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

RESOLUTION 13-22
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 Arapahoe County, Colorado), met in special session at 76 Inverness Drive East, Suite A, Englewood, Colorado, the 24th day of June, 2013, 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 Bockenfeld	Vice-Chairperson
Ron Weidmann	Secretary/Treas.
Andrea Suhaka	
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 by 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 and without 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 interest demand the design, acquisition, construction, relocation, installation and completion of an office and warehouse facility and certain public infrastructure and all things necessary and incidental thereto (the "2013 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 2013 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 $4,600,000 (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 $4,600,000 (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 2013 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 $4,600,000; 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 calendar year 2013. 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

Colorado Business Bank
CoBiz Financial

June 24, 2013

John McCarty, Executive Director
Southeast Metro Stormwater Authority
76 Inverness Dr. East Suite A
Englewood, CO 80112
Phone 303 858-8844

New Headquarter Financing Proposal.

Dear John,

On behalf of Colorado Business Bank ("Bank"), I am pleased to present you with the following Private Placement Commitment. This Summary has been provided for the sole use of the Borrower and Borrower's paid advisors. The information contained in this document is confidential and proprietary to the Bank and its affiliates, and cannot be disclosed to any third party without prior written consent of the Bank. This commitment shall expire on August 31, 2014 subject to the terms and conditions herein unless otherwise amended by the Bank. For general information and questions please contact me at (303-312-3440 ph, 303-298-4431 fax) tdavid@cobizbank.com.

Sincerely,

Tim David
1st Vice President
Colorado Business Bank

Colorado Business Bank
CoBiz Financial

Obligors:	Southeast Metro Stormwater Authority (or the "Authority", or "SEMSWA").
Lender:	Colorado Business Bank (the "Bank", or "CBB").
Facility:	Tax Exempt Bank Qualified Revenue Bond Private Placement.
Amount:	Not to exceed $4,600,000.00.
Purpose:	Provide financing for the Authority's new facility and financing costs.
Security:	Revenue Pledge.
Upfront Fee:	Waived.
Commitment Fee:	35bps (0.35%) on the commitment amount should the Authority require a commitment longer than 90 days and up to one year.
Final Maturity:	December 1, 2033.
Amortization:	Quarterly Principal and Interest payments fully amortizing through the final maturity date.
Rate:	Bank qualified tax exempt rate of fixed for twenty years. Rate may be locked in 2 weeks prior to closing. The rate will be calculated as follows: (12 year LIBOR (USSW12) swap curve index plus 2.75%) x 62%. The rate as of 7/21/13 = 3.53%. Rate may be locked two weeks prior to closing.
Prepayment:	Prepayments prior to maturity will be subject to a "Yield Maintenance" Prepayment Rider. See Exhibit A.

Additional Requirements: Must be in compliance prior to funding.

Financial Covenants:

No additional parity debt without the Bank's prior written consent.

Maintain a minimum Debt Service Coverage Ratio of 1.20x, tested Annually. Defined as:

Pledged Revenue received by or on behalf of the Authority Less Operation and Maintenance Expenses during such period divided by Debt Service for such period.

Maintain a minimum of $1,000,000 in cash/unrestricted investments, tested Annually.

Reporting

Colorado Business Bank
CoBiz Financial

Requirements: A copy of the Authority's Audited Financial Statements within 2 weeks of completion.

A copy of the Authority's annual budget within 2 weeks of completion.

Documentation: The Authority shall pay legal fees associated with private placement documentation, not to exceed $50,000.00.

Fees, Expenses, and Indemnification: Whether or not the Financing Agreements are executed, Obligor will (a) pay all fees and expenses relating to preparation of the required documentation, and (b) indemnify the Bank and its respective directors, officers and employees against all claims asserted and losses, liabilities and expenses incurred in connection with the transaction.

All preliminary terms and conditions outlined herein are confidential and may not be shared with any financial institution without the prior consent of Colorado Business Bank. This information is intended for discussion purposes only, and is offered by Colorado Business Bank as a preliminary indication of interest.

This indication of interest does not represent a commitment to lend monies, nor is it an indication that a formal lending commitment may be forthcoming. Any formal lending commitment that may be issued by Colorado Business Bank will be subject to the satisfactory conclusion of the Bank's due diligence, completion of the Bank's credit underwriting process, and requisite approval by the Bank's credit authorities.

Colorado Business Bank
CoBiz Financial

APPENDIX A

SAMPLE PREPAYMENT LANGUAGE – FOR DISCUSSION PURPOSES ONLY

Prepayment Rider

This Rider made as of _____, _____, is incorporated into and amends and supplements the attached Commercial Note of the same date in the amount of $_____ (the "Note") of the undersigned (the "Borrower") payable to Colorado Business Bank ("CBB"). In addition to the covenants and agreements made in the Note, Borrower and CBB agree that the following terms and conditions shall apply.

Loan Prepayment Fee

Upon two Business Days' prior written notice to CBB, the Borrower 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 Borrower may be required to pay CBB an additional fee, determined in the manner provided below, to compensate CBB for all losses, costs and expenses incurred in connection with such prepayment.

The fee shall be equal to (1) the present value of the difference between (a) the amount that would have been realized by CBB 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 CBB 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 _____ %, 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 250,00 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. For purposes of this Rider, the term Business Day shall mean any day other than a Saturday or Sunday or other day on which CBB is authorized or required to close.