

AGREEMENT

This Agreement is entered into this 15th day of August, 2018 by and between the Pueblo Conservancy District (the "District") and the Bank of the San Juans (the "Bank").

District has issued to Bank a Conservancy Maintenance Fund Bond, 2017 A (the "Bond") in the Principal Amount of \$10,000,000.00 bearing interest at 3.4% with an original issue date of August 23, 2017 and a maturity date of August 30, 2025.

The parties want to contractually agree to limit the amount that District will draw funds against the Bond.

The District desires to borrow funds from the Colorado Water Conservation Board and to do so, it is necessary for the District and Bank to agree to a limit that can be drawn against the Bond.

The parties agree as follows:

1. The District shall not draw more than \$5,000,000.00 against the Bond.
2. The Bank shall not allow the District to draw more than \$5,000,000.00 against the Bond.
3. This indebtedness of the District to the Colorado Water Conservation Board on its loan to the District shall at all times be on an equal parity with the \$5,000,000.00 Bond indebtedness due Bank.
4. The undersigned parties acknowledge that they have the authority to enter into this Agreement on behalf of their respective entities.
5. If at any time the amount due the Bank on this Bond exceeds \$5,000,000.00, the Bank agrees to give notice to the Colorado Water Conservation Board in writing within ten days of the balance due exceeds \$5,000,000.00.
6. The Colorado Water Conservation Board shall be a third party beneficiary to this Agreement.

Agreed to the day and year set forth above.

Pueblo Conservancy District

By: 

Donna Phillips, President

Bank of the San Juans

By: 