k) Notice of Material Adverse Change.

The Governmental Agency shall promptly notify the Authority of any material adverse change in the activities or condition (financial or otherwise) of the Governmental Agency relating to the System, or in the ability of the Governmental Agency to make all Loan Repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Governmental Agency Bond from the Gross Revenue. The Governmental Agency shall provide such financial information relating to the Governmental Agency as the Authority may require in connection with the issuance of Authority Bonds pursuant to the Bond Resolution.

(l) Reimbursement for Ineligible Costs.

The Governmental Agency shall promptly reimburse the Authority, solely from the Net Revenue, for the portion of the Loan which is determined to be a Cost of the Project which is not eligible for funding from draws under the Federal Capitalization Agreement. Such reimbursement shall be promptly repaid to the Authority upon written request of the Authority with interest on the amount to be reimbursed at the rate borne by the Authority Bonds from the date of the Loan. Any such reimbursement shall be applied by the Authority to reduce the Loan Repayments due pursuant to Section 3.03(a). Eligible costs are costs associated with the approved scope of work, the plans and specifications and any change of orders.

(m) Construction.

The Governmental Agency agrees to construct the Project pursuant to plans and specifications for the Project that have been approved by the State Department of Public Health and Environment, and shall not begin construction until such approval has been provided.

(n) Plan of Operation.

The Governmental Agency shall submit to the State Department of Public Health and Environment, with the construction plans and specifications, a preliminary plan of operation, which shall provide a concise, sequential description of an implementation schedule for those activities necessary to assure efficient and reliable start-up and continual operation of the Project. The Governmental Agency agrees to implement the approved plan of operation.

The Governmental Agency shall also submit a draft operation and maintenance manual prior to 50 percent of the Project being constructed. The final manual must be submitted prior to 90 percent of the Project being constructed.

In addition, one year after commencement of operation, the Governmental Agency shall submit to the State, certification of achievement of the applicable Project performance certification standards.

(o) Commencement of Construction.

Within twelve (12) months after the Loan Closing, the Governmental Agency shall initiate construction of the Project.

(p) Interest in Project Site.

As a condition of the Loan, and prior to beginning construction of the Project, the Governmental Agency will demonstrate to the satisfaction of the Authority that the Governmental Agency has or will have a fee simple or such other estate or interest in the site of the Project, including necessary easements and rights-of-way, as the Authority finds sufficient to assure undisturbed use and possession for the purpose of construction and operation of the Project for the estimated life of the Project.

(q) Archeological Artifacts.

In the event that archeological artifacts or historical sources are unearthed during construction excavation of the Project, the Governmental Agency shall stop or cause to be stopped, construction activities and will notify the State Historic Conservation Office and the Authority of such unearthing.

(r) No Lobbying.

No portion of the Loan may be used for lobbying or propaganda as prohibited by 18 U.S.C. § 1913 or Section 607(a) of Public Law 96-74.

(s) Federal Requirements Act.

The Governmental Agency covenants to meet the requirements of the federal Safe Drinking Water Act Amendments of 1996, as amended.

(t) Continuing Representations.

The representations of the Governmental Agency contained herein shall be true at the time of the execution of this Loan Agreement and at all times during the term of this Loan Agreement.

(u) Tax Compliance Questionnaire.

The Governmental Agency agrees to furnish to the Authority, no later than June 30 of each year, an executed copy of the Tax Compliance Questionnaire set forth in Exhibit G to this Loan Agreement.

(v) Additional Covenants and Requirements.

If necessary in connection with the Authority's issuance of the Authority Bonds or the making of the Loan, additional covenants and requirements will be included on Exhibit F hereto and made a part hereof. The Governmental Agency agrees to observe and comply with each such additional covenant and requirement, if any, included on Exhibit F on the date of the Loan Closing.

SECTION 2.03 Obligation to Provide Continuing Disclosure.

(a) If the Governmental Agency is advised in writing by the Authority that the Governmental Agency is required to comply with the provisions of this Section 2.03, the Governmental Agency shall undertake, for the benefit of Holders of the Authority Bonds, to provide or cause to be provided through the Authority:

- (i) to the MSRB no later than 210 days after the end of each Fiscal Year, commencing with the end of the first Fiscal Year following receipt of such advice from the Authority, the Annual Information relating to such Fiscal Year;
- (ii) if not submitted as part of or with the Annual Information, to the MSRB audited financial statements of the Governmental Agency for such Fiscal Year when and if they become available; provided that if the Governmental Agency's audited financial statements are not available by the date set forth in (i) above, the Annual Information shall contain unaudited financial statements in a format similar to the Governmental Agency's audited financial statements prepared for its most recent Fiscal Year, and the audited financial statements shall be filed in the same manner as the Annual Information when and if they become available; and
- (iii) to the MSRB, in a timely manner, notice of a failure to provide any Annual Information required by subsections (d), (e) and (f) of this Section 2.03.

(b) The obligations of the Governmental Agency pursuant to subsection (a) of this Section 2.03 may be terminated as to such Governmental Agency pursuant to subsection (k) of this Section 2.03. Upon any such termination, the Governmental Agency shall provide notice of such termination to the MSRB.

(c) Nothing herein shall be deemed to prevent the Governmental Agency from disseminating or require the Governmental Agency to disseminate any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Governmental Agency disseminates any such additional information, the Governmental Agency shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(d) The required Annual Information shall consist of the Governmental Agency's audited financial statements for the most recent Fiscal Year as provided in subsection (a)(2) of this Section 2.03, and such other information that the Authority may require in and to provide compliance with Rule 15(c)2-12.

(e) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which have been filed with the MSRB or the SEC.

(f) Annual Information for any Fiscal Year containing any modified operating data or financial information (as contemplated by subsection (j)(v) of this Section 2.03) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such Fiscal Year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

(g) The Governmental Agency's annual financial statements for each Fiscal Year shall be prepared in accordance with GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

(h) If the Governmental Agency shall fail to comply with any provision of this Section 2.03, then the Authority or any Holder of the Authority's Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Section 2.03 against the Governmental Agency and any of the officers, agents and employees of the Governmental Agency, and may compel the Governmental Agency or any such officers, agents or employees to perform and carry out their duties under this Section 2.03; provided that the sole and exclusive remedy for breach of this Section 2.03 shall be an action to compel specific performance of the obligations of the Governmental Agency hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and, provided further, that any challenge to the adequacy of any information provided pursuant to subsection (a) of this Section 2.03 shall be brought only by the Authority or the Holders of 25% in aggregate principal amount of the Authority's Bonds at the time outstanding which are affected thereby. The failure of the Governmental Agency to comply with the provisions of this Section 2.03 shall not be deemed an Event of Default hereunder and the only remedies available to the Holders or the Authority for such failure to comply are the remedies contained in this subsection (h).

(i) The provisions of this Section 2.03 are executed and delivered solely for the benefit of the Holders. No other person (other than the Authority) shall have any right to enforce the provisions of this Section 2.03 or any other rights under this Section 2.03.

(j) Without the consent of any Holders of Authority Bonds, the Authority and the Governmental Agency at any time and from time to time may enter into any amendments or changes to this Section 2.03 for any of the following purposes:

- (i) to comply with or conform to Rule 15c2-12 or any amendments thereto (whether required or optional);
- (ii) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (iii) to evidence the succession of another person to the Governmental Agency and the assumption by any such successor of the covenants of the Governmental Agency under this Section 2.03;
- (iv) to add to the covenants of the Governmental Agency for the benefit of the Holders, or to surrender any right or power conferred upon the Governmental Agency pursuant to this Section 2.03;
- (v) to modify the contents, presentation and format of the Annual Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Governmental Agency, or type of business conducted; provided that, (a) there is filed with the Trustee an opinion of counsel having expertise with respect to securities laws of the United States of America or expertise with respect to the issuance of indebtedness by states and political subdivisions thereof, that (i) this Section 2.03, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the offering of the Authority Bonds, after taking into account any amendments or authoritative interpretations of the Rule 15c2-12, as well as any change in circumstances; and (ii) the amendment or change does not materially impair the interests of Holders, or (b) such change or amendment is approved by the vote or consent of Holders of a majority in outstanding principal amount of the Authority Bonds affected thereby at or prior to the time of such amendment or change.

(k) This Section 2.03 shall remain in full force and effect until the earlier of (i) the Authority provides notice to the MSRB that the Governmental Agency is no longer an “obligated person” within the meaning of Rule 15c2-12 or (ii) all principal, redemption premiums, if any, and interest on the Authority Bonds shall have been paid in full or the Authority Bonds shall have otherwise been paid in full or legally defeased pursuant to Section 12.01 of the Bond Resolution. In the event of such payment or legal defeasance, the Authority shall promptly give written notice thereof to the Governmental Agency.

(l) Any notices to or filing with the MSRB shall be effected in an electronic format accompanied by identifying information prescribed by the MSRB.

ARTICLE III.

LOAN TO GOVERNMENTAL AGENCY; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01 The Loan. The Authority hereby agrees to loan and disburse to the Governmental Agency in accordance with Section 3.02 hereof, and the Governmental Agency agrees to borrow and accept from the Authority, the Loan in the principal amount equal to the loan commitment set forth in paragraph (3) of Exhibit B attached hereto and made a part hereof; provided, however, that (i) the Authority shall be under no obligation to make the Loan if the Governmental Agency does not deliver a Governmental Agency Bond to the Authority on the Loan Closing or an Event of Default has occurred and is continuing under the Bond Resolution or this Loan Agreement, and (ii) the proceeds of Authority Bonds shall be available for disbursement, as determined solely by the Authority, to finance the Cost of the Project. The Governmental Agency shall use the proceeds of the Loan strictly in accordance with Section 2.01(h) hereof, to finance the Cost of the Project.

SECTION 3.02 Disbursement of Loan Proceeds. The Trustee, as the agent of the Authority, shall disburse the amounts on deposit in the Project Loan Subaccount to the Governmental Agency upon receipt of a requisition executed by an Authorized Officer thereof and approved by the Authority, and if deemed necessary by the Authority, approved by the Colorado Water Quality Control Division, in the form set forth in the Bond Resolution.

The Authority covenants to direct the Trustee to provide all periodic written reports (as required by the provisions of the Bond Resolution) of all moneys on deposit under the Bond Resolution and to furnish such reports to the Governmental Agency as soon as practicable after receipt by the Authority.

The Authority hereby agrees that in the event that moneys on deposit in the Project Loan Subaccount are lost due to the negligence or misconduct of the Trustee, the Authority on behalf of the Governmental Agency, shall, upon the written request of the Governmental Agency, pursue its remedies against the Trustee, including, but not limited to, equitable actions or actions for money damages.

If there are moneys on deposit in the Project Loan Subaccount upon completion of the Project, the Governmental Agency shall advise the Authority in writing that no further requisitions are to be submitted to the Authority for disbursement of moneys from the Project Loan Subaccount. Upon receipt of such written advice, the Authority shall file with the Trustee the Certificate required by Section 5.03 of the Bond Resolution and use such moneys to redeem, purchase or provide for the payment of the Authority Bonds. The Authority shall credit ensuing Loan Repayments or portions thereof of the Governmental Agency chosen by the Authority as a result of the use of such moneys to purchase, redeem or pay Authority Bonds.

SECTION 3.03 Amounts Payable.

- (a) The Governmental Agency shall repay by electronic means the principal of and interest on the Loan in accordance with the schedule set forth on Exhibit C attached hereto

and made a part hereof, as the same may be amended or modified, pursuant to Section 6.04 hereof.

(b) The Governmental Agency shall execute the Governmental Agency Bond to evidence the Loan and the obligations of the Governmental Agency under the Governmental Agency Bond shall be deemed to be amounts payable under this Section 3.03. Each portion of the Loan Repayment payable under this subsection (a), whether satisfied entirely through a direct payment by the Governmental Agency to the Loan Servicer or through a combination of a direct payment and the use of Allocable Investment Income as described in subsection (c) of this Section 3.03 to pay interest on the Authority Bonds (and to the extent moneys are available therefor, principal of the Authority Bonds), shall be deemed to be a credit against the corresponding obligation of the Governmental Agency under this subsection (a) and shall fulfill the Governmental Agency's obligation to pay such amount hereunder and under the Governmental Agency Bond. Each payment made to the Loan Servicer pursuant to this subsection shall be applied first to interest then due and payable on the Loan, then to the principal of the Loan.

(c) In addition to the amounts payable under subsection (a) of this Section 3.03, the Governmental Agency shall pay the Administrative Fee in the amounts and on the dates set forth in Exhibit C attached hereto and made a part hereof. Each payment made pursuant to this subsection (b) shall, for purposes of the Loan and the Governmental Agency Bond, be considered as interest on the principal amount thereof.

(d) The Governmental Agency shall receive as a credit against each of its semiannual interest payment obligations set forth on Exhibit C attached hereto and made a part hereof (and, as applicable under the Bond Resolution, its annual principal obligations to the extent moneys are available therefor), (i) the amount of capitalized interest available to be applied against such obligations, as footnoted on such Exhibit C, and (ii) the amount of Allocable Investment Income, if any, to be credited against such obligations, as set forth in each billing statement to be mailed by the Loan Servicer to the Governmental Agency approximately thirty (30) days prior to each Loan Repayment due date.

(e) In addition to the payments required by subsections (a) and (b) of this Section 3.03, the Governmental Agency shall pay a late charge for any payment that is received by the Loan Servicer later than the fifth (5th) day following its due date, in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to when it is actually paid; provided, however, that the interest rate payable on the Loan including such late charge shall not be in excess of the maximum rate permitted by law as of the date hereof.

(f) The Governmental Agency acknowledges that payment of the Authority Bonds by the Authority, including payment from moneys drawn by the Trustee from the 2023 Series A Matching Account, other than from the investment income thereon, does not constitute payment of the amounts due under this Loan Agreement or the Governmental Agency Bond. If at any time the amounts on deposit in the 2023 Series A Matching Account shall be less than the requirement of such Account, as the result of any transfer of moneys from the 2023 Series A Matching Account to the Debt Service Fund as the result of failure by the

Governmental Agency to make any Loan Repayments required hereunder, the Governmental Agency agrees to (i) replenish such moneys so transferred, and (ii) replenish any deficiency arising from losses incurred in making such transfer as the result of the liquidation by the Authority of investment securities acquired as an investment of moneys in the 2023 Series A Matching Account, by making payments to the Authority in equal monthly installments for the lesser of six (6) months or the remaining term of the Loan at an interest rate to be determined by the Authority necessary to make up any loss caused by such deficiency.

(g) Loan Repayments pursuant to this Section 3.03 shall be made by electronic means (either by bank wire transfer or by Automated Clearing House “ACH” transfer.)

SECTION 3.04 Unconditional Obligations. The obligation of the Governmental Agency to make the Loan Repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein is payable solely from the Gross Revenue and shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any payments under this Loan Agreement remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or the System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State of Colorado or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement or the Bond Resolution or any rights of set off, recoupment, abatement or counterclaim that the Governmental Agency might otherwise have against the Authority, the Trustee, the Loan Servicer or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights. The Governmental Agency shall not be obligated to make any payments required to be made by any other Governmental Agencies under separate Loan Agreements or the Bond Resolution.

SECTION 3.05 Loan Agreement to Survive Bond Resolution and Authority Bonds. The Governmental Agency acknowledges that its duties, covenants, obligations and agreements hereunder shall survive the discharge of the Bond Resolution and payment of the principal of, redemption premium, if any, and interest on the Authority Bonds. The Authority acknowledges that all duties, covenants, obligations and agreements of the Governmental Agency shall (except as and to the extent preserved in subsection (e)(vi) of Section 2.02 hereof) terminate upon the date of payment of all amounts payable to the Authority hereunder.

SECTION 3.06 Disclaimer of Warranties and Indemnification. The Governmental Agency acknowledges and agrees that (i) neither the Authority nor the Trustee makes any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) except as provided herein, in no event shall the Authority or the Trustee or their respective agents be liable

or responsible for any direct, incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) to the extent authorized by law, the Governmental Agency shall indemnify, save and hold harmless the Authority 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 Governmental Agency, or its employees, agents or subcontractors pursuant to the terms of this Loan Agreement, provided however that the provisions of this clause (iii) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to the Colorado Governmental Immunity Act (Section 24-10-101, et seq., C.R.S.), or under the laws of the United States or other laws of the State of Colorado.

SECTION 3.07 Limited Recourse. No recourse shall be had for the payment of the principal of or interest on the Governmental Agency Bond or for any claim based thereon or upon any obligation, covenant or agreement contained in this Loan Agreement against any past, present or future officer, employee or agent of the Governmental Agency, or of any successor public corporation, as such, either directly or through the Governmental Agency or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the Governmental Agency's execution of this Loan Agreement and the issuance of the Governmental Agency Bond.

SECTION 3.08 Option to Prepay Loan Repayments. Subject in all instances to the prior written approval of the Authority and satisfaction of the requirements, if any, of the Bond Resolution relating to Loan prepayments, the Governmental Agency may prepay the principal portion of the Loan Repayments set forth in Exhibit C, in whole or in part (but if in part, in the amount of \$100,000 or any integral multiple of \$100,000), upon prior written notice not less than ninety (90) days in addition to the number of days advance notice to the Trustee required for any optional or special redemption of the Authority Bonds, to the Authority and the Trustee and upon payment by the Governmental Agency to the Trustee of the principal amount of the Loan Repayments to be prepaid, plus the interest to accrue on such amount to the date of the next succeeding optional redemption of the Authority Bonds allocable to such Loan Repayment to be prepaid; provided, however, that (i) if the Governmental Agency proposes to prepay in full the Loan Repayments set forth in Exhibit C, such prepayment shall be conditioned upon the simultaneous prepayment in full of all Administrative Fees due to and including the date of such redemption plus one year after the date of such redemption or (ii) if the Governmental Agency proposes to prepay any portion of the Loan Repayments set forth in Exhibit C, such prepayment shall be conditioned upon the simultaneous prepayment of such portion of the Administrative Fees due to and including the date of such redemption plus one year after the date of such redemption, as shall be determined by the Authority. In addition, if at the time of such prepayment, the Authority Bonds may only be redeemed at the option of the Authority upon payment of a redemption premium, the Governmental Agency shall add to its prepayment an amount, as determined by the Authority, equal to such redemption premium allocable to such Authority Bonds to be redeemed as a result of the Governmental Agency's prepayment. Prepayments shall be applied first to accrued interest on the portion of the Loan to be prepaid and then to the payment

of Administrative Fees and then to principal payments (including redemption premium, if any) on the Loan in inverse order of Loan Repayments.

The Governmental Agency, in the sole discretion of the Authority, and upon terms and conditions satisfactory to the Authority, may provide for the prepayment in full of the Loan Repayments by depositing with the Authority an amount which, when added to the investment income to be derived from such amount to be deposited with the Authority, shall provide for the full payment of all such Loan Repayments in the manner provided in this Section 3.08. Any amounts so deposited with the Authority shall be invested solely in direct obligations of the United States of America.

SECTION 3.09 Source of Payment of Governmental Agency's Obligations.

The Authority and the Governmental Agency agree that the amounts payable by the Governmental Agency under this Loan Agreement, including, without limitation, the amounts payable by the Governmental Agency pursuant to Section 3.03, Section 3.06, Section 3.08 and Section 5.04 of this Loan Agreement are payable solely from the Gross Revenue and are not payable from any other source whatsoever. Nothing herein shall be deemed to prevent the Governmental Agency from paying the amounts payable under this Loan Agreement from any other legally available source.

SECTION 3.10 Delivery of Documents. Concurrently with the execution and delivery of this Loan Agreement, the Governmental Agency will cause to be delivered to the Authority each of the following items:

- (a) opinions of the Governmental Agency's counsel substantially in the form set forth in Exhibit E-1 and E-2 hereto (such opinion may be given by one or more counsel); provided, however, that the Authority may permit variances in such opinion from the form or substance of such Exhibit E if such variances are not to the material detriment of the interests of the holders of the Authority Bonds;
- (b) executed counterparts of this Loan Agreement;
- (c) copy of the resolution of the governing body of the Governmental Agency authorizing the execution and delivery of this Loan Agreement and Governmental Agency Bond, certified by an Authorized Officer of the Governmental Agency; and
- (d) such other certificates, documents, opinions and information as the Authority may require.

Concurrently with the delivery at the Loan Closing of this Loan Agreement, the Governmental Agency shall also deliver its Governmental Agency Bond to the Authority upon the receipt of a written certification of the Authority that the moneys to be deposited in the Project Loan Subaccount to fund the Loan shall be so deposited simultaneously with the delivery of the Governmental Agency Bond.

ARTICLE IV.

ASSIGNMENT

SECTION 4.01 Assignment and Transfer by Authority.

(a) The Governmental Agency expressly acknowledges that, other than Administrative Fees payable pursuant to subsection (b) of Section 3.03 and the right, title and interest of the Authority under Sections 3.06, 5.04 and 5.07, all right, title and interest of the Authority in, to and under this Loan Agreement and the Governmental Agency Bond has been assigned to the Trustee as security for the Authority Bonds, as applicable, as provided in the Bond Resolution, and that if any Event of Default shall occur, the Trustee, pursuant to the Bond Resolution, shall be entitled to act hereunder in the place and stead of the Authority. The Governmental Agency hereby acknowledges the requirements of the Bond Resolution applicable to the Authority Bonds and consents to such assignment and appointment.

The Authority shall retain the right to compel or otherwise enforce observance and performance by the Governmental Agency of its duties, covenants, obligations and agreements under subsection (b) of Section 3.03 to pay Administrative Fees and under Section 3.06 and Section 5.04.

(b) The Governmental Agency hereby approves and consents to any assignment or transfer of this Loan Agreement and the Governmental Agency Bond that the Authority deems to be necessary in connection with any refunding of the Authority Bonds or the issuance of additional bonds under the Bond Resolution or otherwise, in connection with the drinking water revolving fund pooled loan program of the Authority.

SECTION 4.02 Assignment by Governmental Agency. Neither this Loan Agreement nor the Governmental Agency Bond may be assigned by the Governmental Agency for any reason, unless the following conditions shall be satisfied: (i) the Authority and the Trustee shall have approved said assignment in writing; (ii) the assignee shall be a governmental unit within the meaning of Section 141(c) of the Code and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Governmental Agency's duties, covenants, agreements and obligations under the Loan Agreement; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Governmental Agency under the Loan Agreement; (iv) the Authority shall have received an opinion of bond counsel to the effect that such assignment will not adversely affect the exclusion of interest on the Authority Bonds from gross income for purposes of federal income taxation under Section 103(a) of the Code; and (v) the Authority shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of the Bond Resolution or any agreement entered into by the Authority with, or condition of any grant received by the Authority from, the United States of America relating to the Federal Capitalization Agreement or any capitalization grant received by the Authority or the State under the federal Safe Drinking Water Act of 1996, as amended.

No assignment shall relieve the Governmental Agency from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Governmental Agency shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

ARTICLE V.

DEFAULTS AND REMEDIES

SECTION 5.01 Event of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default”:

- (a) failure by the Governmental Agency to pay, or cause to be paid, any Loan Repayment set forth in Schedule C, required to be paid hereunder when due, which failure shall continue for a period of ten (10) days;
- (b) failure by the Governmental Agency to make, or cause to be made, any required payments of principal of, redemption premium, if any, and interest on any bonds, notes or other obligations of the Governmental Agency for borrowed money (other than the Loan and the Governmental Agency Bond), after giving effect to the applicable grace period, the payments of which are secured by the Pledged Property;
- (c) failure by the Governmental Agency to pay, or cause to be paid, the Administrative Fee or any portion thereof when due or to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in paragraph (a) of this Section 5.01 and other than a failure to comply with the provisions of Section 2.03 hereof, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Agency by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period the Trustee may not unreasonably withhold its consent to an extension of such time up to sixty (60) days from the delivery of the written notice referred to above if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until the Event of Default is corrected;
- (d) a petition is filed by or against the Governmental Agency under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Governmental Agency such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal; or the Governmental Agency shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the Governmental Agency or any of its property) shall be appointed by court order to take possession of the Governmental Agency or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 5.02 Notice of Default. The Governmental Agency shall give the Trustee and the Authority prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) hereof, and of the occurrence of any other event or condition that constitutes an Event of Default at such time as any senior administrative or financial officer of the Governmental Agency becomes aware of the existence thereof. Any telephonic notice pursuant

to this Section 5.02 shall be confirmed in writing by the end of the next Business Day (as defined in the Bond Resolution).

SECTION 5.03 Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Authority shall have the right to take or to direct the Trustee to take any action permitted or required pursuant to the Loan Agreement and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Governmental Agency hereunder, including, without limitation, to obtain ex parte the appointment of a receiver of the System.

SECTION 5.04 Attorney's Fees and Other Expenses. The Governmental Agency shall on demand pay to the Authority or the Trustee the reasonable fees and expenses of attorneys and other reasonable fees and expenses (including without limitation the reasonably allocated costs of in-house counsel and legal staff) incurred by either of them in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Governmental Agency.

SECTION 5.05 Application of Moneys. Any moneys collected by the Authority or the Trustee pursuant to Section 5.03 hereof shall be applied (a) first, to pay any attorney's fees or other fees and expenses owed by the Governmental Agency pursuant to Section 5.04 hereof, (b) second, to pay interest due and payable on the Loan, (c) third, to pay principal due and payable on the Loan, (d) fourth, to pay any other amounts due and payable under this Loan Agreement; and (e) fifth, to pay interest and principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

SECTION 5.06 No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

SECTION 5.07 Retention of Authority's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof or of the Bond Resolution, or anything else to the contrary contained herein, the Authority shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Governmental Agency at law or in equity, as the Authority may, in its discretion, deem necessary to enforce the obligations of the Governmental Agency to the Authority pursuant to Section 3.03, Section 3.06 and Section 5.04 hereof.

SECTION 5.08 Default by the Authority. In the event of any default by the Authority under any duty, covenant, agreement or obligation of this Loan Agreement, the

Governmental Agency's remedy for such default shall be limited to injunction, special action, action for specific performance or any other available equitable remedy designed to enforce the performance or observance of any duty, covenant, obligation or agreement of the Authority hereunder as may be necessary or appropriate. The Authority shall on demand pay to the Governmental Agency the reasonable fees and expenses of attorneys and other reasonable expenses in the enforcement of such performance or observation.

ARTICLE VI.

MISCELLANEOUS

SECTION 6.01 Notices. Any notice, demand, or request required or authorized by this Agreement to be given to another notice recipient listed below, or in Exhibit B in the case of the Governmental Agency (including overnight delivery service) to each of the notice recipients and addresses below or in Exhibit B for the receiving notice recipient. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each addressee listed below and the Governmental Agency shall have the right, upon 10 days' prior written notice to the other notice recipient, to change its list of notice recipients and addresses listed below or in Exhibit A in the case of the Governmental Agency. The notice recipients below and the Governmental Agency may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic:

- (a) Authority: Colorado Water Resources and
Power Development Authority
1580 Logan Street, Suite 820
Denver, Colorado 80203
Attention: Executive Director

Email Address: kmclaughlin@cwrpda.com
- (b) Trustee: U.S. Bank Trust Company, National Association
Denver Tower
950 17th Street
Denver, Colorado 80202
Attention: Corporate Trust Services

Email Address: jennifer.petruno@usbank.com
- (c) Loan Servicer: U.S. Bank Trust Company, National Association
Denver Tower
950 17th Street
Denver, Colorado 80202
Attention: Corporate Trust Services

Email Address: jennifer.petruno@usbank.com

Any electronically signed document shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or “printouts”, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form.

SECTION 6.02 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority and the Governmental Agency and their respective successors and assigns.

SECTION 6.03 Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 6.04 Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the Authority and the Governmental Agency.

SECTION 6.05 Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06 Applicable Law and Venue. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, including the Act. Venue for any action seeking to interpret or enforce the provisions of this Loan Agreement shall be in the Denver District Court.

SECTION 6.07 Consents and Approvals. Whenever the written consent or approval of the Authority shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Authority unless otherwise provided by law or by rules, regulations or resolutions of the Authority or unless expressly delegated to the Trustee.

SECTION 6.08 Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 6.09 Compliance with Bond Resolution. The Governmental Agency covenants and agrees to take such action as the Authority shall reasonably request so as to enable the Authority to observe and comply with, all duties, covenants, obligations and agreements contained in the Bond Resolution insofar as such duties, covenants, obligations and agreements relate to the obligations of the Governmental Agency under this Loan Agreement.

SECTION 6.10 Further Assurances. The Governmental Agency shall, at the request of the Authority, authorize, execute, acknowledge and deliver such further ordinances or resolutions, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and agreements granted or intended to be granted by this Loan Agreement and the Governmental Agency Bond.

SECTION 6.11 Recital. This Loan Agreement 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 Agreement is authorized by the Governmental Agency pursuant to Title 31, Article 35, Part 4, C.R.S. Title 32, Article 1, C.R.S., Title 37, Article 45.1, C.R.S. and Title 11, Article 57, Part 2, C.R.S and shall so recite in the Governmental Agency Bond. 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 Governmental Agency Bond, and the Governmental Agency Bond delivered by the Governmental Agency to the Authority containing such recital shall be incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, and delivered, as of the Loan Closing.

**COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY**

By: _____
Executive Director

(SEAL)

**TOWN OF SILT, COLORADO, ACTING BY
AND THROUGH ITS WATER AND
WASTEWATER ACTIVITY ENTERPRISE**

By: _____
Mayor

ATTEST:

Town Clerk

SECURITY DESCRIPTION

(1) **Description of the Project**

The project consists of overhauling and expanding the existing water treatment plant which includes improvements to pretreatment to include coagulation, ballasted flocculation, and sedimentation. The project replaces the existing membranes with mixed media filtration that will remove iron and manganese. Additionally, UV disinfection will be installed.

(2) **Description of System**

“System” shall mean all of the water and wastewater facilities and properties, now owned or hereafter acquired, whether situated within or without the Town of Silt, Colorado boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto, which comprise the Governmental Agency.

(3) **Pledged Property**

The Pledged Property shall consist of Net Revenue, as defined below:

“*Capital Improvements*” means the acquisition of land, water or water rights, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by or in connection with the System which, under generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

“*Fiscal Year*” means the twelve (12) months commencing January 1 of any year and ending December 31 of said year.

“*Gross Revenue*” means all income and revenues directly or indirectly derived by the Town from the operation and use of the System, or any part thereof, including, without limitation, any rates, fees, plant investment fees, standby charges, availability fees and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights or related contracts, settlements or judgments held or obtained in connection with the System or its operations, and including investment income accruing from moneys held to the credit of the Enterprise Fund;

provided however, that there shall be excluded from Gross Revenue any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account or similar account pledged to the payment of any bonds or other obligations; and any moneys received as grants or appropriations from the United States, the State of Colorado or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

“*Net Revenue*” means the Gross Revenue after deducting the Operation and Maintenance Expenses.

“*Operation and Maintenance Expenses*” means all reasonable and necessary current expenses of the Governmental Agency, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and overhead expenses of the Governmental agency, directly related to the administration of the System, insurance premiums, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operation; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, legal liabilities not based on contract, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued to provide Capital Improvements, and charges for the accumulation of reserves.

(4) **Lien Representation**

The Pledged Property will be free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, which is prior to the obligation of the Governmental Agency to pay this Loan Agreement and the Governmental Agency Bond, and all corporate or other action on the part of the Governmental Agency to that end has been, and will be, duly and validly taken. Except for the [To Come] which have a lien on the Pledged Property on a parity with the Loan Agreement and the Governmental Agency Bond, as of the date of this Loan Agreement, there are no outstanding bonds, notes, or evidences of indebtedness, or contractual obligations, payable from the Pledged Property with a lien on the Pledged Property that is prior to or on parity with the lien of the Loan Agreement and Governmental Agency Bond on the Pledged Property. Except as permitted by the terms of this Loan Agreement, the Governmental Agency shall not issue any bonds, notes, or other evidences of indebtedness of a similar nature, payable out of, or secured by, a pledge, lien, or assignment on the Pledged Property, or create a lien or charge thereon.

(5) Rate Covenant

During the Loan Term, the Governmental Agency shall establish and collect such rates and charges for the use or the sale of the products and services of the System as, together with other moneys available therefor, are expected to produce Gross Revenue (as defined in Paragraph (3) of this Exhibit A to this Loan Agreement) for each calendar year that will be at least sufficient for such calendar year to pay the sum of:

- (a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in paragraph (3) of this Exhibit A of this Loan Agreement) during such calendar year;
- (b) 110% of the debt service coming due during the calendar year on: (i) the Governmental Agency Bond, and (ii) any other obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property, in each case computed as of the beginning of such calendar year (except to the extent the Governmental Agency has by binding ordinance or resolution committed reserves to the payment of such debt service);
- (c) the amount, if any, to be paid during such calendar year into any debt service reserve account in connection with any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property;
- (d) all debt service coming due during the calendar year on any obligations secured by a lien on the Pledged Property which lien is subordinate to the lien of this Loan Agreement on the Pledged Property computed as of the beginning of such calendar year; and
- (e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of the Gross Revenue during such calendar year.

Notwithstanding anything contained above, amounts deposited in a rate stabilization account shall not be deemed Gross Revenue (as defined in Paragraph (3) of this Exhibit A to this Loan Agreement) in the calendar year deposited and amounts withdrawn from the rate stabilization account shall be deemed Gross Revenue (as defined in Paragraph (3) of this Exhibit A to this Loan Agreement) in the year withdrawn.

DESCRIPTION OF THE LOAN

1. Address of Governmental Agency:

Town of Silt, Colorado, acting by and through its Water and Wastewater Activity
Enterprise
231 N 7th Street
Silt, Colorado 81652

2. Cost of Project: Approximately \$_____

3. Principal Amount of Loan Commitment: \$_____

4. Loan Term: The date commencing on the Loan Closing and ending on the final
Loan Repayment date set forth in Exhibit C.

5. Description of the Project: See Exhibit A, 1.

6. Authorized Officer(s):

7. Project Completion Date: _____

EXHIBIT C

LOAN REPAYMENT SCHEDULE

GOVERNMENTAL AGENCY BOND

FOR VALUE RECEIVED, the undersigned, **THE TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE** (the “Governmental Agency”) hereby promises to pay to the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the “Authority”), or registered assigns, the principal amount of _____ Dollars (\$ _____), at the times and in the amounts determined as provided in the Loan Agreement dated as of November 1, 2023, by and between the Authority and the Governmental Agency (the “Loan Agreement”), together with interest thereon in the amount calculated as provided in the Loan Agreement, payable on the dates and in the amounts determined as provided in the Loan Agreement.

This Governmental Agency Bond is issued pursuant to the Loan Agreement and is issued in consideration of the loan made thereunder (the “Loan”) and to evidence the obligations of the Governmental Agency thereunder to make the Loan Repayments (as defined in the Loan Agreement). This Governmental Agency Bond has been assigned to U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) under the Bond Resolution (as defined in the Loan Agreement) and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Loan Servicer (as defined in the Bond Resolution) for the account of the Authority pursuant to such assignment. Such assignment has been made as security for the payment of the Authority Bonds (as defined in the Bond Resolution) issued to finance or refinance, and in connection with, the Loan and as otherwise described in the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Governmental Agency Bond.

This Governmental Agency Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Governmental Agency to make the payments required hereunder shall be absolute and unconditional without any defense or right of setoff, counterclaim or recoupment by reason of any default by the Authority under the Loan Agreement or under any other agreement between the Governmental Agency and the Authority or out of any indebtedness or liability at any time owing to the Governmental Agency by the Authority or for any other reason.

This Governmental Agency Bond is subject to optional prepayment under the terms and conditions, and in the amounts provided in Section 3.08 of the Loan Agreement.

The obligation of the Governmental Agency to make payments under the Loan Agreement and this Governmental Agency Bond is a special and limited obligation of the Governmental Agency and is payable solely from the repayment source described in the Loan Agreement and the obligation of the Governmental Agency to pay the Loan Repayments is secured by an irrevocable pledge and lien (but not necessarily an exclusive lien) upon the Pledged Property (as defined in paragraph 3. of Exhibit A of the Loan Agreement). This Governmental Agency Bond does not constitute a debt or an indebtedness of the Governmental Agency within the meaning of any constitutional, charter or statutory provision or limitation. This Governmental Agency Bond is not payable in whole or in part from the proceeds of general property taxes, and the full faith and credit

of the Governmental Agency is not pledged for the payment of the principal of or interest on this Governmental Agency Bond.

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 32, Article 1, C.R.S., Title 31, Article 35, part 4, Title 37, Article 45.1, Part 1, C.R.S., and certain provisions of Title 11, Article 57, Part 2, Colorado Revised Statutes, and pursuant to the Loan Agreement. Pursuant to §11-57-210, Colorado Revised Statutes, such recital shall be conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond after its delivery for value. This Governmental Agency Bond shall be incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Governmental Agency has caused this Governmental Agency Bond to be duly executed, sealed and delivered, as of the ____ day of November, 2023.

(SEAL)

**TOWN OF SILT, COLORADO, ACTING BY
AND THROUGH ITS WATER AND
WASTEWATER ACTIVITY ENTERPRISE**

By: _____
Mayor

ATTEST:

Town Clerk

OPINION OF GOVERNMENTAL AGENCY COUNSEL

[LETTERHEAD OF COUNSEL TO GOVERNMENTAL AGENCY]

(Date of Closing)

Colorado Water Resources and
Power Development Authority

U.S. Bank trust Company, National Association
as Trustee

_____,
as Representative of the Underwriters

Ladies and Gentlemen:

We are attorneys admitted to practice in the State of Colorado and We have acted as counsel to the **TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE** (the “Governmental Agency”), which has entered into a Loan Agreement (as hereinafter defined) with the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the “Authority”), and have acted as such in connection with the authorization, execution and delivery by the Governmental Agency of the Loan Agreement and its Governmental Agency Bond (as hereinafter defined).

In so acting we have examined the Constitution and laws of the State of Colorado and by-laws of the Governmental Agency. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

1. the Authority’s State Revolving Fund 2023 Series A Revenue Bond Resolution, adopted by the Authority on October 6, 2023 (the “Bond Resolution”);
2. the Loan Agreement, dated as of November 1, 2023 (the “Loan Agreement”) by and between the Authority and the Governmental Agency;
3. proceedings of the governing members of the Governmental Agency relating to the approval of the Loan Agreement and the execution, issuance and delivery thereof on behalf of the Governmental Agency, and the authorization of the undertaking and completion of the Project (as defined in the Loan Agreement);
4. the Governmental Agency Bond, dated November __, 2023 (the “Governmental Agency Bond”) issued by the Governmental Agency to the Authority to evidence the Loan;

5. proceedings of the governing body of the Governmental Agency relating to the issuance of the Governmental Agency Bond and the execution, issuance and delivery thereof to the Authority (the Loan Agreement and the Governmental Agency Bond are referred to herein collectively as the “Loan Documents”); and
6. all outstanding instruments relating to bonds, notes or other indebtedness of or relating to the Governmental Agency.

We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

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

1. The Governmental Agency is a “governmental agency” within the meaning of the Authority’s enabling legislation with the legal right to carry on the business of the System (as defined in the Loan Agreement) as currently being conducted and as proposed to be conducted.
2. The Governmental Agency has full legal right and authority to execute the Loan Documents and to observe and perform its duties, covenants, obligations and agreements thereunder and to undertake and complete the Project; subject, however, to the effect of, restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization, debt adjustment or other similar laws affecting creditors’ rights generally (Creditor’s Rights Limitations) heretofore or hereafter enacted.
3. The proceedings of the Governmental Agency’s governing members approving the Loan Documents and authorizing their execution, issuance and delivery on behalf of the Governmental Agency, and authorizing the Governmental Agency to undertake and complete the Project have been duly and lawfully adopted and authorized in accordance with applicable Colorado law (hereinafter collectively called the “Authorizing Resolution”), which Authorizing Resolution was duly approved and published in accordance with applicable Colorado law, at a meeting or meetings which were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which a quorum was present acting throughout.
4. To the best of our knowledge, after such investigation as we have deemed appropriate, the authorization, execution and delivery of the Loan Documents by the Governmental Agency, the observation and performance by the Governmental Agency of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein and the undertaking of the Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or governmental or administrative agency, authority or person having jurisdiction over the

Governmental Agency or its property or assets or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond resolution, trust agreement, indenture, mortgage, deed of trust or other agreement to which the Governmental Agency is a party or by which it, the System (as defined in the Loan Agreement) or its property or assets is bound.

5. To the best of our knowledge, after such investigation as we have deemed appropriate, all approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Governmental Agency in connection with the authorization, execution, delivery and performance of the Loan Documents and, other than authorizations, licenses and permits relating to the siting, construction and acquisition of the Project which we expect to receive in the ordinary course of business, the undertaking and completion of the Project have been obtained or made.
6. To the best of our knowledge, after such investigation as we have deemed appropriate, there is no litigation or other proceeding pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of the Governmental Agency or the validity, legality or enforceability of the Loan Documents or the undertaking or completion of the Project or which if adversely determined, could (a) materially adversely affect (i) the financial position of the Governmental Agency, (ii) the ability of the Governmental Agency to perform its obligations under the Loan Documents, (iii) the security for the Loan Documents, or (iv) the transactions contemplated by the Loan Documents, or (b) impair the ability of the Governmental Agency to maintain and operate its system.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the Governmental Agency pursuant to the Loan Documents are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

No opinion is expressed herein regarding the validity or enforceability of Section 3.06 of the Loan Agreement or any other provision thereof which purports to require the Governmental Agency to indemnify or hold any person harmless.

We are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of any statements made in connection with any offer or sale of the Authority Bonds, the Governmental Agency Bond, or on any other security, or upon any Federal or State tax consequences arising from the receipt or accrual of interest on or the ownership or disposition thereof, except those specifically addressed herein. This opinion letter is rendered on the basis of Federal law and the laws of the State of Colorado as enacted and construed on the

date hereof, and we express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

In connection with the execution and delivery of the Loan Documents, we have represented the Governmental Agency which is our sole client in this transaction. Delivery of this letter to you does not establish an attorney-client relationship between any of the addressees and this firm.

We hereby authorize Norton Rose Fulbright US LLP, Bond Counsel to the Authority, and Carlson, Hammond & Paddock, L.L.C., General Counsel to the Authority, to rely on this opinion letter as if we had addressed this opinion to them in addition to you. This opinion letter is furnished to you solely for your information and benefit in connection with the initial execution and delivery of the Loan Documents and may not be relied upon by you for any other purpose or relied upon by any other person (other than the Authority's Bond Counsel and General Counsel identified above) without the prior written consent of this firm.

Very truly yours,

OPINION OF GOVERNMENTAL AGENCY BOND COUNSEL

[LETTERHEAD OF BOND COUNSEL TO GOVERNMENTAL AGENCY]

(Date of Closing)

Colorado Water Resources and Power
Development Authority
1580 Logan Street, Suite 620
Denver, Colorado 80203 add Trustee and
Bond Purchaser as addressees

**TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND
WASTEWATER ACTIVITY ENTERPRISE
Loan Agreement dated as of November 1, 2023 with the
Colorado Water Resources and Power Development Authority**

Ladies and Gentlemen:

We have acted as bond counsel to TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE (the “Governmental Agency”), in connection with its authorization, execution, and delivery of a Loan Agreement (the “Loan Agreement”) dated as of November 1, 2023, between the Governmental Agency and the Colorado Water Resources and Power Development Authority (the “Authority”) and its issuance to the Authority of a governmental agency bond in the initial principal amount of \$_____ (the “Bond”) in connection therewith, as authorized by a resolution adopted by the City Council of the Governmental Agency on _____, 2023. In such capacity, we have examined the Governmental Agency’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Loan Agreement. The Loan Agreement and the Bond are collectively referred to herein as the “Loan Documents.”

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the Governmental Agency and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Governmental Agency is a “governmental agency” within the meaning of the Authority’s enabling legislation.

2. The Governmental Agency has full legal right and authority to execute the Loan Documents and to observe and perform its duties, covenants, obligations and agreements thereunder.

3. The Governmental Agency has pledged the Pledged Property for the punctual payment of the principal of and interest on the Loan and all other amounts due under the Loan Documents according to their respective terms, and the Loan Agreement creates a valid lien on such Pledged Property on a parity with [any other liens?]. No filings or recordings are required under the Colorado Uniform Commercial Code in order to create or perfect a lien on the Pledged Property, and all actions have been taken as required by Section 11-57-208, Colorado Revised Statutes.

4. The Loan Documents have been duly authorized, executed and delivered by authorized officers of the Governmental Agency; and, assuming in the case of the Loan Agreement, that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered the Loan Agreement, the Loan Documents constitute legal, valid and binding obligations of the Governmental Agency enforceable in accordance with their respective terms.

5. Assuming continuous compliance with the covenants contained in the Loan Agreement, the Governmental Agency is not, directly or indirectly, (a) using in excess of ten percent of the proceeds of the Authority Bonds (as defined in the Loan Agreement) loaned to the Governmental Agency or the Project in a manner that would constitute "private business use" within the meaning of Section 141(b)(6) of the Internal Revenue Code of 1986, as amended (the "Code"), and at least one-half of such private business use permitted by clause (a) is neither unrelated to the governmental use of the proceeds of the Authority Bonds loaned to the Governmental Agency (within the meaning of Section 141(b)(3)(A)(ii)(I) or (III) of the Code) nor disproportionate related business use (within the meaning of Section 141(b)(3)(A)(ii)(II) or (III) of the Code) nor (B) using, directly or indirectly, any of the proceeds of the Authority Bonds loaned to the Governmental Agency to make or finance loans to persons other than governmental units (as such terms is used in Section 141(c) of the Code).

6. The execution and delivery of the Loan Documents are not subject to the limitations of Article X, Section 20 of the Colorado Constitution ("TABOR") because the water, wastewater, and storm drainage system of the Governmental Agency constitutes an enterprise under TABOR as of the date hereof. The performance of the obligations of the Governmental Agency under the Loan Documents is not subject to the limitations of TABOR as long as the Governmental Agency continues to qualify as an enterprise under TABOR. If the Governmental Agency ceases to qualify as an enterprise under TABOR, the Loan Documents will continue to constitute legal, valid and binding obligations of the Governmental Agency enforceable in accordance with their respective terms subject to the revenue and spending limitations of TABOR; provided, however, that if the Governmental Agency at any time ceases to qualify as an enterprise under TABOR, (a) the Governmental Agency may impose any increased fees, rates and charges of the System without voter approval; (b) all revenues of the Governmental Agency used to pay Loan Repayments by the Governmental Agency are to be included in the Governmental Agency's fiscal year spending limit under Section 7(d) of TABOR, except that creation of bonded debt increases fiscal year spending by the amount of debt service so funded and debt service changes

and reductions are exceptions to, and not part of, the Governmental Agency's revenue and spending base and limits; and (c) if the Governmental Agency is required to reduce spending in order to comply with its fiscal year spending limit under Section 7(b) of TABOR, the Governmental Agency will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Loan Documents.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the Governmental Agency pursuant to the Loan Documents are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

No opinion is expressed herein regarding the validity or enforceability of Section 3.06 of the Loan Agreement or any other provision thereof which purports to require the Governmental Agency to indemnify or hold any person harmless.

We are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with the Loan Documents or any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Loan Documents, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

In connection with the execution and delivery of the Loan Documents, we have represented the Governmental Agency which is our sole client in this transaction. Delivery of this letter to you does not establish an attorney-client relationship between the Authority and this firm. In connection with the Loan, the Authority has been represented by Carlson, Hammond & Paddock, L.L.C., as General Counsel, which is hereby authorized to rely on the legal conclusions expressed herein in its capacity as General Counsel to the Authority.

This opinion letter is furnished to you solely for your information and benefit in connection with the initial execution and delivery of the Loan Documents and may not be relied upon by you for any other purpose or relied upon by any other person (other than the Authority's General Counsel) without the prior written consent of this firm.

Respectfully submitted,

ADDITIONAL COVENANTS AND REQUIREMENTS

Audit Requirements. For each year in which the Governmental Agency requests a disbursement from the Project Loan Subaccount, the Governmental Agency shall conduct its annual audit in accordance with the federal Single Audit Act, 31 U.S.C. § 7501 et seq.

Additional Senior, Parity and Subordinate Lien Bonds. The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is superior to the lien or charge of this Loan Agreement on the Pledged Property. In addition, the Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, except as provided in the next succeeding paragraph with respect to obligations issued to finance the cost of completion of the Project (as defined in paragraph 1. of Exhibit A to this Loan Agreement), unless the Governmental Agency certifies to the Authority that Net Revenue (as defined in paragraph 3. of Exhibit A to this Loan Agreement and subject to the next sentence) for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued is at least equal to the sum of (a) 110% of the maximum annual debt service of (i) this Loan Agreement and all outstanding obligations of the Governmental Agency payable out of, or secured by a lien or charge on the Pledged Property which is on a parity with the lien or charge of the Governmental Agency Bond on the Pledged Property, and (ii) such proposed obligations to be issued, and (b) 100% of the maximum annual debt service of all obligations payable out of, or secured by a lien or charge on the Pledged Property which is subordinate to the lien or charge of the Loan Agreement on the Pledged Property. Net Revenue may be adjusted to reflect any rate increases prior to the issuance of such additional obligations by adding to the actual Net Revenue for such period an estimated sum equal to 100% of the estimated increase in Net Revenue which would have been realized during such period had such rate increase been in effect during all of such period. Notwithstanding the foregoing, the Governmental Agency may issue refunding obligations payable out of, or secured by a lien or charge on the Pledged Property, without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year. In addition, the Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on the Pledged Property which is subordinate to this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued Net Revenue were at least 100% of the maximum annual debt service on all obligations payable out of, or secured by a lien or charge on the Pledged Property, which are outstanding during such period.

Operation and Maintenance Reserve Fund and Rate Stabilization Account. The Governmental Agency shall maintain an operation and maintenance reserve in an amount equal to three months of Operation and Maintenance Expenses excluding depreciation of the System as set forth in the annual budget for the current fiscal year but in no event greater than \$1,250,000. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities

(i.e., capital reserves) or may be in a separate segregated fund and shall be maintained as a continuing reserve for payment of any lawful purpose relating to the System. If the operation and maintenance reserves fall below this requirement, the shortfall shall be made up in 24 substantially equal monthly installments beginning the second month after such shortfall or the date of delivery. In order to alleviate extreme changes in the Gross Revenues collected in each fiscal year, the Governmental Agency covenants to create a rate stabilization account and maintain therein an amount not less than \$ _____. If the amount on deposit in such rate stabilization account shall fall below such amount, any shortfall shall be made up in the same manner as provided in the preceding sentence for the operation and maintenance fund.

Rate Study. In the event that Gross Revenue collected during a fiscal year are not sufficient to meet the requirements set forth in the Rate Covenant contained in paragraph 5. of Exhibit A of this Loan Agreement, the Governmental Agency shall, within 90 days of the end of such fiscal year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Gross Revenue to be collected in the next succeeding fiscal year which will provide compliance with the Rate Covenant described in paragraph 5. of Exhibit A of this Loan Agreement. Such a study shall be delivered to the Authority and the Trustee. The Governmental Agency shall within six months of receipt of such study, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which provide compliance with said Rate Covenant.

Special Fund. The Governmental Agency covenants to create a special fund into which shall be deposited the Gross Revenue (as defined in paragraph 3. of Exhibit A to this Loan Agreement). The Gross Revenue shall be applied, on or before the last day of each month, first to the payment of the Operation and Maintenance Expenses (as defined in paragraph 3. of Exhibit A to this Loan Agreement) and then applied to the payment of the Loan Repayments and other amounts payable on a parity with the Loan Repayments. Any further application shall be as provided by ordinance or resolution of the Governmental Agency.

Davis Bacon & Related Acts (DBRA). The Governmental Agency will comply with the requirements of the Davis Bacon & Related Acts, codified at 40 U.S.C. §§ 3140 through 3148.

American Iron and Steel Requirement. The Governmental Agency will comply with all federal requirements applicable to the Loan, including Section 436 of P.L. 113-76, Consolidated Appropriations Act, 2014, (the "Appropriations Act") and related State Revolving Fund Policy Guidelines, which require that all of the iron and steel products (as defined in the Appropriations Act and Guidelines) used in the Project must be produced in the United States unless the Governmental Agency has requested and received a waiver from the requirement pursuant to the "waiver process" described in the Appropriations Act and Guidelines.

Signage. The Governmental Agency will comply with all federal requirements applicable to the Loan, including the Guidelines for Enhancing Public Awareness of SRF Assistance Agreements as issued by the United States Environmental Protection Agency in the Memorandum dated June 3, 2015. The Governmental Agency will provide project signage consistent with the guidelines in one or more of the listed strategies including:

1. Standard signage

2. Posters or wall signage in a public building or location
3. Newspaper or periodical advertisement for project construction, groundbreaking ceremony, or operation of the new or improved facility
4. Online signage place on a community website or social media outlet
5. Press release

EXHIBIT G

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

**TAX COMPLIANCE QUESTIONNAIRE
REGARDING USE OF FACILITIES FINANCED WITH
TAX-EXEMPT BONDS**

BOND ISSUE: State Revolving Fund Revenue Bonds 2023 Series A.

NAME OF GOVERNMENTAL AGENCY: THE TOWN OF SILT, COLORADO,
ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY
ENTERPRISE (the “Governmental Agency”)

Please provide the information requested below with respect to the Governmental Agency’s facilities (the “Bond-Financed Facilities”) financed with the above-referenced issue of tax-exempt obligations (“Bonds”) issued by the Colorado Water Resources and Power Development Authority (the “Authority”).

1. (a) Are all of the Bond-Financed Facilities owned by a governmental person? (For purposes of this Questionnaire, a “governmental person” is a state or local governmental unit or any instrumentality thereof and a “nongovernmental person” is any person or entity other than a governmental person.) Yes No

(b) If the answer to 1(a) is “No,” provide a brief description of the owner, the properties it owns and the ownership arrangement.
2. (a) Are any of the Bond-Financed Facilities leased to a nongovernmental person? Yes No

(b) If the answer to 2(a) is “Yes,” provide a brief description of the lease.
3. (a) Has the Governmental Agency entered into a contract with a nongovernmental person for the operation or management of the Bond-Financed Facilities? Yes No

(b) If the answer to 3(a) is “Yes,” provide a brief description of the contract.
4. (a) Has the Governmental Agency entered into any wholesale contract with a nongovernmental person for the sale, exchange, pooling or other use of the capacity or output of the Bond-Financed Facilities? Yes No

(b) If the answer to 4(a) is “Yes,” provide a brief description of the contract.
5. (a) Are the Bond-Financed Facilities used to serve any retail customer under an arrangement other than (1) a general rate schedule or tariff or (2) a requirements contract

under which the purchaser is obligated to make payments only to the extent it has output requirements served under the contract? ___Yes ___No

(b) If the answer to 5(a) is “Yes,” provide a brief description of the contract or other arrangement.

6. (a) To the best of its knowledge, is the Governmental Agency in compliance with its covenants in the Loan Agreement executed by the Governmental Agency in connection with the issuance of the Bonds? ___Yes ___No

(b) If the answer to 6(a) is “No,” provide a brief explanation.

Provide the name, title and contact information for the person(s) who completed this Questionnaire:

Name: _____
Title: _____
Telephone number: _____
E-mail address: _____

THE TOWN OF SILT, COLORADO, ACTING
BY AND THROUGH ITS WATER AND
WASTEWATER ACTIVITY ENTERPRISE

By: _____
Name: _____
Title: _____

DRINKING WATER REVOLVING FUND

LOAN AGREEMENT

BETWEEN

**COLORADO WATER RESOURCES AND POWER
DEVELOPMENT AUTHORITY**

AND

**TOWN OF SILTCITY OF _____, COLORADO, ACTING BY AND
THROUGH ITS _____WATER AND WASTEWATER ACTIVITY
ENTERPRISE**

DATED

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of this ____ day of _____ 20232, by and between **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority"), a body corporate and political subdivision of the State of Colorado, and the **TOWN OF SILT CITY OF _____, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY** ~~_____~~ **ENTERPRISE** (the "Governmental Agency").

WITNESSETH THAT:

WHEREAS, the United States, pursuant to the federal Safe Drinking Water Act of 1996, assists state and local participation in the financing of the costs of drinking water system projects and said federal Drinking Water Act requires each state to establish a drinking water revolving fund to be administered by an instrumentality of the State.

WHEREAS, the Authority was created to initiate, acquire, construct, maintain, repair, and operate or cause to be operated certain water resource projects, and to finance the cost thereof;

WHEREAS, Section 37-95-107.8, Colorado Revised Statutes, has created a Drinking Water Revolving Fund to be administered by the Authority;

WHEREAS, the Authority has determined to loan certain sums to governmental agencies in Colorado to finance all or a portion of the costs of certain water resource projects, which loans are subject to the requirements of applicable federal law, regulations, and guidelines then in effect;

WHEREAS, the Authority has authorized certain funds to be applied through its Drinking Water Revolving Fund to qualified governmental agencies as Principal Forgiveness, as defined below;

WHEREAS, the Colorado Legislature has approved a Project Eligibility List that includes the water resource project proposed by the Governmental Agency to be financed hereunder;

WHEREAS, the Governmental Agency has made timely application to the Drinking Water Revolving Fund for a loan to finance a portion of the cost of a certain water resource project, the Authority has approved the Governmental Agency's application for a loan from available funds in the Drinking Water Revolving Fund in an amount not to exceed the amount of the loan commitment set forth in Exhibit B hereto to finance all or a portion of the cost of such project, and the Authority has approved the application of Principal Forgiveness funds to that portion of the Loan as set forth in Exhibit B;

WHEREAS, the Governmental Agency will issue its bond to the Authority to evidence said loan from the Authority;

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NOW THEREFORE, for and in consideration of the award of the loan by the Authority, the Governmental Agency agrees to perform its obligations under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

"Act" means the "Colorado Water Resources and Power Development Authority Act," being Section 37-95-101 et seq. of the Colorado Revised Statutes, as the same may from time to time be amended and supplemented.

"Authority" means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado duly created and validly existing under and by virtue of the Act.

"Authorized Officer" means, in the case of the Governmental Agency, the person whose name is set forth in Paragraph (7) of Exhibit B hereto or such other person or persons authorized pursuant to a resolution or ordinance of the governing body of the Governmental Agency to act as an Authorized Officer of the Governmental Agency to perform any act or execute any document relating to the Loan, the Governmental Agency Bond, or this Loan Agreement, whose name is furnished in writing to the Authority.

"Commencement Date" means the date of commencement of the term of this Loan Agreement, as set forth in Paragraph (1) of Exhibit B attached hereto and made a part hereof.

"Cost" means those costs that are eligible to be funded from draws under the Federal Capitalization Agreement capitalizing the Drinking Water Revolving Fund and are reasonable, necessary and allocable to the Project and are permitted by generally accepted accounting principles to be costs of the Project.

"Custodian" means Wells Fargo Bank National Association, or any successor appointed by the Authority as custodian of the direct loan portion of the Drinking Water Revolving Fund.

"Event of Default" means any occurrence or event specified in Section 5.01 hereof.

"Federal Capitalization Agreement" means the instrument or agreement established or entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et seq.)

"Governmental Agency" means the entity that is a party to and is described in the first paragraph of this Loan Agreement, and its successors and assigns.

"Governmental Agency Bond" means the bond executed and delivered by the Governmental Agency to the Authority to evidence the Loan, the form of which is attached hereto as Exhibit D and made a part hereof.

"Loan" means the loan made by the Authority to the Governmental Agency to finance or refinance a portion of the Cost of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the amount of the loan commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part of this Loan Agreement, less any Principal Forgiveness applied to the Loan by the Authority pursuant to Exhibit B.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified, or amended from time to time in accordance with the terms hereof.

"Loan Closing" means the date upon which the Governmental Agency shall issue and deliver the Governmental Agency Bond.

"Loan Repayments" means the payments payable by the Governmental Agency pursuant to Section 3.03 of this Loan Agreement, including payments payable under the Governmental Agency Bond.

"Loan Term" means the term of this Loan Agreement provided in Paragraph (5) of Exhibit B attached hereto and made a part hereof, subject to the Principal Forgiveness clause set forth in Paragraph (10) of Exhibit B, if applicable. If the Loan is prepaid in its entirety pursuant to Section 3.06, the Loan Term shall automatically terminate.

"Pledged Property" means the source of repayment described in Paragraph (3) of Exhibit A to this Loan Agreement attached hereto and made a part hereof.

"Prime Rate" means the prevailing commercial interest rate announced by the Wall Street Journal from time to time, or, if the Wall Street Journal ceases announcing a prime rate, shall be the prevailing commercial interest rate announced by Citibank, N.A. as its prime lending rate.

"Principal Forgiveness" means forgiveness of the Governmental Agency's obligation to repay that portion of the principal amount of the Loan. This may take the form of **"Up-Front Principal Forgiveness"** in the amount identified in Part (4)(a) of Exhibit B, attached hereto and made a part hereof, which amount shall be applied at Closing, or as **"Post-Closing Principal Forgiveness"** in a manner to be effectuated in the Authority's discretion as provided in paragraph (10) of Exhibit B, or both.

"Project" means the project of the Governmental Agency described in Paragraph (1) of Exhibit A attached hereto and made a part hereof, all or a portion of the Cost of which is

financed or refinanced by the Authority through the making of the Loan under this Loan Agreement.

"Project Loan Account" means the Project Loan Account established within the Drinking Water Revolving Fund.

"System" means the water system and wastewater treatment system ~~pledge is water and sewer system revenue~~ ^{*(Only include if} of the Governmental Agency, described in Paragraph (2) of Exhibit A, including the Project, described in Paragraph (1) of Exhibit A attached hereto and made a part hereof, for which the Governmental Agency is making the borrowing under this Loan Agreement, as such System may be modified, replaced, or expanded from time to time.

Commented [LMB1]: Confirm we want to include wastewater here.
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Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF GOVERNMENTAL AGENCY

SECTION 2.01. Representations of Governmental Agency. The Governmental Agency represents for the benefit of the Authority:

(a) Organization and Authority.

(i) The Governmental Agency is a governmental agency as defined in the Act and as described in the first paragraph of this Loan Agreement.

(ii) The Governmental Agency has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate, and maintain the System, other than licenses and permits relating to the construction and acquisition of the Project that the Governmental Agency expects to receive in the ordinary course of business; to carry on its activities relating thereto; and to undertake and complete the Project. The Governmental Agency has full legal right and authority to execute and deliver this Loan Agreement; to execute, issue, and deliver the Governmental Agency Bond; and to carry out and consummate all transactions contemplated by this Loan Agreement and the Governmental Agency Bond. The Project is on the drinking water project eligibility list approved by the General Assembly of the State of Colorado pursuant to the Act and is a project that the Governmental Agency may undertake pursuant to Colorado law, and for which the Governmental Agency is authorized by law to borrow money.

(iii) The proceedings of the Governmental Agency's governing members and voters, if a referendum is necessary, approving this Loan Agreement and the Governmental Agency Bond, and authorizing their execution, issuance, and delivery on behalf of the

Governmental Agency, and authorizing the Governmental Agency to undertake and complete the Project, or to cause the same to be undertaken and completed, have been duly and lawfully adopted and approved in accordance with the laws of Colorado, and such proceedings were duly approved and published, if necessary, in accordance with applicable Colorado law, at a meeting or meetings or election if necessary that were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout.

(iv) This Loan Agreement has been, and the Governmental Agency Bond when delivered at the Loan Closing will have been, duly authorized, executed, and delivered by an Authorized Officer of the Governmental Agency; and, assuming that the Authority has all the requisite power and authority to authorize, execute, and deliver, and has duly authorized, executed, and delivered, this Loan Agreement, this Loan Agreement constitutes, and the Governmental Agency Bond when delivered to the Authority will constitute, the legal, valid, and binding obligations of the Governmental Agency in accordance with their respective terms; and the information contained under "Description of the Loan" on Exhibit B attached hereto and made a part hereof is true and accurate in all material respects.

(b) Full Disclosure.

There is no fact that the Governmental Agency has not disclosed to the Authority in writing on the Governmental Agency's application for the Loan or otherwise that materially adversely affects the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(c) Pending Litigation.

Except as disclosed to the Authority in writing, there are no proceedings pending, or, to the knowledge of the Governmental Agency threatened, against or affecting the Governmental Agency, in any court, or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(d) Compliance with Existing Laws and Agreements.

The authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond by the Governmental Agency, the observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements thereunder, and the consummation of the transactions provided for in this Loan Agreement and in the Governmental Agency Bond; the compliance by the Governmental Agency with the provisions of this Loan Agreement and the Governmental Agency Bond; and the undertaking and completion of the

Project; will not result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon, any property or assets of the Governmental Agency pursuant to any existing ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement, or other instrument (other than the lien and charge of this Loan Agreement and the Governmental Agency Bond) to which the Governmental Agency is a party or by which the Governmental Agency, the System, or any of the property or assets of the Governmental Agency may be bound, and such action will not result in any violation of the provisions of the charter or other document pursuant to which the Governmental Agency was established, or of any laws, ordinances, resolutions, governmental rules, regulations, or court orders to which the Governmental Agency, the System, or the properties or operations of the Governmental Agency, are subject.

(e) No Defaults.

No event has occurred and no condition exists that, upon authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, or receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Governmental Agency is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party, or by which it, the System, or its property, may be bound, which violation would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(f) Governmental Consent.

The Governmental Agency has obtained all permits and approvals required to date by any governmental body or officer for the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or for the undertaking or completion of the Project and the financing or refinancing thereof; and the Governmental Agency has complied with all applicable provisions of law requiring any notification, declaration, filing, or registration with any governmental body or officer in connection with the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or with the undertaking or completion of the Project and the financing or refinancing thereof. Other than those relating to the construction and acquisition of the Project, which the Governmental Agency expects to receive in the ordinary course of business, no consent, approval, or authorization of, or filing, registration, or qualification with, any governmental body or officer that has not been obtained is required on the part of the Governmental Agency as a condition to the authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law.

The Governmental Agency:

(i) is in compliance with all laws, ordinances, governmental rules, and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Governmental Agency to conduct its activities or to undertake or complete the Project, or the condition (financial or otherwise) of the Governmental Agency or the System; and

(ii) has obtained all licenses, permits, franchises, or other governmental authorizations presently necessary for the ownership of its property, or for the conduct of its activities that, if not obtained, would materially adversely affect the ability of the Governmental Agency to conduct its activities or to undertake or complete the Project, or the condition (financial or otherwise) of the Governmental Agency or the System.

(h) Use of Proceeds.

The Governmental Agency will apply the proceeds of the Loan from the Authority as described in Exhibit B attached hereto and made a part hereof (i) to finance all or a portion of the Cost; and (ii) where applicable, to reimburse the Governmental Agency for a portion of the Cost, which portion was paid or incurred in anticipation of reimbursement by the Authority.

SECTION 2.02. Particular Covenants of the Governmental Agency.

(a) Pledge of Source of Repayment.

The Governmental Agency irrevocably pledges and grants a lien upon the source of repayment described in Paragraph (3) of Exhibit A for the punctual payment of the principal of and the interest on the Loan, and all other amounts due under this Loan Agreement and the Governmental Agency Bond according to their respective terms.

(b) Performance Under Loan Agreement.

The Governmental Agency covenants and agrees to maintain the System in good repair and operating condition; to cooperate with the Authority in the observance and performance of the respective duties, covenants, obligations and agreements of the Governmental Agency and the Authority under this Loan Agreement; and, to comply with the covenants described in the Exhibits to this Loan Agreement.

(c) Completion of Project and Provision of Moneys Therefor.

The Governmental Agency covenants and agrees to exercise its best efforts in accordance with prudent water utility practice to complete the Project and to provide from the Pledged Property or other sources available to it all moneys, in excess of the total amount of loan proceeds it receives under the Loan, required to complete the Project.

(d) Disposition of the System.

During the Loan Term, the Governmental Agency shall not sell, lease, abandon, or otherwise dispose of, all or substantially all, or any substantial portion, of the System or any other system that provides revenues to provide for the payment of this Loan Agreement or the Governmental Agency Bond, except on ninety (90) days' prior written notice to the Authority and, in any event, shall not so sell, lease, abandon, or otherwise dispose of the same unless the following conditions are met: (i) the Governmental Agency shall assign this Loan Agreement in accordance with Section 4.02 hereof and its rights and interests hereunder to the purchaser or lessee of the System, and such purchaser or lessee shall expressly assume all duties, covenants, obligations, and agreements of the Governmental Agency under this Loan Agreement in writing; and (ii) the Authority shall by appropriate action determine that such sale, lease, abandonment or other disposition will not adversely affect the Authority's ability to meet its duties, covenants, obligations, and agreements under the Act, the Federal Clean Water Act, the Safe Drinking Water Act, or any agreement between the Authority or the State of Colorado relating to any capitalization grant received by the Authority or the State of Colorado under the Federal Clean Water Act or the Safe Drinking Water Act, and in its sole discretion, approve such sale, lease, abandonment, or other disposition.

(e) Inspections; Information.

The Governmental Agency shall permit the Authority to examine, visit, and inspect, at any and all reasonable times, the property, if any, constituting the Project, and to inspect and make copies of, any accounts, books, and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments, and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the Authority may reasonably require in connection therewith. In addition, the Governmental Agency shall provide the Authority with copies of any official statements or other forms of offering prospectus relating to any other bonds, notes, or other indebtedness of the Governmental Agency secured from the Pledged Property and issued after the date of this Loan Agreement. At the discretion of the Authority, the Governmental Agency may be required to provide unaudited quarterly financial reports to the Authority.

(f) Cost of Project.

The Governmental Agency certifies that the Estimated Cost of the Project, as listed in Paragraph (3) of Exhibit B hereto and made a part hereof, is a reasonable and accurate estimation, and that upon direction of the Authority it shall supply the Authority with a certificate from its engineer stating that such cost is a reasonable and accurate estimation, taking into account investment income to be realized during the course of the Project, and other money that would, absent the Loan, have been used to pay the Estimated Cost of the Project.

(g) Reimbursement for Ineligible Costs.

The Governmental Agency shall promptly reimburse the Authority for any portion of the Loan that is determined not to be a Cost of the Project and that would not be eligible for funding from draws under the Drinking Water Revolving Fund. Such reimbursement shall be promptly repaid to the Authority upon written request of the Authority.

(h) Advertising.

The Governmental Agency agrees not to advertise the Project for bids until plans and specifications for the Project, if such plans and specifications require approval, have been approved by the State Department of Public Health and Environment.

(i) Commencement of Construction.

Within twelve (12) months after the Loan Closing, the Governmental Agency shall initiate construction of the Project.

(j) Interest in Project Site.

As a condition of the Loan, the Governmental Agency will demonstrate to the satisfaction of the Authority before advertising for bids for construction that the Governmental Agency has or will have a fee simple or such other estate or interest in the site of the Project, including necessary easements and rights-of-way, as the Authority finds sufficient to assure undisturbed use and possession for the purpose of construction and operation of the Project for the estimated life of the Project.

(k) No Lobbying.

No portion of the Loan shall be used for lobbying or propaganda as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

(l) Operation and Maintenance of System.

The Governmental Agency covenants and agrees that it shall, in accordance with prudent water and wastewater ~~*(Only include if pledge is water and sewer system revenue)~~ utility practice: (i) at all times operate the properties of its System and any business in connection therewith in an efficient manner; (ii) maintain its System in good repair, working order and operating condition; (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and improvements with respect to its System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this covenant shall not be construed as requiring the Governmental Agency to expend any funds that are derived from sources other than the operation of its System or other receipts of such System that are not pledged under subsection (a) of this Section 2.02, and provided further that nothing herein shall be construed as preventing the Governmental Agency from doing so.

(m) Records: Accounts.

During the Loan Term, the Governmental Agency shall keep accurate records and accounts for its System (the "System Records"), separate and distinct from its other records and accounts (the "General Records"). Such System Records shall be maintained in accordance with generally accepted accounting principles, generally accepted government accounting standards

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related to the reporting of infrastructure assets and System Records and General Records shall be made available for inspection by the Authority at any reasonable time.

(n) Audits.

(i) If the Governmental Agency's System Records or General Records are audited annually by an independent accountant, then it shall furnish a copy of such annual audit(s) including all written comments and recommendations of the accountant preparing the audit to the Authority within 210 days of the close of the fiscal year audited, and the Governmental Agency shall cause its independent auditor to file with the Authority a report to the effect that the Governmental Agency is not in default of its Rate Covenant, Paragraph (1) of Exhibit F; Operations and Maintenance Reserve Fund Covenant, Paragraph (5) of Exhibit F; or Lien Representation, Paragraph (4) of Exhibit F under this Loan Agreement, which report may be a part of the annual audit or a separate document.

(ii) If the Governmental Agency's annual revenues are less than \$100,000, and the Governmental Agency elects in accordance with state law to file a short form audit exemption in lieu of performing an annual audit, then it shall provide the Authority a copy of the Exemption from Audit Form completed by a person skilled in governmental accounting practices, together with a report, also completed by a person skilled in governmental accounting practices, to the effect that the Governmental Agency is not in default of its Rate Covenant, Paragraph (1) of Exhibit F; Operations and Maintenance Reserve Fund Covenant, Paragraph (5) of Exhibit F; or Lien Representation, Paragraph (4) of Exhibit F under this Loan Agreement within 210 days of the close of the fiscal year.

(iii) If the Governmental Agency's annual revenues are more than \$100,000, but less than \$500,000, and the Governmental Agency elects in accordance with state law to file a long form audit exemption in lieu of performing an annual audit, then it shall provide the Authority a copy of the Exemption from Audit Form completed by an independent accountant with knowledge of governmental accounting practices, together with a report, also completed by an independent accountant with knowledge of governmental accounting practices, to the effect that the Governmental Agency is not in default of its Rate Covenant, Paragraph (1) of Exhibit F; Operations and Maintenance Reserve Fund Covenant, Paragraph (5) of Exhibit F; or Lien Representation, Paragraph (4) of Exhibit F under this Loan Agreement within 210 days of the close of the fiscal year.

(o) Insurance.

During the Loan Term, the Governmental Agency shall maintain or cause to be maintained in force, insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage, or destruction of its System, at least to the extent that similar insurance is usually carried by utilities constructing, operating, and maintaining utility system facilities of the nature of the Governmental Agency's System, including liability coverage. The Governmental Agency shall pay all insurance premiums for coverage required hereby from revenues derived from the operation of the System. Nothing herein shall be deemed to preclude the Governmental Agency from asserting against any party, other than the

Authority, a defense that may be available to the Governmental Agency, including, without limitation, a defense of governmental immunity.

(p) Notice of Material Adverse Change.

During the Loan Term, (i) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its System, or its ability to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement; (ii) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its ability to make all Loan Repayments from the Pledged Property, or its ability to otherwise observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(q) Hiring Requirements.

The Governmental Agency agrees to comply with the requirements found at Title 8, Article 17, Colorado Revised Statutes.

(r) Additional Covenants and Requirements.

Additional covenants and requirements are included on Exhibit F attached hereto and made a part hereof. The Governmental Agency agrees to observe and comply with each such additional covenant and requirement included on Exhibit F.

(s) Continuing Representations.

The representations of the Governmental Agency contained herein shall be true at the time of the execution of this Loan Agreement and the Governmental Agency covenants not to take any action that would cause them not to be true at all times during the term of this Loan Agreement.

(t) Capacity Development.

The Governmental Agency covenants to maintain its technical, financial, and managerial capability to ensure compliance with the requirements of the Safe Drinking Water Act of 1996 under Section 1452(a)(3)(A)(i).

(u) Archeological Artifacts.

In the event that archeological artifacts or historical resources are unearthed during construction excavation, the Governmental Agency shall stop or cause to be stopped, construction activities and will notify the State Historic Preservation Office and the Authority of such unearthing.

ARTICLE III

LOAN TO GOVERNMENTAL AGENCY; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. The Loan. The Authority hereby agrees to loan and disburse to the Governmental Agency in accordance with Section 3.02 hereof, and the Governmental Agency agrees to borrow and accept from the Authority, the Loan in the principal amount equal to the Loan Commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part hereof as such Loan Commitment may be revised to reflect a reduction in the Cost of the Project prior to the initial Loan Repayment; provided, however, that the Authority shall be under no obligation to make the Loan if (i) the Governmental Agency does not deliver its Governmental Agency Bond to the Authority on the Loan Closing, or (ii) an Event of Default has occurred and is continuing under this Loan Agreement. The Governmental Agency shall use the proceeds of the Loan strictly in accordance with Section 2.01(h) hereof.

SECTION 3.02. Disbursement of the Loan. The Authority has created in the Drinking Water Revolving Fund a Project Loan Account for this Project from which the Costs of the Project shall be paid. Amounts shall be transferred into the Project Loan Account and disbursed to the Governmental Agency upon receipt of a requisition executed by an Authorized Officer, and approved by the Authority and the State Department of Public Health and Environment, in the form set forth in Exhibit G; provided that the Disbursement of the Loan may be withheld if the Governmental Agency is not complying with any of the covenants and conditions in the Loan Agreement.

SECTION 3.03. Amounts Payable.

(a) The Governmental Agency shall repay the principal due on the Loan ~~only insert if Up-Front Principal Forgiveness has been awarded~~, after accounting for the reduction in the principal of the Loan due to application of Up-Front Principal Forgiveness at Closing, **semi-annually on May 1st and November 1st** in accordance with the schedule set forth on Exhibit C attached hereto and made a part hereof, as the same may be amended or modified, commencing on the Loan Repayment Commencement Date set forth in Paragraph (8) of Exhibit B.

The Governmental Agency shall execute the Governmental Agency Bond to evidence its obligations to make Loan Repayments and the obligations of the Governmental Agency under the Governmental Agency Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment shall be deemed to be a credit against the corresponding obligation of the Governmental Agency under this Section 3.03 and shall fulfill the Governmental Agency's obligation to pay such amount hereunder and under the Governmental Agency Bond. Each payment made pursuant to this Section 3.03 shall be applied to the payment of principal as set forth in Exhibit C.

(b) In addition to the payments required by subsection (a) of this Section 3.03, the Governmental Agency shall pay a late charge for any payment that is received by the Authority later than the tenth (10th) day following its due date, in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late

payment from its due date to the date it is actually paid; provided, however, that such late charge shall not be in excess of the maximum rate permitted by law as of the date hereof.

(c) Loan Repayments pursuant to this Section 3.03 shall be made by electronic means (either by bank wire transfer or by Automated Clearing House "ACH" transfer).

SECTION 3.04. Loan Repayment – Principal Forgiveness. ~~(only insert if Up-Front Principal Forgiveness is awarded)~~ The Authority has determined to apply Up-Front Principal Forgiveness to the principal amount of the Loan in an amount identified in Exhibit B, Part (4)(a). The amount of Up-Front Principal Forgiveness set forth in Exhibit B, Part (4)(a), will not need to be repaid. Further, at the discretion of the Authority, and if such funds are available and the Governmental Agency is deemed eligible, the Loan may be forgiven in an amount up to 100% of the principal amount of the Loan pursuant to the terms and conditions of the current Capitalization Grant, in a manner to be effectuated as set forth in Paragraph 10 of Exhibit B attached hereto and made a part hereof. At the Authority's sole discretion, and subject to Exhibit B, Paragraph 10(c), and only if the amount to be forgiven is 100%, the Authority also may waive payment of any interest accrued on the amount of principal forgiven through the Effective Date of Post-Closing Principal Forgiveness (defined in Exhibit B, Paragraphs 10(a) and (b)(i)).

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SECTION 3.05. Unconditional Obligations. The Loan Repayments and all other payments required hereunder are payable solely from the Pledged Property. The obligation of the Governmental Agency to make the Loan Repayments and all other payments required hereunder shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any payments due under the Loan Agreement remain unpaid regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of the purpose, any change in the laws of the United States of America or of the State of Colorado or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project or this Loan Agreement or any rights of set-off, recoupment, abatement or counterclaim that the Governmental Agency might otherwise have against the Authority or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 3.06. Disclaimer of Warranties and Indemnification. The Governmental Agency acknowledges and agrees that (i) the Authority makes no warranty or representation, either express or implied as to the value, design, condition, merchantability, or fitness for particular purpose, or fitness for any use, of the Project or any portions thereof, or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or its agents be liable or responsible for any direct, incidental, indirect, special, or consequential damages in connection with or arising out of this Loan Agreement, or the Project, or the existence, furnishing, functioning, or use of the Project, or any item or products or services provided for in this Loan Agreement; and (iii) to the extent authorized by law, the Governmental Agency shall indemnify, save, and hold harmless the Authority 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 Governmental Agency, or its employees, agents, or subcontractors pursuant to the terms

of this Loan Agreement, provided, however, that the provisions of this clause (iii) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to the Colorado Governmental Immunity Act (Section 24-10-101, et seq. C.R.S.), or under the laws of the United States or the State of Colorado.

SECTION 3.07. Option to Prepay Loan Repayments. The Governmental Agency may prepay the Loan Repayments, in whole or in part without penalty upon prior written notice (unless otherwise waived by the Authority) of not less than thirty (30) days. Prepayments shall be applied first to accrued interest and then to principal on the Loan. The Authority will amend Exhibit C to reflect any prepayment of the principal amount of the Loan.

SECTION 3.08. Source of Payment of Governmental Agency's Obligations. The Authority and the Governmental Agency agree that the amounts payable by the Governmental Agency under this Loan Agreement, including, without limitation, the amounts payable by the Governmental Agency pursuant to Section 3.03, Section 3.05, Section 3.06, and Section 5.04 of this Loan Agreement are payable solely from the Pledged Property, and are not payable from any other source whatsoever; provided, however, that the Governmental Agency at its option, may elect to make payment from any source available to it.

SECTION 3.09. Delivery of Documents. Concurrently with the execution and delivery of this Loan Agreement, the Governmental Agency will cause to be delivered to the Authority each of the following items:

(a) an opinion of the Governmental Agency's counsel substantially in the form set forth in Exhibit E-1 hereto (such opinion or portions of such opinion may be given by one or more counsel); provided, however, that the Authority may in its discretion permit variances in such opinion from the form or substance of such Exhibit E-1 if such variances are not to the material detriment of the interests of the Authority;

(b) an opinion of the Governmental Agency's Bond Counsel substantially in the form set forth in Exhibit E-2 hereto. Such opinion must be rendered by Bond Counsel listed in the Directory of Bond Counsel published by the Bond Buyer (the "Red Book");

(c) executed counterparts of this Loan Agreement;

(d) copies of the resolutions or ordinances of the governing body of the Governmental Agency authorizing the execution and delivery of this Loan Agreement and the Governmental Agency Bond, certified by an Authorized Officer of the Governmental Agency; and

(e) such other certificates, documents, opinions, and information as the Authority may require.

Upon receipt of the foregoing documents, the Authority shall obligate the amount of the Loan Commitment set forth in Paragraph (4) of Exhibit B, and make the amount of the Loan available for the Project in accordance with the terms of this Loan Agreement.

ARTICLE IV

ASSIGNMENT

SECTION 4.01. Assignment and Transfer by Authority. The Governmental Agency expressly acknowledges that other than the right, title, and interest of the Authority under Section 3.05, Section 5.04, and Section 5.07, all right, title, and interest of the Authority in, to, and under this Loan Agreement and the Governmental Agency Bond, including, without limitation, the right to receive payments required to be made by the Governmental Agency hereunder, and to compel or otherwise enforce observance and performance by the Governmental Agency of its other duties, covenants, obligations, and agreements hereunder, may be transferred, assigned, and reassigned in whole or in part by the Authority at its sole discretion to one or more assignees or subassignees at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Governmental Agency.

The Authority shall retain the right to compel or otherwise enforce observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under Section 3.05 and Section 5.04.

SECTION 4.02. Assignment by Governmental Agency. Neither this Loan Agreement nor the Governmental Agency Bond may be assigned by the Governmental Agency for any reason, unless the following conditions shall be satisfied: (i) the Authority shall have approved said assignment in writing; (ii) the assignee shall be a governmental agency as defined by the Act, and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Governmental Agency's duties, covenants, agreements, and obligations under the Loan Agreement; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations, or agreements of the Governmental Agency under the Loan Agreement; and (iv) the Authority shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of any agreement entered into by the Authority with, or condition of any grant received by the Authority from, the United States of America relating to the Federal Capitalization Agreement or any capitalization grant received by the Authority or the State under the Safe Drinking Water Act.

No assignment shall relieve the Governmental Agency from primary liability for any of its obligations under this Loan Agreement, and in the event of such assignment, the Governmental Agency shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

ARTICLE V

DEFAULTS AND REMEDIES

SECTION 5.01. Event of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) failure by the Governmental Agency to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due, which failure shall continue for a period of thirty (30) days;

(b) failure by the Governmental Agency to make, or cause to be made, any required payments of interest and principal, redemption premium, if any, and interest on any bonds, notes, or other obligations of the Governmental Agency for borrowed money (other than the Loan and the Governmental Agency Bond), after giving effect to the applicable grace period, the payments of which are secured by the Pledged Property;

(c) failure by the Governmental Agency to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement other than as referred to in Paragraph (a) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Agency; provided, however, that if the failure stated in such notice is correctable, but cannot be corrected within the applicable period, the Authority may consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until the Event of Default is corrected;

(d) any representation made by or on behalf of the Governmental Agency contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect; or

(e) (i) a petition is filed by or against the Governmental Agency under any federal or state bankruptcy or insolvency law, or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Governmental Agency such petition shall be dismissed within thirty (30) days after such filing, and such dismissal shall be final and not subject to appeal; or (ii) the Governmental Agency shall become insolvent, or bankrupt or make an assignment for the benefit of its creditors; or (iii) a custodian (including, without limitation, a receiver, liquidator, or trustee of the Governmental Agency or any of its property) shall be appointed by court order, or take possession of the Governmental Agency, or its property or assets, if such order remains in effect, or such possession continues, for more than thirty (30) days.

SECTION 5.02. Notice of Default. The Governmental Agency shall give the Authority prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01 at such time as any senior administrative or financial officer of the Governmental Agency becomes aware of the existence thereof. Any telephonic notice pursuant to this Section 5.02 shall be confirmed by the Governmental Agency in writing as soon as practicable.

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Authority shall have the right to withhold disbursement of Loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement of the Governmental Agency hereunder, including, without limitation, appointment ex parte of a receiver of the System.

SECTION 5.04. Attorney's Fees and Other Expenses. In the Event of Default, the Governmental Agency shall on demand pay to the Authority the reasonable fees and expenses of attorneys, and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by the Authority in the collection of Loan Repayments or any other sum due hereunder, or in the enforcement of the performance or observation of any other duties, covenants, obligations, or agreements of the Governmental Agency.

SECTION 5.05. Application of Moneys. Any moneys collected by the Authority pursuant to Section 5.03 hereof shall be applied (a) first, to pay any attorney's fees, or other fees and expenses owed by the Governmental Agency pursuant to Section 5.04 hereof, (b) second, to pay principal due and payable on the Loan, and (c) third, to pay any other amounts due and payable under this Loan Agreement.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power accruing upon any Event of Default shall impair any such right, remedy, or power, or shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

SECTION 5.07. Retention of Authority's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Authority shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Governmental Agency at law or in equity, as the Authority may, in its discretion, deem necessary to enforce the obligations of the Governmental Agency to the Authority pursuant to Section 5.04, Section 3.03, and Section 3.05 hereof.

SECTION 5.08. Default by the Authority. In the event of any default by the Authority under any covenant, agreement, or obligation of this Loan Agreement, the Governmental Agency's remedy for such default shall be limited to injunction, special action, action for specific performance, or any other available equitable remedy, designed to enforce the performance or observance of any duty, covenant, obligation, or agreement of the Authority hereunder, as may be necessary or appropriate. The Authority shall on demand pay to the Governmental Agency the reasonable fees and expenses of attorneys, and other reasonable expenses, in the enforcement of such performance or observation.

ARTICLE VI
MISCELLANEOUS

SECTION 6.01. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, to the Governmental Agency at the address specified on Exhibit B attached hereto and made a part hereof, and to the Authority, at the following address:

Colorado Water Resources and Power
Development Authority
1580 N. Logan Street, Suite 820
Denver, Colorado 80203
Attention: Executive Director

Such address may be changed by notice in writing.

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of, and shall be binding upon, the Authority and the Governmental Agency, and their respective successors and assigns.

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect, any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented, or modified without the prior written consent of the Authority and the Governmental Agency.

SECTION 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

SECTION 6.06. Applicable Law and Venue. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, including the Act. Venue for any action seeking to interpret or enforce the provisions of this Loan Agreement shall be in the Denver District Court.

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the Authority shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Authority unless otherwise provided by law, or by rules, regulations or resolutions of the Authority.

SECTION 6.08. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit, or describe, the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 6.09. Further Assurances. The Governmental Agency shall, at the request of the Authority, authorize, execute, acknowledge, and deliver, such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments, as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming, the rights and agreements, granted or intended to be granted, by this Loan Agreement and the Governmental Agency Bond.

SECTION 6.10. Recitals. This Loan Agreement 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 Agreement is authorized by the Governmental Agency pursuant to Title 37, Article 45.1 C.R.S., Title 32, Article 1, C.R.S. and Title 11, Article 57, Part 2, C.R.S and shall so recite in the Governmental Agency Bond. 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 Governmental Agency Bond, and the Governmental Agency Bond delivered by the Governmental Agency to the Authority containing such recital shall be incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, sealed and delivered, as of the Commencement Date set forth on Exhibit B hereto.

(SEAL)

**COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY**

By: _____
Executive Director

ATTEST:

By: _____
Assistant Secretary

**TOWN OF _____, SILT, COLORADO,
ACTING BY AND THROUGH ITS WATER
AND WASTEWATER ACTIVITY
ENTERPRISE**

(SEAL)

By: _____
Mayor/~~President~~

ATTEST:

By: _____
Town Clerk/~~Secretary~~

IN WITNESS WHEREOF, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, sealed and delivered, as of the Commencement Date set forth on Exhibit B hereto.

(SEAL)

**COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY**

By: _____
Executive Director

ATTEST:

By: _____
Assistant Secretary

**TOWN OF SILT, COLORADO,
ACTING BY AND THROUGH ITS WATER
AND WASTEWATER ACTIVITY
ENTERPRISE**

(SEAL)

By: _____
Mayor/~~President~~

ATTEST:

By: _____
Town Clerk/~~Secretary~~

EXHIBIT A

(1) **Description of the Project**

The project consists of overhauling and expanding the existing water treatment plant which includes improvements to pretreatment to include coagulation, ballasted flocculation, and sedimentation. The project replaces the existing membranes with mixed media filtration that will remove iron and manganese. Additionally, UV disinfection will be installed.

(2) **Description of the System**

"System" shall mean, (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture or other real or personal property, relating to the collection, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater ~~**(Only include if pledge is water and sewer system revenue)~~ that is owned, operated or controlled by the Governmental Agency, including, without limitation, the Project (ii) any renewal, replacement, addition, modification or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of the Governmental Agency in the transmission, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater ~~**(Only include if pledge is water and sewer system revenue).~~

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(3) **Pledged Property**

The Pledged Property shall consist of Net Revenue, as defined below:

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Gross Revenue" means all income and revenues directly or indirectly derived by the Governmental Agency from the operation and use of the System, or any part thereof, including without limitation, any rates, fees (including without limitation plant investment fees and availability fees), and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights, or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, and including investment income accruing from such moneys; provided however, that there shall be excluded from Gross Revenue: ad valorem property taxes; any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account, pledged to the payment of any bonds or other obligations; and any moneys received as grants or appropriations from the United States, the State of Colorado or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"Capital Improvements" means the acquisition of land, easements, facilities and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by, or in connection with, the System.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of the Governmental Agency, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and overhead expenses of the Governmental Agency directly related to the

administration of the System, insurance premiums, audits, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operation; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations, and expenses that are otherwise paid from ad valorem property taxes.

EXHIBIT B
DESCRIPTION OF THE LOAN

(1) Commencement Date:

(2) Name and Address of Governmental Agency:

Town of Silt, Colorado, Acting By And Through Its ~~Water and Wastewater Activity~~ Enterprise
231 N. 7th Street; P.O. Box 70
Silt, CO 81652-8730

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(3) Estimated Cost of the Project: \$13,584,825.00

(4) Maximum Principal Amount of Loan Commitment: \$12,834,825.00

(a) Up-Front Principal Forgiveness to be Applied at Closing: \$8,645,000.00 (~~\$1,645,000.00 Emerging Contaminants BIL, \$2,000,000.00 Base PF, \$5,000,000.00 BIL Supplemental PF~~)

(b) Maximum Total Principal to be Repaid after Application of Up-Front Principal Forgiveness: \$4,189,825.00 (~~*\$3,000,000.00 BIL Supplemental Loan and **\$1,189,825.00~~). Asterisks - subject to differing interest rates.

(5) Loan Term: 20 years.

(6) Interest Rate: **3.00% annually and *1.00% annually

(7) Authorized Officers: (please list at least two people that will be authorized to take action on this loan, including the ability to withdraw funds)

(8) Loan Repayment Commencement Date:

(9) Execution Date:

(10) Principal Forgiveness:

(a) Up-Front Principal Forgiveness: The amount of principal of the Loan identified as Up-Front Principal Forgiveness in Part (4)(a) above will be forgiven at Closing, provided the Governmental Agency has met each of its obligations and covenants necessary to effect Closing. Exhibit C to the Loan Agreement sets forth the repayment schedule after allowing for the reduction of total Loan principal by the amount of Up-Front Principal Forgiveness applied.

(b) Post-Closing Principal Forgiveness: At the discretion of the Authority, and if such funds are available and the Governmental Agency is deemed eligible, the Loan may be forgiven in an amount up to 100% of the outstanding principal amount of the Loan. At the Authority's sole discretion, and subject to subparagraph (10)(b)(i), below, and only if the amount forgiven is 100% of the outstanding principal of the Loan, the Authority also may waive payment of interest accrued on the amount of principal forgiven through the Effective Date of Post-Closing Principal Forgiveness (defined in Paragraph 10(b)(i)). The Authority will provide written notice (the "Notice of Post-Closing Principal Forgiveness") to the Governmental Agency once the Authority determines to exercise its discretion to grant Post-Closing Principal Forgiveness, that funds are available, and that the Governmental Agency is eligible for such action. The Notice of Post-Closing Principal Forgiveness will set forth the amount, up to 100%, of the outstanding principal amount of the Loan to be forgiven, and whether any accrued interest will be waived. Upon the Governmental Agency's receipt of the Notice of Post-Closing Principal Forgiveness from the Authority, the following terms shall apply:

(i) If 100% of the principal amount of the Loan is forgiven, then:

- A. The award of Post-Closing Principal Forgiveness shall be effective as of the date of the Notice of Post-Closing Principal Forgiveness (the "Effective Date of 100% Principal Forgiveness");
- B. The Authority shall amend the repayment schedule set forth in Exhibit C to acknowledge the Post-Closing Principal Forgiveness award and the Effective Date of 100% Principal Forgiveness and the waiver of any accrued interest as applicable;
- C. The Authority shall amend the Loan Term to extend from the date of Loan Execution until the date the Water Quality Control Division of the Colorado Department of Health and Environment (the "WQCD") issues certification that all required documents have been submitted and the Governmental Agency has met all Project and Loan requirements;
- D. The Governmental Agency Bond will be released at the expiration of the Loan Term, as amended; and
- E. As of the Effective Date of 100% Principal Forgiveness, the following Loan Agreement sections will no longer apply: Section 2.02. (n) Audits; Section 3.03. Amounts Payable; Exhibit A (3) Pledged Property; Exhibit F (1) Rate Covenant; Exhibit B (5) Loan Term; Exhibit B (6) Interest Rate; Exhibit B (8) Loan Repayment Commencement; Exhibit C Repayment Schedule; and all references thereof.

(ii) If the Governmental Agency receives Post-Closing Principal Forgiveness for less than 100% of the outstanding principal amount of the Loan, then:

- A. The effective date of the Post-Closing Principal Forgiveness shall be the date of the Notice of Post-Closing Principal Forgiveness from the Authority (the "Effective Date of Partial Principal Forgiveness"); and
- B. Upon the Effective Date of Partial Principal Forgiveness, the Loan Term shall remain as set forth in this Agreement, but the Authority shall amend the Loan Repayment Schedule set forth in Exhibit C to include a revised amortization schedule for the remaining principal amount.
- C. If the Effective Date of Principal Forgiveness, either 100% or Partial, occurs after the Loan Repayment Commencement Date, and the Governmental Agency has paid one or more of the scheduled payments, the Post-Closing Principal Forgiveness, as well as any waived interest accrued on the amount of principal forgiven through the Effective Date of Principal Forgiveness, will be net of any such payments. The Authority will not reimburse the Governmental Agency any amount paid by the Governmental Agency.

EXHIBIT C
LOAN REPAYMENT SCHEDULE

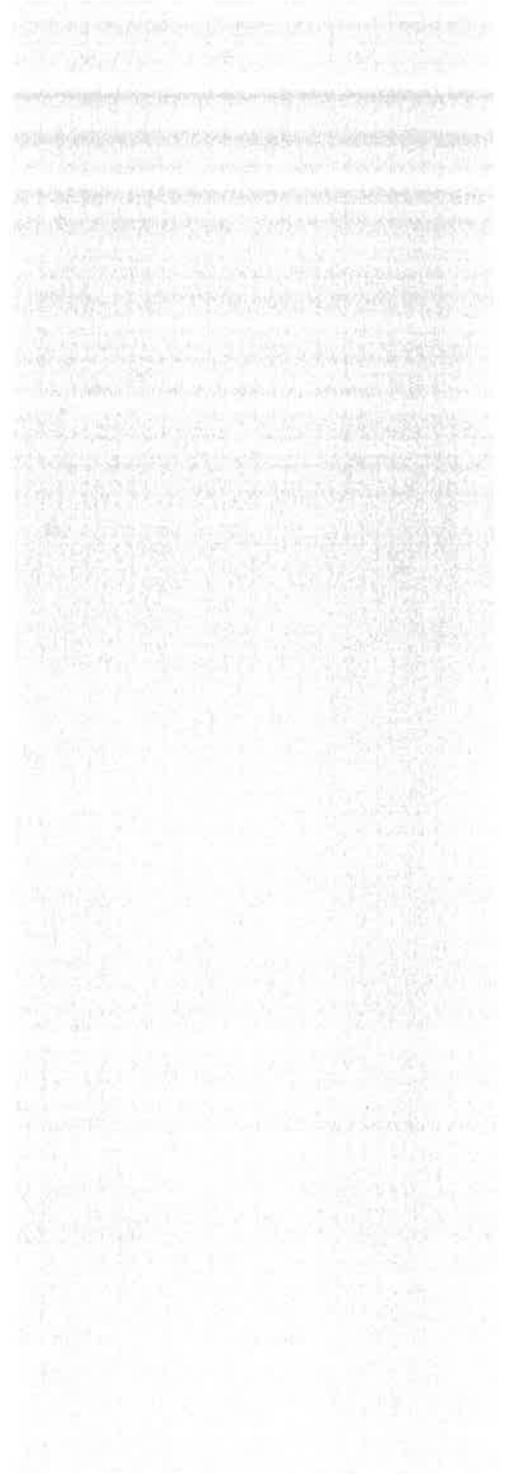


EXHIBIT D

GOVERNMENTAL AGENCY BOND

FOR VALUE RECEIVED, the undersigned CITY OF _____ TOWN OF SILT, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY _____ ENTERPRISE (the "Governmental Agency"), hereby promises to pay to the order of the COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY (the "Authority") in the principal amount of _____ and 00/100 Dollars (\$ _____), less a \$BIL PF Amount reduction in the total principal of the Loan due to the application of Bipartisan Infrastructure Law ("BIL") Up-Front Principal Forgiveness as in the amount set forth in Exhibit B, Part (4)(a) of the Loan Agreement dated as of _____, 20232, by and between the Authority and the Governmental Agency (the "Loan Agreement"), making the Maximum Total Principal to be Repaid after Application of Up-Front Principal Forgiveness Amount Words and 00/100 Dollars (\$Principal Amount) as set forth in Exhibit B, Part (4)(b) of the Loan Agreement, or such lesser amount as shall be loaned to the Governmental Agency pursuant to the Loan Agreement, at the times and in the amounts determined as provided in the Loan Agreement, at One-Half of One/One and One-Half percent interest, subject to late charges on late payments as provided in Section 3.03 (b) of the Loan Agreement, and payable on the dates and in the amounts determined as provided in the Loan Agreement.

Commented [AR2]: This is subject to change.

This Governmental Agency Bond is issued pursuant to the Loan Agreement and is issued in consideration of the loan made thereunder (the "Loan") and to evidence the obligations of the Governmental Agency set forth in Section 3.03 thereof. This Governmental Agency Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the definitions, terms, conditions, and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Governmental Agency Bond.

Pursuant to the Loan Agreement, disbursements to the Governmental Agency shall be made in accordance with written instructions upon the receipt by the Authority of requisitions from the Governmental Agency executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Governmental Agency Bond is entitled to the benefits, and is subject to the conditions, of the Loan Agreement. The obligations of the Governmental Agency to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim, or recoupment by reason of any default by the Authority under the Loan Agreement, or under any other agreement between the Governmental Agency and the Authority, or out of any indebtedness or liability at any time owing to the Governmental Agency by the Authority, or for any other reason.

This Governmental Agency Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. The obligation of the Governmental Agency to make payments under the Loan Agreement and this Governmental Agency Bond is payable solely from the Pledged Property, except for reserves created in connection with the Loan.

This Governmental Agency Bond does not constitute a debt or an indebtedness of the Governmental Agency within the meaning of any constitutional or statutory limitation or provision, and shall not be considered or held to be a general obligation of the Governmental Agency. The payment of this Governmental Agency Bond is not secured by an encumbrance, mortgage or other pledge of property except for such property and moneys pledged for the payment of the Governmental Agency Bond.

For the payment of this Governmental Agency Bond, the Governmental Agency shall enforce the Rate Covenant set forth in Paragraph (1) of Exhibit F to the Loan Agreement, shall promptly collect all revenues of the System, and shall take all necessary action to collect any revenues that are in default.

If an "Event of Default" as defined in Section 5.01 of the Loan Agreement occurs, the remedies on default set forth in Section 5.03 of the Loan Agreement shall be available to enforce the obligations of the Governmental Agency that are evidenced by this Governmental Agency Bond.

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 37, Article 45.1; certain provisions of Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"), and pursuant to the Loan Agreement. Pursuant to §11-57-210, of the Supplemental Public Securities Act, this recital is conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond after its delivery for value. Pursuant to §31-35-413, C.R.S., this recital conclusively imparts full compliance with all the provisions of said statutes, and this Governmental Agency Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Governmental Agency has caused this Governmental Agency Bond to be duly executed, sealed and delivered, as of this ___ day of _____ 2023~~2~~.

(SEAL)

**CITY OF _____ TOWN OF SILT,
COLORADO, ACTING BY AND
THROUGH ITS WATER AND
WASTEWATER ACTIVITY
ENTERPRISE**

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ATTEST:

By: _____
Mayor/President

By: _____
Town Clerk/Secretary

EXHIBIT E-1
OPINION OF GOVERNMENTAL AGENCY COUNSEL
[LETTERHEAD OF COUNSEL TO GOVERNMENTAL AGENCY]

[DATED : Closing Date]

Colorado Water Resources and
Power Development Authority

Gentlemen:

[insert "I am an attorney" or "We are attorneys"] admitted to practice in the State of Colorado and [insert "I" or "we"] have acted as counsel to TOWN OF SILT CITY OF COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY ENTERPRISE (the "Governmental Agency"), of the State of Colorado, which has entered into a Loan Agreement (as hereinafter defined) with the COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY (the "Authority"), and have acted as such in connection with the authorization, execution and delivery by the Governmental Agency of its Loan Agreement and Governmental Agency Bond (as hereinafter defined).

In so acting [insert "I" or "we"] have examined the Constitution and laws of the State of Colorado and the [charter/by-laws/proceedings relating to organization] of the Governmental Agency. [insert "I" or "We"] have also examined originals, or copies certified or otherwise identified to [insert "my" or "our"] satisfaction, of the following:

- (a) the Loan Agreement, dated as of _____ (the "Loan Agreement") by and between the Authority and the Governmental Agency;
- (b) the proceedings of the governing body of the Governmental Agency relating to the approval of the Loan Agreement and the execution, issuance and delivery thereof on behalf of the Governmental Agency, and the authorization of the undertaking and completion of the Project (as defined in the Loan Agreement);
- (c) the Governmental Agency Bond, dated as of _____ (the "Governmental Agency Bond") issued by the Governmental Agency to the Authority to evidence the Loan(as defined in the Loan Agreement);
- (d) the proceedings of the governing body of the Governmental Agency relating to the issuance of the Governmental Agency Bond and the execution, issuance and delivery thereof to the Authority (the Loan Agreement and the Governmental Agency Bond are referred to herein collectively as the "Loan Documents");

(e) all outstanding instruments relating to the bonds, notes or other indebtedness of or relating to the Governmental Agency.

[insert "I" or "We"] have also examined and relied upon originals, or copies certified or otherwise authenticated to [insert "my" or "our"] satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law as in [insert "my" or "our"] judgment [insert "I" or "we"] have deemed necessary or appropriate to enable [insert "me" or "us"] to render the opinions expressed below.

Based upon the foregoing, [insert "I am" or "we are"] of the opinion that:

(1) The Governmental Agency is a "governmental agency" within the meaning of the Authority's enabling legislation and is a () of the State of Colorado with the full legal right and authority to execute the Loan Documents.

(2) The Governmental Agency has the full legal right and authority to carry on the business of the System (as defined in the Loan Agreement) as currently being conducted and as proposed to be conducted, and to undertake and complete the Project.

(3) The proceedings of the Governmental Agency's governing body authorizing the Governmental Agency to undertake and complete the Project were duly and lawfully adopted and approved in accordance with [applicable resolution] applicable Colorado law at meetings duly called pursuant to necessary public notice and held in accordance with applicable Colorado law at which quorums were present and acting throughout and were published in accordance with applicable Colorado law.

(4) The proceedings of the Governmental Agency's governing body approving the Loan Documents and authorizing their execution, issuance and delivery on behalf of the Governmental Agency have been duly and lawfully adopted and approved in accordance with [the applicable resolution] applicable Colorado law, at meetings duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout and were published in accordance with applicable Colorado law.

(5) To the best of [insert "my" or "our"] knowledge, after such investigation as [insert "I" or "we"] have deemed appropriate, the authorization, execution and delivery of the Loan Documents by the Governmental Agency, the observation and performance by the Governmental Agency of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein and the undertaking and completion of Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or governmental or administrative agency, authority or person having jurisdiction over the Governmental Agency or its property or assets or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond resolution, trust agreement, indenture, mortgage, deed of trust, ordinance, order, or other agreement to which the Governmental Agency is a party or by which it, the System, or its property or assets is bound.

(6) To the best of [insert "my" or "our"] knowledge, after such investigation as [insert "I" or "we"] have deemed appropriate, all approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Governmental Agency in connection with the authorization, execution, delivery and performance of the Loan Documents and the undertaking and completion of the Project, other than licenses and permits relating to the construction and acquisition of the Project which [insert "I" or "we"] expect the Governmental Agency to receive in the ordinary course of business, have been obtained or made.

(7) To the best of my knowledge, after such investigation as I have deemed appropriate, except as disclosed in writing to the Authority, there is no litigation or other proceeding pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) that (1) questions the creation, organization or existence of the Governmental Agency; or the validity, legality or enforceability of the Loan Documents; or the undertaking or completion of the Project; or (2) if adversely determined, could (a) materially adversely affect (i) the financial position of the Governmental Agency; (ii) the ability of the Governmental Agency to perform its obligations under the Loan Documents; (iii) the security for the Loan Documents; or (iv) the transactions contemplated by the Loan Documents; or (b) impair the ability of the Governmental Agency to maintain and operate its system.

This opinion is rendered on the basis of Federal law and the laws of the State of Colorado as enacted and construed on the date hereof. [insert "I" or "We"] express no opinion as to any matter not set forth in the numbered paragraphs herein.

[insert "I" or "We"] hereby authorize Carlson, Hammond, & Paddock, L.L.C., General Counsel to the Authority, to rely on this opinion as if [insert "I" or "we"] had addressed this opinion to them in addition to you.

Very truly yours,

EXHIBIT E-2

OPINION OF GOVERNMENTAL AGENCY BOND COUNSEL

[LETTERHEAD OF BOND COUNSEL TO GOVERNMENTAL AGENCY]

[DATED: Closing Date]

Colorado Water Resources and
Power Development Authority

Gentlemen:

[insert "I am an attorney" or "We are attorneys"] admitted to practice in the State of Colorado and [insert "I" or "we"] have acted as bond counsel for **TOWN OF SILTCITY OF _____, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ACTIVITY-_____ ENTERPRISE** (the "Governmental Agency"), of the State of Colorado, which has entered into a Loan Agreement (as hereinafter defined) with the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority"), and have acted as such in connection with the authorization, execution, and delivery by the Governmental Agency of the Loan Agreement and Governmental Agency Bond (as hereinafter defined).

In so acting [insert "I" or "we"] have examined the Constitution and laws of the State of Colorado and [charter/by-laws/proceedings relating to organization] of the Governmental Agency. [insert "I" or "We"] have also examined originals, or copies certified or otherwise identified to [insert "my" or "our"] satisfaction, of the following:

- (a) the Loan Agreement, dated as of _____ (the "Loan Agreement"), by and between the Authority and the Governmental Agency;
- (b) the proceedings of the governing body of the Governmental Agency relating to the approval of the Loan Agreement, and the execution, issuance, and delivery thereof by the Governmental Agency, and the authorization of the undertaking and completion of the Project (as defined in the Loan Agreement);
- (c) the Governmental Agency Bond, dated as of _____ (the "Governmental Agency Bond"), issued by the Governmental Agency to the Authority to evidence the Loan (as defined in the Loan Agreement);
- (d) the proceedings of the governing body of the Governmental Agency relating to the issuance, of the Governmental Agency Bond, and the execution, issuance, and delivery thereof to the Authority (the Loan Agreement and the Governmental Agency Bond are referred to herein collectively as the "Loan Documents"); and

(e) all outstanding instruments relating to the bonds, notes, or other indebtedness of, or relating to the Governmental Agency.

[insert "I" or "We"] have also examined and relied upon originals, or copies certified or otherwise authenticated to [insert "my" or "our"] satisfaction, of such other records, documents, certificates, and other instruments, and made such investigation of law as in [insert "my" or "our"] judgment [insert "I" or "we"] have deemed necessary or appropriate to enable [insert "me" or "us"] to render the opinions expressed below.

Based upon the foregoing, [insert "I am" or "we are"] of the opinion that:

(1) The Governmental Agency is a "governmental agency" within the meaning of the Authority's enabling legislation.

(2) The Governmental Agency has full legal right and authority to execute the Loan Documents and the Governmental Agency has full legal right and authority to observe and perform its respective duties, covenants, obligations, and agreements thereunder; subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization, debt adjustment, or other similar laws affecting creditors' rights generally (Creditor's Rights Limitations), heretofore or hereafter enacted.

(3) The Governmental Agency has pledged the Pledged Property described in Paragraph (3) of Exhibit A to the Loan Agreement for the punctual payment of the principal on the Loan and all other amounts due under the Loan Documents according to their respective terms, and the Authority has a first lien on such Pledged Property, but not an exclusive first lien. *****Only include "but not an exclusive first lien" if there is parity debt***** No filings or recordings are required under the Colorado Uniform Commercial Code in order to provide a first lien on such Pledged Property, and all actions have been taken as required under Colorado law to insure the priority, validity, and enforceability of such lien.

(4) The Loan Documents have been duly authorized, executed, and delivered by the authorized officers of the Governmental Agency; and, assuming in the case of the Loan Agreement, that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed, and delivered the Loan Agreement, the Loan Documents constitute the legal, valid, and binding obligations of the Governmental Agency enforceable in accordance with their respective terms; subject, however, to the effect of, and to restrictions and limitations imposed by, or resulting from, Creditor's Rights Limitations or other laws, judicial decisions, and principles of equity relating to the enforcement of contractual obligations generally, provided that no opinion is expressed herein regarding the validity or enforceability of Section 3.05 of the Loan Agreement or any other provision thereof that purports to require the Governmental Agency to indemnify or hold any party harmless.

(5) To the best of our knowledge, after such investigation as we have deemed appropriate, the authorization, execution, and delivery of the Loan Documents by the Governmental Agency, the observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements thereunder, and the consummation of the transactions

contemplated therein, do not and will not contravene any existing law, or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any outstanding instruments relating to the bonds, notes, or other indebtedness of, or relating to, the Governmental Agency.

(6) To the best of our knowledge, after such investigation as we deemed appropriate, all approvals, consents, or authorizations of, or registrations of or filings with, any governmental or public agency, authority, or person required to date on the part of the Governmental Agency in connection with the authorization, execution, delivery, and performance of the Loan Documents have been obtained or made.

****If the Governmental Agency constitutes an Enterprise under TABOR, the following paragraph should be included in the Bond Counsel opinion:**

(7) The execution and delivery of the Loan Documents are not subject to the limitations of Article X, Section 20 of the Colorado Constitution, since the Governmental Agency as defined in the Loan Agreement constitutes an enterprise under said Article X, Section 20 on the date of such execution and delivery. The performance of the Loan Documents is not subject to the limitations of said Article X, Section 20, as long as the Governmental Agency continues to qualify as an enterprise under said Article X, Section 20. If the Governmental Agency ceases to be an enterprise under said Article X, Section 20, during the Loan Term, the Loan Documents will continue to constitute legal, valid and binding obligations of the Governmental Agency enforceable in accordance with their respective terms; subject, however, to (a) Creditor's Rights Limitations or other laws, judicial decisions and principles of equity relating to the enforcement of contractual rights generally and (b) subject to the next sentence, the revenue and spending limitations of said Article X, Section 20. If the Governmental Agency at any time ceases to be an enterprise under said Article X, Section 20, (i) the **City/District/Town** may continue to impose and increase fees, rates and charges without voter approval; (ii) all revenues of the Governmental Agency used to pay Loan Repayments will be included in the Governmental Agency fiscal year spending limit under Section 7(d) of said Article X, Section 20 except that debt service changes and reductions are exceptions to, and not part of, the Governmental Agency revenue and spending bases and limits; and (iii) if the Governmental Agency is required to reduce spending in order to comply with its fiscal year spending limit under Section 7(b) of said Article X, Section 20, the Governmental Agency will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Loan Documents.

****If the Governmental Agency does not constitute an Enterprise under TABOR, the following paragraph should be included in the Bond Counsel opinion:**

(7) The Governmental Agency has complied with the requirements of Article x, Section 20 of the Colorado Constitution in connection with the execution and delivery of the loan documents.

This opinion is rendered on the basis of Federal law and the laws 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.

[insert "I" or "We"] hereby authorize Carlson, Hammond & Paddock, L.L.C., General Counsel to the Authority, to rely on this opinion as if [insert "I" or "we"] had addressed this opinion to them in addition to you.

Very truly yours,

Faint, illegible text, possibly bleed-through from the reverse side of the page.

EXHIBIT F

ADDITIONAL COVENANTS AND REQUIREMENTS

(1) Rate Covenant.

The Governmental Agency shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefor, are expected to produce Gross Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for each calendar year that will be at least sufficient for such calendar year to pay the sum of:

- (a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in Paragraph (3) of Exhibit A of this Loan Agreement) during such calendar year;
- (b) a sum equal to 110% of the debt service due on the Governmental Agency Bond for such calendar year and debt service coming due during such calendar year on any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property, in each case computed as of the beginning of such calendar year;
- (c) the amount, if any, to be paid during such calendar year into any debt service reserve account in connection with any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property;
- (d) a sum equal to the debt service on any obligations secured by a lien on the Pledged Property which lien is subordinate to the lien of this Loan Agreement on the Pledged Property for such calendar year computed as of the beginning of such calendar year; and
- (e) amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of the Gross Revenue during such calendar year.

(2) Rate Study.

In the event that Gross Revenue collected during a fiscal year is not sufficient to meet the requirements set forth in the Rate Covenant contained in Paragraph (1) of this Exhibit F to the Loan Agreement, the Governmental Agency shall, within 90 days of the end of such fiscal year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees, and charges for the use of the System that, in the opinion of the firm conducting the study will be sufficient to provide Gross Revenue to be collected in the next succeeding fiscal year that will provide compliance with the Rate Covenant described in Paragraph (1) of this Exhibit F to this Loan Agreement. Such a study

shall be delivered to the Authority. The Governmental Agency shall within six months of receipt of such study, adopt rates, fees, and charges for the use of the System, based upon the recommendations contained in such study, that provide compliance with said Rate Covenant. Notwithstanding the foregoing, the Authority may, from time to time, in its sole and absolute discretion and pursuant to such terms and restrictions it may specify, waive in writing the requirement that a rate study be performed by the Governmental Agency.

(3) Additional Bonds.

(a) Senior Lien Bonds. The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge, on the Pledged Property that is superior to the lien or charge of this Loan Agreement on the Pledged Property.

(b) Parity Lien Bonds. The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge, on the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued was at least equal to the sum of (a) 110% of the maximum annual debt service due in any one year on (i) this Loan Agreement and (ii) all other outstanding obligations of the Governmental Agency payable out of, or secured by a lien or charge on, the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, and (iii) such proposed obligations to be issued, and (b) the maximum annual debt service due in any one year on all obligations payable out of, or secured by a lien or charge on the Pledged Property that is subordinate to the lien or charge of this Loan Agreement on the Pledged Property.

(c) Subordinate Lien Bonds. The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on, the Pledged Property that is subordinate to the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) was at least 100% of the maximum annual debt service due in any one year on (a) all obligations outstanding during such period that are payable out of, or secured by a lien or charge on, the Pledged Property and (b) such proposed obligations to be issued.

(d) Net Revenue Adjustment. In calculating revenue coverage for purposes of the issuance of additional parity or subordinate lien bonds, the Governmental Agency may adjust Net Revenue to reflect any rate increases adopted in connection with the issuance of additional obligations by adding to the actual Net Revenue for the period examined an estimated sum equal to 100% of the estimated increase in Net Revenue that would have been realized during such period had the adopted rate increase been in effect during all of such period.

(e) Refunding Bonds. Notwithstanding the foregoing, the Governmental Agency may issue refunding obligations payable out of, or secured by a lien or charge on, the Pledged

Property, without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year.

(4) Lien Representation. ~~[insert if there is no outstanding debt] The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, prior to, or of equal rank with, the obligation of the Governmental Agency Bond.~~

~~[insert if the Authority Loan will be on a parity with the existing debt] The Governmental Agency has disclosed the following bonds, notes or other evidence of indebtedness of the Governmental Agency issued, or contractual obligations incurred, having a lien on the Source of Repayment of equal rank with the lien and charge on the Source of Repayment of the Governmental Agency Bond: {insert description of the parity lien obligations} (the "Parity Lien Obligations"). The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, other than that of the Parity Lien Obligations, that is of equal rank with the obligation of the Governmental Agency Bond. Further, the Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, that is prior to the obligation of the Governmental Agency Bond.~~

~~[insert if there is existing senior lien debt only] The Governmental Agency has disclosed the following bonds, notes or other evidence of indebtedness of the Governmental Agency issued, or contractual obligations incurred, having a lien on the Source of Repayment superior to the lien and charge on the Source of Repayment of the Governmental Agency Bond: {insert description of the senior lien obligations} (the "Senior Lien Obligations"). The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, other than that of the Senior Lien Obligations, that is prior to the obligation of the Governmental Agency Bond. Further, the Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, that is of equal rank with the obligation of the Governmental Agency Bond.~~

~~[insert if The Authority Loan will be junior to some debt and on parity with some existing debt] The Governmental Agency has disclosed the following bonds, notes or other evidence of indebtedness of the Governmental Agency issued, or contractual obligations incurred, having a lien on the Source of Repayment superior to the lien and charge on the Source of Repayment of the Governmental Agency Bond: {insert description of the senior lien obligations} (the "Senior Lien Obligations"). The Governmental Agency has disclosed the following bonds, notes or other evidence of indebtedness of the Governmental Agency issued, or contractual obligations incurred, having a lien on the Source of Repayment of equal rank with the lien and charge on the Source of Repayment of the Governmental Agency Bond: {insert description of the parity lien obligations} (the "Parity Lien Obligations"). The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, other than that of the Senior Lien Obligations, that is prior to the obligation of the Governmental Agency Bond. The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, other than that of the Parity Lien Obligations, that is of equal rank with the obligation of the Governmental Agency Bond.~~

(5) **Operation and Maintenance Reserve Fund.** The Governmental Agency shall maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the System as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances, or other unobligated cash or securities (i.e. capital reserves), or may be in a separate segregated fund and shall be maintained as a continuing reserve for payment of any lawful purpose relating to the System. If the operation and maintenance reserve falls below this requirement, the shortfall shall be made up in 24 substantially equal monthly installments beginning the second month after such shortfall.

(6) **Davis Bacon & Related Acts (DBRA).** The Governmental Agency will comply with the requirements of the Davis Bacon & Related Acts, codified at 40 U.S.C. §§ 3140 through 3148.

(7) **Cost Overruns.** Any cost overruns associated with the Project will be the responsibility of the Governmental Agency and any additional costs to defend against contract claims will not be reimbursed through this or any future funding.

(8) **Audit Requirements.** For each year in which the Governmental Agency requests a disbursement from the Project Loan Subaccount, the Governmental Agency shall conduct its annual audit in accordance with the federal Single Audit Act, 31 U.S.C. 7501 et seq.

(9) **American Iron and Steel Requirement.** The Governmental Agency will comply with all federal requirements applicable to the Loan, including Section 436 of P.L. 113-76, Consolidated Appropriations Act, 2014, (the "Appropriations Act") and related State Revolving Fund Policy Guidelines, which require that all of the iron and steel products (as defined in the Appropriations Act and Guidelines) used in the Project must be produced in the United States unless the Governmental Agency has requested and received a waiver from the requirement pursuant to the "waiver process" described in the Appropriations Act and Guidelines.

(10) **Construction Schedule.**

The Governmental Agency has provided the following estimated dates regarding the project:

- a) Advertisement for Bids Publication Date:
- b) Construction Contract Award Date:
- c) Construction Start Date:
- d) Construction Completion Date:

(11) **Technical Managerial and Financial Capacity Requirement.** As described in the Technical/Managerial/Financial (TMF) Capacity Evaluation Report dated August 8, 2023, there are no outstanding mandatory recommendations. ****Insert mandatory TMF requirements if any****

(12) **Build America, Buy America Act.** The Governmental Agency will comply with the terms of its waiver issued pursuant to the Build America Buy America Act, enacted as part of the Bipartisan Infrastructure Law, including guidance for implementing the BABA Act provided by the Office of Management and Budget, where applicable. BABA establishes domestic content

procurement preference requirements for federal financial assistance provided through the Clean Water and Drinking Water State Revolving Funds including that iron, steel, manufactured products, and construction materials used in covered projects are produced in the United States.

(13) **Bipartisan Infrastructure Law.** The Governmental Agency will comply with all federal requirements applicable to the Bipartisan Infrastructure Law (the Infrastructure Investment and Jobs Act) (Public Law 117-58) and related regulations and guidance, during the Loan Term.

EXHIBIT G
DWRF Form of Requisition

**THE TOWN OF SILTCITY OF _____, COLORADO, ACTING BY AND THROUGH ITS
WATER AND WASTEWATER ACTIVITY _____ ENTERPRISE (the "Governmental
Agency")**

Please submit to the following addresses:

Submit Online To:

https://ceos.colorado.gov/CO/CEOS/Public/Client/CO_CIMPLE/Shared/Pages/Main/Login.aspx

If there are any questions or technical issues, please submit your backup document via one of the methods below.

Email To: cdphe_grantsandloans@state.co.us (preferred backup method)

Or Mail To: Colorado Department of Public Health and Environment
Grants and Loans Unit WQCD-OA-B2
Attn: Project Manager
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Or Fax To: 303-782-0390 (Call CDPHE Project Manager to confirm delivery)

Cc: CDPHE Project Manager

Cc: E-mail requisition form (Exhibit G) to the Colorado Water Resources and Power
Development Authority at requisitions@cwprda.com

This requisition is made in accordance with Section 3.02 of the Loan Agreement executed by the Colorado Water Resources and Power Development Authority on _____, 2022. Terms defined in the Loan Agreement and not otherwise defined herein shall have the same meanings when used herein.

The Governmental Agency hereby states as follows:

1. This is Requisition No _____.
2. The amount requisitioned hereunder is _____.
3. The person, firm or corporation to whom the amount requisitioned is due, or to whom a reimbursable and advance has been made, is _____.
4. The payee of the requisitioned amount is _____.
5. The manner of payment to the payee is to be wire transferred to:

Bank:
ABA No.:
Account No.:
Account Name:
Contact:

- 6. Attached hereto is the appropriate documentation demonstrating that the amount requisitioned hereunder is currently due or has been advanced by the Governmental Agency.
- 7. The amount hereby requisitioned is a proper Cost of the Project to be paid only from amounts deposited in the Project Account established for the Governmental Agency in the **Drinking Water Revolving Fund**.
- 8. On the date hereof, there does not exist any Event of Default under the Loan Agreement nor any condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default thereunder.
- 9. Estimate of total project completion percentage: _____ %
- 10. The undersigned is an Authorized Officer of the Governmental Agency duly authorized in the Loan Agreement to submit the Requisition.
- 11. The Governmental Agency reaffirms that all representations made by it in the Loan Agreement are true and accurate as of the date of this requisition, and that it shall continue to observe and perform all of its duties, covenants, obligations and agreements thereunder, at all times during the entire term of said Loan Agreement.

Dated: _____.

**CITY OF _____ TOWN OF SILT, COLORADO,
 ACTING BY AND THROUGH ITS WATER AND WASTEWATER
ACTIVITY _____ ENTERPRISE**

By: _____.

Title: _____ & Authorized Officer

Print Name: _____

You should receive all payments no later than 10 working days after receipt of requisition unless otherwise notified.

- 1. The undersigned approves the disbursement of the requisitioned amount from the Project Loan Account established in the **Drinking Water Revolving Fund** Project Account.

**COLORADO WATER RESOURCES AND POWER DEVELOPMENT
 AUTHORITY**

By: _____
 Finance Director

Dated: _____

For Colorado Department of Public Health and Environment, Water Quality Control Division purposes only:

Payment approved by: _____

Dated: _____



Date: August 8, 2023
To: Mayor Richel & Board of Trustees
From: Jeff Layman, Town Administrator
Subject: Staff Report

Activities and initiatives:

- **Heron's Nest Annexation/Affordable Housing; Tie to Grant for Water/Wastewater Infrastructure:** In light of the Board's encouragement to "turn over every rock" to find water/wastewater plant funding, you will recall that we have been talking with the developer and planner of Heron's Nest. After applying for this grant, which would have paid the Town about \$2 M for water and wastewater tap fees, we were told by DOLA that our application was not viable because it did not meet one of the basic requirements of the grant, that of being an "in-fill" project.
We are continuing to work with Sustainable Strategies Principal Debra Figueroa to examine other housing infrastructure grant opportunities.

In the meantime, Heron's Nest is still moving forward with plans to re-annex at some point in the not-too-distant future.
- **Valley View Health Affordable Housing in Silt:** About three weeks ago, I reported to you that we were approached by a benefactor/board member at Valley View Hospital in Glenwood Springs to work with them to develop 100 affordable housing units for their some of their employees. After working with him on a couple of ideas, which he brought to the hospital board, he reported that they weren't ready to commit at this point. The effort has been terminated for now.
- **Tour of the Town with Trustee Classen:** At Trustee Classen's request, Trey Fonner and I spent about ½ hour with him last week touring the Town. We discussed several issues, mostly regarding the look of some of our rights of way. There are areas of Town where private property owners have allowed elm trees

and weeds to encroach on the road, in some cases close enough to potentially cause damage to the street. We also saw examples of trees hanging low into sidewalks and streets, some of which are Town responsibility, but most on private property. We found a light pole in Stoney Ridge completely surrounded by an errant elm tree and a significant noxious weed growth on a sidewalk on 16th. They will put the Town responsibilities on his “to-do” list, we’ll inspect the street where the elms are encroaching and consider where on the priority list the other code violations fall.

- **Astera Developments:** Astera is the buyer of the Town’s lot adjacent to the Holiday Inn Express. The property purchase settled on August 30. The sales price was \$299,000. The Town has an option to purchase the property back from Astera if they do not pull permits and pay tap fees by February of next year.

Astera has applied for a goat permit to weed the property and they’ve told us they will pull excavation and electric permits to bury the power line from the Holiday Inn to their sign soon. They are unable to move equipment onto the property until that is complete.

They also report that they are working with the environmental engineer on the Phase II environmental report, in which they will install a four-foot trench to collect samples and inspect the material.

Finally, they are working with the architect to finalize the site plan, the plans and specifications and application. A full Gantt chart will be shared once the plans and specifications are completed.

- **Broadband:** Trey and I participate in two meetings a week monitoring progress on this effort and I’m going to GJ this week to hear a presentation from DOLA and Region 10 on the overall progress of the project. In Silt, we’re awaiting a UPRR permit to cross their line, a Town building application and the emergency generator delivery. The estimated completion date is still 12/31/23.

Managers of New Castle, Rifle and Parachute and I will get a chance soon to discuss ideas for “last mile” implementation.

- **Party!** Town Staff will gather around horseshoes and BBQ to celebrate a summer, well done on Wednesday, September 27 at our new horseshoe pits in Stoney Ridge Park.



September 9, 2023

News You Can Use

Water Treatment Plant Upgrade Topic of Board of Trustees Review on Monday

Town Receives Over \$9 MM in Grants

The effort to improve the Silt Water Treatment Plant this week received a big boost when an agency of Colorado government voted unanimously to approve Bilateral Infrastructure Law (BIL) "principal forgiveness" (basically a grant) in the amount of \$6.645 MM to the project.

The Colorado Water Resources and Power Development Authority Board (WRPDA) also voted to fund an \$2 MM in additional grants as part of their base program. With the \$300,000 the Board granted the Town for design and engineering in June and the \$450,000 received from the Garfield County Federal Mineral Lease District earlier this year, the Town has reduced the amount of what it must borrow for the project by \$9.395 MM.

The WRPDA also voted to approve \$4 MM in BIL and \$14 MM in base loans for the Town, \$3 MM at a reduced interest rate of 3%. The remainder will be loaned at what the bond market will bear, thought to be around 3.3%.

How does this impact water rates?

Water rates will be the major topic of conversation between Trustees at the Monday, August 28 Board Meeting, beginning at 7 PM. The Board will also discuss construction cost trends, the budget as it now stands for the project, as well as a tentative construction schedule.

The plant has exceed its expected useful life and does not have the capacity to serve the growing community.

More information can be found at www.townofsilt.org on the home page, lower left-hand corner under the button titled "Water Treatment Plant Planning Documents and Information".

The meeting on Monday, August 28 will begin at 7 PM at Silt Town Hall.

Streets Work in Silt: Some Basics

PASER Scale

Rating	Condition	Appearance	Maintenance Needed
9-10	Excellent	Like new	None
8	Very good	No longitudinal cracks. Occasional transverse cracks that are at least 1/2" apart from each other.	Little or no maintenance needed
6-7	Good	Minor cracks with some surface wear	Sealing cracks, filling and sandblasting
4-5	Fair	Some cracking, more surface wear, slight rutting or distortions	Sealing, patching surface evenly
3	Poor	Extensive cracking, potholes, surface distortion	Polishing, resurfacing or extensive repaving
2	Very Poor	Severe cracking and distortion, multiple potholes	Reconstruction with extensive base repair
1	Failed	Excessive damage and loss of integrity	Full reconstruction needed

By Trey Fonner, Town of Silt Public Works Director

All the road work the Town has been able to accomplish over the last few years has brought forth some questions. I have had some Town Citizens come to me and ask what goes into the process of selecting which streets will be worked on. So, I figured there might be more of you out there with the same questions. Following is a brief description of the thought process and the different kind of treatments that are used.

First let's get the Interchange out of the way. This is a Colorado Department of Transportation (CDOT) structure and is maintained by them. The Town of Silt is active in the Inter Mountain Transportation Planning Region (IMTPR). This division of CDOT is where the Town "lobbies" to get the interchange improvements onto CODT's state wide 10-year plan or other plans to move a major redevelopment forward. The IMTPR boundaries are from Parachute to Silverthorne along I70 and also includes Highway 82 up to Aspen. It also includes Highway 24 to Leadville. Town Administrator Jeff Layman and I make sure that at least one of us are at these meetings, making sure the Town of Silt has a voice being heard.

Back on the Town's streets, there are 3 types of treatments that can be done to streets. First is a complete mill down and repaving, second is a 2" overlay of asphalt and third is a chip and seal. Examples of each one is Tara Subdivision was done with the first treatment, 3rd and 4th street made use of treatment number 2 and the Flying Eagle subdivision was done with third treatment. What treatment is used depends on the condition of the asphalt. The Town employs the Paser rating scale to judge the quality of asphalt within the Town. The process rates the quality of the pavement from one to ten and how long it will last until it ought to be replaced.

The mill down and replace is used on streets that show a lot of "alligator" cracking, numerous spots where the pavement is coming apart. These streets would be listed as the 1-3 ranking on the scale. The asphalt has too much damage and the other types of treatment would not hold on this road and in a year or less after treatment you would have the same problem again. Mill down and replace is the

most expensive of all the treatments, but after complete you should have 10 years before this asphalt will need treatment.

A 2" overlay can be used on streets that have limited "alligator" cracking and some transverse or longitudinal cracking. The asphalt would rank as the 4-5 on the scale. The asphalt is not so far gone as it would need to be completely removed, and laying a 2" layer on top will extend the streets life for 8 to 10 years before next treatment is done. At a price of around \$140.00 per ton you can see where this 2' overlay is cheaper than a mill and replace, which would take a 4" layer of Asphalt.



The last treatment for streets that rate 6-8 on the scale is the chip and seal. This treatment can be used on streets that have some transverse or longitudinal cracking but not much. The first step is to seal all the cracks and then put down a tack layer of tar. Small rock chips are then spread on the road and compacted in to the tar. It is then opened and used for a set number of days to let the everyday traffic push the chips in more. After that time a "fog" coat is applied. This will add 5-7 years to the life of the road before another treatment is needed. This is also about a third of the cost, or less of doing asphalt.

The final consideration on which streets will be done is what is under the street. As many of you know Water Mains, Wastewater Mains and Irrigation Mains transverse the Town under the streets. Part of the process is to evaluate what is there. Is the pipe in good enough condition that it does not need to be replaced before we spend the money to fix the road on top of it. The streets that have been done in the last couple years are streets that there are limited utilities underneath them or the utilities are in good enough shape that they do not need replaced at this time.

Which brings me to the question that has been asked the most. What about Grand Avenue? Grand is its own monster, there are numerous Water Mains, Wastewater Mains and Irrigation Mains under Grand. Most of these are in need of replacement and/or upsizing. Grand is currently in the Engineering phase, and the plan is to redo Grand from Pickett to First street. The overall project is estimated to cost Five million dollars to complete, so it will be done in phases. The first phase will be Pickett to about 16th Street. The Town is hoping to put Phase one out to bid in November of this year for construction to start in the Spring of 2024.

I hope this answers the questions that many of you might have. If you have more questions or would like to talk about streets, please feel free to contact me Trey@TownofSilt.org.

Painter and Photographer Dan Young to Present to the Board of Trustees at 5:30 Monday Night; Public Welcome



Silt's own resident artist Dan Young will be presenting both his thoughts and some of his work about the Silt River Preserve, a place where he has been creating great paintings for many years. Besides Dan's paintings made in this place, he has recently published a book of incredible photos that he has taken over the years.

Dan was born in Denver, and grew up in western Colorado. "Camping and fishing throughout the Rocky Mountains as a child was a strong influence on him and his work, Young has said. He attended Colorado Institute of Art, hoping to find a direction in art. After graduation he moved to Dallas to pursue the commercial art field.

Even with a successful Illustration career, the landscape calling him back. In 1989, he returned to Colorado to painting full time. Young enjoys painting the rural life of the ranches that dot the mountain valleys and river bottoms. He states, "Though I'm a landscape painter, I introducing hints of man's presence in the landscape. Sometimes I feel I'm in a race to paint a disappearing way of life. It's hard to watch so many of the family farms and ranches being swallowed up by development."



was always begin the west,

like

Dan will present a 30-minute collection of his work and talk about the special public place the Silt River Preserve has become. Besides Former Silt Public Works Director Jerry Pace, current PW Director Trey Fonner and Silt Project Manager Joe Lundeen, Dan is perhaps the preserve's biggest supporter.

Town of Silt Mourns James Vigil's Passing

It is with deep sadness and heavy hearts that the Town announces the loss of our colleague and friend, James Vigil.

James Vigil was a revered member of the Silt Public Works Department since he began his employment in 2021. James was excellent heavy equipment operator and top-notch mechanic. There is not much James has not done for the Town as a member of Public Works. When James was not at work you could find him working on something in his shop, or racing side by sides.

In February of 2023 James was hospitalized and received the news none of wants to hear.....cancer. He started undergoing chemotherapy and radiation treatment. While it looked for a while like the treatment was helping, the cancer never completely went away. James had been in and out of the hospital, since the diagnosis.

The Town of Silt, with the help of Larry Stewert and the Alpine Bank team, has set up a benefit account in James's name, to help his family with the mounting medical bills. If you would like to donate, please go to any Alpine Bank or come to Town Hall. The Vigil family and the Town of Silt would like to thank you for your support. For more information or questions, please contact Trey@Townofsilt.org.

Save the Date!



Family Fall Fest

Date: Tuesday, October 31st
Time: 4:00 P.M. - 6:00 P.M.
Location: 611 Main Street, Silt
CRFR (Silt Fire Station) Parking Lot

Join us for Scarecrow Making, Pumpkin Painting & Hayrides!!

Colorado River Fire Rescue

TOWN OF SILT

The poster features a warm, autumnal background with pumpkins, scarecrows, and hay. It includes logos for Colorado River Fire Rescue and the Town of Silt.



MAIN STREET

TRICK OR TREAT

Tuesday, October 31st
4:00 p.m. - 6:00 p.m.
Main Street In Silt

Trick or Treat Booths Will Be Set Up On Both Sides Of The Street, Plus Music & Lots Of Fun To Be Had By All!!!

TOWN OF SILT

The poster is decorated with Halloween-themed icons including pumpkins, bats, stars, candy corn, and a jack-o'-lantern. It features the Town of Silt logo and a 'Trick or Treat' bucket.



September 12, 2023 **EXTRA!**

News You Can Use

Help Get Your Trash Where It Belongs!!

Remember to pull your trash and recycling bins to the curb!!



Mountain Waste & Recycling has new Trucks!!

With this improvement, the truck only has a driver. Please make sure your bins are pulled all the way to the curb.

Thank you

Family Fall Fest

Date: Tuesday, October 31st
Time: 4:00 P.M. - 6:00 P.M.
Location: 611 Main Street, Silt
CRFR (Silt Fire Station) Parking Lot

Join us for Scarecrow Making, Pumpkin Painting & Hayrides!!

 Colorado River Fire Rescue 

MAIN STREET

TRICK OR TREAT

Tuesday, October 31st
4:00 p.m. - 6:00 p.m.
Main Street in Silt

Trick or Treat Booths Will Be Set Up On Both Sides Of The Street, Plus Music & Lots Of Fun To Be Had By All!!!

