

SOUTHEAST METRO STORMWATER AUTHORITY
acting by and through
SEMSWA WATER ACTIVITY ENTERPRISE

RESOLUTION 16-09
APPROVAL OF LOAN AGREEMENT WITH COBIZ BANK, A COLORADO
CORPORATION D/B/A/ COLORADO BUSINESS BANK

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.
SOUTHEAST METRO STORMWATER)
AUTHORITY)

The Board of Directors (the “Board” or “Board of Directors”) of Southeast Metro Stormwater Authority acting by and through SEMSWA Water Activity Enterprise, (in the City of Centennial, Arapahoe County, Colorado), met in regular session at 7437 South Fairplay Street, Centennial, Colorado, the 23rd day of March, 2016, at the hour of 1:30 p.m.

At such meeting, the following members of the Board of Directors were present, constituting a quorum:

Bart Miller	Chairperson
Rod Bockenfield	Vice-Chairperson
Ron Weidmann	Secretary/Treasuer
Stephanie Piko	
Nancy Sharpe	
Linda Lehrer	

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Southeast Metro Stormwater Authority acting by and through its SEMSWA Water Activity Enterprise, in the City of Centennial, County of Arapahoe, Colorado (the “Authority”) was formed pursuant to an intergovernmental agreement dated September 19, 2006 as a stormwater authority pursuant to Section 29-1-204.2 of the Colorado Revised Statutes, as amended (“C.R.S.”) (the “Act”); and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Loan Agreement (defined below); and

WHEREAS, the Authority was created for the purpose of providing certain public stormwater improvements and services to and for the benefit of the properties within the boundaries of the Authority, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property, and maintaining and operating such improvements, all in accordance with the Act; and

WHEREAS, the Board of Directors of the Authority (the “Board”) has determined that the interests of the Authority and the public safety and welfare demand the construction of certain drainage and flood control facilities associated with Piney Creek and other Authority infrastructure and all things necessary and incidental thereto (the “2017 Project”); and

WHEREAS, pursuant to Section 29-1-204.2(3)(g), C.R.S., the Authority is authorized to incur indebtedness to carry out the purposes of the Authority and the Authority maintains itself as an enterprise for purposes of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, for the purpose of financing the 2017 Project, the Board has previously determined and hereby determines that it is in the best interest of the Authority, its residents and customers to incur indebtedness in the form of a Loan Agreement (the “Loan Agreement”) with CoBiz Bank, a Colorado Corporation d/b/a/ Colorado Business Bank (the “Lender”), pursuant to which the Lender will make available to the Authority a tax-exempt loan in an amount not to exceed \$7,000,000 (collectively, the “Loan”); and

WHEREAS, the Authority’s repayment obligations under the Loan Agreement are to be further evidenced by a promissory note to be executed by the Authority in favor of the Lender in the aggregate principal amount not to exceed \$7,000,000 (the “Note”); and

WHEREAS, the Loan Agreement and the Note are to be executed and issued pursuant to the provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Act”), and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply the provisions of the Supplemental Act to the Loan Agreement and the Note; and

WHEREAS, the obligations of the Authority evidenced by the Loan Agreement and the Note are special revenue obligations of the Authority payable from the Pledged Revenues; and

WHEREAS, the Loan Agreement and the Note are issued to, and are subsequently assignable to only, “accredited investors” as defined in §11-59-110(1)(g) C.R.S., and, as a result, the Loan Agreement and the Note will be exempt from registration under the Colorado Municipal Bonds Supervision Act; and

WHEREAS, in addition to this Resolution, the Board has been presented with a substantially final draft of the Loan Agreement (including a form of the Note); and

WHEREAS, the Board desires to authorize the execution and delivery of the Loan Agreement, the Note, delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S. to make certain determinations regarding the Loan Agreement and the Note; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTHEAST METRO STORMWATER THAT:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Loan Agreement, and the following capitalized terms shall have the respective meanings set forth below:

“*Closing Date*” means such date as may be designated in the Sale Certificate.

“*Financing Documents*” means, collectively, this Resolution, the Loan Agreement and the Note.

“*Loan Agreement*” means the Loan Agreement to be dated the Closing Date and executed by and between the Authority and the Lender.

“*Note*” mean the Note executed by the Authority in favor of the Lender to evidence its repayment obligations under the Loan Agreement, to be dated the Closing Date.

“*Resolution*” means this Resolution which authorizes the execution and delivery of the Financing Documents.

“*Sale Certificate*” means the certificate executed by the Sale Delegate under the authority delegated pursuant to this Resolution which sets forth, among other things, the Closing Date, and the principal amount and the interest rate for the Loan and the Note.

“*Sale Delegate*” means the Chairperson or any member of the Board.

Section 2. Approval and Authorization of Financing Documents. The Financing Documents are incorporated herein by reference and are hereby approved. The Authority shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5

hereof). The Chairperson of the Authority and the Secretary or Assistant Secretary of the Authority are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the Authority thereto, and the Chairperson of the Authority, Assistant Secretary or Secretary of the Authority, and other appropriate officers of the Authority are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to execute, deliver, issue, secure, sell, deliver and administer the Loan Agreement and the Note, including to authorize the payment of net proceeds of the Loan for costs of issuance and the other purposes set forth in the recitals of this Resolution, in addition to the other uses contemplated by the Loan Agreement. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary or convenient and approved by the officer of the Authority executing the same and by general counsel to the Authority in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, then said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the Authority therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the Authority are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the Authority relating to the Financing Documents and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the Chairperson of the Authority, Assistant Secretary or Secretary of the Authority or other appropriate officer of the Authority in connection with the issuance, sale, execution, delivery or administration of the Loan Agreement and the Note not inconsistent herewith shall be conclusive evidence of the approval by the Authority of such instrument in accordance with the terms thereof and hereof.

Section 3. Purpose of and Security for Loan Agreement and Note. In accordance with the Constitution of the State of Colorado; the Act; the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be executed and delivered the Loan Agreement, and there shall be issued the Note, for the purpose of financing the 2017 Project and paying the costs of issuance of the Loan Agreement, all as further provided in the Loan Agreement. The Loan Agreement and the Note shall constitute a debt of the Authority's enterprise as provided in the Loan Agreement, secured by the Pledged Revenue.

Section 4. Loan Details. The principal amount of the Authority's obligation under the Loan Agreement and the Note shall be as set forth in the Sale Certificate. The Loan and the Note shall mature, be payable, be subject to optional prepayment prior to maturity, and shall bear interest as provided in the Loan Agreement.

Section 5. Delegation and Parameters.

(a) Pursuant to Section 11-57-205 C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Sale Certificate: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Sale Certificate and are not inconsistent with the Acts or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to prepare and execute the Sale Certificate. Upon the execution of the Sale Certificate, the matters set forth in the Sale Certificate shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Sale Certificate shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

- (i) the Closing Date;
- (ii) the total principal amount of the Loan and the principal amount of the Loan and the Note payable in each year; and
- (iii) the interest rate borne by the Loan and the Note.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

- (i) in no event shall the Sale Delegate be authorized to execute the Sale Certificate after the date that is 365 days after the date of adoption of this Resolution and in no event may the Loan Agreement be executed and delivered and the Note be issued after such date, absent further authorization by the Board;
- (ii) the principal amount of the combined amounts of the Loan shall not exceed \$7,000,000; and
- (iii) the non-default interest rate borne by the Loan and the Note shall not exceed 5%.

Section 6. Permitted Amendments to Resolution. Except as otherwise provided herein, the Authority may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Loan Agreement.

Section 7. Appointment of Authorized Person. The Chairperson of the Board is hereby appointed as the Authorized Person for the Authority, as defined in the Loan Agreement. In the Chairperson's absence or unavailability, the Secretary of the Board is hereby appointed as

the Authorized Person of the Authority. A different Authorized Person may be appointed by resolution adopted by the Board and a certificate filed with the Lender.

Section 8. Disposition and Investment of Proceeds; Tax Covenants. The proceeds of the Loan shall be issued and sold for the purposes aforesaid.

All or any portion of the Loan proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Loan Agreement). It is hereby covenanted and agreed by the Authority that it will not make, or permit to be made, any use of the original proceeds of the Loan, or of any moneys treated as proceeds of the Loan within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Loan under Section 103 of the Code and applicable regulations, rulings, and decisions.

The Board hereby designates the Loan and the Note as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code. The Board covenants that the aggregate face amount of all tax-exempt obligations issued by the Authority, together with governmental entities which derive their issuing authority from the Authority or are subject to substantial control by the Authority, shall not be more than \$10,000,0000 during the calendar year in which the Loan is made. The Board recognizes that such tax-exempt obligations include Note, leases, Loan and warrants, as well as bonds. The Board further recognizes that any bank, thrift institution or other financial institution that owns the Note will rely on the Board's designation of the Loan and the Note as a qualified tax-exempt obligation for the purpose of avoiding the loss of 100% of any otherwise available interest deduction attributable to such institution's tax-exempt holdings.

Section 9. Costs and Expenses. All costs and expenses incurred in connection with the execution and delivery of the Financing Documents shall be paid either from the proceeds of the Loan or from legally available moneys of the Authority, or from a combination thereof.

Section 10. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Loan Agreement and the Note as provided herein and in the Loan Agreement and the Note shall be governed by § 11-57-208 of the Supplemental Act, this Resolution, the Loan Agreement and the Note. The revenues pledged for the payment of the Loan Agreement and the Note, as received by or otherwise credited to the Authority or the Lender shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the Authority and the obligation to perform the contractual provisions made herein and in the Loan Agreement shall have priority over any or all other obligations and liabilities of the Authority. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such persons have notice of such liens.

Section 11. No Recourse Against Officers and Agents. Pursuant to § 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Authority acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prepayment penalties on the Loan Agreement and the Note.

Such recourse shall not be available either directly or indirectly through the Board or the Authority, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Loan Agreement and the Note, the Lender specifically waives any such recourse.

Section 12. Conclusive Recital. Pursuant to § 11-57-210 of the Supplemental Act, the Loan Agreement and the Note shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Loan Agreement and the Note after their delivery for value.

Section 13. Limitation of Actions. Pursuant to § 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the execution and delivery of the Loan Agreement and the authorization or issuance of the Note shall be commenced more than thirty days after the authorization of such securities.

Section 14. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the Authority and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, execution and delivery of the Financing Documents, or the execution of any documents in connection with the Financing Documents, are hereby ratified, approved, and confirmed.

Section 15. Resolution Irrepealable. After the execution and delivery of the Loan Agreement, this Resolution shall constitute a contract between the Lender and the Authority and shall be and remain irrepealable until the Loan Agreement and the Note and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Loan Agreement and the Note.

Section 16. Repealer. All orders, bylaws, and resolutions of the Authority, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 17. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 18. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

SOUTHEAST METRO STORMWATER AUTHORITY
acting by and through
SEMSWA WATER ACTIVITY ENTERPRISE

Date: _____

ATTEST:

Secretary

Chairperson

APPROVED AS TO FORM:

Attorney for
Southeast Metro Stormwater Authority

By: _____
Edward J. Krisor

[Signature page to Resolution]

SOURCES AND USES OF FUNDS

Southeast Metro Stormwater Authority
Series 2017- Full Amortization

Sources:

Bond Proceeds:	
Par Amount	7,000,000.00
	<hr/>
	7,000,000.00
	<hr/> <hr/>

Uses:

Other Uses of Funds:	
Additional Proceeds	7,000,000.00
	<hr/>
	7,000,000.00
	<hr/> <hr/>

BOND SUMMARY STATISTICS

Southeast Metro Stormwater Authority
Series 2017- Full Amortization

Dated Date	01/03/2017
Delivery Date	01/03/2017
Last Maturity	12/01/2023
Arbitrage Yield	2.608592%
True Interest Cost (TIC)	2.608592%
Net Interest Cost (NIC)	2.600000%
All-In TIC	2.608592%
Average Coupon	2.600000%
Average Life (years)	3.634
Duration of Issue (years)	3.430
Par Amount	7,000,000.00
Bond Proceeds	7,000,000.00
Total Interest	661,342.36
Net Interest	661,342.36
Total Debt Service	7,661,342.36
Maximum Annual Debt Service	1,094,477.48
Average Annual Debt Service	1,108,554.36
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	7,000,000.00	100.000	2.600%	3.634
	7,000,000.00			3.634

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,000,000.00	7,000,000.00	7,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	7,000,000.00	7,000,000.00	7,000,000.00
Target Date	01/03/2017	01/03/2017	01/03/2017
Yield	2.608592%	2.608592%	2.608592%

DETAILED BOND DEBT SERVICE

Southeast Metro Stormwater Authority
Series 2017- Full Amortization

Bond Component (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2017	244,297.15	2.600%	29,322.22	273,619.37	273,619.37
06/01/2017	229,707.30	2.600%	43,912.07	273,619.37	
09/01/2017	231,200.40	2.600%	42,418.97	273,619.37	
12/01/2017	232,703.20	2.600%	40,916.17	273,619.37	
03/01/2018	234,215.77	2.600%	39,403.60	273,619.37	1,094,477.48
06/01/2018	235,738.17	2.600%	37,881.20	273,619.37	
09/01/2018	237,270.47	2.600%	36,348.90	273,619.37	
12/01/2018	238,812.73	2.600%	34,806.64	273,619.37	
03/01/2019	240,365.01	2.600%	33,254.36	273,619.37	1,094,477.48
06/01/2019	241,927.39	2.600%	31,691.98	273,619.37	
09/01/2019	243,499.91	2.600%	30,119.46	273,619.37	
12/01/2019	245,082.66	2.600%	28,536.71	273,619.37	
03/01/2020	246,675.70	2.600%	26,943.67	273,619.37	1,094,477.48
06/01/2020	248,279.09	2.600%	25,340.28	273,619.37	
09/01/2020	249,892.91	2.600%	23,726.46	273,619.37	
12/01/2020	251,517.21	2.600%	22,102.16	273,619.37	
03/01/2021	253,152.07	2.600%	20,467.30	273,619.37	1,094,477.48
06/01/2021	254,797.56	2.600%	18,821.81	273,619.37	
09/01/2021	256,453.75	2.600%	17,165.62	273,619.37	
12/01/2021	258,120.69	2.600%	15,498.68	273,619.37	
03/01/2022	259,798.48	2.600%	13,820.89	273,619.37	1,094,477.48
06/01/2022	261,487.17	2.600%	12,132.20	273,619.37	
09/01/2022	263,186.84	2.600%	10,432.53	273,619.37	
12/01/2022	264,897.55	2.600%	8,721.82	273,619.37	
03/01/2023	266,619.38	2.600%	6,999.99	273,619.37	1,094,477.48
06/01/2023	268,352.41	2.600%	5,266.96	273,619.37	
09/01/2023	270,096.70	2.600%	3,522.67	273,619.37	
12/01/2023	271,852.33	2.600%	1,767.04	273,619.37	
03/01/2024					820,858.11
	7,000,000.00		661,342.36	7,661,342.36	7,661,342.36

BOND SOLUTION

Southeast Metro Stormwater Authority
Series 2017- Full Amortization

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service
12/01/2016			
03/01/2017	244,297	273,619	273,619
06/01/2017	229,707	273,619	273,619
09/01/2017	231,200	273,619	273,619
12/01/2017	232,703	273,619	273,619
03/01/2018	234,216	273,619	273,619
06/01/2018	235,738	273,619	273,619
09/01/2018	237,270	273,619	273,619
12/01/2018	238,813	273,619	273,619
03/01/2019	240,365	273,619	273,619
06/01/2019	241,927	273,619	273,619
09/01/2019	243,500	273,619	273,619
12/01/2019	245,083	273,619	273,619
03/01/2020	246,676	273,619	273,619
06/01/2020	248,279	273,619	273,619
09/01/2020	249,893	273,619	273,619
12/01/2020	251,517	273,619	273,619
03/01/2021	253,152	273,619	273,619
06/01/2021	254,798	273,619	273,619
09/01/2021	256,454	273,619	273,619
12/01/2021	258,121	273,619	273,619
03/01/2022	259,798	273,619	273,619
06/01/2022	261,487	273,619	273,619
09/01/2022	263,187	273,619	273,619
12/01/2022	264,898	273,619	273,619
03/01/2023	266,619	273,619	273,619
06/01/2023	268,352	273,619	273,619
09/01/2023	270,097	273,619	273,619
12/01/2023	271,852	273,619	273,619
	7,000,000	7,661,342	7,661,342

LOAN AGREEMENT

by and between

**SOUTHEAST METRO STORMWATER AUTHORITY
ARAPAHOE COUNTY, COLORADO**

and

COBIZ BANK D/B/A COLORADO BUSINESS BANK
as Lender

Dated as of _____, 201_

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EXHIBIT A FORM OF NOTE

DRAFT

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”) is made and entered into as of _____, 201_, by and between **SOUTHEAST METRO STORMWATER AUTHORITY**, a drainage authority and political subdivision of the State of Colorado (the “Authority”), and **COBIZ BANK**, a Colorado corporation d/b/a **COLORADO BUSINESS BANK**, in its capacity as lender (the “Bank”).

WITNESSETH:

WHEREAS, the Authority is a political subdivision of the State of Colorado, duly organized and existing as a drainage authority under the constitution and laws of the State of Colorado (all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in Article I hereof); and

WHEREAS, the Authority was created pursuant to an Intergovernmental Agreement dated September 19, 2006 (the “IGA”) for the purpose of providing certain public stormwater improvements and services to and for the benefit of the properties within the boundaries of the Authority (the “Public Improvements”), and maintaining and operating such improvements, all in accordance with Section 29-1-204.2 C.R.S. (the “Act”); and

WHEREAS, the Board of Directors of the Authority (collectively, the “Board”) has determined that the interests of the Authority and the public interest demand the design, acquisition, construction, relocation, installation and completion of certain public infrastructure and all things necessary and incidental thereto; and

WHEREAS, pursuant to Section 29-1-204.2(3)(g), C.R.S., the Authority is authorized to incur indebtedness for the acquisition, construction, installation or completion of any improvements or facilities to carry out the purposes of the Authority; and

WHEREAS, the Authority by resolution of the Board operates as an enterprise as such term is defined in Article X, Section 20 of the Colorado Constitution known as the SEMSWA Water Activity Enterprise (the “Enterprise”); and

WHEREAS, it has been determined by the Authority that it is necessary to finance an expansion to certain drainage and flood control facilities associated with the expansion of Piney Creek and other Authority infrastructure (the “2017 Project”) and that for such purpose, the Authority should authorize the incurrence of debt in the form of a loan to the Enterprise; and

WHEREAS, the Authority has requested the Bank to provide financing by making available to the Authority term loans in the maximum principal amount of \$7,000,000 (as more particularly defined herein, the “Loan”); and

WHEREAS, the Bank is willing to enter into this Agreement and to make the Loan on a tax-exempt basis to the Authority pursuant to the terms and conditions stated below; and

WHEREAS, the Loan shall be payable from and secured by the Pledged Revenue on a parity with the pledge of such revenues to the Bank in a Loan Agreement dated August 26, 2014 (the "Parity Loan") as more fully set forth herein; and

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties hereto agree as follows.

ARTICLE I

DEFINITIONS

Words and terms defined in the recitals hereof, as hereby supplemented and amended, shall have the same meanings herein or therein assigned to them, unless the context or use indicates another meaning or intent, and except to the extent amended by the definitions hereinafter set forth. In addition, the following terms shall have the meanings set forth herein:

"*Act*" means Section 29-1-204.2, C.R.S.

"*Authorized Person*" means the Chairperson or the Secretary of the Authority, and also means any other individual authorized by the Board to act as an Authorized Person hereunder.

"*Authorizing Resolution*" means Resolution 16-09 adopted by the Board on March 23, 2016, authorizing the Authority to enter into the Loan and execute and deliver the Note, this Agreement, and the other Financing Documents.

"*Bank*" means CoBiz Bank, a Colorado corporation d/b/a Colorado Business Bank, Denver, Colorado, in its capacity as lender of the Loan.

"*Bank Qualified Tax-Exempt Rate*" means [_____] %.

"*Business Day*" means any day of the week on which the Bank is conducting its banking operations nationally and on which day the Bank's offices are open for business in Denver, Colorado.

"*Closing*" means the concurrent execution and delivery of the Note, this Agreement, and the other Financing Documents by the respective parties thereto and the issuance and disbursement of the Loan and application of the proceeds thereof in accordance with the provisions hereof.

"*Closing Date*" means date on which the Closing occurs.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"*Commitment Fee*" means the fee paid by the Authority to the Bank set forth in Section 2.01(b) hereof.

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

“*Debt*” means, without duplication, all of the following obligations of the Authority for the payment of which the Authority has pledged its Pledged Revenues: (a) borrowed money of any kind; (b) obligations evidenced by bonds, debentures, notes or similar instruments including, but not limited to, the Parity Loan; (c) obligations upon which interest charges are customarily paid; (d) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the Authority; (e) obligations issued or assumed as the deferred purchase price of property or services; (f) obligations in connection with indebtedness of others secured by (or which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or other encumbrance on property owned or acquired by the Authority, whether or not the obligations secured thereby have been assumed (only to the extent of the fair market value of such asset if such indebtedness has not been assumed by the Authority); (g) obligations arising from guarantees made by the Authority; (h) obligations evidenced by capital leases; (i) obligations as an account party in respect of letters of credit and bankers’ acceptances or similar obligations issued in respect of the Authority; and (j) obligations evidenced by any interest rate exchange agreement; provided that notwithstanding the foregoing, the term “Debt” does not include obligations issued for any purpose, the repayment of which is contingent upon the Authority’s annual determination to appropriate moneys therefor so long as (i) such obligations are payable only to the extent the Authority has excess moneys on hand, (ii) such obligations are payable in any Fiscal Year only after the last scheduled payment of principal or interest on the Loan in such Fiscal Year, and (iii) the Authority makes no promise to impose any tax, fee, or other governmental charge for the payment of such obligations.

“*Debt Service*” means, for any period, the total amount of principal and interest due on the Loan and the Parity Loan.

“*Debt Service Coverage Ratio*” means, for any period, aggregate Pledged Revenue received by or on behalf of the Authority less Operation and Maintenance Expenses, divided by Debt Service during such period.

“*Default Interest Rate*” means a rate per annum equal to the Prime Rate plus 5%.

“*Electronic Notification*” means telecopy, facsimile transmissions, email transmissions or other similar electronic means of communication providing evidence of transmission.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Financing Documents*” means this Agreement, the Note and the Authorizing Resolution, and any other document or instrument required or stated to be delivered hereunder or thereunder, all in form and substance satisfactory to the Bank.

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

“*General Counsel*” means Edward J. Krisor or any successor General Counsel designated in writing by the Authority.

“*Loan*” means the tax-exempt loan made by the Bank to the Authority in the original principal amount of \$7,000,000 as evidenced by the Note and made in accordance with the terms and provisions of this Agreement.

“*Loan Amount*” means with respect to the Loan, Seven Million and 00/100 U.S. Dollars (\$7,000,000).

“*Loan Payment Fund*” means the fund by that name established by the provisions of this Agreement pursuant to Section 3.04 hereof.

“*Maturity Date*” means March 1, 2024.

“*Note*” means the Southeast Metro Stormwater Authority Revenue Note, Series 201_ evidencing the Loan issued in the original principal amount of \$7,000,000 from the Authority, as maker, to the Bank, as payee.

“*Operation and Maintenance Expenses*” means the expenses incurred by the Enterprise in operating and maintaining the assets of the Enterprise.

“*Payment Date*” means the 1st day of each _____, _____, _____ and _____ of each year, commencing _____, 2017 and continuing through and including the Maturity Date.

“*Permitted Investments*” means any investment or deposit permissible under then applicable law for governmental entities such as the Authority.

“*Person*” means an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“*Pledged Revenue*” means, the storm drainage utility fees of the Authority and any other subsequently imposed fees and charges collected by the Authority. Such term includes all amounts held in the funds and accounts held by the Authority and the Enterprise to secure the Loan and the Note.

“*Prime Rate*” means a variable per annum rate of interest equal at all times to the rate of interest established and quoted by the Bank as its “Prime Rate,” “Base Rate” or “Reference Rate,” such rate to change contemporaneously with each change in such established and quoted rate, provided that it is understood that the Prime Rate shall not necessarily be representative of the rate of interest actually charged by the Bank on any loan or class of loans.

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

“*Taxable Rate*” means with respect to the Loan, [_____] %.

“*Tax Certificate*” means the tax compliance certificate prepared by Tax Counsel to be signed by the Authority relating to the requirements of Sections 103 and 141-150 of the Code.

“*Tax Counsel*” means Kutak Rock LLP.

“*Unrestricted Cash and Investments*” means the cash and investments available for the general operating expenses of the District.

ARTICLE II

LOAN

Section 2.01. Term Loan.

(a) ***Agreement to Make Loan.*** The Bank hereby agrees to extend the Loan to the Authority in the aggregate principal amount of \$7,000,000 (as previously defined, the “Loan Amount”) subject to the terms and conditions of this Agreement. The Loan shall be evidenced by the Note, the form of which is set forth in Exhibit A.

(b) ***Payment of Commitment Fee.*** The Authority shall pay no Commitment Fee at Closing.

(c) ***Application of Loan Proceeds.*** The Loan Amount shall be distributed to the Authority on the Closing Date for payment of the costs of the 2017 Project.

Section 2.02. Interest Rate; Interest Payments; Principal Payments.

(a) ***Interest Rate.*** The unpaid principal balance of the Loan will bear interest as follows:

(i) the Loan shall bear interest from the Closing Date at a rate of 3.421% per annum;

(ii) all interest due and payable under this Agreement shall be calculated on the basis of a 360-day year with 12 30-day months.

(b) ***Interest Payments.***

(i) ***Quarterly Payments.*** Interest payments on the Loan shall be due quarterly on each Payment Date and on the Maturity Date.

(ii) ***Default Interest Rate.*** Immediately upon the occurrence of an Event of Default or upon the Maturity Date, interest shall immediately begin to accrue and compound quarterly on all principal amounts owing on the Loan at the Default Interest Rate for so long as such Event of Default continues and remains uncured or, if after the Maturity Date, for so long as amounts due on the Loan remain unpaid; notwithstanding the foregoing, in the case of an Event of Default pursuant to Section 7.01(o), the Loan shall bear interest at the Taxable Rate until the Maturity Date, and the Default Interest Rate thereafter.

(c) **Principal Payments.** Repayment of principal amounts owing under the Loan shall commence on _____, 2017. Principal payments thereafter shall be made quarterly each year thereafter until the Maturity Date, on which Maturity Date the outstanding principal balance of the Loan shall be due and payable in full. The quarterly principal payment amounts shall be as set forth below (may be adjusted upon final funding date).

Payment Date	Principal Amount Due¹	Payment Date	Principal Amount Due¹
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¹ Assumes no prepayments of Loan principal prior to Maturity Date.

(d) **Prepayment.** Upon two Business Days' prior written notice to the Bank, the Authority may prepay amounts owing under the Note at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment, the Authority may be required to pay the Bank an additional fee (the "Prepayment Fee"), determined in the manner provided below, to compensate the Bank for all losses, costs and expenses incurred in connection with such prepayment.

The Prepayment Fee shall be equal to (1) the present value of the difference between (a) the amount that would have been realized by the Bank on the prepaid amount for the remaining term of the loan at the fixed rate on the Note and (b) the amount that would be realized by the Bank by reinvesting such prepaid funds for the remaining term of the loan at the (i) then-current market swap rate plus (ii) a spread of 7.0%, in effect at the time of prepayment as determined by the Bank; both (a) and (b) discounted at the then-current market swap rate excluding the spread; plus (2) interest accrued from the beginning of the last payment date to the date of prepayment. Should the present value have no value or a negative value, the Authority may repay with no additional fee.

Partial prepayments may be made subject to a prepayment penalty based upon the same calculation methodology described above. Any partial prepayment shall be applied to installments of principal in the inverse order of maturity in an amount no less than \$250,000 and shall not postpone the due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. Any amounts repaid hereunder may not be re-borrowed.

(e) **Obligations Unconditional.** The Authority's obligation to repay the Loan hereunder and all of its other obligations under this Agreement shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Authority may have against the Bank, any Participant (as defined in Section 8.02(c)), or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of the Loan hereunder, and irrespective of the legality, validity, regularity or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Bank explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, all or any of the Financing Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the Authority hereunder and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided, however, that nothing contained in this Section 2.02(e) shall abrogate or otherwise affect the rights of the Authority pursuant to Section 8.16 hereof.

(f) **Waivers, Etc.** To the full extent permitted by law: (i) the Authority hereby waives (A) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor and notice of nonpayment; (B) to the extent the Bank is not in default hereunder, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of the Authority to the Bank hereunder, howsoever arising, has been paid; (C) the right to require the Bank to proceed against the

Authority hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (D) all statutes of limitation; and (E) any defense arising out of the election by the Bank to foreclose on any security by one or more non-judicial or judicial sales; (ii) the Bank may exercise any other right or remedy, even though any such election operates to impair or extinguish the Authority's right to repayment from, or any other right or remedy it may have against, any Person, or any security; and (iii) the Authority agrees that the Bank may proceed against the Authority or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under any Financing Document (other than by mutual agreement between the Authority and the Bank) shall not in any way affect the liability of the Authority hereunder.

(g) ***Manner of Payments.*** All interest, fees, and other payments to be made hereunder by or on behalf of the Authority to the Bank shall be made, and shall not be considered made until received, in United States dollars from amounts in the Loan Payment Fund or the Pledged Revenue Fund in immediately available funds. The Authority shall make each payment hereunder in the manner and at the time necessary so that each such payment is received by the Bank not later than 12:00 noon, Denver time, on the day when due in lawful money of the United States of America in immediately available funds. Any payment received after 12:00 p.m., Denver time, shall be deemed made on the next succeeding Business Day.

(h) ***Default Interest Rate; Calculation of Interest and Fees.*** All interest and fees due and payable under this Agreement shall be calculated on the basis of a 360-day year and actual number of days elapsed. Any sum due to the Bank and not paid when due and any sum due to the Bank upon the occurrence or during the continuance of any Event of Default hereunder shall bear interest and compound quarterly at the Default Interest Rate.

Section 2.03. Costs, Expenses and Taxes. The Authority agrees to pay all reasonable costs and expenses actually incurred by the Bank in connection with (a) the preparation, execution and delivery of this Agreement or any other documents, including the other Financing Documents, which may be delivered by any party in connection with this Agreement and the other Financing Documents; and (b) the filing, recording, administration (other than normal, routine administration), enforcement, transfer, amendment, maintenance, renewal or cancellation of this Agreement and all amendments or modifications thereto (or supplements hereto), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank and independent public accountants and other outside experts retained by the Bank in connection with any of the foregoing. In addition, the Authority agrees to pay promptly all reasonable costs and expenses of the Bank, including, without limitation, the actual, reasonable fees and expenses of external counsel, for (i) any and all amounts which the Bank has paid relative to the Bank's curing of any Event of Default under this Agreement or any of the Financing Documents; (ii) the enforcement of this Agreement or any of the Financing Documents; or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount hereunder.

Without prejudice to the survival of any other agreement of the Authority hereunder, the agreements and obligations contained in this Section 2.03 shall survive the payment in full of all amounts owing to the Bank hereunder.

Section 2.04. Pledge. The Authority hereby pledges, assigns and grants to the Bank a first priority security interest on parity with the Parity Loan in the Pledged Revenue to secure its obligations to the Bank hereunder and under the other Financing Documents. The lien of the Bank on the Pledged Revenue hereunder shall be subject to no other liens except those subordinate liens granted on the Pledged Revenue from the Subordinate Debt and first lien on the Parity Loan. The Authority represents and warrants that, except as described in this Section 2.04, the Pledged Revenue is not and shall not be subject to any other lien or encumbrance without the prior written consent of the Bank.

Section 2.05. Conditions to Closing. The funding by the Bank of the Loan is conditioned upon the satisfaction of each of the following:

(a) all Financing Documents and other instruments applicable to the Loan are in form and content satisfactory to the Bank and have been duly executed and delivered in form and substance satisfactory to the Bank and shall have not been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof shall have been delivered to the Bank;

(b) the Bank has received a certified copy of the Authorizing Resolution of the Authority, which shall be in form and content satisfactory to the Bank and authorize the Authority to obtain the Loan and perform all acts contemplated by this Agreement and all other Financing Documents, and a certified copy of all other ordinances, resolutions and proceedings taken by the Authority authorizing the Authority to obtain the Loan and the execution, delivery and performance of this Agreement and the other Financing Documents and the transactions contemplated hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of the Authority authorized to sign this Agreement and the other Financing Documents to be delivered by the Authority hereunder and as to other matters of fact as shall reasonably be requested by the Bank;

(c) the Authority has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the Authority contained in this Agreement and in any other Financing Document is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Financing Documents, or under any other agreements by and between the Authority and the Bank and certifying as to such other matters as the Bank might reasonably request;

(d) the Bank shall have received the opinion of Tax Counsel as to the exemption of interest on the Loan from income taxation by the United States of America and the State of Colorado standard in similar transactions and reasonably satisfactory to the Bank;

(e) the Bank shall have received evidence satisfactory to the Bank that all conditions precedent for the issuance of debt and receipt of the Pledged Revenue under the IGA have been satisfied;

(f) all proceedings taken in connection with the transactions contemplated by this Agreement, and all instruments, authorizations and other documents applicable thereto, are satisfactory to the Bank and its counsel;

(g) the Bank shall have received an opinion of General Counsel to the Authority relating to due organization, due delivery and due execution of the Financing Documents standard in similar transactions and reasonably satisfactory to the Bank;

(h) no law, regulation, ruling or other action of the United States, the State of Colorado or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Authority from fulfilling its obligations under this Agreement or the other Financing Documents;

(i) all Bank counsel fees and any other fees and expenses due and payable in connection with the execution and delivery of this Agreement shall have been paid by the Authority upon issuance of the Loan;

(j) the Bank shall have been provided with the opportunity to review all pertinent financial information regarding the Authority, agreements, documents, and any other material information relating to the Authority or the Pledged Revenue or any other component of the collateral securing the obligations of the Authority hereunder;

(k) all information provided by the Authority to the Bank is accurate in all respects;

(l) the Authority is not in violation or breach of any other agreement with the Bank of any type or amount or of any third-party obligation in excess of \$50,000;

(m) creation and evidence of a first and exclusive perfected security interest in favor of the Bank in the collateral securing the obligations of the Authority hereunder;

(n) the Bank shall have received such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Bank;

(o) the Authority shall have received an investment letter from the Bank in a form satisfactory to the Authority; and

(p) all other legal matters pertaining to the execution and delivery of this Agreement and the other Financing Documents shall be reasonably satisfactory to the Bank.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Acknowledgement of Funds. The Authority shall create and establish the following funds and accounts, which shall be held and administered in accordance with the provisions hereof:

- (a) the Pledged Revenue Fund; and
- (b) the Loan Payment Fund

Section 3.02. Application of Pledged Revenue. The Authority shall transfer all amounts comprising Pledged Revenue to the Pledged Revenue Fund as soon as may be practicable after the receipt thereof.

Section 3.03. Pledged Revenue Fund. Moneys in the Pledged Revenue Fund shall be deposited in the Loan Payment Fund no less than two Business Days prior to each Payment Date and the Maturity Date in the principal amounts described in Section 2.02(c) hereof and the interest due on the Loan up to the Payment Date. Amounts not required to be deposited in the Loan Payment Fund may be used by the Authority for any legally available purpose. Notwithstanding the foregoing, so long as no Event of Default has occurred, the Authority may pay the principal and interest due on the Loan directly from the Pledged Revenue Fund without making any deposits into the Loan Payment Fund.

Section 3.04. Loan Payment Fund. Moneys in the Loan Payment Fund or the Pledged Revenue Fund shall be applied by the Authority on each Payment Date and the Maturity Date for payment of the principal and interest then due on the Loan.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the Authority continuously represents and warrants to the Bank as follows:

Section 4.01. Due Organization. The Authority is a political subdivision of the State of Colorado and a body corporate duly organized and validly existing under the laws of the State of Colorado.

Section 4.02. Power and Authorization. The Authority has all requisite power and authority to own and convey its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents; to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents; and to cause the execution, delivery and performance of the Financing Documents.

Section 4.03. No Legal Bar. To the best of the Authority's knowledge, the Authority is not in violation of any of the provisions of the laws of the State of Colorado or the United States of America or any of the provisions of any order of any court of the State of Colorado or the United States of America which would affect its existence or its powers referred to in the preceding Section 4.02. The execution, delivery and performance by the Authority of this Agreement and of the other Financing Documents (a) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority; (b) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the Authority; and (c) will not violate any provision of, constitute a default under, or result in the creation, imposition or foreclosure of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind other than liens created or imposed by the Financing Documents, on any of the revenues or other assets of the Authority which could have a material adverse effect on the assets, financial condition, business or operations of the Authority, on the Authority's power to cause the Financing Documents to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the Authority under this Agreement or the other Financing Documents.

Section 4.04. Consents. The Authority has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by the Authority of this Agreement and the other Financing Documents.

Section 4.05. Litigation. There is no action, suit, inquiry or investigation or proceeding to which the Authority is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of the Authority, threatened in connection with any of the transactions contemplated by this Agreement or against or affecting the assets of the Authority, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding (a) would adversely affect the validity or enforceability of, or the authority or ability of the Authority to perform its obligations under, the Financing Documents; (b) would, in the reasonable opinion of the Authority, have a materially adverse effect on the ability of the Authority to conduct its business as presently conducted or as proposed or contemplated to be conducted; or (c) would adversely affect the exclusion of interest on the Loan from gross income for federal income tax purposes or the exemption of such interest from State of Colorado personal income taxes.

Section 4.06. Enforceability. This Agreement and each other Financing Document constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

Section 4.07. Changes in Law. To the best knowledge of the Authority, there is not pending any change of law which, if enacted or adopted could have a material adverse effect on the assets, financial condition, business or operations of the Authority, on the Authority's power to issue or its ability to pay in full in a timely fashion the obligations of the Authority under this Agreement or the other Financing Documents.

Section 4.08. Financial Information and Statements. The audited financial statements previously provided to the Bank or provided to the Bank in the future are or will be complete and accurate and prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the Authority's financial condition since such information was provided to the Bank.

Section 4.09. Accuracy of Information. All information, certificates or statements given to the Bank pursuant to this Agreement and the other Financing Documents will be true and complete when given.

Section 4.10. IRS Listing. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is an issuer of obligations whose arbitrage certifications may not be relied upon.

Section 4.11. Tax-Exempt Status. To the best of the Authority's knowledge, the Authority has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Loan from gross income for federal income tax purposes or the exemption of such interest from State of Colorado personal income taxes.

Section 4.12. Financing Documents. Each representation and warranty of the Authority contained in any Financing Document is true and correct as of the Closing Date.

Section 4.13. Regulations U and X. The Authority is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Loan will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 4.14. Default, Etc. The Authority is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Financing Document or other resolution, agreement or instrument to which it is a party which would have a material adverse effect on the ability of the Authority to perform its obligations hereunder or under the other Financing Documents, or which would affect the enforceability hereof or thereof.

Section 4.15. Sovereign Immunity. Except for actions that lie or would lie in tort, the Authority does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Agreement or any of the other Financing Documents.

Section 4.16. No Filings. No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein; all obligations of the Authority hereunder are secured by the lien and pledge provided for herein; and the liens and pledges provided for herein constitute valid prior liens subject to no other liens.

Section 4.17. Outstanding Debt. Other than the Parity Loan, the Authority has no other Debt outstanding payable from or secured by the Pledged Revenue or any portion thereof or any other component of the collateral securing the obligations of the Authority hereunder. The

Authority represents and warrants that it will incur additional Debt only in accordance with the provisions of Section 5.11 of this Agreement.

Section 4.18. Appropriation. No portion of the Pledged Revenue or any other component of the collateral securing the obligations of the Authority hereunder is subject to appropriation by any other Person.

ARTICLE V

COVENANTS OF THE AUTHORITY

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the Authority continuously warrants and agrees as follows:

Section 5.01. Performance of Covenants, Authority. The Authority covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Authorizing Resolution, this Agreement, the Note, the other Financing Documents and all its proceedings pertaining thereto as though such covenants, undertakings, stipulations, and provisions were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of the Authority under this Agreement shall be unpaid or unperformed). The Authority covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Act, to issue the Loan and to execute and deliver the Note, this Agreement, and the other Financing Documents, and that all action on its part for the issuance of the Loan and the execution and delivery of the Note, this Agreement, and the other Financing Documents has been duly and effectively taken and will be duly taken as provided herein, and that the Loan, the Note, this Agreement, and the other Financing Documents are and will be valid and enforceable obligations of the Authority according to the terms hereof and thereof.

Section 5.02. Laws, Permits and Obligations. The Authority will comply in all material respects with all applicable laws, rules, regulations, orders and directions of any governmental authority and all agreements and obligations binding on the Authority, noncompliance with which would have a material adverse effect on the Authority, its financial condition, assets or ability to perform its obligations under this Agreement and/or the other Financing Documents; provided that the Authority may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to the Authority to the extent that such action would not be likely to have a material adverse effect on the Authority's ability to perform its obligations hereunder.

Section 5.03. Tax Covenants.

(a) **Covenants.** The Authority covenants to comply with the tax covenants set forth in the Authorizing Resolution and the Tax Certificate.

(b) **Designation of Loan as Qualified Tax Exempt Obligation.** The Authority hereby designates the Loan as "qualified tax exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Authority covenants that the aggregate

face amount of all tax-exempt obligations issued by the Authority, together with governmental entities which derive their issuing authority from the Authority or are subject to substantial control by the Authority, shall not be more than \$10,000,000 during the calendar year in which the Loan is made. The Authority recognizes that such tax-exempt obligations include notes, leases, loans, warrants, and bonds. The Authority further recognizes that any bank, thrift institution, or other financial institution that owns the Loan will rely on the Authority's designation of the Loan as a qualified tax-exempt obligation for the purpose of avoiding the loss of 100% of any otherwise available interest deduction attributable to such institution's tax-exempt holdings.

Section 5.04. Bonding and Insurance. The Authority shall carry general liability coverage, workers' compensation, public liability, and such other forms of insurance on insurable Authority property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of the Authority would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the Authority and its operations. In addition, each Authority official or other Person having custody of any Authority funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

Section 5.05. Other Liabilities. The Authority shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Section 5.06. Proper Books and Records. The Authority shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to the Authority, the Pledged Revenue and all of the funds and accounts established or maintained pursuant to any of the Financing Documents. The Authority shall (a) maintain accounting records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; (b) provide the Bank with such information concerning the business affairs and financial condition (including insurance coverage) of Authority as the Bank may request; and (c) without request, provide the Bank with the information set forth below.

Section 5.07. Reporting Requirements.

(a) The Authority shall notify the Bank promptly of all interim litigation or administrative proceedings, threatened or pending, against the Authority which would, if adversely determined, in the Authority's reasonable opinion, have a material effect on the Authority's financial condition arising after the date hereof.

(b) The Authority shall provide the following to the Bank at the times and in the manner provided below:

(i) within two weeks of their availability, but not later than 210 days following the end of each Fiscal Year, the Authority shall furnish to the Bank its audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by a

firm of independent certified public accountants selected by the Authority and reasonably satisfactory to the Bank, together with a certificate of an authorized representative of the Authority evidencing the Authority's continuing compliance with Sections 5.10, 5.11, 5.12 and 5.16 stating whether there exists on the date of such certificate any Default or Event of Default and, if any Default or Event of Default then exists, setting forth the details thereof and the actions which the Authority is taking or proposes to take with respect thereto; provided, however, to the extent that the Authority is exempt under Colorado law from the requirement to prepare audited financial statements, the Authority may satisfy the reporting requirements of this subsection (i) by delivering to the Bank written certification of its exemption from the audit requirements and a financial statement prepared by management of the Authority for such Fiscal Year;

(ii) within two weeks of completion, but in no event later than January 15th of each Fiscal Year, the Authority shall furnish to the Bank the Authority's annual budget prepared for such Fiscal Year and, as soon as available, shall furnish a copy of any proposed amendments thereto, which budget shall include as separate line items all projected Pledged Revenue expected to be received in such Fiscal Year;

(iii) promptly upon request of the Bank, the Authority shall furnish to the Bank such other reports or information regarding the collateral securing the obligations of the Authority hereunder or the assets, financial condition, business or operations of the Authority, as the Bank may reasonably request; and

(iv) (ii) within two weeks of completion, but in no event later than January 15th of each Fiscal Year, the Authority shall furnish to the Bank the Authority's construction budget for the 2017 Project and, within two weeks of paying invoices, evidence of its expenditures of proceeds of the Loan.

(c) The Authority shall promptly notify the Bank of any Default or Event of Default of which the Authority has knowledge, setting forth the details of such Default or Event of Default and any action which the Authority proposes to take with respect thereto.

(d) The Authority shall notify the Bank as soon as possible after the Authority acquires knowledge of the occurrence of any event which, in the reasonable judgment of the Authority, is likely to have a material adverse effect on the financial condition of the Authority or affect the ability of the Authority to perform its obligations under this Agreement or under any other Financing Documents.

Section 5.08. Visitation and Examination. Unless otherwise prohibited by law, the Authority will permit any Person designated by the Bank to visit any of its offices to examine the Authority's books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Bank may reasonably request.

Section 5.09. Further Assurances. The Authority shall do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Bank may reasonably require for the better assuring, transferring, and pledging unto the Bank the Pledged Revenue; provided, however, that the Authority shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

Section 5.10. Minimum Balance. The Authority covenants to maintain a minimum balance of \$1,000,000 in Unrestricted Cash and Investments, as may be tested on May 15 of each year.

Section 5.11. Additional Debt. The Authority covenants not to issue any additional Debt which is payable from or secured by the Pledged Revenue or any portion thereof or any other component of the collateral securing the obligations of the Authority hereunder without the prior written consent of the Bank; notwithstanding the foregoing, Subordinate Debt is permitted without Bank written consent.

Section 5.12. Continued Existence. The Authority shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Loan, and will continue to operate and manage the Authority and its facilities in an efficient and economical manner in accordance with all applicable laws, rules and regulations.

Section 5.13. Restructuring. In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of and interest on the Loan when due, the Authority shall use its best efforts to refinance, refund, or otherwise restructure the Loan so as to avoid such a default.

Section 5.14. Authority Operations. The Authority shall manage its finances and day to day operations in an economical and efficient manner and in accordance with all applicable laws, rules and regulations.

Section 5.15. Enforcement and Collection. The Authority shall diligently collect all Pledged Revenue and shall take all necessary action to enforce such collection.

Section 5.16. Material Adverse Action. The Authority shall neither take any action nor consent to any action that would materially adversely affect any portion of the Pledged Revenue or any other component of the collateral securing the obligations of the Authority hereunder.

Section 5.17. No Change in Financing Documents. The Authority shall not cancel, terminate, amend, supplement, modify or waive any of the provisions of the Financing Documents to which it is party or consent to any such cancellation, termination, amendment, supplement, modification or waiver, without the prior written consent of the Bank. The Authority shall take no action under any of the Financing Documents to which it is a party inconsistent with the rights of the Bank under this Agreement including, without limitation, its obligations to make payments to the Bank hereunder.

Section 5.18. Reserved.

Section 5.19. References to Bank. The Authority shall not refer to the Bank in any official statement, offering memorandum, or private placement memorandum without the Bank's prior written consent thereto.

Section 5.20. Termination of Agreement. So long as the Authority's obligations hereunder remain unpaid or unperformed, the Authority shall not terminate this Agreement.

Section 5.21. Reserved.

Section 5.22. No Priority Claim. The Authority shall not grant or permit to be granted any senior or parity lien on or security interest in and to any portion of the Pledged Revenue or any other component of the collateral securing the obligations of the Authority hereunder.

Section 5.23. Debt Service Ratio Covenant. The Authority covenants that beginning on December 1, 201__ and for each such year thereafter until the Maturity Date, the Debt Service Coverage Ratio shall be greater than or equal to 1.25.

Section 5.24. Use of Proceeds. The Authority will use or cause to be used the proceeds of the Loan to finance the 2017 Project.

ARTICLE VI

INVESTMENTS

Section 6.01. Permitted Investments Only. All moneys held by the Authority in any of the funds or accounts held and administered by the Enterprise shall be promptly invested or reinvested in Permitted Investments only.

Section 6.02. Compliance with Tax Covenants. Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 5.03 hereof.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation or order of any court or any administrative or governmental body):

- (a) the Authority fails to apply the Pledged Revenue as required by this Agreement;
- (b) the Authority fails to pay the principal of or interest on the Loan or any other amount payable to the Bank hereunder when due;

(c) (i) the Authority fails to observe or perform any of the covenants, agreements or conditions in Sections 5.04, 5.10, 5.11, 5.15 5.16, 5.17, 5.18, 5.19, 5.20, 5.21, 5.22, 5.23 and 5.24 hereof or in the Authorizing Resolution; or (ii) the Authority fails to observe or perform any other of the covenants, agreements or conditions on the part of the Authority in this Agreement, the Note, or the Authorizing Resolution, and, solely in the case of this clause (ii), the Authority fails to remedy the same within 30 days after the Bank has provided the Authority with notice thereof (in the case of an Event of Default under 5.23 hereof, such cure periods as set forth in Section 5.23 shall apply);

(d) any representation or warranty made by the Authority in this Agreement or in any other Financing Document or any certificate, instrument, financial or other statement furnished by the Authority to the Bank, proves to have been untrue or incomplete in any material respect when made or deemed made;

(e) the occurrence and continuance of an event of default or an event of nonperformance under any of the Financing Documents after the expiration of any grace period as determined by the Bank;

(f) default in the payment of principal of or interest when due on any financial obligation of the Authority and continuance of such default beyond any grace period;

(g) the pledge of the collateral or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(h) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the Authority and the Authority fails to vacate, bond, stay, contest, pay or satisfy such judgment or court order for 60 days (such satisfaction shall include, but not be limited to, compliance with the provisions of §24-10-113(3) C.R.S. or §13-60-101 C.R.S.);

(i) the Authority shall initiate, acquiesce or consent to any proceedings to dissolve the Authority or to consolidate the Authority with other similar entities into a single entity or the Authority shall otherwise cease to exist;

(j) a change occurs in the financial or operating conditions of the Authority, or the occurrence of any other event that, in the Bank's reasonable judgment, will have a materially adverse impact on the ability of the Authority to generate Pledged Revenue sufficient to satisfy the Authority's obligations under this Agreement or its other obligations, and the Authority fails to cure such condition within six months after receipt by the Authority of written notice thereof from the Bank;

(k) (i) the Authority shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or (B) seeking appointment of a

receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the Authority shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Authority any case, proceeding or other action of a nature referred to in clause (k)(i) above and the same shall remain undismissed; or (iii) there shall be commenced against the Authority any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the Authority shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Authority shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(l) this Agreement or any other Financing Document, or any material provision hereof or thereof, (i) ceases to be valid and binding on the Authority or is declared null and void, or the validity or enforceability thereof is contested by the Authority (unless being contested by the Authority in good faith), or the Authority denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(m) the Authority's auditor delivers a qualified opinion with respect to the Authority's status as an on-going concern;

(n) any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant or attachment, execution or similar process; or

(o) any determination, decision, or decree is made by the Commissioner or any Authority Director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the Loan is includable in the gross income for federal income tax purposes of the Bank by virtue of the occurrence of any event, including any change in the Constitution or laws of the United States of America or the State of Colorado, which results in interest payable on the Loan becoming includable in the gross income of the Bank pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder if and so long as such determination, decision or decree is not being appealed or otherwise contested in good faith by the Authority.

Section 7.02. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Loan shall bear interest at the Default Interest Rate (except in the case of an Event of Default pursuant to Section 7.01(o), in which case the Loan shall bear interest at the Taxable Rate until the Maturity Date, and the Default Interest Rate thereafter) and become immediately due and payable, and the Bank may seek recovery of all unpaid principal and interest then due. The Bank, at its option, may take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity.

In exercising any remedy hereunder, the Bank shall give notice to all Notice Parties listed in Section 8.05 hereof.

Section 7.03. Notice to Bank of Default. Notwithstanding any cure period described above, the Authority will immediately notify the Bank in writing when the Authority obtains knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

Section 7.04. Additional Bank Rights. Upon the occurrence of an Event of Default the Bank may at any time (a) Setoff (as defined below), and/or (b) take such other steps to protect or preserve the Bank's interest in the Pledged Revenue.

Section 7.05. Credit Balances; Setoff. As additional security for the payment of the amounts due under this Agreement (collectively the "Obligations"), the Authority hereby grants to the Bank a security interest in, a lien on and an express contractual right to set off against all depository account balances, cash and any other property of the Authority now or hereafter in the possession of the Bank and the right to refuse to allow withdrawals from any account (collectively, "Setoff"). The Bank may, at any time upon the occurrence of an Event of Default hereunder Setoff against the Obligations whether or not the Obligations are then due, all without any advance or contemporaneous notice or demand of any kind to the Authority, such notice and demand being expressly waived.

Section 7.06. Delay or Omission No Waiver. No delay or omission of the Bank to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 7.07. No Waiver of One Default To Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Bank provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 7.08. Other Remedies. Nothing in this Article VII is intended to restrict the Bank's rights under any of the Financing Documents or at law or in equity, and the Bank may exercise all such rights and remedies as and when they are available.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Loan Agreement and Relationship to Other Documents. The warranties, covenants and other obligations of the Authority (and the rights and remedies of the Bank) that are outlined in this Agreement and the other Financing Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Financing Documents, all terms will be cumulative so as to give the Bank the most favorable rights set

forth in the conflicting documents, except that if there is a direct conflict between any preprinted terms and specifically negotiated terms (whether included in an addendum or otherwise), the specifically negotiated terms will control.

Section 8.02. Assignments, Participations, etc. by the Bank. Any assignment or participation by the Bank is not subject to the Authority's consent, but shall be subject to Section 8.15 and Section 8.25 hereof. In connection with any such assignment or participation, the Bank may disclose to any proposed assignee or participant any information that the Authority discloses pursuant to this Agreement and the other Financing Documents. Any such assignment or participation is also subject to the following conditions:

(a) Subject to Section 8.15 hereof, the rights, options, powers and remedies granted in this Agreement and the other Financing Documents will extend to the Bank and to its successors and assigns, will be binding upon the Authority and its successors and assigns and will be applicable hereto and to all renewals and/or extensions hereof.

(b) In addition, the Bank may collaterally assign and pledge, without the consent of the Authority, all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned obligations made by the Authority to the Bank in accordance with the terms of this Agreement shall satisfy the Authority's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such collateral assignment shall release the Bank from its obligations hereunder.

(c) The Bank may at any time, without the consent of the Authority, sell to one or more commercial banks or other Persons not affiliates of the Authority (a "Participant") participating interests in its rights and obligations hereunder or under the other Financing Documents; provided, however, that (i) the Bank's obligations hereunder shall remain unchanged, (ii) the Bank shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more Participants shall not reduce or alter the Bank's obligations hereunder or affect in any way the rights or obligations of the Authority hereunder and the Authority has the right to continue to deal solely with the Bank. The Bank will give notice of the sale of such participation and the name of the Participant to the Authority within 30 days of the date of such sale. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 2.02(g) and 8.03 hereof as though it were also the Bank hereunder, and if amounts outstanding under this Agreement are due and unpaid, or has been declared or has become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Agreement.

Section 8.03. Litigation/Indemnification. The Authority agrees, to the extent permitted by law and as set forth herein, to completely indemnify and hold harmless the Bank and its agents, employees, officers, directors and controlling Persons, together with any Participant and

its agents, employees, officers, directors and controlling Persons (hereinafter collectively referred to in this Section 8.03 as the “Indemnites”) from and against any and all claims, damages, liabilities, settlements, judgments, losses, legal fees and costs or expenses incurred (including all reasonable fees and disbursements of the Indemnites’ legal counsel and allocated cost of in-house counsel and staff and all of the Indemnites’ reasonable travel and other out-of-pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (a) the Loan; or (b) the holding or owning by the Bank, the Participant, or their respective nominees of any collateral securing the obligations of the Authority hereunder; or (c) any matters for which neither the Bank nor any Participant has any liability as set forth under Section 8.16 of this Agreement; provided, however, that the Authority shall not be required to indemnify the Indemnites pursuant to Section 8.02 (c) above for any claims, damages, losses, liabilities, settlements, judgments, legal fees or costs or expenses to the extent proven to be caused by the Bank’s negligent failure to make lawful payment under the Loan. Nothing in this Section 8.03 is intended to limit the Authority’s obligations contained in Article II hereof.

If any action, lawsuit or claim shall be brought or asserted against the Indemnites in respect of which indemnity may be sought by the Indemnites from the Authority under this Section 8.03, the Indemnites shall promptly notify the Authority in writing, and the Authority shall promptly assume the defense thereof, including, but not limited to, the employment of counsel (the selection of which has been approved by the Indemnites and such approval shall not be unreasonably withheld), the payment of all legal fees and expenses and the right to negotiate and consent to settlement; provided, however, that the Authority shall not settle any such action which may adversely affect the Bank without the Bank’s written consent, which consent shall not be unreasonably withheld.

In the event that the Indemnites shall be advised by counsel experienced in matters of banking or securities laws that the Indemnites have defenses or causes of action separate from those of the Authority, or that there is otherwise a conflict of interest, the Indemnites have the right to employ their own counsel (“Independent Counsel”) to defend the Indemnites against such action at the expense of the Authority, who shall pay all legal fees and expenses incurred by such Independent Counsel. The Indemnites’ selection of Independent Counsel shall be approved by the Authority, and such approval shall not be unreasonably withheld. With respect to claims against the Indemnites defended by Independent Counsel, the Indemnites have the right to negotiate settlement of any such claims; provided, however, that the Authority shall not be liable for any such settlement effected by the Indemnites without the written consent of the Authority, which consent shall not be unreasonably withheld.

The obligations of the Authority under this Section 8.03 shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the payment in full of all amounts owing to the Bank hereunder. If indemnification pursuant to this Section 8.03 shall be found to be unlawful or invalid for any reason, then the Authority and each Indemnitee shall to the extent lawful make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale and distributions and statements or omissions in accordance with the respective fault of the Authority and each Indemnitee.

Section 8.04. Notice of Claims Against Bank; Limitation of Certain Damages. In order to allow the Bank to mitigate any damages to the Authority from the Bank’s alleged breach of its duties under the Financing Documents or any other duty, if any, to the Authority, the Authority agrees to give the Bank written notice no later than 30 days after the Authority knows of any claim or defense it has against the Bank, whether in tort or contract, relating to any action or inaction by the Bank under the Financing Documents, or the transactions related thereto, or of any defense to payment of the obligations of the Authority hereunder for any reason. The requirement of providing timely notice to the Bank represents the parties’ agreed-to standard of performance regarding the duty of the Bank to mitigate damages related to claims against the Bank. Notwithstanding any claim that the Authority may have against the Bank, and regardless of any notice the Authority may have given the Bank, the Bank will not be liable to the Authority for indirect, consequential and/or special damages arising therefrom, except those damages arising from the Bank’s willful misconduct, gross negligence or bad faith. Failure by the Authority to give notice to the Bank shall not waive any claims of the Authority but such failure shall relieve the Bank of any duty to mitigate damages prior to receiving notice.

Section 8.05. Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid; (b) received by overnight delivery service; (c) received by Electronic Notification; or (d) when personally delivered at the following addresses (the “Notice Parties”):

to Authority: Southeast Metro Stormwater Authority
7437 S. Fairplay Street
Centennial, CO 80112
Telephone: 303-858-8844
Attention: Executive Director

with a copy to: Edward J. Krisor
3900 S Wadsworth Boulevard
Lakewood, CO 80235
Telephone: (303) 985-2335

to Bank: Colorado Business Bank
821 17th Street
Denver, CO 80202
Telephone: (303) 312-3440
Attention: Derek Peters

Section 8.06. Payments. Payments due on the Loan shall be made in lawful money of the United States. All payments may be applied by the Bank to principal, interest and other amounts due under the Note and this Agreement pursuant to the terms of this Agreement.

Section 8.07. Applicable Law and Jurisdiction; Interpretation; Severability. This Agreement and all other Financing Documents will be governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Agreement will not affect any other provision.

TO THE EXTENT PERMITTED BY LAW, THE AUTHORITY AND THE BANK HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN ARAPAHOE COUNTY, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTES, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Agreement will affect the Bank's rights to serve process in any manner permitted by law. This Agreement, the other Financing Documents and any amendments hereto (regardless of when executed) will be deemed effective and accepted only at the Bank's offices, and only upon the Bank's receipt of the executed originals thereof. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

Section 8.08. Copies; Entire Agreement; Modification. The Authority hereby acknowledges the receipt of a copy of this Agreement and all other Financing Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. THE TERMS OF THIS AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE SHALL ALSO BE EFFECTIVE WITH RESPECT TO ALL OTHER CREDIT AGREEMENTS NOW IN EFFECT BETWEEN THE AUTHORITY AND THE BANK. A MODIFICATION OF ANY OTHER CREDIT AGREEMENT NOW IN EFFECT BETWEEN THE AUTHORITY AND THE BANK, WHICH OCCURS AFTER RECEIPT BY THE AUTHORITY OF THIS NOTICE, MAY BE MADE ONLY BY ANOTHER WRITTEN INSTRUMENT. ORAL OR IMPLIED MODIFICATIONS TO ANY SUCH CREDIT AGREEMENT IS NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

Section 8.09. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE AUTHORITY AND THE BANK HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE AUTHORITY AND THE BANK EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 8.10. Attachments. All documents attached hereto, including any appendices, schedules, riders and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 8.11. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board, or any officer or agent of the Authority, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the Authority and in no other capacity, no civil recourse shall be

available against such member, officer or agent for payment of the principal of and interest on the Loan. Such recourse shall not be available either directly or indirectly through the Board or the Authority, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfer, the Bank and any Person purchasing or accepting the transfer of the obligation representing the Loan specifically waives any such recourse. This Section 8.11 shall not limit recourse against any Person guarantying payment of the Loan, in his capacity as guarantor, whether or not such Person is also a member or officer of the Board or the Authority.

Section 8.12. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Agreement is entered into pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Agreement after delivery for value.

Section 8.13. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Loan shall be commenced more than 30 days after the authorization of the Loan.

Section 8.14. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note, the Pledge Agreement and the Authorizing Resolution. The amounts pledged to the payment of the Loan shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority. The lien of such pledge shall be valid, binding, and enforceable as against all Persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such Persons have notice of such liens.

Section 8.15. Authorized Denominations. No interest in the Loan may be assigned, transferred, conveyed or acquired in an amount less than \$500,000 or any integral multiple of \$1,000 in excess thereof.

Section 8.16. No Liability. Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without negligence, shall be binding upon the Authority and shall not put the Bank under any resulting liability to the Authority. The Bank, including its agents, employees, officer's directors and controlling Persons, shall not have any liability to the Authority, and the Authority assumes all risk, responsibility and liability for (a) the form, sufficiency, correctness, validity, genuineness, falsification and legal effect of any demands and other documents, instruments and other papers relating to the Loan even if such documents, should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (b) the general and particular conditions stipulated therein; (c) the good faith acts of any Person whosoever in connection therewith; (d) failure of any Person (other than the Bank, subject to the terms and conditions hereof) to comply with the terms of the Loan; (e) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless or otherwise, whether or not they be in code;

(f) errors in translation or errors in interpretation of technical terms; (g) for any other consequences arising from causes beyond the Bank's control; or (h) any use of which may be made of the proceeds of the Loan, except to the extent of any direct, as opposed to indirect, consequential, or special damages suffered by the Authority which direct damages are proven by the Authority to be caused by the Bank's negligent failure to make lawful payment under the Loan.

Section 8.17. No Waiver; Modifications in Writing. No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Bank at law or in equity or otherwise. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by the Authority therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification or supplement of or to any provision of this Agreement, and any consent to any departure by the Authority from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on the Authority in any case shall entitle the Authority to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand.

Section 8.18. Payment on Non-Business Days. Whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall not in such case be included in the computation of the amount due.

Section 8.19. Further Assurances. The Authority agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Bank its rights, powers and remedies hereunder and under the Financing Documents.

Section 8.20. Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 8.21. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 8.22. Headings. Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 8.23. Reserved.

Section 8.24. Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 8.25. Bank Representations. The Bank is an organization that qualifies as an “accredited investor,” as defined in § 11-59-110(1)(g) C.R.S., and the Bank agrees that, without the Authority’s written consent, it will not assign or transfer this Agreement or the Note to any person or entity which is not an “accredited investor” as defined in § 11-59-110(1)(g) C.R.S., or to any person or entity which is not a direct affiliate of the Bank (which affiliates shall mean any entity which, by virtue of majority ownership interest, controls, is controlled by, or under common control with the Bank). The Bank agrees that any assignment or transfer in violation of the foregoing shall be null and void and of no force or effect at the election of the Authority.

DRAFT

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

COBIZ BANK, a Colorado corporation d/b/a
COLORADO BUSINESS BANK

By _____
Name _____
Title _____

SOUTHEAST METRO STORMWATER
AUTHORITY, a political subdivision of the
State of Colorado

By _____
Chairperson

Attest:

By _____
Secretary

APPROVED AS TO FORM:

Attorney for
Southeast Metro Stormwater Authority

By: _____
Edward J. Krisor

[Signature Page to Agreement]

EXHIBIT A

FORM OF NOTE

THIS NOTE MAY NOT BE SOLD TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT TO PERSONS WHO HAVE DELIVERED TO THE AUTHORITY WRITTEN EVIDENCE THAT SUCH TRANSFEREE IS AN "ACCREDITED INVESTOR" FOR PURPOSES OF SECTION 11-59-110(1)(g), C.R.S. OR IN DENOMINATIONS OF LESS THAN \$500,000

**UNITED STATES OF AMERICA
STATE OF COLORADO
SOUTHEAST METRO STORMWATER AUTHORITY**

**REVENUE NOTE, SERIES 201_
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$7,000,000**

US \$7,000,000 _____, 201_

FOR VALUE RECEIVED, SOUTHEAST METRO STORMWATER AUTHORITY, a political subdivision of the State of Colorado, duly organized and existing as a drainage authority under the constitution and laws of the State of Colorado (hereinafter referred to as "Maker"), promises to pay to the order of COBIZ BANK, a Colorado corporation d/b/a COLORADO BUSINESS BANK, its successors and assigns (hereinafter referred to as "Payee"), at the office of Payee or its agent, designee, or assignee at Colorado Business Bank, 821 17th Street, Denver, Colorado 80202 or at such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal sum of SEVEN MILLION AND NO/100 DOLLARS (US \$7,000,000) (this "Note") pursuant to the terms of the Agreement dated of even date herewith by and between Maker and Payee (the "Agreement"), in lawful money of the United States of America.

This Note shall bear interest, be payable, and mature pursuant to the terms and provisions of the Agreement. All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed in the Agreement.

Amounts received by Payee under this Note shall be applied in the manner provided by the Agreement. All amounts due under this Note shall be payable without setoff, counterclaim or any other deduction whatsoever by Maker.

Unless payments are made in the required amount in immediately available funds in accordance with the provisions of the Agreement, remittances in payment of all or any part of the amounts due and payable hereunder shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Payee in funds immediately available at the place where this Note is payable (or any other place as Payee, in Payee's sole discretion, may have established by delivery of written notice thereof to Maker) and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Payee of any

payment in an amount less than the amount then due shall be deemed an acceptance on account only and any unpaid amounts shall remain due hereunder, all as more particularly provided in the Agreement.

In the event of nonpayment of this Note, Payee shall be entitled to all remedies under the Agreement and at law or in equity, and all remedies shall be cumulative.

It is expressly stipulated and agreed to be the intent of Maker and Payee at all times to comply with applicable state law and applicable United States federal law. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under this Note or under the Agreement, or contracted for, charged, taken, reserved or received with respect to the indebtedness evidenced by this Note, then it is Maker's and Payee's express intent that all excess amounts theretofore collected by Payee be credited on the principal balance of this Note (or, if this Note has been or would thereby be paid in full, refunded to Maker), and the provisions of this Note shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and under the Agreement. All sums paid or agreed to be paid to Payee for the use, forbearance and detention of the indebtedness evidenced hereby and by the Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the maximum rate permitted under applicable law from time to time in effect and applicable to the indebtedness evidenced hereby for so long as such indebtedness remains outstanding.

Maker and any endorsers, sureties or guarantors hereof jointly and severally waive presentment and demand for payment, protest and notice of protest and nonpayment, all applicable exemption rights, valuation and appraisal, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder or in proceeding against any of the rights and collateral securing payment hereof. Maker and any surety, endorser or guarantor hereof agree (a) that the time for any payments hereunder may be extended from time to time without notice and consent; (b) to the acceptance of further collateral; (c) to the release of any existing collateral for the payment of this Note; (d) to any and all renewals, waivers or modifications that may be granted by Payee with respect to the payment or other provisions of this Note; and/or (e) that additional makers, endorsers, guarantors or sureties may become parties hereto all without notice to them and without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note shall affect the liability of Maker under this Note or any endorser or guarantor hereof even though Maker or such endorser or guarantor is not a party to such agreement.

Failure of Payee to exercise any of the options granted herein to Payee upon the happening of one or more of the events giving rise to such options shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other event. The acceptance by Payee of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver

of the right to exercise any of the options granted herein or in the Agreement to Payee at that time or at any subsequent time or nullify any prior exercise of any such option without the express written acknowledgment of Payee.

Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority and legal right to execute, deliver and perform its obligations pursuant to this Note and this Note constitutes the legal, valid and binding obligation of Maker.

All notices or other communications required or permitted to be given hereunder shall be given in the manner and be effective as specified in the Agreement, directed to the parties at their respective addresses as provided therein.

This Note is governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by federal law. Invalidity of any provisions of this Note will not affect any other provision.

Pursuant to Section 11-57-210 of the Colorado Revised Statutes, as amended, this Note is entered into pursuant to and under the authority of certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value and shall conclusively impart full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever after delivery for value.

Maker hereby designates the Note as a “qualified tax exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder. Maker covenants that the aggregate face amount of all tax exempt obligations issued by Maker, together with governmental entities which derive their issuing authority from Maker or are subject to substantial control by Maker, shall not be more than \$10,000,000 during the calendar year in which this Note is executed. Maker recognizes that such tax exempt obligations include notes, leases, loans, warrants, and bonds. Maker further recognizes that any bank, thrift institution, or other financial institution that owns the Note will rely on Maker’s designation of this Note as a qualified tax exempt obligation for the purpose of avoiding the loss of 100% of any otherwise available interest deduction attributable to such institution’s tax exempt holdings.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN ARAPAHOE COUNTY, COLORADO, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS NOTE, THE AGREEMENT, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO

THIS NOTE, THE AGREEMENT, OR ANY OF THE OTHER FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. MAKER REPRESENTS TO PAYEE THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

THE PROVISIONS OF THIS NOTE MAY BE AMENDED OR REVISED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY MAKER AND PAYEE. THERE ARE NO ORAL AGREEMENTS BETWEEN MAKER AND PAYEE WITH RESPECT TO THE SUBJECT MATTER HEREOF.

IN WITNESS WHEREOF, an authorized representative of Southeast Metro Stormwater Authority, as Maker, has executed this Note as of the day and year first above written.

SOUTHEAST METRO STORMWATER
AUTHORITY, a political subdivision of the
State of Colorado

By _____
Chairperson

[SEAL]

Attest:

By _____
Secretary