

PAYING AGENT AND REGISTRAR AGREEMENT

In consideration of the mutual promises and covenants and subject to the terms, conditions, and covenants hereinafter recited, Pueblo Conservancy District, Pueblo County, Colorado (the "Issuer"), hereby appoints Bank of the San Juans, in Pueblo, Colorado (the "Bank"), and the Bank accepts such appointment, as Paying Agent (the "Paying Agent") for the Issuer's Refunding and Improvement Conservancy Maintenance Fund Bonds, Series 2018 A, issued in the principal amount of \$10,000,000.00 and dated March 1, 2018 (the "Bonds"). The issuer also appoints the Bank, and the Bank accepts such appointment, as the authenticating registrar (the "Registrar") for the Bonds.

1. Except as may be otherwise provided herein, the Bank shall perform those functions and duties required or permitted to be performed by the Registrar and/or Paying Agent as provided in the resolution authorizing the issuance of the Bonds adopted on February 28, 2018, by the governing body of the Issuer (the "Authorizing Document"), and shall be subject to the provisions and limitations thereof. Such Authorizing Document is incorporated herein by reference.

2. The Bank shall act as agent of the Issuer for the limited purpose of being Registrar and Paying Agent for the Bonds. The Bank, its officers, directors, and employees, may become the owner or owners of, or acquire any interest in, the Bonds with the same rights that it or they would have if it were not the Paying Agent or Registrar hereunder; may engage or be interested in any financial or other transactions with the Issuer or any agents thereof; and may act on behalf of, or as depositary, trustee, or agent for, any committee or body of owners of Bonds or other obligations of the Issuer or any agents thereof, as freely as if it were not the Paying Agent or Registrar hereunder.

3. The Bank understands and acknowledges that, by reason of the execution hereof, it has assumed a role of fiduciary with respect to the disbursements of funds received from the Issuer for the purpose of paying the principal of, premium if any, and interest due on the Bonds. The Bank shall receive and disburse such funds solely in accordance with the terms and provisions hereof, and shall remit to the Issuer the funds not necessary for the purpose of making the aforesaid payments on the Bonds after any particular Due Date, as defined in Section 5 hereof.

4. If this Agreement is executed on or prior to date of the issuance of the Bonds, the Bank shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions of the Authorizing Document. The Issuer shall provide the Bank with an initial Registry of the Bondholders within a reasonable time prior to delivery of the Bonds. If this Agreement is entered into subsequent to the issuance of the Bonds, the Issuer shall furnish the Bank with the existing registration books as soon as practicable after the execution hereof and the Bank shall thereafter maintain the registration books in accordance with the Authorizing Document. The Issuer shall be permitted to review the registration books at any time during the regular business hours of the Bank and, upon written request to the Bank, shall be provided a copy of the list of

registered owners of the Bonds. Upon expiration or other termination of this Agreement, the Bank shall promptly return such registration books to the Issuer.

5. The Bank shall make payments of principal, premium if any, and interest on the Bonds on each date established for payment thereof (the "Due Date"). Prior to a Due Date, the Issuer shall furnish funds to the Bank in amounts sufficient to pay all amounts due. Such funds shall be used by the Bank solely for the purpose of paying the principal of, premium if any, and interest on the Bonds in accordance with their terms and the provisions of the Authorizing Document. The Bank shall have no duty to collect, or notify the Issuer of, amounts due on the Bonds. The Bank shall have no duty to make any payments prior to any Due Date or until funds necessary to cover all payments due on the Due Date have been deposited with it. The Bank shall not be required to advance its own funds for any payments in connection with the Bonds.

The Issuer shall notify the Bank of the optional redemption of Bonds, in whole or in part, at least fifty (50) days prior to the date of such optional redemption.

The Issuer shall notify the Bank of an advance refunding of the Bonds, in whole or in part, on the date on which proceeds are placed in escrow and in trust for the purpose of effecting such refund.

6. The Bank shall not be obligated to segregate the funds held as Paying Agent unless otherwise required by law, and shall not be liable for payment of interest (other than interest on the Bonds) on any funds held in its capacity as Paying Agent.

7. The Bank will register, exchange, or transfer (collectively "transfer") the Bonds in the manner provided in the Authorizing Document. The Bank reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Midwest, New York, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Bank also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

8. The Bank may issue new or duplicate Bonds in lieu of or on account of Bonds represented to have been lost, mutilated, destroyed, or stolen in the manner set forth in the Authorizing Document.

9. In the event the Issuer receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Bank of such notices or order and give a copy thereof to the Bank.

10. Within one year after the final maturity date of the Bonds, the Bank shall present a final statement and shall return any unclaimed funds to the Issuer. All cancelled Bonds and blank, unused certificates retained by the Bank shall be destroyed

and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Issuer. The final statement shall include a list of any unpaid Bonds and any outstanding of unclaimed interest checks. The Issuer agrees to pay all unpaid Bonds and interest payments from the moneys returned to it by the Bank and shall release the Bank from any further liability or responsibility for payment.

11. This Agreement shall terminate upon delivery of the final statement under paragraph 10; however, either party may terminate the Agreement prior to that time upon thirty (30) days' written notice, provided that termination may not become effective until a successor paying agent and registrar has been appointed by the Issuer or the Issuer has lawfully assumed such responsibilities. If the Issuer fails to appoint a successor within ninety (90) days of the resignation notice date, the Bank may petition a court of competent jurisdiction for appointment of a successor. The Bank shall turn over all funds, books, and reports to the Issuer or the successor paying agent and registrar as the case may be, within a reasonable time after the effective date of the termination notice. In case of resignation, the Bank shall pay for all costs and expenses relating thereto, including costs of giving notices and costs of forwarding or returning funds, Bonds, or other documents.

12. In any circumstances not covered specifically by this Agreement, the Bank shall act in accordance with federal and state banking laws and in accordance with its normal procedures in such matters.

13. The terms and conditions of this Agreement may be amended only by written agreement between the Issuer and the Bank adopted in the same manner as this Agreement.

14. The Issuer will furnish or cause to be furnished to the Bank an original or certified copy of all documents relating to the Bonds which are requested by the Bank.

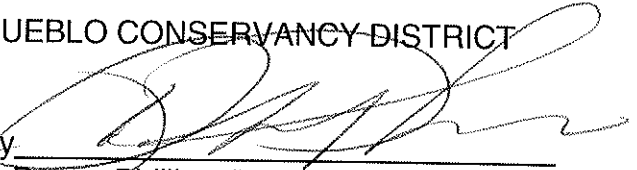
15. This Agreement is executed in Colorado and shall be construed and enforced in accordance with the laws of Colorado.

16. This Agreement shall be dated as of the date of the Bonds set forth above.

[*Signature page follows*]

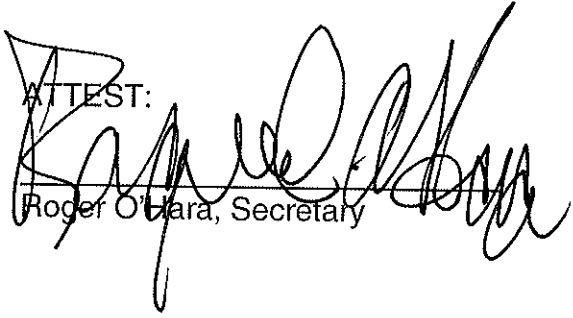
PUEBLO CONSERVANCY DISTRICT

By



Donna Phillips, President

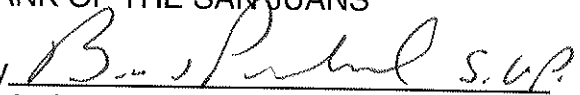
ATTEST:



Roger O'Hara, Secretary

BANK OF THE SAN JUANS

By



Authorized Agent