

PUEBLO CONSERVANCY DISTRICT
PUEBLO COUNTY, COLORADO
CONSERVANCY MAINTENANCE FUND BONDS
2017 SERIES A - \$10,000,000.00

PURCHASE AGREEMENT

Board of Directors
Pueblo Conservancy District

August 23, 2017

Pueblo, Colorado

Gentlemen:

On the basis of the representations, warranties and covenants contained in this Purchase Agreement (the "Purchase Agreement"), and upon the terms and conditions contained herein, Bank of the San Juans, a Division of Glacier Bank, (the "Purchaser"), hereby offers to purchase from the Pueblo Conservancy District, Pueblo County, Colorado (the "District"), \$10,000,000.00 aggregate principal amount of the Pueblo Conservancy District, Pueblo County, Colorado, Conservancy Maintenance Fund Bonds, 2017 Series A (the "Bonds"), to be issued pursuant to a resolution to be approved and adopted by the Board of Directors (the "Resolution") as of August 23, 2017.

Section 1. Representations, Warranties and Agreement of the District. By its acceptance hereof the District represents and warrants to, and agrees with the Purchaser that:

(a) The District is a special district organized under the laws of the State of Colorado authorized by the provisions of Constitution and laws of the State of Colorado (the "State") to adopt the Resolution and issue the Bonds.

(b) The District has complied with all provisions of the Constitution and laws of the State, and has full power and authority to consummate all transactions contemplated by this Purchase Agreement, the Bonds, and the Resolution and any and all other agreements relating thereto.

(c) The information contained in the Information Statement (as hereinafter defined) and any appendices hereto, is and as of the Closing Time (as hereinafter defined) will be true correct and does not contain, and as of the Closing Time will not contain, any untrue statement of a material fact and does not omit, and as the Closing Time will not omit, to state a material fact that should be stated therein or is necessary to make the statements in the Information Statement, in light of the circumstances under which they were made, not misleading.

(d) There is no action, suit, proceedings, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the best of the District's knowledge, threatened against or affecting the District (or to the best of the District's knowledge any basis therefor), wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Information Statement, the Resolution or the authority for or validity of this Purchase Agreement, the Bonds and the Resolution or any agreements or instrument to which you are a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Information Statement and the Resolution.

(e) The adoption of the Resolution and the execution and delivery of this Purchase Agreement, the Bonds and the Information Statement and other agreements contemplated hereby and by the Information Statement, and compliance with the provisions thereof, will not conflict with or constitute on the part of the District a breach of or a default under any existing law, court or administrative regulation, decree or order to any agreement, indenture, mortgage lease or other instrument to which the District is subject or by which the District is or may be bound. The Resolution and its terms are incorporated as material and binding obligations of the District under this Purchase Agreement and the the Resolution and this Purchase Agreement are valid and binding obligations of the District and are enforceable against the District in accordance with their terms subject only to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, the police powers inherent in the sovereignty of the State and to exercise by the United States of powers under the Constitution of the United States.

(f) The financial statements of the District for the fiscal year ended December 31, 2016 included in the Information Statement have been prepared in conformity with generally accepted accounting principals consistently applied to the periods concerned and fairly present the financial condition of the District as of such date and the funds pledged as security for the Bonds or referred to in the Information Statement. There has been no material change in the general affairs, management, properties, financial position, fund balances or results of operations

of the District since the date of such audited financial statement.

(g) The costs of document preparation, legal counsel and other issuance costs will be paid by the District. The District may engage legal counsel of its choice to prepare the Bond documentation and the tax opinion. Purchaser will engage legal counsel of its choice to review the documentation at a cost not to exceed Five Thousand Dollars (\$5,000.00).

(h) The District will maintain a primary deposit relationship with the Bank of the San Juans, a Division of Glacier Bank to be utilized for advances from the loan and disbursements for completion of the Project. A deposit relationship will be maintained with Bank of the San Juans, a Division of Glacier Bank, until such time as the Bonds are fully paid.

(i) The District will notify the Purchaser in a timely manner of any principal and interest payment deficiencies; any non-payment related defaults; any unscheduled draws on debt service reserves; any adverse tax opinions or events affecting the tax-exempt status of the Bonds.

(j) Any certificate signed by any authorized officers of the District and delivered to the Purchaser shall be deemed a representation and warranty by the District to the Purchaser as to the statements made therein.

(k) Attached as Schedule A is the payment schedule for the Bonds.

Section 2. Conditions to the District's Obligations. The District's obligations hereunder are subject to the Purchaser's performance of its obligations hereunder.

Section 3. Advance of Funds. The District will take a minimum advance of One Million Dollars (\$1,000,000.00) upon the issuance and purchase of the Bonds. The District will have total cumulative advances of at least Two Million Four Hundred Seventy Five Thousand Dollars (\$2,475,000.00) within six (6) months of closing. The District will have total cumulative advances of at least Four Million Nine Hundred Forty Five Thousand Dollars (\$4,975,000.00) within twelve (12) months of closing. The District will draw down the entire proceeds from the issuance of the bonds within twenty four (24) months of the issuance and purchase of the Bonds.

Section 4. Representations, Warranties and Agreements to Survive Delivery. All of the representations, warranties and agreements of the District shall remain operative and in full force and effect, regardless of any investigations made by the Purchaser on its behalf and shall survive delivery of the Bonds to the Purchaser.

Section 5. Representations of the Purchaser.

(a) The Purchaser is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, or an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended.

(b) The Purchaser is acquiring the entire principal amount of Bonds in one Bond.

(c) The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment.

(d) The Purchaser has made its own inquiry, independent investigation, due diligence and analysis with respect to the Bond, and acknowledges that it has either been supplied with, or been given access to, information, including financial statements and other financial information, to which a reasonable Purchaser would attach significance in making investment decisions; and the Purchaser has read and understands the information, including the rights, risks and limitations pertaining to the Bond, and had had the opportunity to ask questions and receive answers from individuals concerning the District, the Bond and the security therefor so that as a reasonable Purchaser, the Purchaser has been able to make its investment decision to purchase the Bond.

(e) The Purchaser is not purchasing the Bond for more than one account or with a view to distributing the Bond; provided that the Purchaser reserves the right to sell, transfer or participate the Bond, but agrees any such sale or transfer or participation by the Purchaser shall be to an entity described in section 5(a) above and shall otherwise be sold transferred or participated in accordance with applicable federal and state securities laws.

Section 6. Purchaser is a financial institution and is a sophisticated investor and has made such inquiries as it deemed necessary in entering into this transaction.

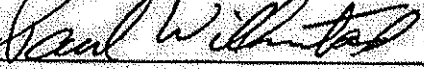
Section 7. Applicable Law; Assignability. This Purchase Agreement shall be governed by the laws of the State of Colorado. This Purchase Agreement shall not be assigned by the District.

BANK OF THE SAN JUANS
a DIVISION OF GLACIER BANK

By B. P. S.V.P.

Accepted as of the date first above written:

PUEBLO CONSERVANCY DISTRICT
PUEBLO COUNTY, COLORADO

By 

SCHEDULE A

Pueblo Conservancy District
Pueblo County, Colorado
Conservancy Maintenance Fund Bonds
2017 Series A - \$10,000,000.00

Payment due		
August 30	Principal & Interest payment	<u>Interest</u> Rate
2018	\$537,500.00	3.4%
2019	\$537,500.00	3.4%
2020	\$537,500.00	3.4%
2021	\$537,500.00	3.4%
2022	\$537,500.00	3.4%
2023	\$537,500.00	3.4%
2024	\$537,500.00	3.4%
2025	\$537,500.00*	3.4%

*Together with such additional amount as is necessary to pay accrued interest and outstanding principal, in full.