



COLORADO

Colorado Water Conservation Board

Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203
303-866-3441

March 17, 2020

Fuchs Ranches, Inc.
1620 County Road 14A
Del Norte, CO 81132

Subject: Loan Contract No. C-153442
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Fuchs Ranches, Inc., and the Colorado Water Conservation Board (CWCB), Loan Contract No. C-153442. The documents have been stamped "PAID IN FULL" denoting that the terms of the agreement have been satisfied in full by the Corporation.

Should you have any questions, please contact me at Telephone No. (303) 866-3441, ext 3245 or email at lauren.miremont@state.co.us. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Lauren Miremont

Lauren Miremont
Finance Manager
Finance Section

Attachments

cc: CWCB Files



Original Note and Deed of Trust Returned to:
WHEN RECORDED RETURN TO:
CWCB
1313 Sherman Street, Room 718
Denver, CO 80203

Prepared/Received by: Jessica Halvorsen

REQUEST FOR FULL ☒ / PARTIAL ☐

RELEASE OF DEED OF TRUST AND RELEASE BY OWNER OF INDEBTEDNESS WITH PRODUCTION OF EVIDENCE
OF DEBT PURSUANT TO § 38-39-102 (1) (a), COLORADO REVISED STATUTES

February 10, 2020
Fuchs Ranch, Inc.
1620 County Road 14A
Del Norte, CO 81132

Date
Original Grantor (Borrower)
Current Address of Original Grantor,
Assuming Party, or Current Owner

☐ Check here if current address is unknown

STATE OF COLORADO for the use and benefit of the Department of
Natural Resources, Water Conservation Board
September 1, 1999

Original Beneficiary (Lender)
Date of Deed of Trust
Date of Recording and/or Re-Recording of Deed
of Trust
Recording Information

April 11, 2000
363606
County Rept. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.

TO THE PUBLIC TRUSTEE OF

Rio Grande

COUNTY (The County of the Public Trustee who is the appropriate grantee to whom the above Deed of Trust should
grant an interest in the property described in the Deed of Trust.)

PLEASE EXECUTE AND RECORD A RELEASE OF THE DEED OF TRUST DESCRIBED ABOVE. The indebtedness secured
by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied in
regard to the property encumbered by the Deed of Trust as described therein as to a full release or, in the event of a partial release, only
that portion of the real property described as: **(IF NO LEGAL DESCRIPTION IS LISTED THIS WILL BE DEEMED A
FULL RELEASE)**

Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Ste. 718 Denver, CO 80203

Name and Address of Current Owner, Holder of the Indebtedness and Successor in Interest from the Department of Natural Resources, Secured by Deed of Trust

Kirk Russell, Finance Section Chief, CWCB, 1313 Sherman Street, Ste. 718 Denver, CO 80203

Name, Title and Address of Officer, Agent, or Attorney of Current Owner and Holder

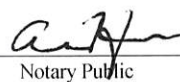
 2/19/20
Signature/Date

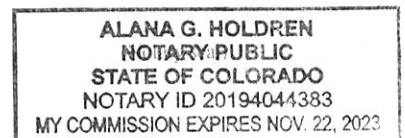
State of Colorado, County of Denver

The foregoing Request for Release was acknowledged before
me on February 19, 2020 (date) by*
Kirk Russell

Finance Section Chief

November 22, 2023 Date Commission Expires
*If applicable, insert title of officer and name of current owner and holder


Notary Public



Witness my hand and official seal

RELEASE OF DEED OF TRUST

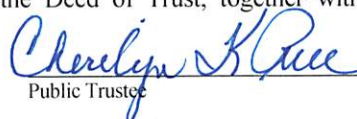
WHEREAS, the Grantor(s) named above, by Deed of Trust, granted certain real property described in the Deed of Trust to the
Public Trustee of the County referenced above, in the State of Colorado, to be held in trust to secure the payment of the indebtedness
referred to therein; and

WHEREAS, the indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust
has been fully or partially satisfied according to the written request of the current owner and holder of the indebtedness;

NOW THEREFORE, in consideration of the premises and the payment of the statutory sum, receipt of which is hereby
acknowledged, I, as the Public Trustee in the County named above, do hereby fully and absolutely release, cancel and forever discharge
the Deed of Trust or that portion of the real property described above in the Deed of Trust, together with all privileges and
appurtenances thereto belonging.

(Public Trustee use only; use appropriate label)




Public Trustee

Deputy Public Trustee

(If applicable: Notary Seal)

(If applicable, Name and Address of Person Creating New Legal Description as Required by § 38-35-106.5, Colorado Revised Statutes.)

Deed of Trust

This indenture, made this 1st of September 1999, between the Fuchs Ranches, Inc., whose address is 1620 County Road 14A, Del Norte, CO 81132, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Rio Grande, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

Witnesseth, that whereas, GRANTOR has executed a promissory note, set forth in Contract No. C153442, as amended ("Contract") for a loan in the principal sum of Fifty Nine Thousand One Hundred Twenty Dollars (\$59,120) to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, with interest thereon from the date of first disbursement of funds under the Contract at the effective interest rate of five percent (5%) per annum, payable in thirty five (35) annual installments, in accordance with the Promissory Note Provision of said Contract, or until loan is paid in full.

And whereas, the GRANTOR is desirous of securing payment of the principal and interest of said promissory note to the State of Colorado.

Now, therefore, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: An undivided sixty-nine percent (69%) interest in the service spillway and the emergency spillway of the rehabilitated Fuchs dam with all appurtenances attached thereto, as more completely described in **Attachment A**, attached hereto and incorporated herein, collectively or hereinafter referred to as the "Property").

To have and to hold the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said County of Rio Grande, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and

assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

And the GRANTOR, for itself and its successors or assigns covenants and agrees to and with the PUBLIC TRUSTEE, that at the time of the unsealing of and delivery of these presents, it is well seized of the Property in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims it may have in or to said Property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same is free and clear of all liens and encumbrances whatever, and the above bargained Property in the quiet and peaceable possession of the PUBLIC TRUSTEE, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the GRANTOR shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the Property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep the Property insured in accordance with the requirements of the Contract. Should the GRANTOR fail to insure the Property in accordance with the Contract or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of ten percent (10%) per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the Property if not paid by the GRANTOR. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any further payments required by this paragraph. In the event of the sale or transfer of the Property, the beneficiary, at its option, may declare the entire balance of the note immediately due and payable.

And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request, and on refusal, the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

And, that in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note or any part thereof, or of a breach or violation of any of the covenants or agreements contained herein and in the Contract, by the GRANTOR, its successors or assigns, then and in that case the whole of said principal sum hereby secured, and the interest thereon to the time of the sale, may at once, at the option of the legal holder thereof, become due and payable, and the said Property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the PUBLIC TRUSTEE, an attorney's fee in a reasonable amount for services in the supervision of said foreclosure proceedings shall be allowed by the PUBLIC TRUSTEE as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

It is further understood and agreed, that if a release or a partial release of this Deed of Trust is required, the GRANTOR, its successors or assigns will pay the expense thereof; that all the covenants and agreements contained herein and in the Contract shall extend to and be binding upon the successors or assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed the day and date first written above.

(SEAL)

Fuchs Ranches, Inc.

By Michael J. Fuchs
President

Margaret Fuchs

ATTEST: _____
Corporate Secretary

State of Colorado)
County of _____) SS.

The foregoing instrument was acknowledged before me this 17th day of March, 2000, by Michael J. Fuchs as president and Margaret Fuchs as corporate secretary. Witness my hand and official seal.

Carol L. Moreno
Notary Public

My commission expires
Sept 1, 2003

Carol L. Moreno
Notary Public
706 2nd Avenue
Monte Vista, CO 81144
My Commission Expires Sept. 1, 2003

363606 04/11/2000 09:15am BK: 0489 PG: 1412
LELA ANN BENNETT, RECORDER, RIO GRANDE CTY, CO

Location of Dam: Fuchs Dam is located on the east fork of Pinos Creek, tributary to the Rio Grande River, in the SE ¼ of Section 2 and NE ¼ of Section II, Township 37 North, Range 4 East, N.M.P.M., Rio Grande County, Colorado. The centerline of Fuchs Dam is described as follows: commencing at the southeast end of Fuchs Dam at a point 982.66 feet, bearing N 78° 49' E to the NE corner of Section II, Township 37 North, Range 4 East, N.M.P.M. thence N 27° 02' W 483.1 feet, thence N 23° 42' W 42.1 feet, thence N 4° 26' W 253.7 feet, thence N 25° 54' W 38.3 feet, thence N 62° 38' W 17.0 feet, thence S 58° 48' W 108.6 feet to a point designating the northwest end of Fuchs Dam.

**Attachment A
to Deed of Trust
dated September 1, 1999**

ACCEPTANCE OF DEED OF TRUST

The Colorado Water Conservation Board hereby acknowledges that it accepts the foregoing Deed of Trust in lieu of the Warranty Deed required pursuant to loan contract C-153442 dated August 18, 1985 as amended on January 18, 1989, and acknowledges that such Deed of Trust provides sufficient security for the above referenced loan so as to comply with the terms of the contracts.

Done this 25 day of April 2000, 1999.

COLORADO WATER CONSERVATION
BOARD

By: Peter Evans
Peter Evans, Executive Director

State of Colorado)
)
County of Denver) ss.

The foregoing instrument was subscribed and sworn to before me this 25 day of April 2000, 1999, by Peter Evans, Executive Director of the Colorado Water Conservation Board.

Witness my hand and official seal. My commission expires: 11/14/2002

Caryn K. Adams
Notary Public

PAID IN FULL

competitive public bidding, said project to be completed within five (5) years of the date of this contract in accordance with the project plans and specifications and any necessary modification thereof approved by the State. The State must approve, in writing, all contracts before they can become effective. The above-specified time may be extended by the State if such time is insufficient because of acts of God or other acts or circumstances beyond the control of the Contractor.

A.5. Execute a warranty deed which shall convey the following real property to the State as security for the loan:

An undivided sixty-nine percent (69%) interest in the service spillway and the emergency spillway of the rehabilitated Fuchs dam with all appurtenances attached thereto..

The deed will be recorded by the Contractor in the proper county or counties and all recording fees shall be paid by the Contractor. The retainage shall not be paid to the Contractor until a warranty deed has been executed, recorded, and filed with the State.

A.11. Repay to the State the total principal sum of One Hundred Twenty-Six Thousand Three Hundred Sixty-Six Dollars and Forty-Five Cents (\$126,366.45), which includes the project loan amount and the feasibility report amount, together with interest at the rate of five percent (5%) per annum, said repayment to be made in constant annual installments of Three Thousand Six Hundred Ten Dollars and Forty-Seven Cents (\$3,610.47) each, for thirty-five (35) years, as shown in Attachment B, which first installment shall be due and payable on the first day of the month next succeeding the month in which the State determines that the project has been substantially completed, and yearly thereafter until the entire principal sum shall have been paid. However, in the event the Contractor does not draw funds commencing on the date specified in paragraph C.1.a. below, the obligation to repay shall be postponed for the same number of months as the Contractor delays in drawing funds. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado. The Contractor pledges its full faith and credit in support of this obligation and warrants that it has taken all steps necessary to pledge its full faith and credit for this obligation.

C. The State agrees that it shall:

1. Loan to the Contractor for the purpose of this contract an amount not to exceed Fifty-Six Thousand Six Hundred Dollars (\$56,600). Said Fifty-Six Thousand Six Hundred Dollars (\$56,600) shall be made available to the Contractor in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing August 18, 1985, and for every month thereafter until said project has been completed, the Contractor shall prepare, with the assistance of the engineering firm referred to in paragraph A.1. above, an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

7. Without expense to the State, manage, operate, and maintain the project continuously in an efficient and economical manner, and assume all legal liability for such management, operation, and maintenance. The Borrower agrees to indemnify and hold the State harmless from any liability as a result of the State's interest in the project facilities and any other property identified in paragraph A.5. above. The Borrower shall maintain general liability insurance covering the management, operation, and maintenance of the project until it completes repayment to the State in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of Five Hundred Thousand Dollars (\$500,000).

b. For any injury to two or more persons in any single occurrence, the sum of One Million Dollars (\$1,000,000).

Said liability insurance shall name the State as a co-insured. A copy of a certificate of said liability insurance must be filed with the Colorado Water Conservation Board prior to the start of the operation of the project system.

8. Make the services of said project available within its capacity to all persons in the Borrower's service area without discrimination as to race, color, religion, or natural origin at reasonable charges (including assessments, taxes, or fees), whether for one or more classes of service, in accordance with a schedule of such charges formally adopted by the Borrower through its shareholders, as may be modified from time to time. The initial rate schedule must be approved by the State. Thereafter, the Borrower may, subject to the approval of the State, make such modifications to the rate schedule as the Borrower deems necessary to efficiently and economically provide for the financial requirements of the system as long as the rate schedule remains reasonable and non-discriminatory.

9. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair services, obsolescence reserves, and debt reserves.

10. Provide the State with such periodic reports as the State may require and permit periodic inspections of its operations and accounts by a designated representative of the State.

11. Repay to the State the total principal sum of One Hundred Seventeen Thousand Five Hundred Sixty-Five Dollars (\$117,565), which includes the project loan amount and the feasibility report amount, together with interest at the rate of five percent (5%) per annum, said repayment to be made in constant annual installments of Three Thousand Three Hundred Fifty-Nine Dollars (\$3,359) each, for thirty-five (35) years, as shown in Exhibit C, attached hereto and incorporated by reference herein, which first installment shall be due and payable on the first day of the month next succeeding the month in which the State determines that the project has been substantially completed, and yearly thereafter until the entire principal sum shall have been paid. However, in the event the Borrower does not draw funds commencing on the date specified in paragraph C.1.a. below, the obligation to repay shall be postponed for the same number of months as the Borrower delays in drawing funds. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado. The Borrower pledges its full faith and credit in support of this obligation

No. **363606**

DEED OF TRUST

FUCHS RANCHES INC

To

**Colorado State of (use/benefit of) etal
Department of Natural Resources etal
Water Conservation Board etal**

STATE OF COLORADO,

) ss.

County of Rio Grande)

I hereby certify that this instrument

was filed for record in my office at **9:15**

o'clock **A. M.** **April 11, 2000**

and is duly recorded in Book **489**

Page **1409-1412**

Lela Ann Bennett

By *Donna Murphy* Clerk and Recorder
Deputy

Fees: \$ **20.00** pd...

**-State of Colorado
Colorado Water Conservation Board
Attn: Water Planning & Finance
1313 Sherman St Room 721 Section
Denver, co 80203**

Receipt # 36029 Port 1
Date : 02-24-2020 Time 03:55 pm.
Issued By : Melissa R Martinez-Palom

CINDY HILL
RECORDER
RIO GRANDE

Issued To:

CWCB
1313 SHERMAN STEET ROOM 718
DENVER CO 80203

Inst No.	Type	Description	TOTAL
202000438161	RLDT	REL DD TRT	13.00
Book 599	Page 1627		

Itemized Check Listing:
Check Check No. Amount

1	6817	13.00
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Amount Due	\$	13.00
- Amount Charged	\$.00
- Paid by Check	\$	13.00
- Paid by Cash	\$.00
- Paid by Credit	\$.00
- Paid by Debit	\$.00

= Change \$.00

THANK YOU! CINDY HILL
RIO GRANDE

PAID IN FULL

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721

Denver, Colorado 80203

Phone: (303) 866-3441

FAX: (303) 866-4474

www.dnr.state.co.us/cwcb



Bill Owens
Governor

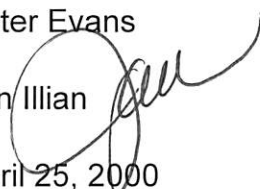
Greg E. Walcher
Executive Director

Peter H. Evans
CWCB Director

Dan McAuliffe
Deputy Director

Memorandum

To: Peter Evans

From: Jan Illian 

Date: April 25, 2000

Subject: Document for signature

On January 18, 1989, Fuchs Ranches, Inc. entered into a contract with the CWCB for a loan in the amount of \$59,120. One of the conditions of the contract required that a warranty deed be executed to convey the collateral (69% interest in the service spillway and the emergency spillway of the Fuchs dam).

In August 1999, I sent a letter to the Fuchs Ranches along with a deed of trust for execution so that the collateral could be secured. The letter explained that a deed of trust was being used instead of a warranty deed because the CWCB had concluded that a security interest conveyed by a deed of trust was sufficient to secure the loan.

Until the mid 1990s, it was the practice of the CWCB to use a warranty deed to secure the collateral. The CWCB started requiring deeds of trust instead of warranty deeds in the mid-1990s to more appropriately implement Section 37-60-120(1), which requires the CWCB to "take a sufficient security interest in property: . . ." A warranty deed transfers title to the grantee, while a deed of trust conveys a security interest. The Attorney General's Office concurs with accepting a deed of trust in lieu of a warranty deed for these existing contracts.

Although the borrower's attorney agreed with our use of the deed of trust rather than a warranty deed, he asked that we sign the attached Acceptance of Deed of Trust which has been reviewed by the Attorney General's Office. If you are satisfied with this document, please execute and return to me and I will finish processing the deed of trust to secure the collateral. Please let me know if you have any questions.

Thanks,

Jan.

PAID IN FULL

AMENDMENT #1
PROJECT
CONTRACT

\$5,800 Additional
50,800
56,600

THIS CONTRACT, made this 18th day of January, 198 9, by and between the State of Colorado for the use and benefit of the Department of Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and Fuchs Ranches, Inc., 1620 County Rd. 14A, Del Norte, CO 81132, hereinafter referred to as the contractor/Contractor.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5405X, Contract Encumbrance Number C153442; and ABL Account No. 14051, Org. Unit 77-77-777,

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the State and the Contractor entered into a contract dated August 18, 1985, contract encumbrance number C-153442 (hereinafter the "Original Contract"); and

WHEREAS, design and construction of the project started soon after the Original Contract was signed; and

WHEREAS, when the project construction was nearing completion, the Construction Firm walked out on the project; and

WHEREAS, it took the project owner over two years to get the original Construction Firm's bonding company to agree to help financially to complete construction; and

WHEREAS, final work is expected to be completed by the end of 1988; and

WHEREAS, because of increase of construction costs and because the project was left unfinished for over two (2) years additional money will be required to complete the project; and

WHEREAS, the State has determined that a seven and one-half percent (7.5%) construction cost indices increase is a fair and reasonable assumption; and

WHEREAS, a five percent (5%) cost indices increase and a two and one-half percent (2.5%) due to changes in contract documents could increase the present appropriation of Fifty-Five Thousand Dollars (\$55,000) to Fifty-Nine Thousand One Hundred Twenty Dollars (\$59,120); and

WHEREAS, Two Thousand Five Hundred Twenty Dollars (\$2,520) was the actual State cost of the project feasibility study.

NOW THEREFORE, it is hereby agreed as follows:

1. This contract amendment is a supplement to the Original Contract, Attachment A, which is by this reference incorporated and made a part hereof; and all the terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this contract amendment as though they were expressly rewritten, incorporated, and included herein.

2. Paragraphs A.2., A.5., A.11., C.1., and I. are hereby amended to read as follows:

A.2. Contract for the construction of said project to a responsible and capable firm or firms (hereinafter referred to as Construction Firm or Firms), which Construction Firm shall, when required by the State, be selected through

b. Upon receipt and approval by the State of such monthly estimate, the State will, within forty (40) days from the receipt of such estimate, pay over to the Contractor the amount of the monthly estimate or such portion thereof as has been approved by the State.

c. No payment will be made under this contract until the project plans and specifications referred to in paragraph A.1. above are approved by the State.

I. Upon completion of the repayment to the State in the sum of One Hundred Twenty-Six Thousand Three Hundred Sixty-Six Dollars and Ten Cents (\$126,366.10), as set forth in paragraph A.11. above, the State agrees to convey to the Contractor all of the State's right, title, and interest in and to the project and any other property described in paragraph A.5. above by deed or other proper conveyance.

3. The Repayment Schedule (Exhibit C of the Original Contract) is hereby amended as shown in Attachment B, which is by this reference incorporated and made a part hereof.

PAID IN FULL

CONTROLLER'S APPROVAL

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public works for this State, the contractor shall, before entering the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provendor or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with 38-26-106 CRS, as amended.

INDEMNIFICATION

4. To the extent authorized by law, the contractor shall indemnify, save and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-402, CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. *Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.*

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization... or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(7) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and subcontractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6 a. Provisions of 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. At all times during the performance of this Contract, the Contractor shall strictly adhere to all applicable federal and state laws, rules and regulations that have been or may hereafter be established.

9. The signatories hereto aver that they are familiar with 18-8-301, et. seq., (Bribery and Corrupt Influences) and 18-8-401, et. seq., (Abuse of Public Office), CRS 1978 Replacement Vol. and that no violation of such provisions is present.

10. The signatories aver that to their knowledge, no state employee has a personal or beneficial interest whatsoever in the service or property described herein:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

Contractor :

(Full Legal Name) FUCHS RANCHES, INC.

Fuchs Ranches, Inc.

Fredrick W. Fuchs

Position (Title) president

84-0706869

Social Security Number or Federal I.D. Number

STATE OF COLORADO
ROY ROMER, GOVERNOR

By David W. Winkler
For the Executive Director
DEPARTMENT OF NATURAL RESOURCES
(COLO. WATER CONSERVATION BOARD
J. WILLIAM McDONALD, DIRECTOR)

ATTEST:

By Michael G. Fuchs
Corporate Secretary, or Equivalent, Town/City/County Clerk

SEAL (If Corporation)

ATTORNEY GENERAL **DUANE WOODARD**

By David M. Kaye
DAVID M. KAYE
First Assistant Attorney General
General Legal Services

APPROVALS

CONTROLLER

By [Signature]

Deed of Trust

This indenture, made this 1st of September 1999, between the Fuchs Ranches, Inc., whose address is 1620 County Road 14A, Del Norte, CO 81132, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Rio Grande, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

Witnesseth, that whereas, GRANTOR has executed a promissory note, set forth in Contract No. C153442, as amended ("Contract") for a loan in the principal sum of Fifty Nine Thousand One Hundred Twenty Dollars (\$59,120) to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, with interest thereon from the date of first disbursement of funds under the Contract at the effective interest rate of five percent (5%) per annum, payable in thirty five (35) annual installments, in accordance with the Promissory Note Provision of said Contract, or until loan is paid in full.

And whereas, the GRANTOR is desirous of securing payment of the principal and interest of said promissory note to the State of Colorado.

Now, therefore, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: An undivided sixty-nine percent (69%) interest in the service spillway and the emergency spillway of the rehabilitated Fuchs dam with all appurtenances attached thereto, as more completely described in Attachment A, attached hereto and incorporated herein, collectively or hereinafter referred to as the "Property").

To have and to hold the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said County of Rio Grande, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and

COPY

assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

And the GRANTOR, for itself and its successors or assigns covenants and agrees to and with the PUBLIC TRUSTEE, that at the time of the unsealing of and delivery of these presents, it is well seized of the Property in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims it may have in or to said Property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same is free and clear of all liens and encumbrances whatever, and the above bargained Property in the quiet and peaceable possession of the PUBLIC TRUSTEE, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the GRANTOR shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the Property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep the Property insured in accordance with the requirements of the Contract. Should the GRANTOR fail to insure the Property in accordance with the Contract or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of ten percent (10%) per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the Property if not paid by the GRANTOR. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any further payments required by this paragraph. In the event of the sale or transfer of the Property, the beneficiary, at its option, may declare the entire balance of the note immediately due and payable.

And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request, and on refusal the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

And, that in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note or any part thereof, or of a breach or violation of any of the covenants or agreements contained herein and in the Contract, by the GRANTOR, its successors or assigns, then and in that case the whole of said principal sum hereby secured, and the interest thereon to the time of the sale, may at once, at the option of the legal holder thereof, become due and payable, and the said Property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the PUBLIC TRUSTEE, an attorney's fee in a reasonable amount for services in the supervision of said foreclosure proceedings shall be allowed by the PUBLIC TRUSTEE as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

Y900

It is further understood and agreed, that if a release or a partial release of this Deed of Trust is required, the GRANTOR, its successors or assigns will pay the expense thereof; that all the covenants and agreements contained herein and in the Contract shall extend to and be binding upon the successors or assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed the day and date first written above.

(SEAL)

Fuchs Ranches, Inc.

By Michael J. Fuchs
President

ATTEST: Margaret Fuchs
Corporate Secretary

State of Colorado)
County of _____) SS.

The foregoing instrument was acknowledged before me this 17th day of March, 2000, by Michael J. Fuchs as president and Margaret Fuchs as corporate secretary. Witness my hand and official seal.

Carol L. Moreno
Notary Public

My commission expires

Sept 1, 2003

Carol L. Moreno
Notary Public
706 2nd Avenue
Monte Vista, CO 81144
My Commission Expires Sept. 1, 2003

363606 04/11/2000 09:15am BK: 0489 PG: 1411
LELA ANN BENNETT, RECORDER, RIO GRANDE CTY, CO

PAID IN FULL

363606 04/11/2000 09:15am BK: 0489 PG: 1412
LELA ANN BENNETT, RECORDER, RIO GRANDE CTY, CO

Location of Dam: Fuchs Dam is located on the east fork of Pinos Creek, tributary to the Rio Grande River, in the SE ¼ of Section 2 and NE ¼ of Section II, Township 37 North, Range 4 East, N.M.P.M., Rio Grande County, Colorado. The centerline of Fuchs Dam is described as follows: commencing at the southeast end of Fuchs Dam at a point 982.66 feet, bearing N 78° 49' E to the NE corner of Section II, Township 37 North, Range 4 East, N.M.P.M. thence N 27° 02' W 483.1 feet, thence N 23° 42' W 42.1 feet, thence N 4° 26' W 253.7 feet, thence N 25° 54' W 38.3 feet, thence N 62° 38' W 17.0 feet, thence S 58° 48' W 108.6 feet to a point designating the northwest end of Fuchs Dam.

PAID IN FULL

Attachment A
to Deed of Trust
dated September 1, 1999

No. 363606

DEED OF TRUST

FUCHS RANCHES INC

To

Colorado State of (use/benefit of) etal
Department of Natural Resources etal
Water Conservation Board etal

STATE OF COLORADO,

) ss.

County of Rio Grande)

I hereby certify that this instrument

was filed for record in my office at 9:15

o'clock ... A. M. April 11, 2000

and is duly recorded in Book 489

Page 1409 - 1412

Lela Ann Bennett

Clerk and Recorder

By

Donna Murphy

Deputy

Fees: \$ 20.00 pd..

4 pgs

-State of Colorado

Colorado Water Conservation Board

Attn: Water Planning & Finance

1313 Sherman St Room 721 Section
Denver, co 80203

PAID IN FULL

Ac 86/1007

DEPARTMENT OR AGENCY NUMBER
34-04-00
CONTRACT ROUTING NUMBER
86063
\$50,800

PROJECT
CONTRACT

THIS CONTRACT, made this 18th day of August 1985, by and between the State of Colorado for the use and benefit of the Department of ^{'1} Natural Resources (Colorado Water Conservation Board),
hereinafter referred to as the State, and ^{'2} Fuchs Ranches, Inc.,
1620 County Rd. 14A, Del Norte, CO 81132,
hereinafter referred to as the contractor or the Borrower.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5405X, Contract Encumbrance Number 153442, and ABL Account Number 14051, Org. Unit 77-77-777,

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, pursuant to the provisions of 37-60-119, Colorado Revised Statutes, the State is authorized to loan money for the construction of water projects for the benefit of the people of the State; and

WHEREAS, the Borrower is Fuchs Ranches, Inc., in the State of Colorado and wishes to improve, or cause to be improved, its irrigation storage structure, hereinafter called the project, for the members of Fuchs Ranches, Inc., in Rio Grande County, Colorado, at an estimated cost of One Hundred Ten Thousand Dollars (\$110,000); and

WHEREAS, a feasibility investigation of said project was conducted and it was found that such a project is technically and financially feasible; and

WHEREAS, on August 15, 1985, the State and the Borrower entered into an agreement (attached as Exhibit A and incorporated by reference herein and hereinafter referred to as the termination contract) which terminated a feasibility report contract (attached as Exhibit B and incorporated by reference herein) previously entered into between the parties.

WHEREAS, the termination contract provided that the Borrower would pay the State Five Thousand Four Hundred Thirty-Nine Dollars (\$5,439) under the terms and conditions of this contract in consideration of the State's partial financing of the feasibility report for the project; and

WHEREAS, the State has now agreed to loan money for the construction of said project upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose; and the State and the Borrower agree that the repayment of the feasibility report funding shall be consolidated with the repayment of the project loan; and

WHEREAS, pursuant to House Bill No. 1102, Fifty-Fourth General Assembly of the State of Colorado, duly enacted into law, the Colorado Water Conservation Board has been authorized to loan a sum not to exceed Fifty-Five Thousand Dollars (\$55,000) for construction of the project;

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is agreed by the parties hereto as follows:

A. The Borrower agrees that it shall:

1. Employ an engineering firm to prepare project plans and specifications for the project. Both the engineering firm and the project plans and specifications must be approved by

the State before initiation of construction on the project, including any real estate and water rights acquisitions, can commence.

2. Contract for the construction of said project to a responsible and capable firm or firms (hereinafter referred to as Construction Firm or Firms), which Construction Firms shall, when required by the State, be selected through competitive public bidding, said project to be completed within two (2) years of the date of this contract in accordance with the project plans and specifications and any necessary modification thereof approved by the State. The State must approve, in writing, all contracts before they can become effective. The above-specified time may be extended by the State if such time is insufficient because of acts of God or other acts or circumstances beyond the control of the Borrower.

3. Require all Construction Firms and their subcontractors to indemnify the State and the Borrower against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death, to persons or property caused by or sustained in connection with the performance of any contract or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

4. Require all Construction Firms and their subcontractors to maintain the following:

a. Workmen's compensation and employers' liability insurance.

b. Automobile liability insurance for all vehicles.

c. Comprehensive general liability insurance in at least the following amounts:

(1) For any injury to one person in any single occurrence, the sum of Five Hundred Thousand Dollars (\$500,000).

(2) For any injury to two or more persons in any single occurrence, the sum of One Million Dollars (\$1,000,000).

Said liability insurance shall name the Borrower and the State as co-insureds. No payments shall be made under this contract unless a copy of a certificate of said liability insurance has been filed with the Colorado Water Conservation Board.

5. Execute a warranty deed which shall convey the following real property to the Board as security for the loan:

An undivided sixty-four percent (64%) interest in the service spillway and the emergency spillway of the rehabilitated Fuchs dam with all appurtenances attached thereto.

The deed will be recorded by the Borrower in the proper county or counties and all recording fees shall be paid by the Borrower. The retainage shall not be paid to the Borrower until a warranty deed has been executed, recorded, and filed with the Colorado Water Conservation Board.

6. Permit periodic inspection of construction by authorized representatives of the State during and after construction.

and warrants that it has taken all steps necessary to pledge its full faith and credit for this obligation.

12. Obtain and maintain general fire and hazard insurance on the project in an amount not less than the outstanding amount of the loan made by the State to the Borrower until the Borrower has repaid the loan in the full under the terms of paragraph A.11. above. The State shall be the sole insured of this policy. The outstanding loan amount payable to the State shall be reduced in the amount of any payments made to the State under this insurance coverage. If only a portion of the outstanding loan amount is paid to the State under this policy, the number of installment payments shall remain unchanged; however, the amount of each payment shall be reduced.

13. Comply with the Construction Fund Program Procedures attached hereto as Exhibit D and incorporated by reference herein.

14. Comply with the provisions of section 37-60-120, Colorado Revised Statutes, and any other applicable statutes, procedures, requirements, rules, or regulations which the State has.

15. Not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the project or any portion thereof, so long as any of the annual installments required by paragraph A.11. above remain unpaid, without the prior written concurrence of the State.

16. In consideration for the State's promises herein set forth, promise to indemnify, save and hold harmless and defend the State, and all of its employees and agents, acting officially or otherwise, from any and all liability, claims, demands, actions, debts, and attorney fees arising out of, claimed on account of, or in any manner predicated upon loss or damage to the property of and injuries to, or death of all persons whatsoever, which may occur, or is sustained in connection with the performance of this contract, or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

B. Upon default in the payments herein set forth to be made by the Borrower, or default in the performance of any covenant or agreement contained herein, the State, at its option, may (a) declare the entire principal amount then outstanding immediately due and payable; (b) for the account of the Borrower, incur and pay reasonable expenses for repair, maintenance, and operation of the project herein described and such expenses as may be necessary to cure the cause of default; (c) take possession of the project, repair, maintain, and operate or lease it; (d) act upon the security (described in paragraph A.5. above) deeded to the State; and/or (e) take any other appropriate legal action. All remedies described herein may be simultaneously or selectively and successively enforced. The provisions of this contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the Borrower, through judicial proceedings to require specific performance of this contract or by such other proceedings in law or equity as may be deemed necessary by the State to insure compliance with provisions of this contract and the laws and regulations under which this contract is entered into.

C. The State agrees that it shall:

1. Loan to the Borrower for the purpose of this contract an amount not to exceed Fifty Thousand Eight Hundred Dollars (\$50,800). Said Fifty Thousand Eight Hundred Dollars (\$50,800)

shall be made available to the Borrower in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing August 18, 1985, and for every month thereafter until said project has been completed, the Borrower shall prepare, with the assistance of the engineering firm referred to in paragraph A.1. above, an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

b. Upon receipt and approval by the State of such monthly estimate, the State will, within forty (40) days from the receipt of such estimate, pay over to the Borrower the amount of the monthly estimate or such portion thereof as has been approved by the State.

c. No payments will be made under this contract until the project plans and specifications referred to in paragraph A.1. above are approved by the State.

2. Provide the Borrower with such technical assistance as the State deems appropriate in planning, constructing, and operating the project and in coordinating the project with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

D. This contract is not assignable by the Borrower except with written approval of the State.

E. The parties to this contract intend that the relationship between them contemplated by this contract is that of lender-borrower, not employer-employee. No agent, employee, or servant of the Borrower shall be or shall be deemed to be an employee, agent, or servant of the State. The Borrower will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, Construction Firms, and subcontractors during the performance of this contract.

F. At all times during the performance of this contract, the Borrower shall strictly adhere to all applicable federal and state laws that have been or may hereafter be established.

G. This agreement is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to the State fiscal rules.

H. In its sole discretion, the State may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the Borrower's obligations under this agreement, with or without valuable consideration, upon such terms and conditions as the State may determine to be (a) advisable to further the purposes of this contract or to protect the State's financial interest therein, and (b) consistent with both the statutory purposes of this contract and the limitations of the statutory authority under which it is made.

I. Upon completion of the repayment to the State in the sum of One Hundred Seventeen Thousand Five Hundred Sixty-Five Dollars (\$117,565), as set forth in paragraph A.11. of this

contract, the State agrees to convey to the Borrower all of the State's right, title, and interest in and to the project and any other property described in paragraph A.5. by deed or other proper conveyance.

J. The Colorado Water Conservation Board, its agents and employees, is hereby designated as the agent of the State for the purpose of this contract.

K. All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the following addresses:

(a) For the State

Mr. J. William McDonald, Director
Colorado Water Conservation Board
721 State Centennial Building
1313 Sherman Street
Denver, CO 80203
Attn: Nick Ioannides

(b) For the Borrower

Mr. Michael J. Fuchs
Secretary-Treasurer
Fuchs Ranches, Inc.
1620 County Road 14A
Del Norte, CO 81132

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public works for this State, the contractor shall, before entering the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provender or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with 38-26-106 CRS, as amended.

MINIMUM WAGE

4. Except as otherwise provided by law, if this contract is in excess of one hundred fifty thousand dollars and requires or involves the employment of laborers or mechanics in the construction, alteration or repair of any building or other public works (except highways, highway bridges, underpasses and highway structures of all kinds or contracts for any purpose to which the state department of highways or the chief engineer is a party) within the geographical limits of the State, the rate of wages for all laborers and mechanics employed by the contractor or any subcontractor on the building or other public works covered under the contract shall not be less than the prevailing rate of wages for work of a similar nature in the county, city and county, or municipality of the State in which the building or other public works is located. The prevailing rate of wages and the resolution of any disputes resulting therefrom shall be as prescribed by 8-16-101 CRS, as amended.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-402, CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertisements; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(7) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and sub-contractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each sub-contractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6. Provisions of 8-17-101, & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. The signatories hereto aver that they are familiar with 18-8-301, et. seq., (Bribery and Corrupt Influences) and 18-8-401, et. seq., (Abuse of Public Office), CRS 1978 Replacement Vol., and that no violation of such provisions is present.

9. The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described herein:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

(Full Legal Name) FUCHS RANCHES, INC.

Contractor By: Frederick W. Fuchs

Position (Title) President

84-0706869

Social Security Number or Federal I.D. Number

(If Corporation:)

Attest: (Seal)

By Michael J. Fuchs

Secretary

By David H. Getches

*S EXECUTIVE DIRECTOR

DAVID H. GETCHES

DEPARTMENT NATURAL RESOURCES
OF

COLORADO WATER CONSERVATION BOARD

By J. William McDonald
J. WILLIAM McDONALD, DIRECTOR

ATTORNEY GENERAL DUANE WOODARD

By A.H. Jewell, Jr.

A.H. JEWELL, JR.
First Assistant Attorney General
General Legal Services

CONTROLLER

By James A. Stroup

JAMES A. STROUP

EXHIBIT A

DEPARTMENT OR AGENCY NUMBER

34-04-00

CONTRACT ROUTING NUMBER

TERMINATION
CONTRACT

No encumbrance

THIS CONTRACT, made this 15th day of August 1985, by and between the State of Colorado for the use and benefit of the Department of 1 Natural Resources (Colorado Water Conservation Board),
hereinafter referred to as the State, and 2 Fuchs Ranches, Inc.,
1620 County Rd. 14A, Del Norte, CO 81132,
hereinafter referred to as the contractor,

~~WHEREAS authority exists in the law and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number XXXXXX, G/L Account Number XXXXXX, Contract Encumbrance Number XXXXXX and~~

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the State and the Contractor entered into a contract on September 1, 1981 (attached as Exhibit B and incorporated by reference herein, which contract shall hereinafter be referred to as the "feasibility report contract," in which the State agreed to pay the Contractor Four Thousand Two Hundred Dollars (\$4,200) for the purpose of partially funding a feasibility report concerning the repairs of Fuchs dam; and

WHEREAS, the feasibility report contract provided in part the following terms:

5. In consideration of the State assuming a portion of the cost of the preparation of the said project feasibility report, the Contractor shall pay to the State the sum of Five Thousand Four Hundred Thirty-Nine Dollars (\$5,439) provided that construction of the subject water project is initiated within ten (10) years of the date of this contract. The Contractor shall fulfill this obligation irrespective of how, or by whom, the subject water project is financed or paid for so long as construction is initiated within the specified time.

6. In the event the Contractor must make payment pursuant to the terms of paragraph 5 above, then the said sum of Five Thousand Four Hundred Thirty-Nine Dollars (\$5,439) shall be payable in ten (10) equal installments of Five Hundred Forty-Three Dollars and Ninety Cents (\$543.90) each, the first installment to be due and payable upon the January 1st next succeeding the initiation of construction on the said water project. Subsequent payments shall be due and payable on January 1st of each year thereafter; and

WHEREAS, the State and the Contractor intend to enter into a contract (hereinafter referred to as the "project contract") in which the State will loan the Contractor money for the purpose of repairing the Fuchs dam; and

WHEREAS, initiation of construction to repair the Fuchs dam would create an obligation on the part of the Contractor to make payments under the terms, specifically paragraph Nos. 5 and 6, of the existing feasibility report contract; and

WHEREAS, the parties agree that it would be mutually beneficial to terminate the Contractor's obligation under the feasibility report contract and to integrate repayment of the Four Thousand Two Hundred Dollars (\$4,200) (which represents the principal amount provided by the State for the purpose of partially funding the feasibility report for the Fuchs dam project) with the Contractor's repayment of the loan which will be made pursuant to the project contract;

EXHIBIT A

NOW, THEREFORE it is hereby agreed that:

1. The feasibility report contract entered into between the State and the Contractor on September 1, 1981, (attached as Exhibit B and incorporated by reference herein) is hereby terminated, and the remaining obligations of the State and the Contractor under the terms of that contract are no longer enforceable.

2. The Contractor agrees to the following terms for the repayment of Four Thousand Two Hundred Dollars (\$4,200), which represents the principal amount provided by the State as partial financing for the feasibility report under the terms of the feasibility report contract:

a. The Four Thousand Two Hundred Dollars (\$4,200) referred to above will be added to that amount loaned to the Contractor by the State under the project contract for the construction of the Fuchs dam project.

b. The total amount described in paragraph 2.a. above and interest for the full term will be repaid under the terms of the project contract to be entered into between the State and the Contractor.

3. This termination of the feasibility report contract will not be effective until such time as a valid and enforceable project contract is in effect for the construction of the Fuchs dam project.

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public works for this State, the contractor shall, before entering the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provender or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with 38-26-106 CRS, as amended.

MINIMUM WAGE

4. Except as otherwise provided by law, if this contract is in excess of one hundred fifty thousand dollars and requires or involves the employment of laborers or mechanics in the construction, alteration or repair of any building or other public works (except highways, highway bridges, underpasses and highway structures of all kinds or contracts for any purpose to which the state department of highways or the chief engineer is a party) within the geographical limits of the State, the rate of wages for all laborers and mechanics employed by the contractor or any subcontractor on the building or other public works covered under the contract shall not be less than the prevailing rate of wages for work of a similar nature in the county, city and county, or municipality of the State in which the building or other public works is located. The prevailing rate of wages and the resolution of any disputes resulting therefrom shall be as prescribed by 8-16-101 CRS, as amended.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-402, CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertisements; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(7) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and sub-contractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each sub-contractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6. Provisions of 8-17-101, & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. The signatories hereto aver that they are familiar with 18-8-301, et. seq., (Bribery and Corrupt Influences) and 18-8-401, et. seq., (Abuse of Public Office), CRS 1978 Replacement Vol., and that no violation of such provisions is present.

9. The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described herein:

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day first above written.

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

(Full Legal Name) FUCHS RANCHES, INC.

Contractor By: Frederick W. Fuchs

Position (Title) President

84-0706869

Social Security Number or Federal I.D. Number

(if Corporation:)

Attest: (Seal)

By Michael J. Fuchs

Secretary

By David H. Getches

*5 EXECUTIVE DIRECTOR,
DAVID H. GETCHES

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By J. William McDonald

J. WILLIAM McDONALD, DIRECTOR

ATTORNEY GENERAL

DUANE WOODARD

By A. H. Jewell, Jr.

First Assistant Attorney General
General Legal Services

CONTROLLER

By James A. Stroup

JAMES A. STROUP

DEPARTMENT OR AGENCY NUMBER 4-04-00
CONTRACT ROUTING NUMBER 177.23

EXHIBIT B

\$4,200

CONTRACT

THIS CONTRACT, made this 1st day of September, 1981, by and between the State of Colorado for the use and benefit of the Department of Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and Fuchs Ranches, Inc., 1620 County Road 14A, Del Norte, CO 81132, hereinafter referred to as the contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5258X, Contract Encumbrance Number 015335 and

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, pursuant to the provisions of 37-60-119, Colorado Revised Statutes 1973, as amended, the State is authorized to construct certain water projects for the benefit of the people of the State of Colorado; and

WHEREAS, Fuchs Ranches, Inc., has made application to the State for the improvement of its existing facility; and

WHEREAS, the Contractor is an incorporated company within the State of Colorado;

NOW THEREFORE, it is hereby agreed that

1. The Contractor shall have a feasibility report prepared and directed to the problem of improving the facilities of the Fuchs Dam in accordance with a proposal for a project feasibility report prepared by the consulting engineering firm of Hydro-Triad, Ltd. (the Consultant), and approved by the State, received July 27, 1981, which proposal is attached hereto as Appendix "A" and made a part of this contract.

2. Fifteen (15) copies of the final report called for in this contract shall be furnished to the State not later than December 1, 1981, unless such time is extended by mutual agreement of the parties hereto in writing.

3. As compensation for the services of the Contractor, the State shall pay to the Contractor the sum of Four Thousand Two Hundred Dollars (\$4,200) in the manner following:

a. Sixty percent (60%), to wit, Two Thousand Five Hundred Twenty Dollars (\$2,520) of the total amount due in two (2) monthly installments of One Thousand Two Hundred Sixty Dollars (\$1,260) each, commencing on October 1, 1981.

b. The remaining forty percent (40%), to wit, One Thousand Six Hundred Eighty Dollars (\$1,680) within forty (40) days following receipt and acceptance of the written report specified in paragraph 2 of this contract.

4. The total cost of services to be rendered by the Contractor is Eight Thousand Four Hundred Dollars (\$8,400) and the Contractor shall pay the sum of Four Thousand Two Hundred Dollars (\$4,200) as agreed to by letter dated August 11, 1981, which is hereby attached and made a part of this contract as

EXHIBIT B

Appendix "B"; and in no event shall this payment be the liability of the State of Colorado.

5. In consideration of the State assuming a portion of the cost of the preparation of the said project feasibility report, the Contractor shall pay to the State the sum of Five Thousand Four Hundred Thirty-Nine Dollars (\$5,439) provided that construction of the subject water project is initiated within ten (10) years of the date of this contract. The Contractor shall fulfill this obligation irrespective of how, or by whom, the subject water project is financed or paid for so long as construction is initiated within the specified time.

6. In the event the Contractor must make payment pursuant to the terms of paragraph 5 above, then the said sum of Five Thousand Four Hundred Thirty-Nine Dollars (\$5,439) shall be payable in ten (10) equal yearly installments of Five Hundred Forty-Three Dollars and Ninety Cents (\$543.90) each, the first installment to be due and payable upon the January 1st next succeeding the initiation of construction on the said water project. Subsequent payments shall be due and payable on January 1st of each year thereafter.

7. This contract is personal in nature and assignment of performance by the Contractor to another is prohibited unless prior approval in writing is granted by the State.

8. The Contractor is an independent Contractor and as such is not entitled to any benefits of the State personnel system.

PAID IN FULL

CONTROLLER'S APPROVAL

1. This contract shall not be deemed valid until it shall have been approved by the Controller of the State of Colorado or such assistant as he may designate. This provision is applicable to any contract involving the payment of money by the State.

FUND AVAILABILITY

2. Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available.

BOND REQUIREMENT

3. If this contract involves the payment of more than ten thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public work for this State, the contractor shall, before entering upon the performance of any such work included in this contract, duly execute and deliver to and file with the official whose signature appears below for the State, a good and sufficient bond or other acceptable surety to be approved by said official in a penal sum not less than one-half of the total amount payable by the terms of this contract. Such bond shall be duly executed by a qualified corporate surety, conditioned for the due and faithful performance of the contract, and in addition, shall provide that if the contractor or his subcontractors fail to duly pay for any labor, materials, team hire, sustenance, provisions, provender or other supplies used or consumed by such contractor or his subcontractor in performance of the work contracted to be done, the surety will pay the same in an amount not exceeding the sum specified in the bond, together with interest at the rate of eight per cent per annum. Unless such bond, when so required, is executed, delivered and filed, no claim in favor of the contractor arising under this contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order made payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond.

MINIMUM WAGE

4. Except as otherwise provided by law, if this contract provides for the payment of more than five thousand dollars and requires or involves the employment of laborers or mechanics in the construction, alteration or repair of any building or other public work, (except highways, highway bridges, underpasses and highway structures of all kinds) within the geographical limits of the State, the rate of wage for all laborers and mechanics employed by the contractor or any subcontractor on the building or public work covered by this contract shall be not less than the prevailing rate of wages for work of a similar nature in the city, town, village or other civil subdivision of the State in which the building or other public work is located. Disputes respecting prevailing rates will be resolved as provided in 8-16-101, CRS 1973, as amended.

DISCRIMINATION AND AFFIRMATIVE ACTION

5. The contractor agrees to comply with the letter and spirit of the Colorado Antidiscrimination Act of 1957, as amended, and other applicable law respecting discrimination and unfair employment practices (24-34-301, CRS 1973, as amended), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.

During the performance of this contract, the contractor agrees as follows:

PAID IN FULL

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertisements; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age.

(3) The contractor will send to each labor union or representative of workers with which he has collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the contractor's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.

(4) The contractor and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(5) A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity, because of race, creed, color, sex, national origin, or ancestry.

(6) A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.

(7) In the event of contractor's non-compliance with the non-cancellation clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further State contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.

(8) The contractor will include the provisions of paragraphs (1) through (8) in every sub-contract and sub-contractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each sub-contractor or vendor. The contractor will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with the subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

6. Provisions of 8-17-101, & 102, CRS 1973 for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

GENERAL

7. The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

8. The signatories hereto aver that they are familiar with 18-8-301, et seq., (Bribery and Corrupt Influences) and 18-8-401, et seq., (Abuse of Public Office), C.R.S. 1973, as amended, and that no violation of such provisions is present.

9. The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first above written.

FUCHS RANCHES, INC.

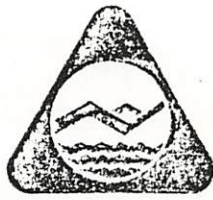
Contractor Hugh Fuchs,
Position President
0706864
84-0411-737 A-
EMPLOYER I. D. NUMBER

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR
By Robert D. Stull
EXECUTIVE DIRECTOR, D. MONTE PASCOE
DEPARTMENT OF NATURAL RESOURCES
COLORADO WATER CONSERVATION BOARD
By David W. Walker
J. WILLIAM McDONALD, DIRECTOR

APPROVALS

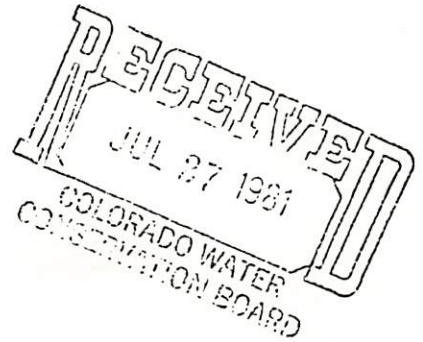
By J. D. MacFarlane
ATTORNEY GENERAL
By [Signature]
Assistant Attorney General
General Legal Services

By R. GARRETT MITCHELL
CONTROLLER
By [Signature]



HYDRO-TRIAD, LTD.

July 22, 1981



Mr. Nick Ioannides
 Colorado Water Conservation Board
 1313 Sherman Street
 823 Centennial Building
 Denver, Colorado 80203

Dear Mr. Ioannides:

Enclosed is our proposal for the Fuchs Dam Rehabilitation Study based upon your request. The proposal was prepared according to the application for assistance by Fuchs Ranches, Inc. to the Colorado Water Conservation Board (CWCB), and the CWCB guidelines for feasibility reports.

One of the most important aspects of the study will be the hydrology of the basin as related to the hazard rating. Hydro-Triad, Ltd. has previously performed a hydrology study assuming a low hazard rating of the structure. However, the U.S. Forest Service has given the structure a high hazard rating with a moderate hazard rating for the spillway. The State Engineer's Office has also concurred in the moderate hazard rating for spillway design flows. Therefore, additional hydrology relating to the moderate hazard rating is needed.

We appreciate the opportunity to offer our services to the CWCB and Fuchs Ranches, Inc. and will look forward to beginning the study. We anticipate the duration of the project study to be about 8 weeks. However, if a shorter time frame is desired, we would be willing to discuss the scheduling.

Very truly yours,

HYDRO-TRIAD, LTD.

Kenneth A. Mangelson, Ph.D., P.E.
 Project Manager

tp

Enclosure: Proposal

PAID IN FULL

APPENDIX A

PROPOSED SCOPE OF WORK
REHABILITATION OF SPILLWAY
FUCHS DAM

INTRODUCTION

Fuchs Ranches, Inc. has requested assistance from the Colorado Water Conservation Board (CWCB) to determine the feasibility and preliminary design of new spillway facilities for Fuchs Dam and recommendations for repairing the slide near the spillway channel.

The existing spillway and spillway channel are inadequate to handle the "moderate" hazard spillway flows without overtopping the dam. In addition, flows from the existing spillway have caused erosion of the spillway channel resulting in a slide below the Forest Service road in the area. The State Engineer's Office (SEO) and U.S. Forest Service are requiring that rehabilitation work on the dam, spillway and spillway channel be done as soon as practicable or the Owners will be restricted in their reservoir operations.

STUDY METHODOLOGY

The Fuchs Dam feasibility study, as viewed and interpreted by Hydro-Triad, Ltd., will consist of the following:

A. Data Collection and Coordination

An important aspect of the study is the accumulation of the required data to adequately assess the project feasibility and make a preliminary design of the recommended improvements. A significant amount of data has already been collected by Hydro-Triad during previous studies on the dam for the Owners of Fuchs Dam. The additional data will consist of water rights and financial data. The coordination effort will include meetings with CWCB, SEO and Forest Service officials when needed.

B. Hydrology and Hydraulics

Basic to the preliminary design of the spillway and spillway channel will be the determination of the inflow design flood to the dam and reservoir. Some work has already been performed by Hydro-Triad on the hydrology and hazard classification determination. This work has, however, been mainly oriented toward a low hazard spillway rating. This work phase will consist of updating the previous hydrology study to account for a moderate hazard classification of the structure for spillway design purposes.

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C. Project Alternatives and Preliminary Design

This phase will include an evaluation of alternatives and the development of the project development plan. Included will be the preliminary design of the recommended spillway alternative.

Also included in this work task will be evaluation of the slide area near the spillway channel to determine alternatives for repairing and stabilizing the slide.

D. Economic Evaluation

This work task will include an estimate of costs of construction of the recommended improvements to the dam, spillway and slide area, and an evaluation of economic realities of the project. The ability of Fuchs Ranches to reimburse CWCB for construction funds also will be determined.

E. Feasibility Report

A feasibility report on the Fuchs Dam improvements will be prepared and will present information on the following items:

- I. General Information
- II. Owner's Financial Status and Assets
- III. Project Water and Water Rights
- IV. Project Plan and Preliminary Design
 - A. General
 - B. Spillway
 - C. Spillway Channel
 - D. Slide
- V. Economic Evaluation
 - A. Construction Costs
 - B. Operation and Maintenance Costs
 - C. Repayment Schedule
- VI. Summary - Project Evaluation and Financial Programs

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Fifteen copies of the feasibility report will be provided to the CWCB and the Owners of the dam, Fuchs Ranches, Inc.

STUDY TEAM AND MANPOWER REQUIREMENTS

Project Manager for the feasibility study will be Kenneth A. Mangelson, Ph.D., P.E. He will be assisted, as necessary, by the staff engineers, Jon Kidder and Ruth Yeager. The professional resumes for these team members are included for your review.

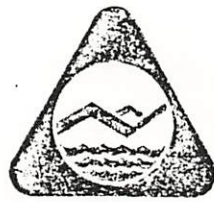
The estimated manpower requirements for the feasibility study are as follows:

TECHNICAL MANPOWER REQUIREMENTS FUCHS DAM FEASIBILITY STUDY (Manhours)

<u>Work Task</u>	<u>PM</u>	<u>Engr.</u>	<u>Tech.</u>	<u>Clerical</u>
A. Data Collection & Coordination	20	10	--	10
B. Hydrology & Hydraulics	5	10	5	--
C. Project Alternatives & Preliminary Design	15	30	20	--
D. Economic Evaluation	10	15	--	--
E. Feasibility Report	<u>20</u>	<u>15</u>	<u>10</u>	<u>30</u>
TOTALS	70	80	35	40

Based upon the above manpower estimate, and including approximately \$600.00 for direct costs such as mileage, telephone, reproduction, etc., the total engineering cost for the feasibility study is approximately \$8,400.00. A current billing rate schedule is included for your information.

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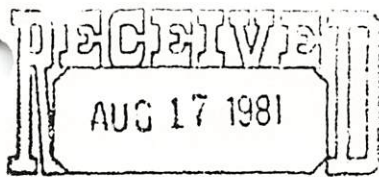
HYDRO-TRIAD, LTD.

The following hourly rate schedule for Hydro-Triad, Ltd. personnel providing engineering services on general and specific projects will be utilized on actual time spent for each project activity. Direct costs attributable to a specific project will be billed to the client at cost, plus ten percent (10%).

<u>TECHNICAL CLASSIFICATION</u>	<u>BILLING RATE</u>
Principal	\$ 58.00
Project Manager	50.00
Geological/Geo-Hydrologist Consultant	50.00
Project Engineer	38.00
Geologist/Geo-Hydrologist	32.00
Engineer	30.00
Junior Engineer/Designer	26.50
Engineering Technician I	21.50
Engineering Technician II	19.00
Technical Typist-Word Processing	18.00
Technical Typist	14.00
Computer System (CPU Time)	350.00/hour
Mileage: Company Vehicles - Standard	.22/mile
- 4-Wheel Drive	.40/mile
Rental Vehicles	At cost + 10%
Per Diem	50.00

PAID IN FULL

Effective January 1, 1981



Fuchs Reservoir
Del Norte, Colorado

COLORADO WATER
CONSERVATION BOARD

1620 County Rd. 14A
Del Norte, Colorado 81132
August 11, 1981

Mr. Nick Ioannides
Colorado Water Conservation Board
1313 Sherman Street
823 Centennial Building
Denver, Colorado 80203

Dear Mr. Ioannides:

Reference is made to the proposal prepared by Hydro-Triad, Ltd. for the Fuchs Dam Rehabilitation Study. Having reviewed the proposal we submit that Fuchs Ranches, Inc. concurs with the proposal and will share in the costs of the study, 50 percent.

We would like to express our appreciation to the CWCB for their assistance in funding the study and look forward to a fruitful working relationship.

Very truly yours,

FUCHS RANCHES, INC.

Hugh F. Fuchs
President

HFF/mf

cc: Ken Mangelson

PAID IN FULL

EXHIBIT C

REPAYMENT SCHEDULE
FUCHS RANCHES, INC.

	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
1	3,359.00	2,750.00	609.00
2	3,359.00	2,719.55	639.45
3	3,359.00	2,687.58	671.42
4	3,359.00	2,654.01	704.99
5	3,359.00	2,618.76	740.24
6	3,359.00	2,581.74	777.26
7	3,359.00	2,542.88	816.12
8	3,359.00	2,502.08	856.92
9	3,359.00	2,459.23	899.77
10	3,359.00	2,414.24	944.76
11	3,359.00	2,367.00	991.00
12	3,359.00	2,317.40	1,041.60
13	3,359.00	2,265.32	1,093.68
14	3,359.00	2,210.64	1,148.36
15	3,359.00	2,153.22	1,205.78
16	3,359.00	2,092.93	1,266.07
17	3,359.00	2,029.63	1,329.37
18	3,359.00	1,963.16	1,395.84
19	3,359.00	1,893.37	1,465.63
20	3,359.00	1,820.09	1,538.91
21	3,359.00	1,743.14	1,615.86
22	3,359.00	1,662.35	1,696.65
23	3,359.00	1,577.52	1,781.48
24	3,359.00	1,488.44	1,870.56
25	3,359.00	1,394.91	1,964.09
26	3,359.00	1,296.71	2,062.29
27	3,359.00	1,193.60	2,165.40
28	3,359.00	1,085.32	2,273.68
29	3,359.00	971.64	2,387.36
30	3,359.00	852.27	2,506.73
31	3,359.00	726.94	2,632.06
32	3,359.00	595.33	2,763.67
33	3,359.00	457.15	2,901.85
34	3,359.00	312.06	3,046.94
35	3,359.00	159.71	3,199.29

PAID IN FULL

SCHEDULE A

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND PROGRAM PROCEDURES

1. Board approval of engineering firm and engineering agreement between engineering firm and project sponsor.
2. Preparation of detailed plans and specifications for authorized projects by consulting engineering firm.
3. Approval of detailed plans and specifications by Board staff (plans and specifications for storage dams and reservoirs must also be approved by State Engineer's office).
4. Board staff approval of bidding for the project. Board staff present at bid opening for construction.
5. Project sponsor may issue the notice of award and the notice to proceed with construction to the contractor (both notices must be approved by the Board staff before they are issued).
6. Conduct a pre-construction conference. Approval of construction schedule by Board staff.
7. Construction commences. The Board staff makes periodic inspections during construction. All change orders must be approved by the Board staff in advance and before any construction on change items can commence. Emergency items cleared by telephone.
8. The consulting engineer certifies that the project has been completed according to approved drawings and specifications and arranges for final inspection.
9. Final inspection and acceptance of as-built project by Board staff.
10. Submittal of as-built drawings to Board staff for approval and filing.

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