

**TOWN OF JOHNSTOWN SEWER ACTIVITY ENTERPRISE
PROMISSORY NOTE**

\$9,500,000

August ____, 2010

FOR VALUE RECEIVED, the undersigned, the Town of Johnstown Sewer Activity Enterprise (“**Maker**”), promises to pay to the Town of Johnstown General Fund (“**Holder**”), at 450 S. Parish Avenue, Johnstown, Colorado 80534, the principal sum of Nine Million Five Hundred Thousand Dollars and No/100 (\$9,500,000.00) with non-compounding interest on the unpaid balance at the rate of one percent (1%). Such sum shall be paid on or before December 31, 2030.

Maker may prepay this Note to Holder at any time and from time to time, in whole or in part, without restriction or penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent payment.

Maker hereby waives presentment, notice of dishonor and protest, and hereby agrees to any extension of time of payment and partial payments before, at or after maturity.

All payments shall be paid from revenues received by the Town of Johnstown Sewer Activity Enterprise and be lawfully available for repayment.

The obligation for payment set forth in this Note shall be subject to the appropriation of funds for such payment by the Town Council of the Town of Johnstown.

This Note shall be governed by and construed in accordance with the laws of the State of Colorado.

TOWN OF JOHNSTOWN
SEWER ACTIVITY ENTERPRISE

ATTEST:

Diana Seele, Town Clerk

Gary Lebsack, Mayor