


Feasibility Report - Reconstruction of the South Platte River Breach Upstream of the Brighton Ditch Diversion

Sponsored by the
Brighton Ditch Company
in conjunction with the
Colorado Water Conservation Board

July 2015

FEASIBILITY STUDY APPROVAL
Pursuant to Colorado Revised Statutes 37-60-121 & 122, and
in accordance with policies adopted by the Board, the
CWCB staff has determined this Feasibility Study meets all
applicable requirements for approval.

 9/4/2015
Signed Date

Feasibility Report - Reconstruction of the South Platte River Breach Upstream of the Brighton Ditch Diversion

Sponsored by the
Brighton Ditch Company
in conjunction with the
Colorado Water Conservation Board

July 2015

Table of Contents

| | |
|--|----|
| Introduction | 6 |
| Project Sponsor | 6 |
| Project Service Area | 6 |
| Hydrology and Water Rights | 7 |
| Project Description and Alternatives | 18 |
| Selected Alternative | 19 |
| Cost Estimate | 20 |
| Implementation Schedule | 20 |
| Permitting | 20 |
| Institutional Considerations | 20 |
| Financial Analysis | 21 |
| Credit Worthiness | 22 |
| Alternative Financing Considerations | 22 |
| Collateral | 22 |
| Economic Analysis | 22 |
| Social and Physical Impacts | 22 |
| Conclusions | 23 |

List of Appendices

| | |
|-------------|---------------------------------------|
| Appendix A: | By-Laws and Articles of Incorporation |
| Appendix B: | State Engineer Diversion Reports |
| Appendix C: | Cost Estimate and Bids |
| Appendix D: | Plan Drawings and Designs |
| Appendix E: | CWCB Loan Application |
| Appendix F: | Financial Statements and Budget |

The Brighton Ditch Company

Robert Y. Sakata
President

Tom Chikuma
Vice-President

Gwen Stieber
Treasurer

Lisa Darling
Secretary

Tricia Williams
Director

Attorney for The Brighton Ditch Company

Robert F. T. Krassa, P.C.
Krassa & Miller, LLC
2737 Mapleton Avenue, Suite 103
Boulder, CO 80304
303-442-2156

Engineering and Technical Support

Colby Hayden, P.E.
Deere & Ault Consultants, Inc.
600 S. Airport Rd., Bldg A, Suite 205
Longmont, CO 80503
303-651-1468

Acknowledgement of those who assisted in the preparation of this report:

Dawn M. Jewell
Executive Secretary, The Brighton Ditch Company

Lisa Darling
Secretary, The Brighton Ditch Company

Colby Hayden, P.E.
Deere & Ault Consultants, Inc.

Samantha Sherwood
Engineer, City of Aurora

Anna Mauss
Colorado Water Conservation Board

The Brighton Ditch Company wishes to thank the CWCB for providing the “Sample – ABC Ditch Company Diversion Structure Feasibility Study, July 1, 2003” which was very closely copied for this study.

Feasibility Study

The Brighton Ditch Company

South Platte River Breach Upstream of the Brighton Ditch Diversion

Introduction

The Brighton Ditch Company (BDC), located in Adams County, operates the Brighton Ditch for the benefit of the shareholders by providing direct flow irrigation and augmentation water. The ditch diverts from the South Platte River, west of the City of Brighton, and water deliveries are made through the Company's ditch to the approximately 1,843 acre service area. Long term high flows in the South Platte River in May and June 2015 washed out a portion of the east bank of the River upstream of the Brighton Ditch Diversion structure and downstream of the City of Brighton's river headgate for their Ken Mitchel Ponds. Approximately 120 feet of the east bank was washed away and a breach 550 feet in length and 220 feet width (at the widest point) opened up behind the breach before connecting to the South Platte River downstream. The City of Brighton (COB) owns the property which has been removed by the river. The City of Aurora (COA) owns the Prairie Water Pipeline which has been exposed to the River in this breach. The Metro Wastewater Reclamation District (MWRD) owns a wastewater line which was endangered but undamaged in the north end of this breach. This breach is directly east of the BDC Diversion structure. The east wing wall of the diversion dam, while not damaged, was left on an island in the center of the South Platte River with the flows diverting through the breach and not into the Brighton Ditch. No repairs are planned by any parties within the breach which will restore flows to the BDC diversion. The BDC immediately constructed a cofferdam on the east bank of the South Platte River to close this breach and restore flows to the diversion structure and historical river bed.

Project Sponsor

The BDC is a mutual ditch company and a 501(c)(12) non-profit corporation registered in the State of Colorado. There are 14 shareholders and 20 shares of stock. The BDC has the power to set annual assessments to be paid by the shareholders and the power to cut off water deliveries to shareholders that fail to pay their assessments. The BDC articles of incorporation and by-laws are included in **Appendix A**.

Project Service Area and Facilities

The BDC provides irrigation water to a service area of approximately 1,843 acres in Adams and Weld Counties. The headgate for the BDC Ditch is located west of the City of Brighton and extends north approximately eight miles. Irrigated acreage within the service area is primarily used for crop production for sale in local markets with some hay production for cattle feed or sale. A map of the BDC Ditch and photos of the diversion structure and breach are shown on pages 8 - 17.

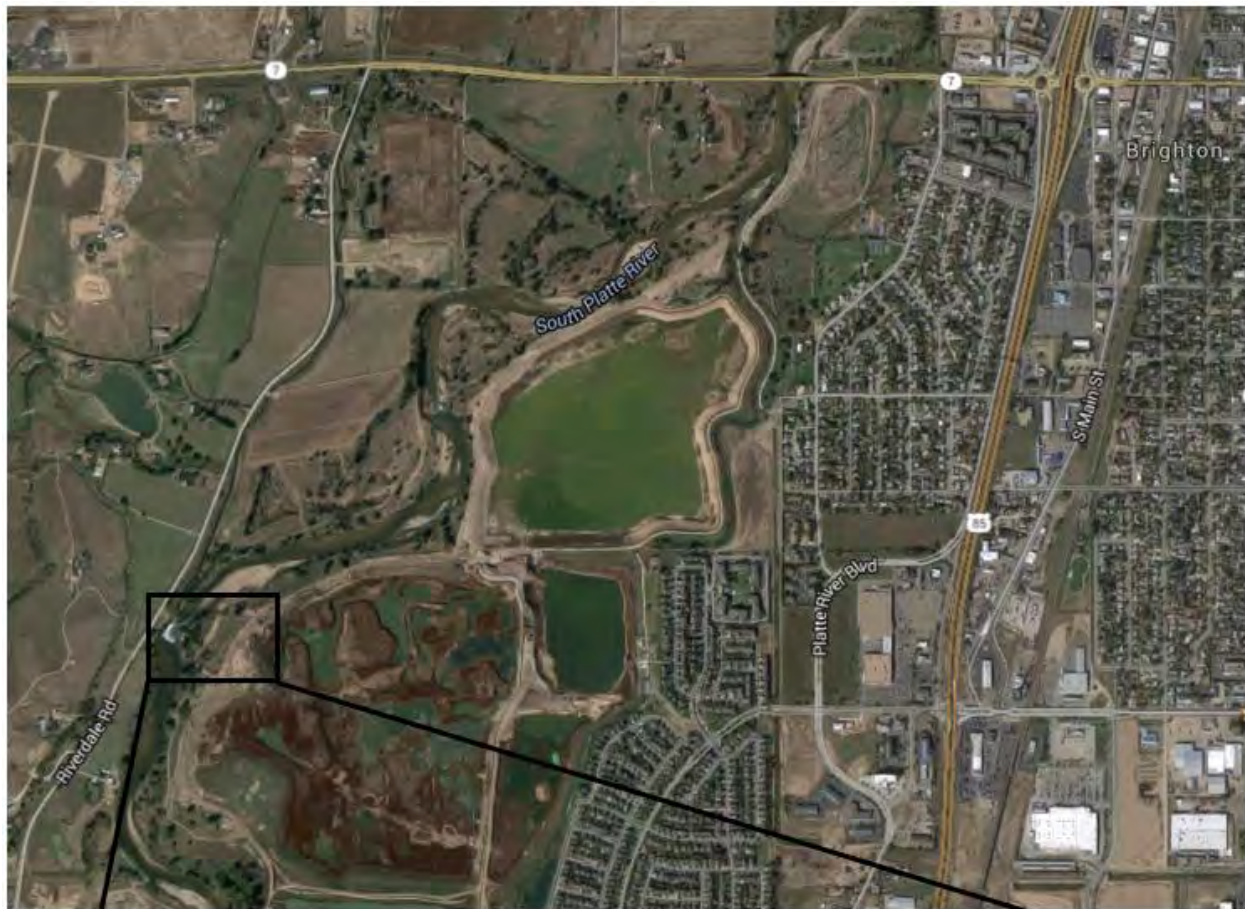
Hydrology and Water Rights

The source of water for the BDC is direct flow water rights from the South Platte River. The water rights diverted at the BDC headgate consist of the following two rights.

| Appropriation Date | Adjudication Date | Flow Rate (cfs) |
|--------------------------------|--------------------------|------------------------|
| 12/01/1863 | 04/28/1883 | 22.22 |
| 11/01/1871 | 04/28/1883 | 22.58 |
| Total Decreed Flow Rate | | 44.80 |

Records for the State Engineer's Office indicates the total average annual diversions for the years 2008, 2009, 2010, 2013, and 2014 (2011 and 2012 are missing from the CDSS website) is 7,125 acre feet (af). A summary of the State Engineer Diversion records are found in **Appendix B**.

Detailed Location Map



Photos of River Breach and Diversion Structure



Photo 1: Aerial photo of breach site taken from east bank of the South Platte River looking west. Photo taken in early June 2015 (Photo provided by COA) shortly after the initial breach and while water flows were still high. BDC diversion structure is visible on the far bank. In foreground, the black pipe is a temporary surface pipe owned by COB. On left side of photo, the COB headgate and wing walls are visible at end of washed out road.



Photo 2: Aerial photo of breach site taken from east bank of the South Platte River looking southwest. Photo taken in early June 2015 (photo by City of Westminster) shortly after the initial breach and while water flows were still high. BDC diversion is visible in the upper right of the photo with the COB headgate visible in the upper left. The COA Prairie Water Pipeline manhole is visible in the foreground with the COB black pipe floating in the breach.



Photo 3: Taken from the east bank looking slightly northwest across breach at the BDC diversion structure in the background. Photo taken July 7, 2015 (by Colby Hayden) after high flows subsided. No water flowing at the BDC headgate. Majority of South Platte River flows are going through the breach with minimal flows passing through the river gate on the diversion dam. Structure in foreground is the COB headgate and 48" RCP line.



Photo 4: Taken from the BDC headgate on the downstream side of the diversion channel (which is filled with sediment) looking to the south east. Photo taken on July 7, 2015 (by Dawn Jewell) after high flows subsided. No water flowing at the BDC headgate. Majority of South Platte River flows are going through the breach which is visible in the upper left corner and minimal flows are passing through river gate visible on right side of photo. Alternative No. 2 materials are visible in background.



Photo 5: Aerial taken during construction showing the breach, the Alternative No. 2 materials and the beginnings of the repairs with the Zone 2 material over the COB 48" RCP line behind the COB headgate. Photo taken July 13, 2015 (by City of Westminster). COA installation of sheetpiling to protect their Prairie Water Pipeline visible in the upper left of photo.



Photo 6: Aerial taken during construction showing the breach, the Alternative No. 2 materials (on the right side of the photo) and the beginnings of the repairs with the Zone 2 material over the COB 48" RCP line behind the COB headgate. Photo taken July 13, 2015 (by City of Westminster). COA installation of sheetpiling to protect their Prairie Water Pipeline visible in the upper left of photo.



Photo 7: Photo taken from BDC diversion structure showing Alternative No. 4 repairs in progress. Photo taken July 15, 2015 (by Tom Chikuma). The COB headgate is visible but submerged on the right side of the photo. The east wing wall "island" is visible on the left as green vegetation near the end of the coffer dam.



Photo 8: Photo taken from east bank behind COB headgate showing Alternative No. 4 in progress. Photo taken July 15, 2015 by Colby Hayden. The east wing wall island is visible on the top right.



Photo 9: Photo taken from BDC diversion showing Alternative No. 4 in progress. Photo taken July 16, 2015 by Colby Hayden.



Photo 10: Photo taken from BDC diversion showing Zone 2 material being moved in for Alternative No. 4. Photo taken July 16, 2015 by Colby Hayden.



Photo 11: Photo taken from the BDC diversion showing the finished cofferdam from the Alternative No. 4 design. Photo taken July 27, 2015 by Dawn Jewell.



Photo 12: Photo taken from BDC diversion showing the finished cofferdam on the right, pothole repairs on the left (all part of the Alternative No. 4 design), and COA sheet piling and riprap in the back ground. Photo taken July 27, 2015 by Dawn Jewell.



Photo 13: Photo taken from behind the cofferdam facing south towards the COB stilling well structure in the upper left and the east wing wall island fill protection (from Alternative No. 4) on the right. Photo taken July 21, 2015 by Colby Hayden.



Photo 14: Post-construction aerial taken from over the cofferdam, looking upstream on the South Platte River (south) and showing the dam around the COB headgate. Photo taken July 29, 2015 (by City of Westminster). High flows have returned to the River and the BDC is diverting.

Project Description and Alternatives

The purpose of this project is to restore flows to the BDC headgate to allow for continued irrigation water to shareholders. The project is proposed on property owned by the City of Brighton (COB) and with their permission and approval.

1. No action alternative.
2. Install cofferdam upstream of the COB headgate.
3. Trench the South Platte River along the west bank.
4. Install cofferdam behind the COB headgate

Alternative No. 1 was considered after discussion with the parties within the breach area (COB, COA, and MWRD) revealed no parties planned any repairs which would restore flows to the BDC headgate. This alternative was considered unacceptable since the BDC would be unable to deliver water to its shareholders.

Alternative No. 2 was originally accepted by the BDC and construction started on July 6, 2015 however, construction was quickly halted by the COB as additional permitting and permissions were required. After further discussions with COB, this alternative was rejected and COB recommended Alternative No. 3 and No. 4 to the BDC.

Alternative No. 3 was rejected due to the depth of the breach and the inability to check up the river to a level allowing water to enter the ditch diversion channel.

Alternative No. 4 was selected after discussion and direction from COB.

Deere & Ault Consultants, Inc. (D&A) of Longmont prepared engineering designs for **Alternative No. 2** and **Alternative No. 4** and cost estimates for this project. Plans as prepared by D&A are attached in the **Appendix D** of this study.

The originally **selected Alternative No. 2** involved construction of a cofferdam in three layers around the river side of the COB headgate. The river face of the cofferdam was to be constructed of Type VH & L mix riprap with a center layer of Type VL riprap and a back layer of Zone 2 fill material. Fill protection was to be placed along the breach side of the wing wall island to prevent further loss of land at the east wing wall of the BDC diversion dam.

Estimates were obtained from three companies after the **Alternative No. 2** design was completed by D&A. The design was for the cofferdam to be installed around the river side of the COB headgate, thus putting the COB headgate behind the cofferdam. Kemp & Hoffman, Inc. (K&H) of Northglenn, CO gave a cost estimate of \$190,138.77, which included only the cofferdam construction and no repairs to the wing wall island. Claystone Construction, LLC. (Claystone) of Longmont, CO gave an estimate of \$350,000. Burough Construction (Burough) of Fort Lupton, CO gave an estimate of \$485,100. K&H's estimate was deemed incomplete and was not evaluated. The BDC reviewed the Claystone and Burough bids and selected Claystone to complete the work.

Work began on **Alternative No. 2** on July 6, 2015, based on a verbal understanding by the BDC from discussions with COB, COA, MWRD and the Urban Drainage and Flood Control District (UDFCD), that work was to be completed as quickly as possible and permitting would continue during the construction process. COB stopped construction and requested that the license agreement with COB and floodway permits be finalized before construction would be allowed. Construction ceased and Claystone removed their equipment from the premises.

COB called a meeting with the BDC to discuss new design options **Alternative No. 3** and **Alternative No. 4**. After a conference call and an onsite meeting, **Alternative No. 4** was drafted by D&A and submitted to COB for approval. No new estimates were obtained since Claystone had already mobilized and begun work on **Alternative No. 2**. COB requested that BDC include language in the license agreement which obligates BDC to do additional work to remove the cofferdam or portions of the cofferdam at COBs behest.

Selected Alternative

The **selected Alternative No. 4** involves a cofferdam installed behind the COB headgate with the same cofferdam construction as **Alternative No. 2**. Materials which were installed for **Alternative No. 2** upstream of the COB headgate were removed and reused in the **Alternative No. 4** construction. Construction of the cofferdam would be in three layers around the bank side of the COB headgate. The river face of the cofferdam was constructed of Type VH & L mix riprap with a supporting center layer of Type VL riprap and a back layer of Zone 2 fill material. Fill protection was placed along the breach side of the wing wall island to prevent further loss of land at the east wing wall of the BDC diversion dam. At the request of COB, Zone 2 fill was placed to a depth of 5' and width of 20' over the existing 48" RCP line from the COB headgate and Type M or smaller riprap was placed along the downstream wing wall of the COB headgate. This was done to protect the existing COB pipeline and structure. Because **Alternative No. 4** is primarily along the pre-existing riverbank, it is the hope of the BDC that COB will not request removal of the cofferdam; however, a **contingency** may be required for the removal of the cofferdam materials, at least as it now exists behind the COB headgate.

Cost Estimate

The cost of the completed project is estimated at \$530,000. The cost breakdown is summarized in Table 1. The D&A cost estimate and contractor bids are included in **Appendix C**.

Table 1. BDC Breach Repair Cost for Alternative No. 4 and contingency

| Item | Quantity | Unit | Unit Price \$ | Amount \$* |
|--------------------------------------|----------|------|---------------|------------------|
| Clear and Grub | 1 | Job | 30,000 | 30,000 |
| Haul VH Rock | 2,677 | Ton | 75.00 | 201,000 |
| Rock/ Cofferdam Install | 2,677 | Ton | 20.00 | 53,500 |
| Clay Support Slope | 5,000 | C.Y. | 13.00 | 65,000 |
| Fill Protection | 9,900 | C.Y. | 4.33 | 43,000 |
| Stand-by Delays | 1 | Job | 9,500 | 9,500 |
| Engineering (design and site visits) | 1 | Job | 9,000 | 9,000 |
| Legal review and consultations | 1 | Job | 14,000 | 14,000 |
| Contingency (25% of project cost) | 1 | Job | 105,000 | 105,000 |
| Total | | | | \$530,000 |

**Rounded to the nearest \$500.*

Implementation Schedule

Work began on **Alternative No. 4** by Claystone on July 13, 2015 and was completed on July 21, 2015. Additional work may be required by COB at an undetermined date.

Permitting

The BDC was determined to be exempt by the U.S. Army Corps of Engineers from 404 permitting and obtained a letter of exemption from that agency. Floodway permits were obtained from the COB and Adams County. A License Agreement was also entered into with COB for permission to access the site. UDFCD was consulted in the floodway permitting process and permissions given to operate in the easement.

Institutional Considerations

Entities that are, or may be, involved in the design, construction, and financing of the project include:

- Brighton Ditch Company - financing and project management;
- Deere & Ault Consultants, Inc. - design and construction overview;
- Krassa & Miller, LLC - legal review and negotiations;
- Claystone Construction, LLC – construction;
- Colorado Water Conservation Board – financing; and
- Bank of Colorado - financing.

BDC will be the lead for financing, design and construction of the project, and will be the entity entering into contracts and agreements with the various entities for the services provided by each.

Financial Analysis

Several entities will be involved in financing the estimated total project cost of \$530,000. The BDC is applying for a loan from the CWCB for the full amount of the project. Due to the timing of the repair and payment to Claystone, BDC will be taking line of credit from the Bank of Colorado to assist in the immediate payment of construction costs to Claystone above and beyond the BDC current account balances. The BDC has also issued a special assessment to shareholders in the amount of \$15,000 per share, 50% of which is to be paid by 8/31/15 with the balance due by 8/31/2016. The estimated amounts per entity are given in Table 2.

Table 2. Funding Sources

| Entity | Amount | Description |
|------------------|-----------|--|
| BDC | \$76,000 | Bank Balance (above normal operating costs - to be refunded) |
| BDC shareholders | \$224,000 | Special Assessments (receipt anticipated by 8/31/15) |
| Bank of Colorado | \$200,000 | Line of Credit (to be paid back) |
| CWCB | \$477,000 | Loan (to cover costs) |

The BDC is requesting a 30-year loan from the CWCB of \$477,000. The standard agricultural lending rate would be 1.75%, resulting in an annual payment of \$20,573. Table 3 is a summary of the financial aspects of the project. Annual assessments will be increased from \$4,000 a share to \$5,029 per share. This represents an annual assessment increase of \$1,029 per share or \$2.88 per af, based on average annual diversions of 7,125 af.

Table 3. Financial Summary

| | |
|-----------------------------------|-----------|
| Project Cost | \$530,000 |
| Loan Amount (90% of Project Cost) | \$477,000 |
| CWCB Annual Loan Payment Amount | \$20,573 |
| Number of shareholders | 14 |
| Number of shares of stock | 20 |
| Current assessment per share | \$4,000 |
| Future assessment per share | \$5,029 |
| Annual Project Cost per acre-foot | \$2.88 |

The BDC will have a short-term loan from the Bank of Colorado which it intends to pay off with the CWCB loan, as funding was needed immediately. The CWCB loan will also be used to recover the BDC accounts.

Credit worthiness: BDC had no existing debt prior to this project and has been in business since 1880. The BDC has a long-term relationship with the Bank of Colorado in Fort Lupton and has the ability to borrow money as required to conduct their normal business if needed.

Alternative financing considerations: BDC has investigated alternative financing sources and mechanisms, including a special assessment to the shareholders and a loan from the Bank of Colorado for the amount of \$200,000 to pay current costs while waiting for possible CWCB funding. Current business owners and municipalities with property in Weld and Adams Counties are also looking at a possible disaster declaration by FEMA and the State which will allow for Public Assistance reimbursements if declared.

Collateral: As security for the CWCB loan, the BDC can pledge assessment income and the project itself.

Economic Analysis

The BDC provides water to fields belonging to one of the largest agricultural distributors in Weld County (Sakata Farms) as well as numerous small farms. The economic toll of not having water in the Brighton Ditch for the rest of the irrigation season can be estimated at \$3,000 to \$5,000¹ per acre. With 1,843 acres of planted farm land under the ditch, this could be losses up to \$9,215,000, making this project of \$530,000 the most economically viable response to this river breach.

Social and Physical Impacts

The project will have no significant social impacts since it will assure continued operation of a currently existing irrigation system. The project has minor physical impacts as the cofferdam is currently built to a higher elevation than the pre-existing bank; long-term discussions for a permanent solution may include construction of a swale and emergency flow-through for high water flows.

¹ Estimate received from Robert T. Sakata of Sakata Farms based on analyses done by UC Davis in 2000 and 2012.
Brighton Ditch Company - Feasibility Report, July 2015

Conclusions

1. The Brighton Ditch Company is an incorporated entity in the State of Colorado with the ability to enter into a contract with the CWCB for the purpose of obtaining a Construction Fund loan.
2. The License Agreement and Right-of-Way easements are adequate for the construction of this project.
3. The project would provide for the continued delivery of irrigation water to shareholders.
4. The total estimated cost of the project is \$530,000 and this will be financed in part by in-house holdings, shareholder special assessments, a Bank of Colorado Loan and a loan from the CWCB in the amount of \$477,000.
5. Brighton Ditch Company is eligible for a loan from the CWCB Emergency Infrastructure Repair Account because the project is necessary to avoid unreasonable risk of injury or damage to human health or well-being or to property or crops, and because the emergency condition is not the result of negligence in the operation or maintenance of the infrastructure.
6. The project is technically and financially feasible.

**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix A
By-Laws and Articles of Incorporation**

The Brighton Ditch Company

| Shareholder | Shares | Shareholder | Shares |
|---|--------|--|--------|
| Asphalt Paving Company 14802 W 44th Ave Golden, CO 80403 | 1 | South Adams County Water & Sanitatio c/o Tricia Williams 6595 E 70th Ave Commerce City, CO 80037-0597 | 1.105 |
| City of Aurora c/o Director, Aurora Water 15151 E Alameda Pkwy Ste 3600 Aurora, CO 80012 | 9.582 | Gwen Stieber 11553 WCR 6 Fort Lupton, CO 80621 | 0.667 |
| Central Colorado Water Conservancy District 3209 W 28th St Greeley, CO 80634 | 0.1 | John Weigandt 10390 E 168th Ave Brighton, CO 80601 | 1 |
| Chikuma Family, LLC c/o Rose Takamoto 1300 38th Ave Greeley, CO 80634-2714 | 2.35 | City of Westminster c/o Josh Nimms 4800 W 92nd Ave Westminster, CO 80030 | 1.038 |
| Tom and Alice Holton 12032 Colo Hwy 52 Fort Lupton, CO 80621 | 0.125 | | 20.00 |
| Mary Neely 435 S. 4th Street Fort Lupton, CO 80621 | 0.167 | | |
| Ron Neely 13515 Milwaukee Ct Thornton, CO 80241 | 0.167 | | |
| Alice Pehr c/o Terri Scott 4371 WCR 27 Fort Lupton, CO 80621 | 0.2 | | |
| Quarter Circle "S" Quarter Circle Land Co., LLC 11553 WCR 6 Fort Lupton, CO 80621 | 1 | | |
| Sakata Farms P.O. Box 508 Brighton, CO 80601-0508 | 1.5 | | |

BY-LAWS
of the
BRIGHTON DITCH COMPANY
as amended through April 2014

BY-LAWS of the BRIGHTON DITCH COMPANY

ARTICLE I

Section 1. The corporate powers of this company shall be vested in and exercised by a board of five directors, each of whom shall be a stockholder.

ARTICLE II

Meeting of Stockholders

Section 1. The annual meeting of the stockholders shall be held on the third Saturday in January, between the hours of 1 o'clock and 5 o'clock in the afternoon, at such location in Adams or Weld Counties as the directors shall select. Notice therefore shall be given as required by law.

Section 2. Special meetings of the stockholders shall be held by order of the Board of Directors or by stockholders representing one-third in amount of all stock issued and outstanding.

Section 3.¹ Public notice of the time and place of holding the annual and all special meetings of stockholders shall be delivered personally or by depositing in the post office at least 30 days before annual meetings or 10 days before all special meetings, a notice properly addressed to each stockholder at his or her last address signed by the President or Secretary stating the time and object of said meeting; and no business shall be transacted at any such meeting except as shall be mentioned in said notice. If any stockholder shall fail to furnish the Secretary with his/her correct post office address, they shall not be entitled to such notice. Election of directors shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy, provided a majority of the stock issued shall be represented, and if a majority of such stock shall not be represented, such meeting may be adjourned by the stockholders present for a period not exceeding sixty days, or at any one adjournment.

Section 4.² Each stockholder shall have the right to vote in person or by proxy the number of shares owned by such stockholder as of the record date of the meeting, and in balloting for directors such stockholder may vote said number of shares for as many directors as are to be elected. Only stockholders of record shall be entitled to vote at the regular and special meetings of the stockholders. The record date for closing of transfer books and determination of stockholders entitled to vote at any meeting shall be the date of the mailing of the notice of such meeting.

Section 5. At all meetings of the stockholders at which any business is transacted a majority of the shares of stock of the Company issued and outstanding must be represented.

Section 6. If for any reason the annual meeting shall not be held on the day fixed in Section 1 of this Article, or not be adjourned by the stockholders to a time certain as provided by law, such

¹ Article II, Section 3 Bylaw amendment voted on at the annual meeting of the shareholders 1/19/13: remove the newspaper publishing requirement.

² Article II, Section 4 Bylaw amendment voted on at the annual meeting of the shareholders 1/18/14: set record date for voting of stock at the annual meetings.

meeting may be held provided fifteen days written notice is given to said stockholders, meeting to be held within thirty days as fixed upon by the Board of Directors, or at written request of the stockholders of the company representing one-third in amount of all stock issued and outstanding.

Section 7. The regular order of business at the annual meeting, and as far as practicable at all other meetings of the stockholders, shall be as follows:

1. Call to order by President
2. Reading of call by Secretary
3. Roll Call
4. Reading of minutes of last annual meeting
5. Reports of Officers
6. Unfinished Business
7. New Business
8. Voting of assessment
9. Election of Directors
10. Adjournment

Section 8. Cumulative voting of shares of stock is not authorized.

Section 9. The stockholders may, at their annual meeting, adjust the daily rate paid to the members of the Board of Directors without the necessity for giving notice thereof in the notice of such annual meeting.

ARTICLE III Board of Directors

Section 1. The Board of Directors of this Company shall be elected, by ballot, at the annual meeting of the stockholders, and shall serve for staggered terms of two years or until their successor shall be duly elected. The Board shall meet upon the day of the annual election, or as soon thereafter as practicable, for the purpose of organizing the Board and transacting such business as may come before it. At the annual meeting on January 18, 2003, on the expiration of the term of offices of the present Board of Directors of the Corporation, five directors shall be elected, two members to serve for the term of one year and three members to serve for the term of two years; and at the annual meeting in each succeeding year, Directors shall be elected to fill the vacancies caused by the expiration of the term of office of any of the directors previously selected, as well as to fill vacancies caused by the death or removal of any Director during his or her term of office.

Section 2. Meetings of the Board of Directors may be called by the President, or in case of his or her absence or inability to act, by the Vice-President, and shall be called by the President upon the written request of any two directors, at such time and place as may be designated upon twelve hours notice by letter or telephone to each director; provided, however, that such time and notice may be waived by the written consent of all the directors. A majority of the Board shall

constitute a quorum. It shall require a majority of all the directors to pass any motion or adopt any resolution.

Section 3. All meetings of the Board of Directors of the Company shall be held at the principal office of the Company or wherever the Board may direct, except that by the consent of all the directors such meetings may be held elsewhere.

Section 4. The Board of Directors shall exercise a general supervision over the affairs of the Company and do such things as may be desirable or necessary for the proper conduct of the business of the Company. It shall receive all reports from the Secretary and Treasurer and other officers and agents and shall perform such other functions as shall devolve upon the Board of Directors of corporations of this character. The Board of Directors shall have the power to borrow money and to mortgage or otherwise pledge and encumber all or any part of the property of the Company, whether now owned or hereafter acquired, to secure the payment thereof but not to exceed \$25,000.00 at any time except in a case of emergency and in that case not to exceed the sum of \$50,000.00 additional.

Section 5. The Board of Directors of the company may from time to time, either to meet an emergency or in the general operation of the company's system, adopt other rules and regulations for the collection and distribution of the company's water supply. The company shall not be liable for a shortage of water from any cause whatsoever, and shall have the right at all times when in the judgment of the Board of Directors is may be reasonably necessary, to shut down the running of water in order to make repairs, changes or alterations.

Section 6. Directors as such shall receive no stated salaries for their services but shall be allowed and paid an amount (herein referred to as the "daily rate") as may be set from time to time at the annual meeting of the Stockholders plus actual expenses, including traveling expenses, for attendance at meetings of the Board of Directors and of the Stockholders. In addition, if any director of the Company, under a resolution of the Board of Directors, is required to attend to or travel upon the business of the company he/she shall be paid for the time and services while so engaged in the company's business, their actual expenses and the same daily rate for each day or fraction thereof, provided however, that the superintendent of the company shall receive no additional compensation other than his or her salary for any time expended or services performed on behalf of the company, either within or beyond the county in which they reside, except by resolution of the Board of Directors.

Section 7. In case any vacancy occurs in the Board of Directors by death, resignation, removal or otherwise, the remaining members of the Board shall have power to elect a duly qualified person to fill any such vacancy and such person so elected shall hold office until a successor may be elected.

Section 8. No contract made by any officer or employee of this Company shall be valid without previous authorization or subsequent ratification by the board of directors.

ARTICLE IV Officers

Section 1. The officers of this company shall consist of a President, Vice-President, Secretary, Treasurer and a Superintendent of the Ditch all of whom shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders, or as soon thereafter as may be practicable. Such officers shall be chosen from the members of the Board of Directors, except the Secretary and Treasurer, and the Superintendent, who may or may not be directors. The offices of the Secretary and Treasurer may not be held by one person. The Board of Directors shall employ a Superintendent who shall not be a stockholder in this Company.

ARTICLE V Duties of Officers

Section 1. President shall preside at all meetings of the Board of Directors and of the stockholders, sign all certificates of stock and all deeds and like instruments in writing on behalf of the Company, and shall have general supervision, control and management of the affairs and business of the corporation, subject to the supervision and direction of the Board of Directors. He or she may call special meetings of the Board at any time of his or her own volition, and shall do so on the written request of two or more members, and shall perform such other executive duties and functions as ordinarily devolve upon the chief officer of a corporation.

Section 2. The Vice-President shall exercise the powers and perform the duties and functions of the President when from any cause the latter shall be unable or shall refuse to act.

Section 3. The Secretary shall have charge of the books, records, documents and correspondence of the Company, and shall cause records of the proceedings of all meetings of the Board of Directors and of the stockholders to be kept. He or she shall countersign and register all certificates of stock and record all transfers of stock properly made. He or she shall issue money orders to Treasurer for money drawn on the treasury. He or she shall give notice of the time and place of all Board and stockholders meetings, and shall have the custody of the corporate seal and affix same to all certificates of stock, deeds, contracts and other instruments requiring the corporate seal, after the same shall have been signed by the President. He or she shall keep a full and accurate record containing the names of all persons alphabetically arranged who are, or shall within one year have been stockholders of this corporation, and showing their place of residence, the number of shares of stock held by each of them, respectively, and the time when they respectively became the owners of such shares, and the time when they ceased to be such stockholders. He or she shall keep the accounts of the Company, receive all moneys to be paid to the Company, and pay the same to the Treasurer, taking his or her receipt for the same. He or she shall keep an inventory of the Company's property, make a report of the business transacted by him or her annually or oftener if required by the President or the Board of Directors, and exhibit and explain the same to the Board and to the stockholders at their annual meeting, and shall perform such other duties as may be prescribed in the by-laws or as may be required of him or her by the Board of Directors. The secretary shall take care to assure that the Company is in good standing with the Colorado Secretary of State, that the Company's status on the records of that office is correct, and that all tax returns and other tax related matters are attended to and filed in a timely manner. Salary is to be determined by the Board of Directors.

Section 4.^{3 4} The Treasurer shall have control and custody of all funds and securities of the company, and hold, deposit, dispose of and deliver the same as the Board of Directors may direct; and shall keep proper books of accounts showing all the financial transactions of the company and shall keep his or her bank account in the name of the company and render statements of his or her accounts and of the cash on hand whenever required by the Board of Directors or the President. He or she shall pay out moneys only upon order of the Board of Directors. Such payments from the Company shall require two signatures. Authorized signors shall be the president, the Vice-President, and the Treasurer. He or she shall keep his or her accounts in such manner as to be able to inform the President or Board of Directors of the financial condition of the company and the amount of funds in the treasury, and when required by the President or the Board of Directors and at the end of his or her term of office, shall make to the stockholders and the Board of Directors a full report of all money and property received and paid out by him or her during his or her term of office. He or she shall present vouchers for money and property paid out by him or her and shall deliver the balance of all money and property to his or her successor in office, and shall perform such other duties as may be prescribed by the by-laws or required of him or her by the Board of Directors. Salary is to be determined by Board of Directors. The Board of Directors may in its discretion require the Treasurer to furnish the company a bond, conditioned upon the faithful and honest discharge of his or her duties.

Section 5. The Superintendent shall, under the direction of the Board of Directors, have charge of the ditch of the company and its other property pertaining to the ditch. He or she shall see that the ditch is kept in repair and in condition for carrying water; that the boxes and headgates are properly maintained and the water of the ditch properly and equitably divided among the parties entitled to the same. He or she shall take charge of the tools, machinery and loose property and materials and keep an inventory thereof, and with the advise and consent of the Board of Directors, he or she may hire and procure the necessary tools, materials and assistants to aid him or her in the performance of his or her duties, and he or she shall perform such other duties, as the Board of Directors or the by-laws may prescribe or require of him or her in relation to the property and effects of the company. He or she shall receive as compensation such sum as may from time to time be fixed by resolution of the Board of Directors, such compensation to be determined in advance at, or before the time he or she enters upon his or her duties for the term. The Superintendent of the Company, under the direction of the Board of Directors, may divide the company's ditch into section and rotate or pro-rate the available water carried through said ditch in such manner and at such times as shall seem to the Board of Directors or the Superintendent of the Company best calculated to insure to each stockholder of the company their pro-rata share of that part of the company's water supply to which they may be entitled.

³ Article V, Section 4 Bylaw amendment voted on at the annual meeting of the shareholders 1/19/13: Require two signatures on checks.

⁴ Article V, Section 4 Bylaw amendment voted on at the annual meeting of the shareholders 1/18/14: Remove the need for attestation or vouchers by the Secretary.

ARTICLE VI

Stocks

Section 1. All stockholders shall be entitled to certificates of stock duly signed by the President or Vice-president and attested by the Secretary, under the corporate seal of the company, and shall express on its face its number, date of issuance, the number of shares for which issued, the par value, and the name of the person or persons to whom issued.

Section 2. Transfer of stock shall be made only on the books of the company, either in person or by attorney, and must be accompanied by the surrender of the duly endorsed certificate or certificates representing the transferred stock⁵. Surrendered certificates shall be cancelled and attached to the corresponding stubs in the stock certificate books and new certificates issued to the parties entitled thereto. The stock books shall be closed to transfers on the thirty-first of December of each year.

Section 3.⁶ No transfers of stock shall be valid as against this company so long as the registered holder thereof shall be indebted to this Company upon any past due debt either as principal, surety or otherwise. The company shall have and retain a first and valid lien upon all shares of stock of each stockholder as security for the payment of any sum or sums for which such stockholders shall be indebted to this Company, whether as principal, surety or otherwise. But no transfer of any stock shall be made on the books of the company until assessments upon such shares of stock shall have been paid, the transfer fee has been paid, and the original certificate surrendered and cancelled. The transfer fee shall be \$100 plus reimbursement of legal fees incurred by the Company in excess of one hour of attorney time⁷. The Secretary shall preserve and safely keep all such surrendered and cancelled certificates. The stock book of the Company shall be kept in a fire proof vault or bank safety deposit box.

Section 4. In case this company acquires or becomes the owner of any of the capital stock of this Company, such stock shall be sold for such price or prices as the directors may from time to time fix and determine. Such stock shall not be entitled to vote while held by this Company.

Section 5.⁸ The Board of Directors may order a new certificate or certificates of stock to be issued in place of any certificate or certificates of the Company alleged to have been lost or destroyed, upon (a) full compliance with the provisions of C.R.S. Sec. 7-42-113 through 117, as amended; (b) proof satisfactory to the Board of the stockholder's or lien holder's right to such certificate; (c) reimbursement to the Company of the costs of the publication required by said statutes; (d) reimbursement to the Company of all legal fees and other expenses incurred as a result of the request for issuance of a replacement or duplicate stock certificate; and (e) a transfer fee of \$100 per certificate issued.

⁵ 1/15/2005 – Resolution: All transfer fees are to be paid and deposited in the name of the company.

⁶ Article VI, Section 3 Bylaw amendment voted on at the annual meeting of the shareholders 1/19/13: require stock transfer fee.

⁷ Krassa & Miller, LLC hourly rate as of 5/1/2014 is \$250.00

⁸ Article VI, Section 5 Bylaw amendment voted on at the annual meeting of the shareholders 1/19/13: incorporate the C.R.S changes from 2012.

Section 6. Possession of stock certificates shall not be regarded as evidence of ownership of the same unless it appears on the stock book of the Company that said certificate was issued or duly transferred to the holder of the same.

ARTICLE VII Assessments

Section 1. The stockholders shall have the power and it shall be their duty at the annual meeting each year to levy an assessment upon the shares of the capital stock pro-rata, share and share alike, for the purpose of keeping the property of this company in good repair, and for the payment of any claim against this company not otherwise provided for, all such assessments to be levied prorata on all shares of the Company, payable in money and an action may be maintained in the name of this Company to recover any assessments against any delinquent shareholder which shall remain due and unpaid for a period of twenty days after personal demand therefore, or, in cases where personal demand is not made, within thirty days after a written or printed demand has been deposited in the post office, properly addressed to the post office address of such delinquent stockholder, as shown on the company's books.

Section 2. If for any reason the stockholders shall fail to levy an assessment at the annual meeting, it shall be the duty of the Board of Directors to levy said assessment.

Section 3. All assessments levied or made under the provisions of these by-laws or the laws of the State of Colorado shall be due and payable the first half on the 1st day of April and the second half on the 15th day of September of each year, and shall be and remain a lien upon each share of stock until the assessments upon such shares of stock shall be fully paid; and if such assessment or any part thereof shall not be paid when due, interest shall be charged thereon from the date the same becomes due at the rate of 15% per annum, and the shares of stock on which the same is due may be considered delinquent and in default and may be sold on failure to pay the assessments thereon.

Section 4. Whenever an assessment has been levied as hereinbefore provided, the Secretary of this Company shall, within 45 days thereafter, send a notice to each stockholder informing them of the date and the amount of such assessment and the time or times when the same shall become due and where payable, such notice to be sealed in an envelope with postage prepaid and deposited in the post office addressed to each stockholder at their last known post office address, and it shall thereupon become the duty of each stockholder to attend such place and pay such assessment before the same becomes delinquent.

Section 5. No water shall be carried or delivered to or for any person who shall be indebted to the company, either as principal, surety or otherwise, on any overdue debt, and no water shall be carried or delivered for the owner of or on account of or by virtue, of any stock, during any year while there remains unpaid any overdue installment of any assessment made upon such stock.

Section 6. All shares of stock upon which any assessment so levied shall not have been fully paid when due shall be considered delinquent, and the Secretary of the Company shall within 90 days

after the last installment of such assessment becomes due upon order of the Board of Directors make demand upon the delinquent stockholder so in default for the amount due on all shares of stock upon which the assessment has not been fully paid, either in person or by written or printed notice duly mailed by registered mail with a return card, to the last known address of each stockholder at least thirty days prior to the time when said stock so in default shall be forfeited and sold, and which notice shall also state the time and place where such delinquent stock will be sold unless the due amount thereon, including interest and the cost of advertising, is not paid before the time fixed for such sale and shall within said ninety days make a list of all the shares of stock on which the assessment has not been fully paid and which are delinquent, giving the name of the stockholder as shown upon the books of the Company, the number of the certificate, the number of shares and the amount of such assessment remaining unpaid, and have the same advertised by publication at least once each week for four successive weeks in a daily or weekly newspaper published in the City of Fort Lupton and in the City of Brighton, Colorado, the first publication thereof to be at least thirty days prior to the date fixed in such notice for such sale, and which said notice shall also state the time and place at which such shares of stock shall be sold unless payment of the amount due thereon shall have been made prior to the time of sale, and if the owner or owners of such stock shall fail to pay the amount due upon such shares, the interest upon the same and the cost of advertising before the time fixed in such notice for such sale, such delinquent stock shall be forfeited and the Secretary shall proceed to sell at public auction at the time and place designated in said notice to the highest bidder for cash in hand the said delinquent stock or so many shares of each parcel of said stock as shall be necessary to pay the amount of such assessment remaining due thereon, together with the interest and cost of advertising and if the price for which the necessary share or shares shall be sold shall exceed the amount due, with interest and cost, such excess shall be paid to the delinquent stockholder and provided further that such stockholder may at any time within one year redeem such stock, from such sale by paying to the Treasurer of the Company the amount for which the stock was sold with interest at the rate of fifteen per cent per annum for the use of the purchaser thereof, and the Secretary before making any sale in pursuance hereof shall give notice that any such sale will be made subject to the right of redemption; if such a redemption be not made a certificate for the stock so sold shall be issued to the purchaser. The Company may become the purchaser at any sale so held, and if at any such sale there shall be no bids made for such delinquent stock the Secretary shall bid the same in, in the name of the Company for the amount due thereon, including interest and cost. The remedies for the collection of such assessments are cumulative, and shall be in addition to every other remedy now or hereafter existing at law or by statute.

ARTICLE VIII
Corporate Seal

Section 1. The corporate seal of the Company shall consist of the name of the Company, an impression of which is affixed hereto, viz:



ARTICLE IX
By-Laws

Section 1. These by-laws may be amended, altered or added to at any regular annual meeting, properly called for that purpose, by a vote of two-thirds of all the capital stock, provided, however, that written notice of any proposed amendment change or addition setting out the proposed amendment, change or addition shall be mailed to the stockholders not less than thirty days prior to such meeting.

Section 2: Any person acquiring stock by purchase, or transfer, either at public or private sale, shall be subject to all liabilities incurred and assumed by the original subscriber to the certificate of stock, and to all provisions of these by-laws as they now exist or are hereafter amended.

ARTICLE X
Ditch Operations

Section 1. All headgates, weirs and checks in the company's canals shall be operated and be under the exclusive control of the company, and no stockholder or any other person shall have the right to interfere with, reconstruct, repair, change or alter, said headgates, weirs or checks, or any of them, in any manner whatsoever without the approval of the Directors. Each stockholder shall pay or be responsible for the construction, reconstruction and repair of the headgates, weirs or checks diverting water to his or her land. Every stockholder shall have the privilege to open the headgate at any time whenever the same is not locked by the Superintendent and also to close the same whenever the water supply carried in the company's canals is normal. Under no condition however, shall a stockholder close his/her headgate whenever the head of water in the ditch is such that a closing thereof would endanger the ditch by over-flow or otherwise, and

regardless of the cause of the large head of water in the ditch, i.e., from cloud bursts, heavy rains or any other cause over which the company shall have no control.

Section 2. The stockholder is responsible to remove checkboards when his or her headgates are closed. A stockholder who fails to remove checkboards is liable for any damage caused by the ditch overflowing.

Section 3. No water shall be delivered out of the main irrigation ditch of the Brighton Ditch Company without first being diverted through the headgate of such Company and being measured through the measuring weir of the Brighton Ditch Company. Any water decreed to the Brighton Ditch Company and diverted out of such ditch by any stockholder will be assessed for ditch operation and maintenance in the same manner as any other stockholder water and shall also be assessed ditch losses for seepage evaporation and other carriage loss like any other stockholder water.

Section 4. Any person who may tamper or in any way interfere with the Main Ditch Head Gate, headgate s or weirs, whether the latter belongs to him or her or not, without written permission signed by the Superintendent or each of the Directors, shall be subject to a fine and imprisonment as per the laws of the State of Colorado (Colorado Revised Statutes 37-89-103). In addition, for such offenses he or she may be deprived of the use of the water for the balance of the season.

Section 5. In case any stockholder shall have any complaint to make on account of the distribution of water in the Company, or for any other reason, he or she shall make complaint in writing to the Superintendent who shall take such action as shall be just and right, to adjust the matter; provided, however, if the decision of the Superintendent does not satisfy the objections of the stockholders, he or she may appeal to the Board, who shall make full investigation of the matter and of the complaint and such stockholder or stockholders may appear and offer such evidence as he, she or they may see fit and the Board shall use all proper efforts to correct the evils complained of. The final determination of the Board, however, shall be final and binding upon all parties.

Section 6. Each holder of capital stock of the Company shall be entitled to receive from the Company's main ditch a proportionate share of the Company's water flowing therein, which share shall be the proportion which the number of shares of stock held by such stockholder bears to the entire outstanding stock of the Company, and in order that the water may be equitably distributed among the stockholders, the directors and the Superintendent are empowered to rotate water among stockholders, or to divide the ditch into sections for the distribution of water, or to adopt such other methods as in their judgment may from time to time become necessary to secure to all stockholders their proportionate share of water.

Section 7. The Company shall not be considered as guaranteeing to the holders of stock the use at all times of the full amount of water to which they are respectively entitled.

Section 8. No stockholder shall be permitted to waste water, and in case of any such waste, the Board of Directors shall take such steps as it deems necessary to prevent or punish the same (Colorado Revised Statutes 37-84-124 and 37-84-125).

ARTICLE XI Changes of Water Rights

Section 1. Application - Review - standard. Any stockholder ("applicant") desiring a change of water right as defined in the Water Right Determination and Administration Act of 1969, Colorado Revised Statutes §37-92-101 through 37-92-603, including, but not limited to, a change in point of diversion or place of use of any water that the applicant is entitled to receive as a result of stock ownership must first make a written application to the Directors of the Company. A change of water right shall include the use of water the shareholder is entitled to as a result of stock ownership as augmentation water in a plan for augmentation or exchange. The request should detail the requested change and include adequate terms and conditions to prevent injury to the Company and its shareholders. If, in the reasonable opinion of the Directors, such change may be approved without injury to the Company and all of its stockholders, the Directors shall then approve the change application subject to necessary terms and conditions. The basis for any determination by the Directors shall be placed in the minutes of the meeting of the Directors, and a copy of that portion of the minutes shall be promptly sent to the Applicant. In evaluating whether the requested change of water rights can be made without injury to the Company and its shareholders, the Company may obtain an engineering and legal analysis of the requested change by the applicant and the terms and conditions offered by the applicant.

Section 2. Timely Review. The Company shall evaluate the application for change of water right within a reasonable amount of time.

Section 3. Board Approval Required. No application for approval of a change of water right or plan for augmentation may be made to the District Court for Water Division No. 1, State of Colorado ("Water Court"), nor to the State Engineer for a substitute supply plan, unless the same has been submitted to the Company and has either been approved or denied by the Board of Directors. If an application has been approved by the Company, the applicant must include terms and conditions at least as stringent as those approved by the Company.

ARTICLE XII New Lands and Uses - Board Approval Required

No transfer of shares for uses on land not historically irrigated by water of this ditch (hereinafter "new land") or for uses not historically made (hereinafter "new uses") shall be permitted, except by and upon orders and approval of the Board of Directors. If a person acquiring stock (hereinafter the "applicant") expresses an intent to use the purchased shares for new uses or upon new lands, the secretary of this Company shall suspend the re-issuance of certificates pending review by the Board of Directors. The applicant shall submit an application to the board describing the new uses and/or locations that is sufficiently detailed to permit the board to determine whether the proposed uses will be detrimental to the operation of the Company's delivery system, in violation of the Company's water rights decrees or these by-laws, or

otherwise injurious to the stockholders and the Company as a whole. The board shall review any such application in a timely manner, and, if the board determines that the application cannot be granted as presented, it shall allow the applicant an opportunity to revise its plan to address the board's concerns. The board is authorized to engage engineering and legal help to assist in its review of the application, and any fees thereby generated which would not have been incurred but for the application shall be borne by the applicant.

ARTICLE XIII Payment of Costs to Change or Transfer

The stockholder seeking a change or transfer of water, or a plan for augmentation or substitute supply plan, shall pay all the Company's expenses of such proceedings including postage expenses and a charge for time spent by the employees or Board members in analyzing the application to the Company and in any judicial litigation that follows. This specifically includes a challenge to the Company's denial of an application. If the Board of Directors of the Company requires legal or engineering services for the purpose of making the determination that the requested change of point of diversion or transfer may be made without injury to the canal, the Company and other stockholders, the cost of such legal and engineering services shall be paid by the stockholder making such request. The Board of Directors may require that the estimated cost thereof be paid to the Company prior to the Company incurring such legal and engineering expense. The Board of Directors may, without penalty or liability, defer any such determination until such estimated cost has been paid to the Company. Any unpaid portion of the actual cost of the legal and engineering services not paid to the Company upon demand shall be a lien upon the shares of stock owned by such stockholder in the same manner as an unpaid levied assessment and may be collected by the Company in the same manner as a delinquent assessment. Any water administration fees required to be paid by the Company to the State Engineer, shall be reimbursed to the Company by the stockholders upon whose shares of stock such fees are based or calculated, except that the Company shall pay the water administration fees for the Company's unchanged 1863 direct flow irrigation right and the Company's unchanged 1871 direct flow irrigation right. Upon written notification to the responsible stockholder, such fees shall be considered a part of the annual assessment upon such stockholder and shall be subject to all of the provisions of Article VII Assessments of these Bylaws.

ARTICLE XIV
Indemnification of Officers, Directors and Others

Section 1. Indemnification by the Company. The Company shall indemnify any person who was or is an involuntary party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he or she is or was a Director, officer, employee, fiduciary or agent of the Company or is or was serving, at the request of the Company as a Director, officer fiduciary or agent of another Company, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in such action, suit, or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Company and, with respect to any criminal action or proceeding had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

Section 2. No Indemnification Upon Negligence or Misconduct. No indemnification shall be made in respect to any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Company unless and only to the extent that the court in which such action or suit was brought determined upon application that despite the adjudication such person is fairly and reasonably entitled to indemnification for such expenses which such court deems proper.

Section 3. Inurement for the Benefit of Heirs. The indemnification provided by this By-law shall not be deemed exclusive of any other rights to which those indemnified may be entitled to under any other By-law, agreement, vote of Shareholders or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, fiduciary or agent and shall inure to the benefit of heirs, executors, and administrators of such a person.

Section 4. Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, fiduciary or agent of the Company or who is or was serving at the request of the Company as a Director, officer, employee, fiduciary or agent of another Company, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Company would have the power to indemnify him or her against such liability under provisions of this By-law.

ARTICLE XV
Ditch Crossings

Section 1. No bridge or other permanent crossing may be placed across the main ditch or the waste ditch of The Brighton Ditch Company without written approval by the Board of Directors.

Section 2. Any new bridge or other permanent crossing of the main ditch or the waste ditch of The Brighton Ditch Company shall be made of non-flammable material, and must have a clear span six feet wider than the width of the ditch at the point of crossing, and have sufficient clearances to permit the unobstructed flow of the full capacity of the ditch. Such structure shall be designed and built so that the passage of vehicles and equipment along either bank of the ditch is not hindered. The bottom of the bridge shall not be lower than the top of the ditch bank.

Section 3. At the time of application for such crossing, the applicant shall pay to The Brighton Ditch Company a non-refundable fee as the Board may from time to time determine⁹. The applicant shall also present to the Board an engineering drawing and specifications prepared by a registered Colorado Professional Engineer to meet the above requirements. The application shall include a written commitment to pay the actual expenses of The Brighton Ditch Company for reasonable evaluation of the application by qualified engineers and attorneys. Such payment must be made before the requested written approval will be issued.

The foregoing constitutes the Bylaws as amended at the annual meeting of the shareholders of The Brighton Ditch Company at Fort Lupton, Colorado on January 17, 2004.

⁹ 1/20/2012 – Resolution to establish crossing fees to be \$5,000.00 plus reimbursements.

ILLEGIBILITY FLASHER

This flasher indicates that illegibility was due to the poor condition of the ink or paper when microfilmed.

12:07

L.S.

STATE OF COLORADO
City & COUNTY OF Denver

)
) SS
)

CERTIFICATE OF
ASSUMED OR TRADE NAME

American Credit Co., a Colorado corporation, being desirous of transacting a portion of its business under an assumed or trade name as permitted by 141-2-1, Colorado Revised Statutes 1953, hereby certifies:

1. The corporate name and location of the principal office of said corporation is:

American Credit Co., 1410 16th St., Denver, Colorado

2. The name, other than its own corporate name, under which such business is carried on is:*

Credit Bureau of Lakewood, Inc.

3. A brief description of the kind of business transacted and to be transacted under such assumed or trade name is:

Collections, credit bureaus, and allied businesses

IN WITNESS WHEREOF, The undersigned President and Secretary of said corporation, have this day executed this Certificate April 12th, 19 62

AMERICAN CREDIT CO.

By Joseph J. Perri
President

Attest:

Gene Perri
Secretary

Subscribed and sworn to before me this 13th day of April, 19 62

My commission expires My Commission expires Aug. 30, 1964



[Signature]
Notary Public

*Any assumed name so used by any such corporation shall contain one of the words "association," "company," "corporation," "club," "incorporated," "limited," "society," "union," or "syndicate," or one of the abbreviations "Co.," "Inc." or "Ltd."

FILING FEE - \$5.00

Submit one copy

Know all men by these presents that
Frederick W. Hutton, Esq., J. S. Winbourne,
John Knight, J. S. Thompson and Leonard Thorne
have associated themselves together for the purpose
of organizing a corporation under and govern-
ment to the laws of the State of Colorado and
do certify and declare as follows:

First: The name of said company shall be
"The Brighton Water Company"

Second. The object for which said Company is formed is to acquire, possess and enjoy the property, franchises, rights, privileges and emoluments of the City of New York.

the Elkhorn ditch scheme on the limits of
Arapahoe and Weld in the State of Colorado.
Said ditch is taken out of the South Platte
River at or near the center of the South East
quarter of the South East quarter of Section
Eleven in Township One South of Range Six-
ty Seven West: running thence north easterly
through the North East quarter of said Section -
thence in the same general direction through
the North West quarter of Section Twelve in
one - thence north westerly through Sections
Twenty Five, Twenty Four, Twenty Three, Four-
teen, Twelve and One in Township One North
of Range Sixty Seven West. And the same
Arapahoe Ditch Company hereby adopts and
approves the line of the ditch
as herein described and agreed for irrigation.

2441

**CERTIFICATE OF ASSUMED
OR TRADE NAME
OF**

Credit Bureau of Lakewood, Inc.

FILED BY

American Credit Co.

**RECORDED
ROLL 47 PAGE 1297**

DOMESTIC

FILED in the office of the Secretary of
State, of the State of Colorado, on the
17th day of April A.D. 19--62

GEORGE J. BAKER

Secretary of State

Filing Clerk.....Crouker.....Fee..\$5.00

Old Age Pension Fund.....

005

- (7) V

05065

29-11-62

and domestic purposes

Third: The term of existence of said Company shall be twenty years from the date of filing the certificate of incorporation with the Secretary of the State of Colorado.

Fourth: The capital stock of said Company shall be Two Thousand Dollars, divided into twenty shares of One Hundred Dollars each.

Fifth: The number of trustees who shall manage the affairs of said Company shall be five and the names of those who shall act as trustees for the first year are as follows:

Emmick Nuttall, W. E. Williamson, John Daugherty, E. S. Thompson and Claude Monahan.

Sixth: The principal place of said Company shall be at Fort Lupton in said County of Weld and the principal place of business shall be said Weld County.

Seventh: The trustees of said Company shall have power to make such provisions by laws as they shall deem proper for the management of said Company, not inconsistent with the laws of the State, for the purpose of carrying on all kinds of business within the objects and purposes of the Company.

In witness whereof the said incorporators have hereunto set

their hands and seals this nineteenth day
of February A.D. 1880
(In presence)

Frederick W. Hatten

W. G. Milburn

John Doughty

D. S. Thompson

James M. ...

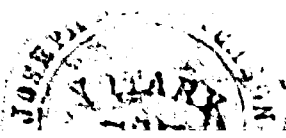
Seal
Seal
Seal
Seal
Seal

State of Colorado
County of ...

I, Joseph R. McCutcheon a
Notary Public in and for said County
and State do hereby certify that
Francis W. Hatten, W. G. Milburn,
John Doughty, D. S. Thompson, James M. ...

~~the following instrument of writing was presented to me by the said persons whose names are subscribed to the annexed articles of incorporation, as having executed the same, appeared before me this day in person and severally acknowledged that they had signed said instrument and returned said instrument of writing as their free and voluntary act for the use and purposes therein set forth~~

the 19th day of February A.D. 1880
Joseph R. McCutcheon
Notary Public



DOMESTIC No. 2141

*Office of Engraving
at Washington, D.C.*



FEB 26 1880

342... of clock... P. M., and
... of book... page...

M. H. Macdonald...
Secretary of State.
San Francisco

Entered in Book 2

Page 234

This document has been inspected
and properly entered on the Re-
cords of the Flat Tax Department

Date March 25 1868

W. H. H.
Clerk

To Whom it may Concern:

I hereby certify that I am the duly elected and qualified Assessor of the County of Weld, State of Colorado and as such have direct charge of the tax schedules of said Weld County, and, further,

That The Brighton State Company a corporation duly organized and existing under and by virtue of the laws of the State of Colorado, being an organization of farmers for their mutual agricultural benefit and not organized for profit, possessing no income and handling no moneys except assessments on the capital stock for maintenance expenses, is not subject to taxation in this county and is not taxed.

(Signed)

A. R. Fischer
Assessor of Weld County, Colo.,

By

Geo. Davis
Deputy.

Subscribed and sworn to before me this 17th day of April, A. D. 1911.

H. W. Weber
Notary Public.

Deputy County Clerk

1161-3 JU

For the list of taxes and assessments on the capital stock of the Brighton State Company, see the list of taxes and assessments on the capital stock of the Brighton State Company, which is filed in the office of the Assessor of Weld County, Colorado.

~~CONFIDENTIAL~~

SECRET NOT BEING TO BE RELEASED TO THE PUBLIC ~~TOP SECRET~~

100

~~RECEIVED BY THE COMMISSIONER OF THE GENERAL LAND OFFICE~~

W. H. L. Davis

JUL 6 - 1911

This document has been inspected and properly Entered on the records of The Flat Tax Department

1. The Commission on the Status of Women, established in 1946, was the first of its kind. It was created by the Economic and Social Council of the United Nations. The Commission's mandate was to promote gender equality and to coordinate the work of the United Nations in this field. It has since become a central body in the international system for women's rights.

2. The Commission has played a significant role in the development of international law and policy on women's rights. It has produced numerous reports and recommendations, which have been adopted by the United Nations General Assembly. These have included the Declaration on the Elimination of Discrimination Against Women, the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), and the Beijing Declaration and Platform for Action.

3. The Commission has also been instrumental in the establishment of the United Nations Women's Fund (UNWOMEN) and the United Nations Development Fund (UNDAF). These funds have provided financial support for a wide range of programs and projects aimed at improving the lives of women and girls around the world.

4. In addition to its work on international law and policy, the Commission has also been involved in a variety of other activities. It has held numerous conferences and seminars, and it has provided technical assistance to governments and other organizations. It has also been a leading voice in the international community on issues such as violence against women, reproductive rights, and the role of women in development.

5. The Commission's work has been recognized by the international community. It has received numerous awards and honors, and it has been praised for its commitment to gender equality and women's rights. Its work has been a major force in the advancement of women's rights around the world.

STATE of COLORADO,

County of Weld,

WIT:

To All Whom It May Concern:

BE IT KNOWN, that We, the undersigned, J.H. Stolz,
President, and Valentino Kiefer, Secretary, of THE BRIGHTON DITCH COMPANY,
a corporation of the State of Colorado, do hereby certify as follows:

Platte Valley Advertiser, a newspaper published at Fort Lupton, Weld County,
Colorado, to extend the corporate life and existence of said company for a
period of (20) twenty years from the date of the termination of the corpo-
rate life of said company under and according to the provisions of its charter.

2. That said notice was signed by persons owning more than ten
per cent of the capital stock of said corporation, and stated the time,
place and purpose of said meeting, and was published in The Platte Valley
Advertiser, the newspaper nearest the place of the principal operations

The undersigned of the
Brighton Ditch Company
NOTICE is hereby given that on
the term for which The Brighton
Ditch Company was on the 21
day of February, 1900, and the
corporate life of said company ex-
pires at said time unless renewed,
we, the undersigned, stockholders
of said company, holding more
than ten per cent of the entire cap-
ital stock thereof, do hereby call
and give notice to a special stock-
holders' meeting of the stockhold-
ers of the Brighton Ditch Company
to be held at the Brighton Ditch
House in the town of Fort Lupton,
Weld county, Colorado, on the 21
day of June A. D. 1900, at the
hour of 10 o'clock P. M. of said day
for the purpose of extending the
corporate life of said company.

Witness the stock of said company
hereunto at said meeting.
Signed May 21, A. D. 1900.

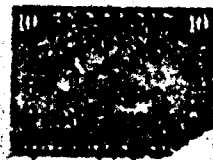
3. That at said meeting more than a majority of the stock of said company was represented and that the question of extension of the corporate existence of said corporation was then and there submitted to the votes of the stock-holders of said corporation there present.

or a renewal of said corporation and the extension of its life and corporate existence for the period of (20) twenty years from and after the date of the expiration of the corporate life of said company as under its present charter, to wit; twenty(20) years from the 25th day of February, A.D.1900.

5. And we further certify that the said company has never been administered upon as an expired corporation, nor gone into liquidation and settlement and division of its affairs.

IN WITNESS WHEREOF, we have hereunto subscribed our names as President and Secretary of THE BRIGHTON DITCH COMPANY, a corporation

June A.D.1892.



J. H. Stutz
President,

Valentine Kiefer
Secretary.

EXTENSION OF THE
CORPORATE LIFE OF
THE BRIGHTON DITCH COMPANY.

EXD

DOMESTIC.

FILED in the office of the Secretary
of State, of the State of Colorado,
on the 15 day of March
A. D. 1902 at 10 o'clock A. M.
Recorded in Book 51, Page 115
John J. H. H. H.
Secretary of State

This document has been inspected
and properly filed on the Rec-
ords of The Flat Tax Department

OK

Done March 25 1902

W. H. H.
Clerk

10.

2711
012
h.j. & Associates, Inc.

CERTIFICATE OF RENEWAL
OF THE
CERTIFICATE OF INCORPORATION

STATE OF COLORADO

CITY and COUNTY of

} ss.

TO WHOM IT MAY CONCERN:

This is to certify that at a special meeting of the stockholders of The Brighton Title Company held at Wallerburg on the 16 day of October A. D. 1920, duly called by the stockholders representing at least ten per cent. (10%) of the entire capital stock of the company, the call being published for four weeks in the Fort Collins Record a weekly newspaper published at Fort Collins, State of Colorado, and notice of said meeting having been mailed to each stockholder thirty (30) days prior to this date, there being represented at such meeting 16 1/2 shares of the capital stock of said company out of a total of 20 shares.

That at said meeting a resolution was passed to have extended the corporate existence of this said company for a period of twenty (20) years, from and after the date of the expiration of its corporate life, the same being the 15 day of March, A. D. 1922, the resolution receiving a majority vote of all the outstanding stock of the company. The president and secretary were authorized to certify this resolution under the corporate seal of the company, to send such certificate to the secretary of state of the State of Colorado, to file duplicate certificates under seal of the company in the office of the Recorder of Deeds of Weld and Adams counties,

and in pursuance of such resolution, we do hereby certify

the same under the seal of the company.

John H. Stutz
President.

J. J. [unclear]
Secretary.



○

Received of the State of New York
 the sum of \$19.05 & cents
 for the year 1907
 by the State of New York
 Secretary of State
 By *J. J. [Signature]* Secretary of State
 Third Class *Express* Fee: 20.00

24

Butterfield
767-145-1920

Very respectfully

This document has been indexed and properly entered on the Records of the Flat Tax Department.

John J. Clark

STATE OF COLORADO,
County of Weld

To Whom It May Concern:

annual

This is to certify that a special meeting of the stockholders of The Brighton Ditch
Company

a Colorado corporation, was held at Wattenberg on the 2nd day of
March, A. D. 1940, such meeting having been called by the stockholders repre-
senting at least 10 per cent (10%) of the entire capital stock of the company outstanding. Notice of such
meeting, as provided by law, was published ~~at least once not more than thirty days and at least ten days~~ for two weeks
prior to the date fixed for said meeting in a newspaper printed at Fort Lupton, Colorado,
State of Colorado, and notice of said meeting was delivered personally or mailed to each stockholder thirty
(30) days prior to the date of such meeting, there being represented at such meeting 144
shares of the capital stock of said company out of a total of twenty-two shares outstanding.

At said meeting a resolution was passed to extend the corporate existence of this said corporation*
perpetually, from and after the date of the expiration of its corporate life,†
the resolution receiving a MAJORITY vote of all the outstanding stock of the corporation. The president
and secretary were authorized to certify this resolution under the corporate seal of the company, to file
such certificate with the Secretary of State of the State of Colorado, and to file duplicate certificate under
seal of the company in the office of the Recorder of Deeds in each county or counties wherein the com-
pany may do business in the State of Colorado, and in pursuance of such resolution, we do hereby certify
the same under the seal of the company.



Frank Stieber
President

W. W. B. [Signature]
Secretary

105104

**CERTIFICATE OF RENEWAL
OF THE
CERTIFICATE OF INCORPORATION
OF**

The Brighton Ditch Company
Fort Lupton, Colorado

**DOMESTIC
RECORDED**

BOOK 436 PAGE 297

FILED In the office of the Secretary of
State of the State of Colorado, on the
_____ day of March
A. D. 1940, at 3:00 o'clock P.M.
GEORGE E. SAUNDERS
Secretary of State

Filing City: _____ For: _____
Old Age Pension Fund: _____

This document has been inventoried and property tagged on the Records of the Flat Tax Department.

Date Mar 13, 1940 int. file -

**This document has been inspected
and properly Entered on the Re-
cords of The Flat Tax Department.**

OK
Date: March 25, 1968
Merri
B98
Clerk

**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix B
State Engineer Diversion Reports**

Annual Water Diversion Report

Structure Name: BRIGHTON DITCH **Division:** 1 **Water District:** 2 **Structure Id:** 810

Location: Q10 Q40 Q160 Section Twnshp Range PM
 SW SE SE 11 1S 67W S

Distance From Section Lines: From N/S Line: From E/W Line:

UTM Coordinates (NAD 83): Northing (UTM y): 4424880 Easting (UTM x): 512720 Spotted from PLSS distances from section lines

Latitude/Longitude (decimal degrees): 39.973981 -104.851040

| IYR | Identifier | FDU | LDU | DWC | Max Q/Date | NOBS | NUS | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Annual Total | Unit |
|------|------------|---------|---------|-----|-------------|------|-----|------|------|------|------|--------|---------|---------|---------|---------|---------|---------|---------|--------------|------|
| 2008 | Total | 2008-03 | 10-2008 | 221 | 36.27 | 221 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 153.90 | 1193.08 | 1490.47 | 1133.67 | 1735.11 | 1065.16 | 1034.26 | 1018.65 | 8824.28 | AF |
| 2009 | Total | 2009-03 | 10-2009 | 231 | 53.55 | 231 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 381.52 | 485.63 | 716.66 | 652.88 | 1684.61 | 1319.46 | 797.20 | 547.82 | 6585.78 | AF |
| 2010 | Total | 2010-04 | 10-2010 | 206 | 28.58 | 206 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 283.64 | 662.25 | 987.71 | 1321.39 | 1083.55 | 767.53 | 598.26 | 5704.32 | AF |
| 2013 | Total | 2013-03 | 09-2013 | 168 | 28.60 08-06 | 169 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 13.15 | 361.33 | 722.37 | 1191.91 | 1329.36 | 1437.20 | 487.43 | 0.00 | 5542.75 | AF |
| 2014 | Total | 2014-04 | 10-2014 | 214 | 37.70 04-03 | 214 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1396.58 | 1451.92 | 1691.53 | 1744.53 | 1174.77 | 797.01 | 713.33 | 8969.67 | AF |

Legend for identifier string coding:

Source (S): 1 - Natural Streamflow, 2 - Reservoir Storage, 3 - Ground water (wells), 4 - Transbasin, 5 - Non-stream (springs, run-off), 6 - Combined, 7 - Transdistrict, 8 - Re-used, 9 - Multiple, R - Remeasured and rediverted

From (F): From structure WDID

Use (U): 0 - Storage, 1 - Irrigation, 2 - Municipal, 3 - Commercial, 4 - Industrial, 5 - Recreation, 6 - Fishery, 7 - Fire, 8 - Domestic, 9 - Stock, A - Augmentation, B - Export from basin, C - Cumulative accretion to river, D - Cumulative depletion from river, E - Evaporation, F - Federal reserve, G - Geothermal, H - Household use only, K - Snow making, M - Minimum streamflow, N - Net effect of river, P - Power generation, Q - Other, R - Recharge, S - Export from state, T - Transmountain export, W - Wildlife, X - All beneficial use

Diversion Type (T): 0 - Administrative record only, 1 - Exchange, 2 - Trade, 3 - Carrier, 4 - Alternate point of diversion, 5 - Re-used, 6 - Replacement to river, 7 - Released by river, 8 - Released to stream, A - Augmented, G - Geothermal, S - Reservoir substitution

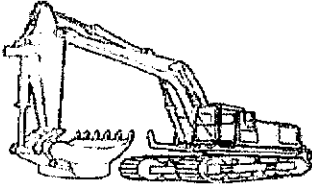
Group (G): Group structure WDID

**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix C
Cost Estimate and Bids**

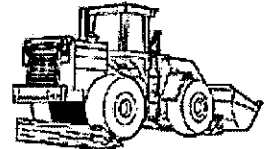
ENGINEER'S OPINION OF CONSTRUCTION COST
South Platte River Breach Repair Project
Brighton Ditch Company
June-2015

| Item | Description | Unit | Quantity | Unit Cost | Extension | Subtotal |
|---|---|------|----------|--------------|-------------------|------------|
| 1 | Site Prep | | | | | |
| a. | Strip vegetation from Staging Area | LS | 1 | \$ 10,000.00 | \$ 10,000 | \$ 13,000 |
| b. | Install Silt Fence, Protect Fiber Optic Line, Slurry Wall Crossing Berm | LS | 1 | \$ 3,000.00 | \$ 3,000 | |
| 2 | Riprap Import | | | | | |
| a. | Purchase and Haul Type VH, M, and VL Riprap | CY | 2,500 | \$ 75.00 | \$ 187,500 | \$ 187,500 |
| 3 | Construct Cofferdam | | | | | |
| a. | VH Riprap Berm | CY | 2,000 | \$ 50.00 | \$ 100,000 | \$ 160,000 |
| b. | VL Riprap Transition | CY | 500 | \$ 50.00 | \$ 25,000 | |
| c. | Zone 2 Fill | CY | 7,000 | \$ 5.00 | \$ 35,000 | |
| 4 | Pot Hole Existing Ken Mitchell Pipeline | | | | | |
| a. | Expose Joints for COB Inspection | LS | 1 | \$ 1,500.00 | \$ 1,500 | \$ 1,500 |
| 5 | Final Grading and Demob | | | | | |
| a. | Final Grading | LS | 1 | \$ 5,000.00 | \$ 5,000 | \$ 6,500 |
| b. | Restore Staging Area | LS | 1 | \$ 1,500.00 | \$ 1,500 | |
| Total Construction Items | | | | | \$ 368,500 | |
| Design and Construction Engineering | | | | | \$ 20,000 | |
| Contingency (10% construction) | | | | | \$ 37,000 | |
| Estimated Total Cost (rounded to the nearest \$10,000) | | | | | \$ 430,000 | |



KEMP & HOFFMAN, INC.

11445 RIVERDALE ROAD
NORTHGLENN, CO 80233
PHONE: 303.294.0775 FAX: 303.294.0779



June 25, 2015

Bob Sakata
P.O. Box 508 4E 152avn
Brighton, co. 80601

303-653-1559
Fax:
E-mail

Attention: Bob Sakata

Proposal

Reference: Brighton Breach.
Subject: Temporary Cofferd Dam

We are pleased to have the opportunity to work with you on this project. We are enclosing for your review our scope of work. If there are any questions regarding this proposal please feel free to call us so we can go over them with you. Our scope of work has been developed from a site visit and supplied information.

Our Budget Scope of work is to include:

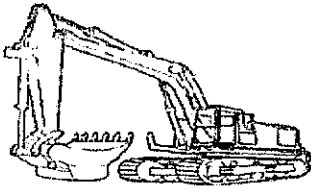
1. Work relating to Mobilization.
2. Work relating to haul in 2730 Ton of VH rock, 535 Ton of VL rock and 1000 Cy of fill dirt.
3. Work relating to install 2730 ton of VH rock in front of the Ken Mitchel inlet.
4. Work relating to install 535 tons of VL behind the VH rock.
5. Work relating to install 1000 Cy of fill dirt behind the VL rock to cut off river from the wash out in the river bank.

Note: Cofferd Dam Only.
Quantities may vary due to unknown conditions.

Our proposal is based on:

1. Mutual agreement of a signed proposal or equivalent contract.
2. Anything (verbal or written) expressed or implied elsewhere, which is contrary to these conditions shall be null and void.
3. Unless included in this proposal, all bonding and/or extended insurance requirements are supplied at additional cost.
4. Bid item breakouts are provided for accounting purposes only. If only a portion of the scope of work is to be accepted, Kemp and Hoffman reserves the right to review and revise the bid.
5. Over excavation and or abatement is not included but can be provided at an additional cost.
6. Permits are not included, they can be provided upon request at an additional cost.

Our Budget bid for the project as detailed in the above is: \$190,138.77
Plus tax on materials.



KEMP & HOFFMAN, INC.

11445 RIVERDALE ROAD
NORTHGLENN, CO 80233
PHONE: 303.294.0775 FAX: 303.294.0779



Subject:

Pricing provisions /assumptions for proposal:

1. No provisions to meet ADA have been considered for this proposal.
2. No hazardous waste disposal or abatement has been considered.
3. Delays in materials required for this project could have a negative impact on the schedule and/or pricing.
4. All existing conditions are in compliance with applicable codes and building requirements.
5. Kemp & Hoffman Inc. shall not be held liable for errors or omissions in designs, nor inadequacies of material and equipment specified or supplied by others.
6. Equipment and materials supplied by Kemp & Hoffman are warranted only to the extent that the manufacturers warrant the same.

Exclusions:

Damage for delays caused by others

Core Drill and/or X-rays

Utility Abatement and or Repair

Tests; Soil, Concrete and or Density

EPA or other environmental issues

Hazardous waste disposal or abatement

Work performed during other than normal work hours

Painting and Bonding

Utility charges

Site restoration

Compaction

Engineering

Garbage removal

Clarifications:

1. All change orders are to be signed and approved prior to commencement of associated work.
2. Changes required by the building department, fire marshal, or any other authority having jurisdiction over this project will be treated as a change in project scope.
3. Pricing is based up payment of Net 30.
4. If a formal contract is required, its conditions must not deviate from this proposal without our permission.

Due to the current volatility of the steel and concrete market and the fact those industries are imposing surcharges on materials at time of shipment, after 30 days, Kemp & Hoffman reserves the right to review material pricing and potential schedule impact based on current material availability. Additional cost due to these increases and surcharge imposed at time of shipment will be added to the contract price. The surcharge will appear as a line item on your invoice. An evaluation along with an agreement regarding material increases will be made prior to making this proposal a contract.

Thank you for allowing us to work with you on this project.

Sincerely;

Accepted By:

Stan Hoffman
Kemp & Hoffman Inc.
Stan@KempandHoffman.com

Name and Title

Proposal

Page # _____ of _____ pages

Borough Construction
13767 WCR 8
Ft. Lupton, Co 80621
303-913-6812

Brighton Ditch

| | | |
|------------------------|-----------------------|---------------|
| PROPOSAL SUBMITTED TO: | JOB NAME | JOB # |
| ADDRESS | JOB LOCATION | |
| | DATE <i>6, 24, 15</i> | DATE OF PLANS |
| PHONE # | FAX # | ARCHITECT |

We hereby submit specifications and estimates for: *Build temporary Berm.*
Furnish approximately 200 loads of type V H
Rip. Rap.
Furnish 200 loads dirt pour north sides of coffer
dam.
All material + Labor + equipment

\$ 375,000

Two 485,000

We propose hereby to furnish material and labor – complete in accordance with the above specifications for the sum of:

\$ _____ Dollars

with payments to be made as follows: _____

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully
submitted

Borough Construction
Ken Borough

Note — this proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____

Date of Acceptance _____

Signature _____

Proposal



Phone: 720.364.4761
Fax: 303-857-7837

Proposal: 150623
Date: 6/23/2015

| | |
|--|--|
| To: Brighton Ditch Company Attn: Bob Sakata | Project: Brighton Ditch Platte River Dam |
|--|--|

| | | |
|--------------------|--|--|
| Salesperson | | |
| Randy Stippich | | |

Scope of Work

Prices are estimates only. Final billing will be determined on work and material actually used. Work to be performed is construction of a temporary coffer dam in the South Platte River, directly in front of the Ken Mitchell inlet structure. Type VH rock will be placed in river per the engineer's recommendation, fill material from borrow site will be placed behind rock coffer dam. Once the river is diverted back into its original channel there will be protection fill placed on west end of coffer dam.

Exclusions

Prices are only an estimate and will be based on final hours and quantities used.

| Reference | Description | Quantity | UOM | Unit Price | Extended Price |
|-----------|------------------------------|-------------|-----|-------------|----------------|
| 02 | Clear and Grub | 1.0000 | LS | 29,999.9998 | 30,000.00 |
| 03 | Type VH Rock with Truck Haul | 2,000.0000 | TN | 75.0000 | 150,000.00 |
| 04 | Rock/ Cofferdam Placement | 2,000.0000 | TN | 20.0000 | 40,000.00 |
| 05 | Clay Support Slope | 5,000.0000 | CY | 13.0000 | 65,000.00 |
| 06 | Fill Protection | 15,000.0000 | CY | 4.3333 | 65,000.00 |

Proposal Total: 350,000.00

Acceptance

Accepted by: _____

Title: _____

Date: _____

Claystone Construction, LLC
2155 Meadowlark Pl
Longmont, CO 80504

INVOICE



Phone: 303-857-7830
Fax: 303-857-7837

Invoice: 15028
Invoice Date: 7/23/2015

| | |
|---|---|
| Bill To: Brighton Ditch Company | Project Details: Brighton Ditch Platte River Dam 14585 Brighton Rd Brighton, Colorado 80601 |
|---|---|

| | | |
|----------------------|------------------------|-------------------------|
| Payment Terms | Contract Number | Invoice Due Date |
| Due On Receipt | | 7/23/2015 |

| |
|--|
| Description |
| Brighton Ditch, Platte River Coffe Dam, for period ending July 23, 2015. Pay application #1. |

| Description | Quantity | UOM | Unit Price | Bill Amount |
|--|----------|-----|--------------|-------------------|
| Clear and Grub | 1.0000 | LS | 30,000.0000 | 30,000.00 |
| Type VH Rock with Truck Haul: 2,677 Tons | 1.0000 | LS | 200,775.0000 | 200,775.00 |
| Rock/Coffer Dam Placement: 2,677 Tons | 1.0000 | LS | 53,540.0000 | 53,540.00 |
| Clay Support Slope: 5,000 CY Placed | 1.0000 | LS | 65,000.0000 | 65,000.00 |
| Fill Protection: 9,900 CY Placed | 1.0000 | LS | 42,867.0000 | 42,867.00 |
| Stand by Delays: Truck TTime | 1.0000 | LS | 900.0000 | 900.00 |
| Stand by Delays: 980 Loader Rental - 2 weeks | 1.0000 | LS | 8,600.0000 | 8,600.00 |
| Subtotal Amount | | | | 401,682.00 |
| 'T' Indicates a taxable line | | | | |
| Total Invoice Amount Due | | | | 401,682.00 |

Project Production
 Job Number:
 Month Ending Date:
 Pay #/Invoice #
 PO #

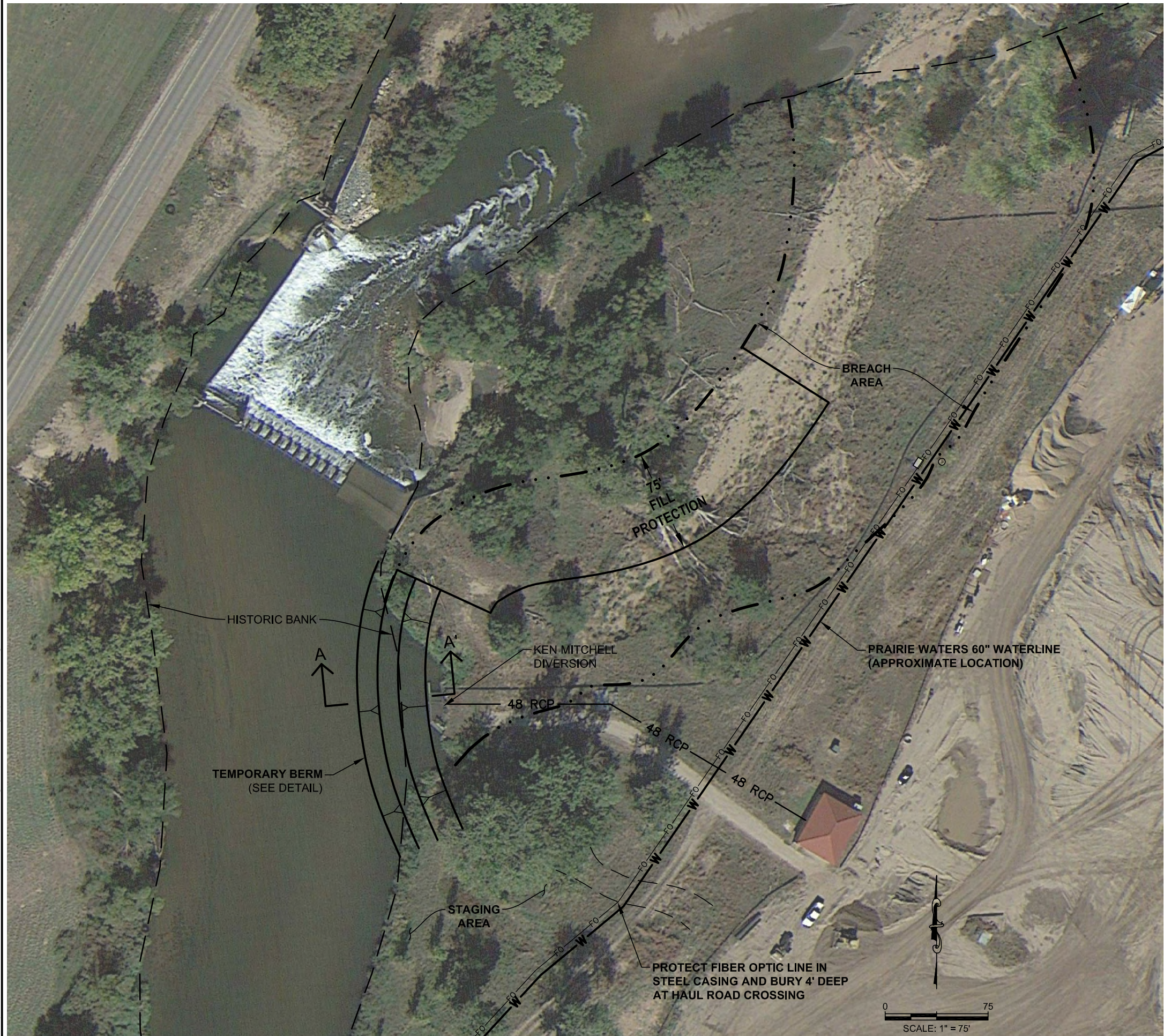
Brighton Ditch, Platte River Coffe Dam
 15.0015
 7/23/2015
 Pay App #1

| A | B | C | D | E | G | H | I |
|-----------|---|--------------------|-------------------------------|---------------|--------------------------|---------|----------------------|
| COST CODE | DESCRIPTION OF WORK | SCHEDULED VALUE | PREVIOUS APPLICATION (D+E) | THIS PERIOD | TOTAL TO DATE (D+E+F) | % (G/C) | BALANCE TO FINISH |
| | Clear and Grub | \$ 30,000.00 | \$ - | \$ 30,000.00 | \$ 30,000.00 | 100.0% | \$ - |
| | Type VH Rock with Truck Haul, @ \$75.00/TN | \$ 150,000.00 | \$ - | \$ 200,775.00 | \$ 200,775.00 | 133.9% | \$ (50,775.00) |
| | 2,000 TN Estimated, 2,677 TN's used | \$ - | \$ - | \$ - | \$ - | #DIV/0! | \$ - |
| | Rock/ Coffe Dam Placement | \$ 40,000.00 | \$ - | \$ 53,540.00 | \$ 53,540.00 | 133.9% | \$ (13,540.00) |
| | 2,000 TN Estimated, 2,677 TN's used | \$ - | \$ - | \$ - | \$ - | #DIV/0! | \$ - |
| | Clay Support Slope | \$ - | \$ - | \$ - | \$ - | #DIV/0! | \$ - |
| | 5,000 CY Estimated, 5,000 CY placed | \$ 65,000.00 | \$ - | \$ 65,000.00 | \$ 65,000.00 | 100.0% | \$ - |
| | Fill Protection | \$ - | \$ - | \$ - | \$ - | #DIV/0! | \$ - |
| | 15,000 CY Estimated, 9,900 CY placed | \$ 65,000.00 | \$ - | \$ 42,867.00 | \$ 42,867.00 | 65.9% | \$ 22,133.00 |
| | Stand-By Delays | \$ - | \$ - | \$ - | \$ - | #DIV/0! | \$ - |
| | Truck Time, 10 hrs @ \$90.00/hr | \$ - | \$ - | \$ 900.00 | \$ 900.00 | #DIV/0! | \$ (900.00) |
| | 980 Loader Rent 2 weeks @ \$4,300/wk | \$ - | \$ - | \$ 8,600.00 | \$ 8,600.00 | #DIV/0! | \$ (8,600.00) |
| | | | | | | | |
| PAGE 1 | TOTAL FOR PAGE 1 | \$ 350,000.00 | \$ - | \$ 401,682.00 | \$ 401,682.00 | 114.8% | \$ (51,682.00) |

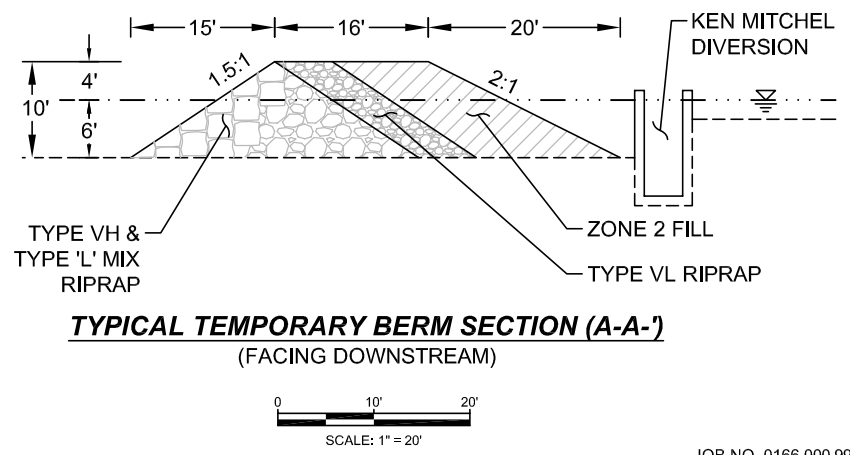
**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix D
Plan Drawings and Designs**

Tuesday, June 23, 2015 1:51:15 PM D:\A\100 Brighton Ditch Company\City of Brighton River Breach 6-12-15\CAD\Breach Area 2014 DWG



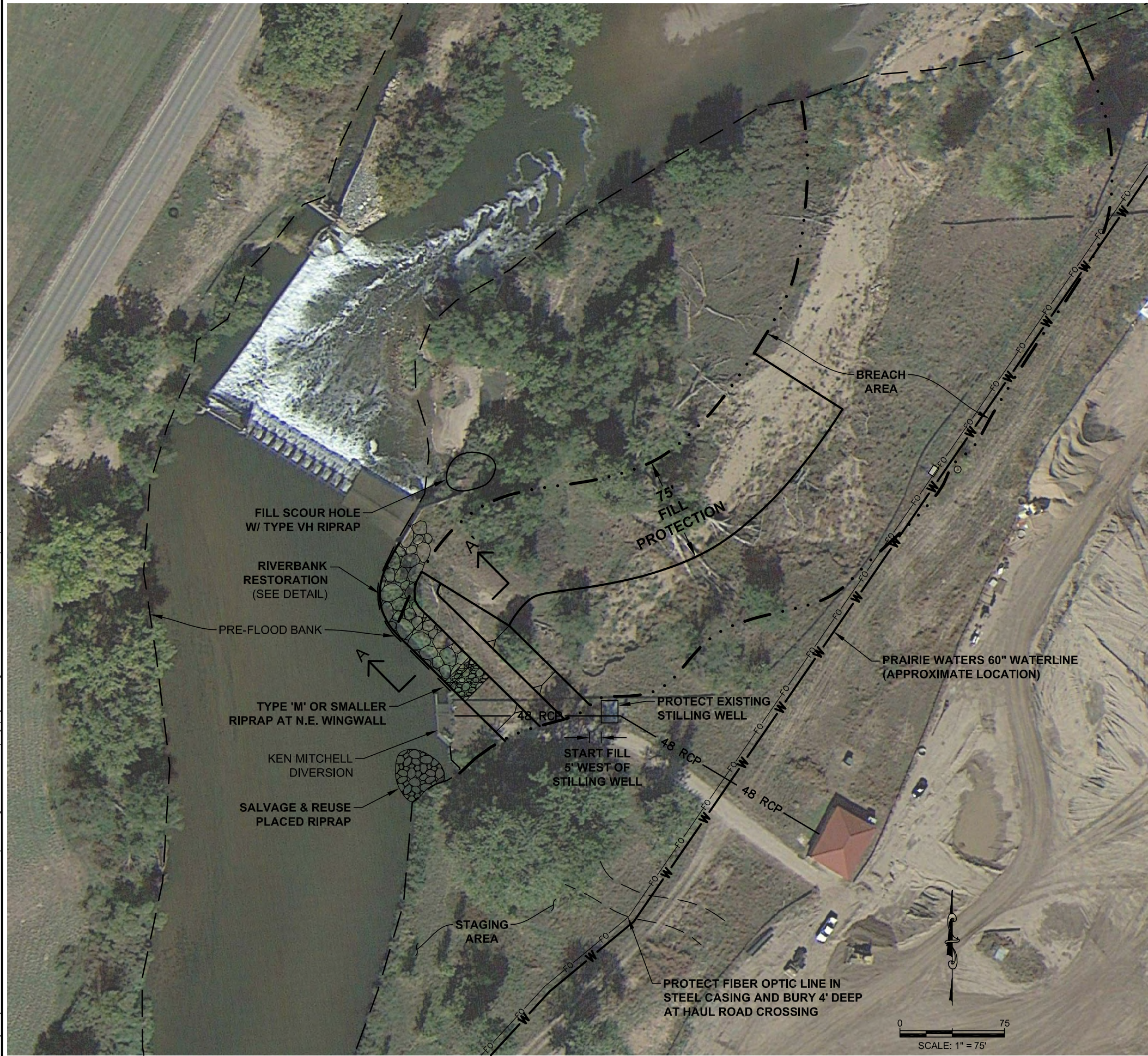
Alternative No. 2



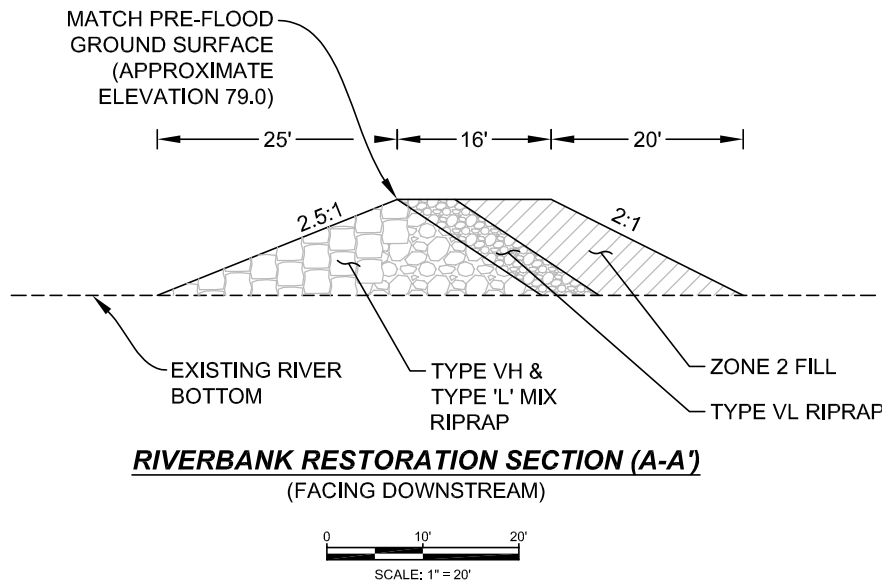
JOB NO. 0166.000.99

| | | |
|-------|-----------------------------------|-----------------|
| DRAFT | BRIGHTON DITCH COMPANY | |
| | River Breach Repair | |
| | DEERE & AULT CONSULTANTS, INC. | FIGURE NO. 1 |
| | DATE: 6-23-15 | SCALE: AS NOTED |

Tuesday, July 07, 2015 3:41:53 PM DRAWING: Q:\0166 Brighton Ditch Company\City of Brighton River Breach 6-12-15\CAD\Breach Area 2014.DWG



Alternative No. 4



NOTES:

1. POT HOLE TO EXPOSE JOINTS ON EXISTING 48" RCP FOR CITY OF BRIGHTON INSPECTION PRIOR TO BACKFILLING.
2. PLACE 5' HIGH BY APPROXIMATELY 20' WIDE COVER OF ZONE 2 FILL OVER 48" RCP PRIOR TO PLACING RIPRAP OR CROSSING PIPE WITH CONSTRUCTION EQUIPMENT.

DRAFT

| | |
|-----------------------------------|-----------------|
| BRIGHTON DITCH COMPANY | |
| River Breach Repair | |
| DEERE & AULT CONSULTANTS, INC. | FIGURE NO. 1 |
| DATE: 7-7-15 | SCALE: AS NOTED |

JOB NO. 0166.000.99

**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix E
CWCB Loan Application**



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

Water Project Loan Program

Application Type

☐ Prequalification (Attach 3 years of financial statements) ☒ Loan Approval (Attach Loan Feasibility Study)

Agency/Company Information

Company / Borrower Name: The Brighton Ditch Company

Authorized Agent & Title: Dawn Jewell, Executive Secretary

Address: PO Box 185, Fort Lupton, CO 80621

Phone: () 303-739-7145 Email: dmjewell@auroragov.org

Organization Type: ☒ Ditch Co, ☐ District, ☐ Municipality
☐ other: _____ Incorporated? ☒ YES
☐ NO

| | |
|--|---|
| County: Adams | Number of Shares/Taps: 20 shares |
| Water District: 2 | Avg. Water Diverted/Yr <u>7,125</u> acre-feet |
| Number of Shareholders/Customers Served: | Current Assessment per Share \$ <u>4,000</u> (Ditch Co) |
| 14 shareholders | Average monthly water bill \$ <u>NA</u> (Municipality) |

Contact Information

Project Representative: Dawn Jewell, Executive Secretary

Phone: (303) 739-7145 Email: dmjewell@auroragov.org

Engineer: Colby Hayden, Deere & Ault Consultants, Inc.

Phone: (303) 651-1468 Email: colby.hayden@deereault.com

Attorney: Robert Krassa, Krassa & Miller LLC

Phone: (303) 442-2156 Email: bob@krassa.com

Project Information

Project Name: River Breach Repair

Brief Description of Project: (Attach separate sheets if needed)

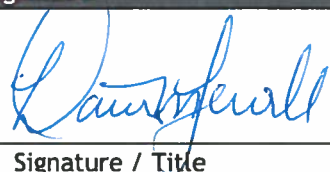
The South Platte River has breached the east bank just upstream of the Brighton Ditch Diversion Structure creating a new path for the River and preventing water from reaching the Brighton Headgate. Urgent construction of a cofferdam is required to repair the breach and restore flows to the historic channel of the South Platte River and to the diversion structure and headgate for the Brighton Ditch.

General Location: (Attach Map of Area)

SE1/4, SE1/4, Sec 11, T1S, R67W, 6th P.M., Adams County. East bank of South Platte River.

| | |
|---|---|
| Estimated Engineering Costs: \$9,000 | Estimated Construction Costs: \$402,000 |
| Other Costs (Describe Above): \$14,000 (Legal) | Estimated Total Project Costs: \$530,000 |
| Requested Loan Amount: (Limit 90% of Total Project Costs) \$477,000 | Project Start Date(s) Design: <u>8/7/15</u> Construction: <u>7/13/15</u> |

Signature

 Executive Secretary 7/31/15
Signature / Title Date

Return to: Finance Section Attn: Anna Mauss
1313 Sherman St #718
Denver, CO 80203
Ph. 303/866.3449
e-mail: anna.mauss@state.co.us

**Feasibility Report - Reconstruction
of the
South Platte River Breach
Upstream of the Brighton Ditch Diversion**

**Appendix F
Financial Statements and Budget**

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2012

| | Jan - Dec 12 | Jan - Dec 11 |
|--------------------------------|--------------|--------------|
| Ordinary Income/Expense | | |
| Income | | |
| Assessments | | |
| Annual | 50,000.00 | 50,000.00 |
| Maintenance Fee | 21,527.00 | 21,527.00 |
| Total Assessments | 71,527.00 | 71,527.00 |
| Dividend | 144.00 | 183.00 |
| Fees | | |
| Crossing | 1,000.00 | 0.00 |
| Easement | 0.00 | 1,500.00 |
| Total Fees | 1,000.00 | 1,500.00 |
| Reimbursement | 12,717.40 | 4,118.07 |
| Stock Transfer Fees | 0.00 | 100.00 |
| Total Income | 85,388.40 | 77,428.07 |
| Expense | | |
| Advertising | 27.28 | 25.64 |
| Assesments | | |
| Consolidated Ditches | 3,793.68 | 2,845.26 |
| Total Assesments | 3,793.68 | 2,845.26 |
| Bank Service Charges | 0.00 | 132.19 |
| Board Meeting | | |
| Meals | 99.90 | 80.35 |
| Total Board Meeting | 99.90 | 80.35 |
| Computer Maintenance | 0.00 | 40.00 |
| Depreciation Expense | 0.00 | 7,317.00 |
| Ditch Maintenance | | |
| Fuel | 90.81 | 129.58 |
| Labor | 1,465.04 | 966.00 |
| Machine Hire | 4,818.75 | 3,275.00 |
| Repairs | | |
| Ditch | 0.00 | 10,500.00 |
| Total Repairs | 0.00 | 10,500.00 |
| Supplies | 131.21 | 178.45 |
| Weed Control | 13,304.46 | 11,520.27 |
| Total Ditch Maintenance | 19,810.27 | 26,569.30 |
| Donation | 0.00 | 52.80 |

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2012

| | Jan - Dec 12 | Jan - Dec 11 |
|------------------------------------|--------------|--------------|
| Insurance | | |
| General Liability | 3,467.00 | 3,121.00 |
| Total Insurance | 3,467.00 | 3,121.00 |
| Membership Fees | 100.00 | 100.00 |
| Office Supplies | 381.19 | 97.15 |
| Payroll Expenses | | |
| Officer Fees | 1,200.00 | 1,225.00 |
| Social Security & Medicare | 1,278.53 | 1,374.82 |
| Superintendent | | |
| Auto Allowance | 3,156.00 | 3,156.79 |
| Total Superintendent | 3,156.00 | 3,156.79 |
| Unemployment Insurance T... | 234.46 | 322.46 |
| Workman's Comp. Insurance | 1,214.00 | 897.00 |
| Payroll Expenses - Other | 16,530.96 | 19,382.92 |
| Total Payroll Expenses | 23,613.95 | 26,358.99 |
| Periodic Report | 10.00 | 10.00 |
| Postage and Delivery | 45.00 | 44.00 |
| Professional Services | | |
| Accountant Fees | 2,037.39 | 3,350.00 |
| Consulting Fees | 3,843.42 | 8,565.20 |
| Legal Fees | 17,832.16 | 27,986.05 |
| Total Professional Services | 23,712.97 | 39,901.25 |
| Telephone | | |
| Brantner Ditch reimbursem... | -485.18 | -428.47 |
| Cell phone | 1,181.50 | 903.99 |
| Total Telephone | 696.32 | 475.52 |
| Utilities | | |
| Gas and Electric | 186.15 | 181.45 |
| Total Utilities | 186.15 | 181.45 |
| Total Expense | 75,943.71 | 107,351.90 |
| Net Ordinary Income | 9,444.69 | -29,923.83 |
| Other Income/Expense | | |
| Other Income | | |
| Interest Income | 246.94 | 368.70 |

See Accountants Compilation Report

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2012

| | <u>Jan - Dec 12</u> | <u>Jan - Dec 11</u> |
|---------------------------|------------------------|--------------------------|
| Other Income | | |
| Oil and gas Royalties | 69.74 | 0.00 |
| Other Income - Other | 0.00 | 5,548.55 |
| Total Other Income | <u>69.74</u> | <u>5,548.55</u> |
| Total Other Income | <u>316.68</u> | <u>5,917.25</u> |
| Net Other Income | <u>316.68</u> | <u>5,917.25</u> |
| Net Income | <u><u>9,761.37</u></u> | <u><u>-24,006.58</u></u> |

See Accountants Compilation Report

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2013

| | <u>Jan - Dec 13</u> | <u>Jan - Dec 12</u> |
|--------------------------------|---------------------|---------------------|
| Ordinary Income/Expense | | |
| Income | | |
| Assessments | | |
| Annual | 50,000.00 | 50,000.00 |
| Maintenance Fee | 21,527.00 | 21,527.00 |
| Total Assessments | 71,527.00 | 71,527.00 |
| Dividend | 32.00 | 144.00 |
| Fees | | |
| Crossing | 5,000.00 | 1,000.00 |
| Total Fees | 5,000.00 | 1,000.00 |
| Reimbursement | 37,676.80 | 12,717.40 |
| Total Income | 114,235.80 | 85,388.40 |
| Expense | | |
| Advertising | 128.48 | 27.28 |
| Assesments | | |
| Consolidated Ditches | 0.00 | 3,793.68 |
| Total Assesments | 0.00 | 3,793.68 |
| Bank Service Charges | 56.76 | 0.00 |
| Board Meeting | | |
| Meals | 94.97 | 99.90 |
| Total Board Meeting | 94.97 | 99.90 |
| Ditch Maintenance | | |
| Fuel | 0.00 | 90.81 |
| Labor | 524.00 | 1,465.04 |
| Machine Hire | 3,167.50 | 4,818.75 |
| Repairs | | |
| Ditch | 42,585.00 | 0.00 |
| Repairs - Other | 37,480.00 | 0.00 |
| Total Repairs | 80,065.00 | 0.00 |
| Supplies | 491.81 | 131.21 |
| Weed Control | 14,740.94 | 13,304.46 |
| Total Ditch Maintenance | 98,989.25 | 19,810.27 |
| Insurance | | |
| General Liability | 3,531.00 | 3,467.00 |
| Total Insurance | 3,531.00 | 3,467.00 |
| Membership Fees | 100.00 | 100.00 |

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2013

| | Jan - Dec 13 | Jan - Dec 12 |
|------------------------------------|--------------|--------------|
| Miscellaneous | | |
| Debit | 100.00 | 0.00 |
| Total Miscellaneous | 100.00 | 0.00 |
| Office Supplies | 180.00 | 381.19 |
| Payroll Expenses | | |
| Officer Fees | 0.00 | 1,200.00 |
| Social Security & Medicare | 1,208.18 | 1,278.53 |
| Superintendent | | |
| Auto Allowance | 3,156.00 | 3,156.00 |
| Total Superintendent | 3,156.00 | 3,156.00 |
| Unemployment Insurance T... | 118.64 | 234.46 |
| Workman's Comp. Insurance | 990.00 | 1,214.00 |
| Payroll Expenses - Other | 15,793.30 | 16,530.96 |
| Total Payroll Expenses | 21,266.12 | 23,613.95 |
| Periodic Report | 0.00 | 10.00 |
| Postage and Delivery | 39.20 | 45.00 |
| Professional Services | | |
| Accountant Fees | 2,550.00 | 2,037.39 |
| Consulting Fees | 11,538.62 | 3,843.42 |
| Legal Fees | 26,356.70 | 17,832.16 |
| Total Professional Services | 40,445.32 | 23,712.97 |
| Telephone | | |
| Brantner Ditch reimbursem... | -572.77 | -485.18 |
| Cell phone | 1,289.91 | 1,181.50 |
| Total Telephone | 717.14 | 696.32 |
| Utilities | | |
| Gas and Electric | 195.04 | 186.15 |
| Total Utilities | 195.04 | 186.15 |
| Total Expense | 165,843.28 | 75,943.71 |
| Net Ordinary Income | -51,607.48 | 9,444.69 |
| Other Income/Expense | | |
| Other Income | | |
| Interest Income | 184.74 | 246.94 |

See Accountants Compilation Report

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2013

| | <u>Jan - Dec 13</u> | <u>Jan - Dec 12</u> |
|------------------------------|--------------------------|------------------------|
| Other Income | | |
| Oil and gas Royalties | <u>34.35</u> | <u>69.74</u> |
| Total Other Income | <u>34.35</u> | <u>69.74</u> |
| Total Other Income | <u>219.09</u> | <u>316.68</u> |
| Net Other Income | <u>219.09</u> | <u>316.68</u> |
| Net Income | <u><u>-51,388.39</u></u> | <u><u>9,761.37</u></u> |

See Accountants Compilation Report

Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2014

| | Jan - Dec 14 | Jan - Dec 13 |
|--------------------------------|--------------|--------------|
| Ordinary Income/Expense | | |
| Income | | |
| Assessments | | |
| Annual | 50,000.00 | 50,000.00 |
| Maintenance Fee | 21,527.00 | 21,527.00 |
| Special | 51,300.00 | 0.00 |
| Total Assessments | 122,827.00 | 71,527.00 |
| Dividend | 0.00 | 32.00 |
| Fees | | |
| Crossing | 23,500.00 | 5,000.00 |
| Total Fees | 23,500.00 | 5,000.00 |
| Reimbursement | 85,850.71 | 37,676.80 |
| Stock Transfer Fees | 100.00 | 0.00 |
| Total Income | 232,277.71 | 114,235.80 |
| Expense | | |
| Advertising | 0.00 | 128.48 |
| Assesments | | |
| Consolidated Ditches | 3,793.68 | 0.00 |
| Total Assesments | 3,793.68 | 0.00 |
| Bank Service Charges | 30.00 | 56.76 |
| Board Meeting | | |
| Meals | 120.00 | 94.97 |
| Total Board Meeting | 120.00 | 94.97 |
| Ditch Maintenance | | |
| Labor | 1,021.25 | 524.00 |
| Machine Hire | 4,752.50 | 3,167.50 |
| Repairs | | |
| Ditch | 134,943.69 | 42,585.00 |
| Repairs - Other | 900.00 | 37,480.00 |
| Total Repairs | 135,843.69 | 80,065.00 |
| Supplies | 96.35 | 491.81 |
| Weed Control | 5,503.24 | 14,740.94 |
| Total Ditch Maintenance | 147,217.03 | 98,989.25 |
| Insurance | | |
| General Liability | 3,618.00 | 3,531.00 |
| Total Insurance | 3,618.00 | 3,531.00 |
| Interest Expense | | |

Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2014

| | Jan - Dec 14 | Jan - Dec 13 |
|------------------------------------|-------------------|-------------------|
| Loan Interest | 1,299.14 | 0.00 |
| Total Interest Expense | 1,299.14 | 0.00 |
| Membership Fees | 100.00 | 100.00 |
| Miscellaneous | | |
| Directors Fees | 2,600.00 | 0.00 |
| Miscellaneous - Other | 569.29 | 100.00 |
| Total Miscellaneous | 3,169.29 | 100.00 |
| Office Supplies | 222.30 | 180.00 |
| Payroll Expenses | | |
| Social Security & Medicare | 1,437.50 | 1,208.18 |
| Superintendent | | |
| Auto Allowance | 3,156.00 | 3,156.00 |
| Total Superintendent | 3,156.00 | 3,156.00 |
| Unemployment Insurance T... | 105.30 | 118.64 |
| Workman's Comp. Insurance | 1,012.00 | 990.00 |
| Payroll Expenses - Other | 18,790.80 | 15,793.30 |
| Total Payroll Expenses | 24,501.60 | 21,266.12 |
| Periodic Report | 10.00 | 0.00 |
| Postage and Delivery | 140.00 | 39.20 |
| Professional Services | | |
| Accountant Fees | 2,549.17 | 2,550.00 |
| Consulting Fees | 11,774.30 | 11,538.62 |
| Legal Fees | 21,705.38 | 26,356.70 |
| Total Professional Services | 36,028.85 | 40,445.32 |
| Telephone | | |
| Brantner Ditch reimbursem... | -418.68 | -572.77 |
| Cell phone | 987.97 | 1,289.91 |
| Total Telephone | 569.29 | 717.14 |
| Utilities | | |
| Gas and Electric | 213.27 | 195.04 |
| Total Utilities | 213.27 | 195.04 |
| Total Expense | 221,032.45 | 165,843.28 |
| Net Ordinary Income | 11,245.26 | -51,607.48 |
| Other Income/Expense | | |
| Other Income | | |
| Interest Income | 0.35 | 184.74 |

Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2014

| | <u>Jan - Dec 14</u> | <u>Jan - Dec 13</u> |
|------------------------------|---------------------|---------------------|
| Other Income | | |
| Oil and gas Royalties | <u>39.37</u> | <u>34.35</u> |
| Total Other Income | <u>39.37</u> | <u>34.35</u> |
| Total Other Income | <u>39.72</u> | <u>219.09</u> |
| Net Other Income | <u>39.72</u> | <u>219.09</u> |
| Net Income | <u>11,284.98</u> | <u>-51,388.39</u> |

The Brighton Ditch Company

2015 Budget

| | <i>Actual</i> 2013 | Budget 2014 | <i>Actual</i> 2014 | Proposed 2015 | |
|----------------------------|-----------------------|-------------------|-----------------------|------------------|--------------------|
| Income | | | | | |
| Assessments | \$50,000 | \$50,000 | \$50,000 | \$80,000 | \$4000/share |
| Special Flood Assessment | | \$27,000 | \$51,300 | \$0 | 2014: \$1350/share |
| | | \$27,000 | | \$2,700 | 2015: \$1350/share |
| Estimated FEMA Reimbursal | | \$98,277 | \$52,517 | | |
| Maintenance Fees | \$21,527 | \$21,527 | \$21,527 | \$21,527 | |
| Crossing Fees | \$5,000 | | \$23,500 | | |
| Reimbursements / Dividends | \$37,929 | \$500 | \$33,434 | \$0 | |
| Total | \$114,456 | \$224,304 | \$232,278 | \$104,227 | |
| Expenses | | | | | |
| Accountant CPA | \$2,550 | \$2,440 | \$2,549 | \$2,100 | |
| Director's Fees | \$1,300 | \$1,200 | \$1,300 | \$1,300 | |
| Legal Notices | \$128 | \$0 | \$0 | \$0 | |
| Consolidated Ditches | \$3,794 | \$3,800 | \$3,794 | \$3,800 | |
| Auto Allowance | \$3,156 | \$3,156 | \$3,156 | \$3,156 | |
| Bank Fees | \$57 | \$50 | \$30 | \$50 | |
| Cell Phone / Utilities | \$915 | \$950 | \$783 | \$700 | |
| Consulting Fees | \$11,539 | \$10,000 | \$11,774 | \$12,000 | |
| Ditch Maintenance | \$37,500 | \$6,700 | \$19,112 | \$6,000 | |
| Wasteway Flume | | \$23,000 | | \$11,000 | |
| Flood Repairs | \$42,585 | \$144,926 | \$123,171 | \$0 | |
| Weed Control | \$14,741 | \$15,000 | \$5,503 | \$6,000 | |
| Donations | \$0 | \$0 | \$0 | \$0 | |
| Insurance | \$3,531 | \$3,540 | \$3,618 | \$3,600 | |
| Legal Fees | \$26,357 | \$25,000 | \$21,705 | \$20,000 | |
| Loan Interest | \$0 | \$0 | \$1,299 | \$0 | |
| Membership Fees | \$100 | \$150 | \$100 | \$150 | |
| Meals | \$95 | \$100 | \$120 | \$100 | |
| Office Supplies | \$180 | \$300 | \$222 | \$250 | |
| Payroll | \$22,500 | \$25,500 | \$21,346 | \$26,520 | |
| Postage | \$40 | \$100 | \$140 | \$100 | |
| Report | | \$10 | \$10 | \$10 | |
| Total | \$171,068 | \$265,922 | \$219,733 | \$96,836 | |
| Excess (Shortage) Cash | (\$56,612) | (\$41,618) | \$12,545 | \$7,391 | |

The Brighton Ditch Company
Statement of Revenues and Expenses
January 2007 through December 2014

| | <u>Jan - Dec 08</u> | <u>Jan - Dec 09</u> | <u>Jan - Dec 10</u> | <u>Jan - Dec 11</u> | <u>Jan - Dec 12</u> | <u>Jan - Dec 13</u> | <u>Jan - Dec 14</u> | <u>TOTAL</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| ASSETS | | | | | | | | |
| Current Assets | | | | | | | | |
| Checking/Savings | | | | | | | | |
| Bank of Colo | 0.00 | 0.00 | 0.00 | 1,315.70 | 20,830.13 | 19,960.92 | 39,784.08 | 81,890.83 |
| Bank of Colo-CD | 0.00 | 0.00 | 0.00 | 50,277.88 | 50,520.91 | 0.00 | 0.00 | 100,798.79 |
| Bank of Colo-Money Market | 0.00 | 0.00 | 0.00 | 18,534.00 | 8,536.45 | 8,538.18 | 0.00 | 35,608.63 |
| Business High Yield Savings | 0.00 | 0.00 | 81,111.16 | 0.00 | 0.00 | 0.00 | 0.00 | 81,111.16 |
| Business Market Rate Savings | 2,300.00 | 2,303.78 | 2,307.24 | -1.46 | 0.00 | 0.00 | 0.00 | 6,909.56 |
| Business Time Account/DC | 40,000.00 | 40,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 80,000.00 |
| Expanded Business Services | 5,000.00 | 17,211.68 | 8,390.88 | 0.00 | 0.00 | 0.00 | 0.00 | 30,602.56 |
| Wells Fargo Bank | 13,198.64 | -11.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,187.52 |
| Total Checking/Savings | <u>60,498.64</u> | <u>59,504.34</u> | <u>91,809.28</u> | <u>70,126.12</u> | <u>79,887.49</u> | <u>28,499.10</u> | <u>39,784.08</u> | <u>430,109.05</u> |
| Accounts Receivable | | | | | | | | |
| Accounts Receivable | -0.50 | -0.50 | 0.00 | 0.00 | 0.00 | | | -1.00 |
| Total Accounts Recievable | <u>-0.50</u> | <u>-0.50</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>-1.00</u> |
| Total Current Assests | 60,498.14 | 59,503.84 | 91,809.28 | 70,126.12 | 79,887.49 | 28,499.10 | 39,784.08 | 430,108.05 |
| Fixed Assests | | | | | | | | |
| Diversion Dam | 170,294.00 | 170,294.00 | 170,294.00 | 0.00 | 0.00 | 0.00 | 0.00 | 510,882.00 |
| Diversion Dam, Accum Depr | -90,122.91 | -98,695.96 | -106,588.96 | 0.00 | 0.00 | 0.00 | 0.00 | -295,407.83 |
| Equipment | 392.16 | 392.16 | 392.16 | 0.00 | 0.00 | 0.00 | 0.00 | 1,176.48 |
| Office Equipment | 3,399.86 | 3,399.86 | 3,399.86 | 0.00 | 0.00 | 0.00 | 0.00 | 10,199.58 |
| Total Fixed Assests | <u>83,963.11</u> | <u>75,390.06</u> | <u>67,497.06</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>226,850.23</u> |
| TOTAL ASSETS | <u>144,461.25</u> | <u>134,893.90</u> | <u>159,306.34</u> | <u>70,126.12</u> | <u>79,887.49</u> | <u>28,499.10</u> | <u>39,784.08</u> | <u>656,958.28</u> |
| LIABILITIES & EQUITY | | | | | | | | |
| Liabilities | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Other Current Liabilities | | | | | | | | |
| Accrued Interest | 4,897.08 | 4,897.08 | 4,897.08 | 0.00 | 0.00 | 0.00 | 0.00 | 14,691.24 |
| Payroll Liabilities | -302.75 | -302.60 | 96.50 | 0.00 | 0.00 | 0.00 | 0.00 | -508.85 |
| Total Other Current Liabilities | <u>4,594.33</u> | <u>4,594.48</u> | <u>4,993.58</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>14,182.39</u> |
| Total Current Liabilities | <u>4,594.33</u> | <u>4,594.48</u> | <u>4,993.58</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>14,182.39</u> |
| Total Liabilities | 4,594.33 | 4,594.48 | 4,993.58 | 0.00 | 0.00 | 0.00 | 0.00 | 14,182.39 |
| Equity | | | | | | | | |
| Prior Period Adjustment | | | | | -60,180.06 | | | |
| Retained Earnings | 141,160.97 | 139,866.92 | 130,299.92 | 94,132.70 | 130,306.18 | 79,887.49 | 28,499.10 | 744,153.28 |
| Net Income | -1,294.05 | -9,567.50 | 24,012.84 | -24,006.58 | 9,761.37 | -51,388.39 | 11,284.98 | -41,197.33 |
| Total Equity | <u>139,866.92</u> | <u>130,299.42</u> | <u>154,312.76</u> | <u>70,126.12</u> | <u>79,887.49</u> | <u>28,499.10</u> | <u>39,784.08</u> | <u>642,775.89</u> |
| TOTAL LIABILITIES & EQUITY | <u>144,461.25</u> | <u>134,893.90</u> | <u>159,306.34</u> | <u>70,126.12</u> | <u>79,887.49</u> | <u>28,499.10</u> | <u>39,784.08</u> | <u>656,958.28</u> |

See Accountants Compilation Reports

Brighton Ditch Company
Statement of Assets, Liabilities and Equity - Tax Basis
As of December 31, 2011

| | Dec 31, 08 | Dec 31, 09 | Dec 31, 10 | Dec 31, 11 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Checking/Savings | | | | |
| Bank of Colo | 0.00 | 0.00 | 0.00 | 1,315.70 |
| Bank of Colo-CD | 0.00 | 0.00 | 0.00 | 50,277.88 |
| Bank of Colo-Money Market | 0.00 | 0.00 | 0.00 | 18,534.00 |
| Business High Yield Savings | 0.00 | 0.00 | 81,111.16 | 0.00 |
| Business Market Rate Savi... | 2,300.00 | 2,303.78 | 2,307.24 | -1.46 |
| Business Time Account/CD | 40,000.00 | 40,000.00 | 0.00 | 0.00 |
| Expanded Business Services | 5,000.00 | 17,211.68 | 8,390.88 | 0.00 |
| Wells Fargo Bank | 13,198.64 | -11.12 | 0.00 | 0.00 |
| Total Checking/Savings | 60,498.64 | 59,504.34 | 91,809.28 | 70,126.12 |
| Accounts Receivable | | | | |
| Accounts Receivable | -0.50 | -0.50 | 0.00 | 0.00 |
| Total Accounts Receivable | -0.50 | -0.50 | 0.00 | 0.00 |
| Total Current Assets | 60,498.14 | 59,503.84 | 91,809.28 | 70,126.12 |
| Fixed Assets | | | | |
| Diversion Dam | 170,294.00 | 170,294.00 | 170,294.00 | 0.00 |
| Diversion Dam, Accum Depr | -90,122.91 | -98,695.96 | -106,588.96 | 0.00 |
| Equipment | 392.16 | 392.16 | 392.16 | 0.00 |
| Office Equipment | 3,399.86 | 3,399.86 | 3,399.86 | 0.00 |
| Total Fixed Assets | 83,963.11 | 75,390.06 | 67,497.06 | 0.00 |
| TOTAL ASSETS | 144,461.25 | 134,893.90 | 159,306.34 | 70,126.12 |
| LIABILITIES & EQUITY | | | | |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Other Current Liabilities | | | | |
| Accrued Interest | 4,897.08 | 4,897.08 | 4,897.08 | 0.00 |
| Payroll Liabilities | -302.75 | -302.60 | 96.50 | 0.00 |
| Total Other Current Liabili... | 4,594.33 | 4,594.48 | 4,993.58 | 0.00 |
| Total Current Liabilities | 4,594.33 | 4,594.48 | 4,993.58 | 0.00 |
| Total Liabilities | 4,594.33 | 4,594.48 | 4,993.58 | 0.00 |

Brighton Ditch Company
Statement of Assets, Liabilities and Equity - Tax Basis
As of December 31, 2011

| | <u>Dec 31, 08</u> | <u>Dec 31, 09</u> | <u>Dec 31, 10</u> | <u>Dec 31, 11</u> |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Equity | | | | |
| Retained Earnings | 141,160.97 | 139,866.92 | 130,299.92 | 94,132.70 |
| Net Income | -1,294.05 | -9,567.50 | 24,012.84 | -24,006.58 |
| Total Equity | 139,866.92 | 130,299.42 | 154,312.76 | 70,126.12 |
| TOTAL LIABILITIES & EQUITY | 144,461.25 | 134,893.90 | 159,306.34 | 70,126.12 |

The Brighton Ditch Company
Statement of Assets, Liabilities and Equity - Tax Basis
As of December 31, 2013

| | Dec 31, 13 | Dec 31, 12 |
|---------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| Bank of Colo-CD | 0.00 | 50,520.91 |
| Bank of Colo-Money Mar... | 8,538.18 | 8,536.45 |
| Bank of Colorado | 19,960.92 | 20,830.13 |
| Total Checking/Savings | 28,499.10 | 79,887.49 |
| Total Current Assets | 28,499.10 | 79,887.49 |
| TOTAL ASSETS | 28,499.10 | 79,887.49 |
| LIABILITIES & EQUITY | | |
| Equity | | |
| Prior Period Adjustment | -60,180.06 | -60,180.06 |
| Retained Earnings | 140,067.55 | 130,306.18 |
| Net Income | -51,388.39 | 9,761.37 |
| Total Equity | 28,499.10 | 79,887.49 |
| TOTAL LIABILITIES & EQUITY | 28,499.10 | 79,887.49 |

Brighton Ditch Company
Statement of Assets, Liabilities and Equity - Tax Basis
As of December 31, 2014

| | Dec 31, 14 | Dec 31, 13 |
|---------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Checking/Savings | | |
| Bank of Colo | 39,784.08 | 19,960.92 |
| Bank of Colo-Money Mar... | 0.00 | 8,538.18 |
| Total Checking/Savings | 39,784.08 | 28,499.10 |
| Total Current Assets | 39,784.08 | 28,499.10 |
| TOTAL ASSETS | 39,784.08 | 28,499.10 |
| LIABILITIES & EQUITY | | |
| Equity | | |
| Retained Earnings | 28,499.10 | 79,887.49 |
| Net Income | 11,284.98 | -51,388.39 |
| Total Equity | 39,784.08 | 28,499.10 |
| TOTAL LIABILITIES & EQUITY | 39,784.08 | 28,499.10 |

Brighton Ditch Company
Statement of Cash Flows
January through December 2008

| | Jan - Dec 08 |
|--|--------------|
| OPERATING ACTIVITIES | |
| Net Income | -1,294.05 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Payroll Liabilities | -78.94 |
| Net cash provided by Operating Activities | -1,372.99 |
| INVESTING ACTIVITIES | |
| Diversion Dam, Accum Depr | 20,604.00 |
| Net cash provided by Investing Activities | 20,604.00 |
| FINANCING ACTIVITIES | |
| Retained Earnings | -10,948.00 |
| Net cash provided by Financing Activities | -10,948.00 |
| Net cash increase for period | 8,283.01 |
| Cash at beginning of period | 52,215.63 |
| Cash at end of period | 60,498.64 |

Brighton Ditch Company
Statement of Cash Flows
January through December 2009

| | <u>Jan - Dec 09</u> |
|--|-------------------------|
| OPERATING ACTIVITIES | |
| Net Income | -9,567.50 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Payroll Liabilities | <u>0.15</u> |
| Net cash provided by Operating Activities | -9,567.35 |
| INVESTING ACTIVITIES | |
| Diversion Dam, Accum Depr | <u>8,573.05</u> |
| Net cash provided by Investing Activities | <u>8,573.05</u> |
| Net cash increase for period | -994.30 |
| Cash at beginning of period | <u>60,498.64</u> |
| Cash at end of period | <u><u>59,504.34</u></u> |

Brighton Ditch Company
Statement of Cash Flows
January through December 2010

| | Jan - Dec 10 |
|--|--------------|
| OPERATING ACTIVITIES | |
| Net Income | 24,012.84 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Accounts Receivable | -0.50 |
| Payroll Liabilities | 399.10 |
| Net cash provided by Operating Activities | 24,411.44 |
| INVESTING ACTIVITIES | |
| Diversion Dam, Accum Depr | 7,893.00 |
| Net cash provided by Investing Activities | 7,893.00 |
| FINANCING ACTIVITIES | |
| Retained Earnings | 0.50 |
| Net cash provided by Financing Activities | 0.50 |
| Net cash increase for period | 32,304.94 |
| Cash at beginning of period | 59,504.34 |
| Cash at end of period | 91,809.28 |

Brighton Ditch Company
Statement of Cash Flows
January through December 2011

| | Jan - Dec 11 |
|--|------------------|
| OPERATING ACTIVITIES | |
| Net Income | -24,006.58 |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Accrued Interest | -4,897.08 |
| Payroll Liabilities | -96.50 |
| Net cash provided by Operating Activities | -29,000.16 |
| INVESTING ACTIVITIES | |
| Diversion Dam | 170,294.00 |
| Diversion Dam, Accum Depr | -106,588.96 |
| Equipment | 392.16 |
| Office Equipment | 3,399.86 |
| Net cash provided by Investing Activities | 67,497.06 |
| FINANCING ACTIVITIES | |
| Retained Earnings | -60,180.06 |
| Net cash provided by Financing Activities | -60,180.06 |
| Net cash increase for period | -21,683.16 |
| Cash at beginning of period | 91,809.28 |
| Cash at end of period | <u>70,126.12</u> |

Brighton Ditch Company
Statement of Cash Flows
January through December 2012

| | Jan - Dec 12 |
|---|------------------|
| OPERATING ACTIVITIES | |
| Net Income | 9,761.37 |
| Net cash provided by Operating Activities | 9,761.37 |
| Net cash increase for period | 9,761.37 |
| Cash at beginning of period | 70,126.12 |
| Cash at end of period | <u>79,887.49</u> |

Brighton Ditch Company
Statement of Cash Flows
January through December 2013

| | Jan - Dec 13 |
|---|------------------|
| OPERATING ACTIVITIES | |
| Net Income | -51,388.39 |
| Net cash provided by Operating Activities | -51,388.39 |
| Net cash increase for period | -51,388.39 |
| Cash at beginning of period | 79,887.49 |
| Cash at end of period | <u>28,499.10</u> |

Brighton Ditch Company
Statement of Cash Flows
January through December 2014

| | <u>Jan - Dec 14</u> |
|---|-------------------------|
| OPERATING ACTIVITIES | |
| Net Income | 11,284.98 |
| Net cash provided by Operating Activities | <u>11,284.98</u> |
| Net cash increase for period | 11,284.98 |
| Cash at beginning of period | <u>28,499.10</u> |
| Cash at end of period | <u><u>39,784.08</u></u> |

The Brighton Ditch Company
Statement of Revenues and Expenses
January 2007 through December 2014

| | Jan - Dec 07 | Jan - Dec 08 | Jan - Dec 09 | Jan - Dec 10 | Jan - Dec 11 | Jan - Dec 12 | Jan - Dec 13 | Jan - Dec 14 | TOTAL |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Ordinary Income/Expense | | | | | | | | | |
| Income | | | | | | | | | |
| Assessments | | | | | | | | | |
| Annual | 70,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 420,000.00 |
| Interest | 0.00 | 181.38 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 181.38 |
| Maintenance Fee | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 172,216.00 |
| Special | | | | | | | | | 51,300.00 |
| Total Assessments | 91,527.00 | 71,708.38 | 71,527.00 | 71,527.00 | 71,527.00 | 71,527.00 | 71,527.00 | 122,827.00 | 643,697.38 |
| Dividend | 91.00 | 153.00 | 211.00 | 169.00 | 183.00 | 144.00 | 32.00 | 0.00 | 983.00 |
| Fees | | | | | | | | | |
| Crossing | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,000.00 | 5,000.00 | 23,500.00 | 29,500.00 |
| Easement | 60,000.00 | 0.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 61,500.00 |
| Total Fees | 60,000.00 | 0.00 | 0.00 | 0.00 | 1,500.00 | 1,000.00 | 5,000.00 | 23,500.00 | 91,000.00 |
| Reimbursement | 279.36 | 8,301.97 | 0.00 | 0.00 | 4,118.07 | 12,717.40 | 37,676.80 | 85,850.71 | 148,944.31 |
| Stock Transfer Fees | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 100.00 | 200.00 |
| Total Income | 151,897.36 | 80,163.35 | 71,738.00 | 71,696.00 | 77,428.07 | 85,388.40 | 114,235.80 | 232,277.71 | 884,824.69 |
| Expense | | | | | | | | | |
| Advertising | 16.30 | 0.00 | 0.00 | 0.00 | 25.64 | 27.28 | 128.48 | 0.00 | 197.70 |
| Assessments | | | | | | | | | |
| Consolidated Ditches | 948.42 | 948.42 | 948.42 | 948.42 | 2,845.26 | 3,793.68 | 0.00 | 3,793.68 | 14,226.30 |
| Total Asesments | 948.42 | 948.42 | 948.42 | 948.42 | 2,845.26 | 3,793.68 | 0.00 | 3,793.68 | 14,226.30 |
| Bank Service Charges | 78.27 | 29.00 | 78.11 | 0.00 | 132.19 | 0.00 | 56.76 | 30.00 | 404.33 |
| Board Meeting | | | | | | | | | |
| Meals | 80.36 | 79.54 | 92.11 | 70.64 | 80.35 | 99.90 | 94.97 | 120.00 | 717.87 |
| Total Board Meeting | 80.36 | 79.54 | 92.11 | 70.64 | 80.35 | 99.90 | 94.97 | 120.00 | 717.87 |
| Computer Maintenance | 0.00 | 0.00 | 0.00 | 0.00 | 40.00 | 0.00 | 0.00 | 0.00 | 40.00 |
| Contributions | 52.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 52.80 |
| Depreciation Expense | 0.00 | 9,656.00 | 8,573.05 | 7,893.00 | 7,317.00 | 0.00 | 0.00 | 0.00 | 33,439.05 |
| Ditch Maintenance | | | | | | | | | |
| Fuel | 258.18 | 280.92 | 0.00 | 54.35 | 129.58 | 90.81 | 0.00 | 0.00 | 813.84 |
| Labor | 360.50 | 386.25 | 622.50 | 180.00 | 966.00 | 1,465.04 | 524.00 | 1,021.25 | 5,525.54 |
| Machine Hire | 750.00 | 610.00 | 1,765.00 | 450.00 | 3,275.00 | 4,818.75 | 3,167.50 | 4,752.50 | 19,588.75 |
| Repairs | | | | | | | | | |
| Computer Repairs | 0.00 | 0.00 | 540.00 | 240.00 | 0.00 | 0.00 | 0.00 | 0.00 | 780.00 |
| Ditch | 1,925.00 | 0.00 | 875.00 | 0.00 | 10,500.00 | 0.00 | 42,585.00 | 134,943.69 | 190,828.69 |
| Equipment Repairs | 2,301.91 | 110.70 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,412.61 |
| Headgate | 590.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 590.73 |
| Repairs - Other | 0.00 | 0.00 | 50.00 | 0.00 | 0.00 | 0.00 | 37,480.00 | 900.00 | 38,430.00 |
| Total Repairs | 4,817.64 | 110.70 | 1,465.00 | 240.00 | 10,500.00 | 0.00 | 80,065.00 | 135,843.69 | 233,042.03 |
| Supplies | 210.60 | 49.45 | 245.07 | 33.47 | 178.45 | 131.21 | 491.81 | 96.35 | 1,436.41 |
| Weed Control | 8,853.00 | 13,146.47 | 14,256.01 | 8,900.95 | 11,520.27 | 13,304.46 | 14,740.94 | 5,503.24 | 90,225.34 |
| Ditch Maintenance - Other | 4,005.00 | 3,500.00 | 0.00 | 6,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13,755.00 |
| Total Ditch Maintenance | 19,254.92 | 18,083.79 | 18,353.58 | 16,108.77 | 26,569.30 | 19,810.27 | 98,989.25 | 147,217.03 | 364,386.91 |
| Donation | 0.00 | 0.00 | 0.00 | 52.80 | 52.80 | 0.00 | 0.00 | 0.00 | 105.60 |
| Insurance | | | | | | | | | |
| General Liability | 2,895.00 | 2,895.00 | 3,014.00 | 3,120.00 | 3,121.00 | 3,467.00 | 3,531.00 | 3,618.00 | 25,661.00 |
| Total Insurance | 2,895.00 | 2,895.00 | 3,014.00 | 3,120.00 | 3,121.00 | 3,467.00 | 3,531.00 | 3,618.00 | 25,661.00 |
| Interest Expense | | | | | | | | | |
| Loan Interest | 2,109.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,299.14 | 3,408.19 |
| Total Interest Expense | 2,109.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,299.14 | 3,408.19 |
| Materials | 960.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 960.00 |
| Membership Fees | 100.00 | 100.00 | 100.00 | 147.50 | 100.00 | 100.00 | 100.00 | 100.00 | 847.50 |
| Miscellaneous | | | | | | | | | |
| Debit | 0.00 | 18.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | 118.00 |
| Directors Fees | 1,075.00 | 975.00 | 675.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 2,600.00 | 6,325.00 |
| Treasurer's Salary | 0.00 | 150.00 | 150.00 | 150.00 | 0.00 | 0.00 | 0.00 | 0.00 | 450.00 |
| Miscellaneous - Other | 0.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 569.29 | 669.29 |
| Total Miscellaneous | 1,075.00 | 1,143.00 | 825.00 | 1,250.00 | 0.00 | 0.00 | 100.00 | 3,169.29 | 7,562.29 |
| Office Supplies | 194.55 | 38.80 | 304.98 | 0.00 | 97.15 | 381.19 | 180.00 | 222.30 | 1,418.97 |
| Payroll Expenses | | | | | | | | | |
| Officer Fees | 0.00 | 0.00 | 0.00 | 0.00 | 1,225.00 | 1,200.00 | 0.00 | 0.00 | 2,425.00 |
| Social Security & Medicare | 1,230.81 | 1,284.89 | 1,238.97 | 1,918.63 | 1,374.82 | 1,278.53 | 1,208.18 | 1,437.50 | 10,972.33 |
| Superintendent | | | | | | | | | |
| Auto Allowance | 3,156.00 | 3,156.00 | 3,156.00 | 3,156.00 | 3,156.79 | 3,156.00 | 3,156.00 | 3,156.00 | 25,248.79 |
| Superintendent Salary | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.00 |
| Total Superintendent | 3,161.00 | 3,156.00 | 3,156.00 | 3,156.00 | 3,156.79 | 3,156.00 | 3,156.00 | 3,156.00 | 25,253.79 |
| Unemployment Insurance Tax | 169.41 | 32.27 | 125.26 | 130.10 | 322.46 | 234.46 | 118.64 | 105.30 | 1,237.90 |
| Withholding Tax--Federal | 0.00 | 0.00 | 0.00 | 15.55 | 0.00 | 0.00 | 0.00 | 0.00 | 15.55 |
| Workman's Comp. Insurance | 1,030.00 | 897.00 | 1,039.00 | 964.00 | 897.00 | 1,214.00 | 990.00 | 7,031.00 | 14,062.00 |
| Payroll Expenses - Other | 16,089.00 | 16,796.00 | 16,471.95 | 19,733.71 | 19,382.92 | 16,530.96 | 15,793.30 | 18,790.80 | 139,588.64 |
| Total Payroll Expenses | 21,680.22 | 22,166.16 | 22,031.18 | 25,917.99 | 26,358.99 | 23,613.95 | 21,266.12 | 24,501.60 | 187,536.21 |
| Donny Smith Payroll | | | 12,295.70 | 15,083.71 | 15,212.92 | 15,182.50 | 15,793.30 | | |
| Donny Smith Bonus | | | | 850.00 | 700.00 | | | | |
| Don Rosenbrock | | | 4,176.25 | 4,000.00 | 3,470.00 | 1,368.46 | | | |
| Periodic Report | 10.00 | 10.00 | 0.00 | 10.00 | 10.00 | 10.00 | 0.00 | 10.00 | 60.00 |
| Postage and Delivery | 112.67 | 47.72 | 47.32 | 111.01 | 44.00 | 45.00 | 39.20 | 140.00 | 586.92 |
| Professional Services | | | | | | | | | |
| Accountant Fees | 1,800.00 | 1,346.25 | 3,795.00 | 2,440.00 | 3,350.00 | 2,037.39 | 2,550.00 | 2,549.17 | 19,867.81 |
| Consulting Fees | 2,368.24 | 3,261.99 | 4,197.50 | 1,266.50 | 8,565.20 | 3,843.42 | 11,538.62 | 11,774.30 | 46,815.77 |
| Legal Fees | 11,782.51 | 23,542.26 | 18,388.92 | 14,072.70 | 27,986.05 | 17,832.16 | 26,356.70 | 21,705.38 | 161,666.68 |
| Reimburseable Fees | 0.00 | -2,203.50 | 0.00 | -25,194.21 | 0.00 | 0.00 | 0.00 | 0.00 | -27,397.71 |
| Total Professional Services | 15,950.75 | 25,947.00 | 26,381.42 | -7,415.01 | 39,901.25 | 23,712.97 | 40,445.32 | 36,028.85 | 200,952.55 |
| Telephone | | | | | | | | | |
| Brantner Ditch reimbursement | -310.73 | -222.30 | -502.42 | -462.46 | -428.47 | -485.18 | -572.77 | 418.68 | -2,565.65 |
| Cell phone | 671.10 | 424.56 | 990.91 | 924.61 | 903.99 | 1,181.50 | 1,289.91 | 987.97 | 7,374.55 |
| Telephone - Other | 0.00 | 0.00 | 40.09 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 40.09 |
| Total Telephone | 360.37 | 202.26 | 528.58 | 462.15 | 475.52 | 696.32 | 717.14 | 569.29 | 4,011.63 |
| Utilities | | | | | | | | | |
| Gas and Electric | 146.30 | 142.94 | 131.53 | 131.63 | 181.45 | 186.15 | 195.04 | 213.27 | 1,328.31 |
| Total Utilities | 146.30 | 142.94 | 131.53 | 131.63 | 181.45 | 186.15 | 195.04 | 213.27 | 1,328.31 |
| Total Expense | 66,024.98 | 81,489.63 | 81,409.28 | 48,808.90 | 107,351.90 | 75,943.71 | 165,843.28 | 221,032.45 | 847,904.13 |
| Net Ordinary Income | 85,872.38 | -1,326.28 | -9,671.28 | 22,887.10 | -29,923.83 | 9,444.69 | -51,607.48 | 11,245.26 | 36,920.56 |
| Other Income/Expense | | | | | | | | | |
| Other Income | | | | | | | | | |
| Interest Income | 3.20 | 0.00 | 3.78 | 1,125.74 | 368.70 | 246.94 | 184.74 | 0.35 | 1,933.45 |
| Other Income | | | | | | | | | |
| Federal Tax Refund | 0.00 | 7.23 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7.23 |
| Oil and gas Royalties | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 69.74 | 34.35 | 39.37 | 143.46 |
| Stock Transfer Fees | 75.00 | 25.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 |
| Other Income - Other | 0.00 | 0.00 | 0.00 | 0.00 | 5,548.55 | 0.00 | 0.00 | 0.00 | 5,548.55 |
| Total Other Income | 75.00 | 32.23 | 100.00 | 0.00 | 5,548.55 | 69.74 | 34.35 | 39.37 | 5,899.24 |
| Total Other Income | 78.20 | 32.23 | 103.78 | 1,125.74 | 5,917.25 | 316.68 | 219.09 | 39.72 | 7,832.69 |
| Net Other Income | 78.20 | 32.23 | 103.78 | 1,125.74 | 5,917.25 | 316.68 | 219.09 | 39.72 | 7,832.69 |
| | 85,950.58 | -1,294.05 | -9,567.50 | 24,012.84 | -24,006.58 | 9,761.37 | -51,388.39 | 11,284.98 | 44,753.25 |

Brighton Ditch Company
Statement of Revenues and Expenses
January through July 2015 & 2014

| | Jan - Dec 08 | Jan - Dec 09 | Jan - Dec 10 | Jan - Dec 11 | TOTAL |
|--------------------------------|------------------|------------------|------------------|------------------|-------------------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Assessments | | | | | |
| Annual | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 200,000.00 |
| Interest | 181.38 | 0.00 | 0.00 | 0.00 | 181.38 |
| Maintenance Fee | 21,527.00 | 21,527.00 | 21,527.00 | 21,527.00 | 86,108.00 |
| Total Assessments | 71,708.38 | 71,527.00 | 71,527.00 | 71,527.00 | 286,289.38 |
| Dividend | 153.00 | 211.00 | 169.00 | 183.00 | 716.00 |
| Fees | | | | | |
| Easement | 0.00 | 0.00 | 0.00 | 1,500.00 | 1,500.00 |
| Total Fees | 0.00 | 0.00 | 0.00 | 1,500.00 | 1,500.00 |
| Reimbursement | 8,301.97 | 0.00 | 0.00 | 4,118.07 | 12,420.04 |
| Stock Transfer Fees | 0.00 | 0.00 | 0.00 | 100.00 | 100.00 |
| Total Income | 80,163.35 | 71,738.00 | 71,696.00 | 77,428.07 | 301,025.42 |
| Expense | | | | | |
| Advertising | 0.00 | 0.00 | 0.00 | 25.64 | 25.64 |
| Assessments | | | | | |
| Consolidated Ditches | 948.42 | 948.42 | 948.42 | 2,845.26 | 5,690.52 |
| Total Assesments | 948.42 | 948.42 | 948.42 | 2,845.26 | 5,690.52 |
| Bank Service Charges | 29.00 | 78.11 | 0.00 | 132.19 | 239.30 |
| Board Meeting | | | | | |
| Meals | 79.54 | 92.11 | 70.64 | 80.35 | 322.64 |
| Total Board Meeting | 79.54 | 92.11 | 70.64 | 80.35 | 322.64 |
| Computer Maintenance | 0.00 | 0.00 | 0.00 | 40.00 | 40.00 |
| Depreciation Expense | 9,656.00 | 8,573.05 | 7,893.00 | 7,317.00 | 33,439.05 |
| Ditch Maintenance | | | | | |
| Fuel | 280.92 | 0.00 | 54.35 | 129.58 | 464.85 |
| Labor | 386.25 | 622.50 | 180.00 | 966.00 | 2,154.75 |
| Machine Hire | 610.00 | 1,765.00 | 450.00 | 3,275.00 | 6,100.00 |
| Repairs | | | | | |
| Computer Repairs | 0.00 | 540.00 | 240.00 | 0.00 | 780.00 |
| Ditch | 0.00 | 875.00 | 0.00 | 10,500.00 | 11,375.00 |
| Equipment Repairs | 110.70 | 0.00 | 0.00 | 0.00 | 110.70 |
| Repairs - Other | 0.00 | 50.00 | 0.00 | 0.00 | 50.00 |
| Total Repairs | 110.70 | 1,465.00 | 240.00 | 10,500.00 | 12,315.70 |
| Supplies | 49.45 | 245.07 | 33.47 | 178.45 | 506.44 |
| Weed Control | 13,146.47 | 14,256.01 | 8,900.95 | 11,520.27 | 47,823.70 |
| Ditch Maintenance - Other | 3,500.00 | 0.00 | 6,250.00 | 0.00 | 9,750.00 |
| Total Ditch Maintenance | 18,083.79 | 18,353.58 | 16,108.77 | 26,569.30 | 79,115.44 |
| Donation | 0.00 | 0.00 | 52.80 | 52.80 | 105.60 |
| Insurance | | | | | |
| General Liability | 2,895.00 | 3,014.00 | 3,120.00 | 3,121.00 | 12,150.00 |
| Total Insurance | 2,895.00 | 3,014.00 | 3,120.00 | 3,121.00 | 12,150.00 |
| Membership Fees | 100.00 | 100.00 | 147.50 | 100.00 | 447.50 |

Brighton Ditch Company
Statement of Revenues and Expenses

January through July 2015 & 2014

| | Jan - Dec 08 | Jan - Dec 09 | Jan - Dec 10 | Jan - Dec 11 | TOTAL |
|------------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| Miscellaneous | | | | | |
| Debit | 18.00 | 0.00 | 0.00 | 0.00 | 18.00 |
| Directors Fees | 975.00 | 675.00 | 1,000.00 | 0.00 | 2,650.00 |
| Treasurer's Salary | 150.00 | 150.00 | 150.00 | 0.00 | 450.00 |
| Miscellaneous - Other | 0.00 | 0.00 | 100.00 | 0.00 | 100.00 |
| Total Miscellaneous | 1,143.00 | 825.00 | 1,250.00 | 0.00 | 3,218.00 |
| Office Supplies | 38.80 | 304.98 | 0.00 | 97.15 | 440.93 |
| Payroll Expenses | | | | | |
| Officer Fees | 0.00 | 0.00 | 0.00 | 1,225.00 | 1,225.00 |
| Social Security & Medicare | 1,284.89 | 1,238.97 | 1,918.63 | 1,374.82 | 5,817.31 |
| Superintendent | | | | | |
| Auto Allowance | 3,156.00 | 3,156.00 | 3,156.00 | 3,156.79 | 12,624.79 |
| Total Superintendent | 3,156.00 | 3,156.00 | 3,156.00 | 3,156.79 | 12,624.79 |
| Unemployment Insurance T... | 32.27 | 125.26 | 130.10 | 322.46 | 610.09 |
| Withholding Tax--Federal | 0.00 | 0.00 | 15.55 | 0.00 | 15.55 |
| Workman's Comp. Insurance | 897.00 | 1,039.00 | 964.00 | 897.00 | 3,797.00 |
| Payroll Expenses - Other | 16,796.00 | 16,471.95 | 19,733.71 | 19,382.92 | 72,384.58 |
| Total Payroll Expenses | 22,166.16 | 22,031.18 | 25,917.99 | 26,358.99 | 96,474.32 |
| Periodic Report | 10.00 | 0.00 | 10.00 | 10.00 | 30.00 |
| Postage and Delivery | 47.72 | 47.32 | 111.01 | 44.00 | 250.05 |
| Professional Services | | | | | |
| Accountant Fees | 1,346.25 | 3,795.00 | 2,440.00 | 3,350.00 | 10,931.25 |
| Consulting Fees | 3,261.99 | 4,197.50 | 1,266.50 | 8,565.20 | 17,291.19 |
| Legal Fees | 23,542.26 | 18,388.92 | 14,072.70 | 27,986.05 | 83,989.93 |
| Reimbursable Fees | -2,203.50 | 0.00 | -25,194.21 | 0.00 | -27,397.71 |
| Total Professional Services | 25,947.00 | 26,381.42 | -7,415.01 | 39,901.25 | 84,814.66 |
| Telephone | | | | | |
| Brantner Ditch reimbursem... | -222.30 | -502.42 | -462.46 | -428.47 | -1,615.65 |
| Cell phone | 424.56 | 990.91 | 924.61 | 903.99 | 3,244.07 |
| Telephone - Other | 0.00 | 40.09 | 0.00 | 0.00 | 40.09 |
| Total Telephone | 202.26 | 528.58 | 462.15 | 475.52 | 1,668.51 |
| Utilities | | | | | |
| Gas and Electric | 142.94 | 131.53 | 131.63 | 181.45 | 587.55 |
| Total Utilities | 142.94 | 131.53 | 131.63 | 181.45 | 587.55 |
| Total Expense | 81,489.63 | 81,409.28 | 48,808.90 | 107,351.90 | 319,059.71 |
| Net Ordinary Income | -1,326.28 | -9,671.28 | 22,887.10 | -29,923.83 | -18,034.29 |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| Interest Income | 0.00 | 3.78 | 1,125.74 | 368.70 | 1,498.22 |
| Other Income | | | | | |
| Federal Tax Refund | 7.23 | 0.00 | 0.00 | 0.00 | 7.23 |
| Stock Transfer Fees | 25.00 | 100.00 | 0.00 | 0.00 | 125.00 |
| Other Income - Other | 0.00 | 0.00 | 0.00 | 5,548.55 | 5,548.55 |
| Total Other Income | 32.23 | 100.00 | 0.00 | 5,548.55 | 5,680.78 |
| Total Other Income | 32.23 | 103.78 | 1,125.74 | 5,917.25 | 7,179.00 |
| Net Other Income | 32.23 | 103.78 | 1,125.74 | 5,917.25 | 7,179.00 |
| Net Income | -1,294.05 | -9,567.50 | 24,012.84 | -24,006.58 | -10,855.29 |

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2013

| | Jan - Dec 13 | Jan - Dec 12 |
|--------------------------------|---------------------|---------------------|
| Ordinary Income/Expense | | |
| Income | | |
| Assessments | | |
| Annual | 50,000.00 | 50,000.00 |
| Maintenance Fee | 21,527.00 | 21,527.00 |
| Total Assessments | 71,527.00 | 71,527.00 |
| Dividend | 32.00 | 144.00 |
| Fees | | |
| Crossing | 5,000.00 | 1,000.00 |
| Total Fees | 5,000.00 | 1,000.00 |
| Reimbursement | 37,676.80 | 12,717.40 |
| Total Income | 114,235.80 | 85,388.40 |
| Expense | | |
| Advertising | 128.48 | 27.28 |
| Assesments | | |
| Consolidated Ditches | 0.00 | 3,793.68 |
| Total Assesments | 0.00 | 3,793.68 |
| Bank Service Charges | 56.76 | 0.00 |
| Board Meeting | | |
| Meals | 94.97 | 99.90 |
| Total Board Meeting | 94.97 | 99.90 |
| Ditch Maintenance | | |
| Fuel | 0.00 | 90.81 |
| Labor | 524.00 | 1,465.04 |
| Machine Hire | 3,167.50 | 4,818.75 |
| Repairs | | |
| Ditch | 42,585.00 | 0.00 |
| Repairs - Other | 37,480.00 | 0.00 |
| Total Repairs | 80,065.00 | 0.00 |
| Supplies | 491.81 | 131.21 |
| Weed Control | 14,740.94 | 13,304.46 |
| Total Ditch Maintenance | 98,989.25 | 19,810.27 |
| Insurance | | |
| General Liability | 3,531.00 | 3,467.00 |
| Total Insurance | 3,531.00 | 3,467.00 |
| Membership Fees | 100.00 | 100.00 |

The Brighton Ditch Company
Statement of Revenues and Expenses
 January through December 2013

| | Jan - Dec 13 | Jan - Dec 12 |
|------------------------------------|-------------------|------------------|
| Miscellaneous | | |
| Debit | 100.00 | 0.00 |
| Total Miscellaneous | 100.00 | 0.00 |
| Office Supplies | 180.00 | 381.19 |
| Payroll Expenses | | |
| Officer Fees | 0.00 | 1,200.00 |
| Social Security & Medicare | 1,208.18 | 1,278.53 |
| Superintendent | | |
| Auto Allowance | 3,156.00 | 3,156.00 |
| Total Superintendent | 3,156.00 | 3,156.00 |
| Unemployment Insurance T... | 118.64 | 234.46 |
| Workman's Comp. Insurance | 990.00 | 1,214.00 |
| Payroll Expenses - Other | 15,793.30 | 16,530.96 |
| Total Payroll Expenses | 21,266.12 | 23,613.95 |
| Periodic Report | 0.00 | 10.00 |
| Postage and Delivery | 39.20 | 45.00 |
| Professional Services | | |
| Accountant Fees | 2,550.00 | 2,037.39 |
| Consulting Fees | 11,538.62 | 3,843.42 |
| Legal Fees | 26,356.70 | 17,832.16 |
| Total Professional Services | 40,445.32 | 23,712.97 |
| Telephone | | |
| Brantner Ditch reimbursem... | -572.77 | -485.18 |
| Cell phone | 1,289.91 | 1,181.50 |
| Total Telephone | 717.14 | 696.32 |
| Utilities | | |
| Gas and Electric | 195.04 | 186.15 |
| Total Utilities | 195.04 | 186.15 |
| Total Expense | 165,843.28 | 75,943.71 |
| Net Ordinary Income | -51,607.48 | 9,444.69 |
| Other Income/Expense | | |
| Other Income | | |
| Interest Income | 184.74 | 246.94 |

See Accountants Compilation Report

The Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2013

| | <u>Jan - Dec 13</u> | <u>Jan - Dec 12</u> |
|------------------------------|--------------------------|------------------------|
| Other Income | | |
| Oil and gas Royalties | <u>34.35</u> | <u>69.74</u> |
| Total Other Income | <u>34.35</u> | <u>69.74</u> |
| Total Other Income | <u>219.09</u> | <u>316.68</u> |
| Net Other Income | <u>219.09</u> | <u>316.68</u> |
| Net Income | <u><u>-51,388.39</u></u> | <u><u>9,761.37</u></u> |

See Accountants Compilation Report

Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2014

| | Jan - Dec 14 | Jan - Dec 13 |
|--------------------------------|-------------------|-------------------|
| Ordinary Income/Expense | | |
| Income | | |
| Assessments | | |
| Annual | 50,000.00 | 50,000.00 |
| Maintenance Fee | 21,527.00 | 21,527.00 |
| Special | 51,300.00 | 0.00 |
| Total Assessments | 122,827.00 | 71,527.00 |
| Dividend | 0.00 | 32.00 |
| Fees | | |
| Crossing | 23,500.00 | 5,000.00 |
| Total Fees | 23,500.00 | 5,000.00 |
| Reimbursement | 85,850.71 | 37,676.80 |
| Stock Transfer Fees | 100.00 | 0.00 |
| Total Income | 232,277.71 | 114,235.80 |
| Expense | | |
| Advertising | 0.00 | 128.48 |
| Assesments | | |
| Consolidated Ditches | 3,793.68 | 0.00 |
| Total Assesments | 3,793.68 | 0.00 |
| Bank Service Charges | 30.00 | 56.76 |
| Board Meeting | | |
| Meals | 120.00 | 94.97 |
| Total Board Meeting | 120.00 | 94.97 |
| Ditch Maintenance | | |
| Labor | 1,021.25 | 524.00 |
| Machine Hire | 4,752.50 | 3,167.50 |
| Repairs | | |
| Ditch | 134,943.69 | 42,585.00 |
| Repairs - Other | 900.00 | 37,480.00 |
| Total Repairs | 135,843.69 | 80,065.00 |
| Supplies | 96.35 | 491.81 |
| Weed Control | 5,503.24 | 14,740.94 |
| Total Ditch Maintenance | 147,217.03 | 98,989.25 |
| Insurance | | |
| General Liability | 3,618.00 | 3,531.00 |
| Total Insurance | 3,618.00 | 3,531.00 |
| Interest Expense | | |

Brighton Ditch Company
Statement of Revenues and Expenses
January' through December 2014

| | Jan - Dec 14 | Jan - Dec 13 |
|---------------------------------------|-------------------|-------------------|
| Loan Interest | 1,299.14 | 0.00 |
| Total Interest Expense | 1,299.14 | 0.00 |
| Membership Fees | 100.00 | 100.00 |
| Miscellaneous | | |
| Directors Fees | 2,600.00 | 0.00 |
| Miscellaneous - Other | 569.29 | 100.00 |
| Total Miscellaneous | 3,169.29 | 100.00 |
| Office Supplies | 222.30 | 180.00 |
| Payroll Expenses | | |
| Social Security & Medicare | 1,437.50 | 1,208.18 |
| Superintendent | | |
| Auto Allowance | 3,156.00 | 3,156.00 |
| Total Superintendent | 3,156.00 | 3,156.00 |
| Unemployment Insurance T... | 105.30 | 118.64 |
| Workman's Comp. Insurance | 1,012.00 | 990.00 |
| Payroll Expenses - Other | 18,790.80 | 15,793.30 |
| Total Payroll Expenses | 24,501.60 | 21,266.12 |
| Periodic Report | 10.00 | 0.00 |
| Postage and Delivery | 140.00 | 39.20 |
| Professional Services | | |
| Accountant Fees | 2,549.17 | 2,550.00 |
| Consulting Fees | 11,774.30 | 11,538.62 |
| Legal Fees | 21,705.38 | 26,356.70 |
| Total Professional Services | 36,028.85 | 40,445.32 |
| Telephone | | |
| Brantner Ditch reimbursem... | -418.68 | -572.77 |
| Cell phone | 987.97 | 1,289.91 |
| Total Telephone | 569.29 | 717.14 |
| Utilities | | |
| Gas and Electric | 213.27 | 195.04 |
| Total Utilities | 213.27 | 195.04 |
| Total Expense | 221,032.45 | 165,843.28 |
| Net Ordinary Income | 11,245.26 | -51,607.48 |
| Other Income/Expense | | |
| Other Income | | |
| Interest Income | 0.35 | 184.74 |

Brighton Ditch Company
Statement of Revenues and Expenses
January through December 2014

| | Jan - Dec 14 | Jan - Dec 13 |
|------------------------------|------------------|-------------------|
| Other Income | | |
| Oil and gas Royalties | 39.37 | 34.35 |
| Total Other Income | 39.37 | 34.35 |
| Total Other Income | 39.72 | 219.09 |
| Net Other Income | 39.72 | 219.09 |
| Net Income | 11,284.98 | -51,388.39 |



Member FDIC
The way banking should be.

COMMERCIAL/AG LOAN REQUEST

IMPORTANT: Please read these directions before completing this loan request, and check the appropriate box(es) below.

- ☐ I am applying for individual credit in my own name and I am relying on my own income or assets and not the income or assets of another person.
☐ I am applying for individual credit and I am relying on my income or assets, as well as income or assets from other sources.
☐ We are applying for joint credit.

☒ I am applying for credit in the following business name: The Brighton Ditch Company

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, the USA Patriot Act requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, physical address, date of birth, taxpayer identification number and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. We will let you know if additional information is required.

| AMOUNT REQUESTED | APPLICATION DATE | LOAN PURPOSE |
|------------------|------------------|-----------------------------------|
| \$ 200,000.00 | 7/31/15 | Ditch Repairs + Rebuild Cofferdam |

REPAYMENT TERMS

I would like the repayment schedule for this loan to be as follows:

- ☐ Monthly principal and interest payments, over a period of _____ months/years.
☒ Principal due at loan maturity, with interest due X monthly; _____ quarterly; _____ at maturity.
☐ I would like the loan to be due on or before _____.
☐ Quarterly principal and interest payments, over a period of _____ years(s).
☐ Other. Describe as follows: _____

INTEREST RATE

I am requesting that the interest rate on this loan be:

- ☐ Fixed for the term of the loan.
☒ Variable, changing Daily

SOURCE OF REPAYMENT

I will be using income from Special Assessments to Stakeholders to pay this loan. Should that income, for any reason, not be available to me, I would use _____ as a secondary source of repayment for this loan.

COLLATERAL

I am proposing that the following described assets(s) be offered as collateral on the loan:

ITEM DESCRIPTION

\$ ESTIMATE OF VALUE

| | |
|--|------------|
| Blanket Security Agreement - Special Assessments (ALE) | \$ 400,000 |
| | |
| | |
| | |

PROPOSED SIGNER(S) / BORROWER(S) / CO-SIGNER(S) / GUARANTOR(S)

| LEGAL NAME | TITLE (Pres, VP, Sec, etc.) | % OF OWNERSHIP | CAPACITY (Signer/Borrower/ Co-Signer/Guarantor) |
|----------------------------|--------------------------------|-------------------|---|
| The Brighton Ditch Company | | | Borrower |
| Bruce STIERER | | | Treasurer |
| | | | |
| | | | |
| | | | |
| | | | |

CREDIT AUTHORIZATION

I understand that you have a need to review my credit worthiness as an individual. I authorize Bank of Colorado to obtain my individual consumer credit report in connection with this request. I also understand that you will review my banking relationship with you from time to time and give you permission now to obtain an updated consumer credit report as you determine necessary during the life of the loan.

SIGNATURES

| | |
|------------------------|---|
| X <u>Bruce Stierer</u> | X |
| X | X |
| X | X |

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

| Principal | Loan Date | Maturity | Loan No | Call / Coll | Account | Officer | Initials |
|--------------|------------|------------|------------|------------------------|-------------|---------|----------|
| \$200,518.00 | 08-03-2015 | 08-15-2016 | 1310006143 | Comm - General Purpose | 131003254.1 | 106 | |

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Corporation: The Brighton Ditch Company
PO Box 185
Fort Lupton, CO 80621

Lender: Bank of Colorado
Fort Lupton
111 South Rollie Avenue
PO Box 228
Fort Lupton, CO 80621
(303) 857-3400

I, THE UNDERSIGNED, DO HEREBY CERTIFY AND STATE UNDER PENALTY OF PERJURY THAT:

THE CORPORATION'S EXISTENCE: The complete and correct name of the Corporation is The Brighton Ditch Company ("Corporation"). The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Colorado. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at PO Box 185, Fort Lupton, CO 80621. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICERS. The following named persons are officers of The Brighton Ditch Company:

| NAMES | TITLES | AUTHORIZED | ACTUAL SIGNATURES |
|--------------|-----------|------------|-------------------|
| Dawn Jewell | Secretary | Y | X |
| Gwan Stieber | Treasurer | Y | X |

ACTIONS AUTHORIZED. Any one (1) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, any one (1) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, or any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury, as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: None.

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officers named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signatures set opposite the names listed above are their genuine signatures.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated August 3, 2015.

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)

Loan No: 1310006143

Page 2

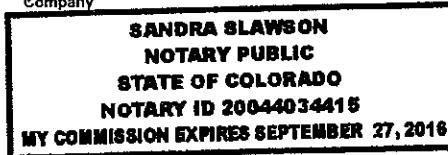
CERTIFIED TO AND ATTESTED BY:

x Gwen Stiebel
Gwen Stiebel, Treasurer of The Brighton Ditch
Company

STATE OF COLORADO

COUNTY OF Weld

)
) SS
)



Subscribed and sworn to before me on this 3rd day of August, 2015, by Gwen Stiebel as
Treasurer of The Brighton Ditch Company

Witness my hand and official seal.

My commission expires: 9-27-16


Sandra Slawson
Notary Public

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

LawPro, Ver. 18.1.10.038 Copr. © H USA Corporation 1997, 2015. All Rights Reserved. - CO LIC#PUB/C10/FC TR-116026 PR-215

Don Evans

PROMISSORY NOTE

| Principal | Loan Date | Maturity | Loan No | Call / Coll | Account | Officer | Initials |
|--|------------|------------|------------|---------------------------|--------------|---------|---|
| \$200,518.00 | 08-03-2015 | 08-15-2016 | 1310006143 | Comm - General Purpose | 1301003254.1 | 106 |  |
| References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or term. Any item above containing "****" has been omitted due to text length limitations. | | | | | | | |

Borrower: The Brighton Ditch Company
PO Box 185
Fort Lupton, CO 80621

Lender: Bank of Colorado
Fort Lupton
111 South Rollie Avenue
PO Box 228
Fort Lupton, CO 80621
(303) 857-3400

Principal Amount: \$200,518.00

Date of Note: August 3, 2015

PROMISE TO PAY. The Brighton Ditch Company ("Borrower") promises to pay to Bank of Colorado ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Thousand Five Hundred Eighteen & 00/100 Dollars (\$200,518.00), together with interest on the unpaid principal balance from August 3, 2015, until paid in full.

PAYMENT. Borrower will pay this loan in one principal payment of \$200,518.00 plus interest on August 15, 2016. This payment due on August 15, 2016, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning September 15, 2015, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any escrow or reserve account payments as required under any mortgage, deed of trust, or other security instrument or security agreement securing this Note; then to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.000 percentage point over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.250%. **NOTICE:** Under no circumstances will the interest rate on this Note be less than 4.250% per annum or more than (except for any higher default rate shown below) the lesser of 18.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Bank of Colorado, Fort Lupton, 111 South Rollie Avenue, PO Box 228, Fort Lupton, CO 80621.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Upon default, the interest rate on this Note shall be increased to 21.000%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the reasonable costs of such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation attorneys' fees and legal expenses for bankruptcy proceedings.

(including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$28.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: inventory, chattel paper, accounts, equipment and general intangibles described in a Commercial Security Agreement dated August 3, 2015.

FIRST RATE CHANGE. The first day the Interest Rate may change is August 4, 2015.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

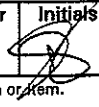
BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER;

THE BRIGHTON DITCH COMPANY

By: Given Stieber
Given Stieber, Treasurer of The Brighton Ditch
Company

COMMERCIAL SECURITY AGREEMENT

| Principal | Loan Date | Maturity | Loan No | Call / Coll | Account | Officer | Initials |
|--------------|------------|------------|------------|---------------------------|--------------|---------|---|
| \$200,518.00 | 08-03-2015 | 08-15-2016 | 1310006143 | Comm - General Purpose | 1301003254.1 | 106 |  |

Reference in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Grantor: The Brighton Ditch Company
PO Box 185
Fort Lupton, CO 80621

Lender: Bank of Colorado
Fort Lupton
111 South Rollie Avenue
PO Box 228
Fort Lupton, CO 80621
(303) 857-3400

THIS COMMERCIAL SECURITY AGREEMENT dated August 3, 2015, is made and executed between The Brighton Ditch Company ("Grantor") and Bank of Colorado ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Grantor regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signat(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Colorado, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 1310006143

Page 2

on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 1310006143

Page 3

agreement between Lender and Grantor.

Default in Favor of Third Parties. Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or ability to perform Grantor's obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or guarantor, endorser, surety, or accommodation party dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Colorado Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver. Receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not effect Lender's right to declare a default and exercise its remedies.

REPRESENTATIONS AND PROMISES WITH RESPECT TO GRANTOR. I represent and promise to Lender that my correct legal name and address is stated at the top of this Security Agreement as "Grantor."

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's reasonable costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 1310006143

Page 4

provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Colorado.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not effect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means The Brighton Ditch Company and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means The Brighton Ditch Company.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Agreement together with all interest thereon.

Lender. The word "Lender" means Bank of Colorado, its successors and assigns.

Note. The word "Note" means the Note dated August 3, 2015 and executed by The Brighton Ditch Company in the principal amount of \$200,518.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

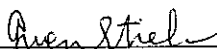
Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

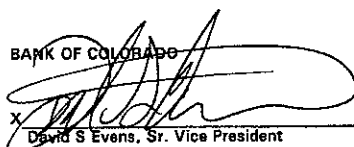
GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AUGUST 3, 2015.

GRANTOR:

THE BRIGHTON DITCH COMPANY

By: 
Gwen Steber, Treasurer of The Brighton Ditch
Company

LENDER:

BANK OF COLORADO

x David S Evens, Sr. Vice President