



SpencerFane®

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December 17, 2018

Via e-mail to sherman@romneylawoffice.com
and regular U.S. Mail, postage prepaid

City of Craig, Colorado
City Council
c/o Sherman Romney, City Attorney
300 W. 4th Street
Craig, CO 81625

Re: Colorado Water Resources Power Development Authority Loan

Dear City Council and Mr. Romney:

The purpose of this letter is to memorialize our proposal to act as bond counsel to the City of Craig, Colorado (the "City") in connection with a loan from the Colorado Water Resources and Power Development Authority ("CWRPDA") in the amount of \$3,200,000 for a project involving improvements to the City's water plant.

We agree to act as bond counsel to the City in connection with the Loan as set forth herein. In the performance of our duties as bond counsel, we will examine the applicable law, including without limitation the law concerning Article X, Section 20 of the Colorado Constitution ("Amendment 1") and litigation concerning such amendment, examine the documents to be executed by the City relating to the Loan, draft a resolution approving the Loan agreement, and advise the City with respect to the types of legal obligations represented by such documents; and, assuming compliance with all legal requirements, give an opinion regarding the Loan based on the facts and law as of its date.



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Our responsibilities do not include the rendering of opinions or advice with respect to disclosure obligations, if any, in connection with the Loan. Further, it is our understanding we will not be responsible for posting, publishing, or filing any notices, certificates or other documents relating to the bond, or to board meetings, and that the issuer's general counsel will assume such responsibility.

Based upon the time we expect to allocate to this engagement and our anticipated responsibilities and risks, our fees for such services will be \$13,500. If unusual conditions arise or if the amount of the Loan increases, we may request reconsideration of this amount for any additional work which may be required.

Should our services be terminated prior to closing, we will bill you at our standard rates on an hourly basis; provided, however, that this provision will not apply in the event a Loan does not close as a result of this firm being unable to give the required bond opinion or if the City cannot proceed with closing a Loan for reasons beyond the control of the City. For your information, my hourly rate is \$380.00.

Finally, I must also point out that on rare occasions conditions arise or we become aware of facts during the course of our work that may make it impossible for us to render the opinion required by the City in order to close a transaction.

We look forward to having an opportunity to serve the City of Craig as bond counsel. If the terms of this engagement are acceptable to the City, please sign below, and return at least one executed copy to me at our office address contained in the footer of this letter.

Very truly yours,

SPENCER FANE LLP


Lisa K. Mayers



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APPROVED this ____ day of _____, 2018.

By: _____

Name: _____

Title: _____