



COLORADO

Colorado Water Conservation Board

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

December 17, 2020

New Cache La Poudre Irrigating Company
PO Box 104
Lucerne, CO 80646

Subject: Loan Contract No. C150163
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the New Cache La Poudre Irrigating Company, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C150163. The documents have been stamped "PAID IN FULL" denoting that the terms of the agreement have been satisfied in full by the Company.

Should you have any questions, please contact me at Telephone No. (303) 866-3441, ext 3205 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





3231211 10/28/2004 02:46P Weld County, CO
1 of 3 R 16.00 D 0.00 Steve Moreno Clerk & Recorder

Deed of Trust

DATE: July 1, 2004
GRANTOR: NEW CACHE LA POUDE IRRIGATING COMPANY
BENEFICIARY: COLORADO WATER CONSERVATION BOARD
COUNTY: WELD
PRINCIPAL LOAN AMOUNT: \$7,272,000
LOAN CONTRACT: Loan Contract No. C150163, dated July 1, 2004
TERMS OF REPAYMENT: 2.50% per annum for 30 years
COLLATERAL: An undivided one-hundred percent interest in certain real property consisting of approximately 1300 acres more particularly described in the attachment hereto (Attachment 1), upon, over and under which the Drury Reservoir, Cornish Plains Reservoir, Barnesville Reservoir, Jack Wells pumping station and pipeline will be constructed, together with all improvements thereon, including but not limited to gates, ditches (including full access to and use of the Greeley No. 2 ditch as historically used by the GRANTOR for operating and delivery of water to the reservoirs), canals, and all other structures and fixtures, and any easements, rights-of-way, or other property or property interests held and used in connection with the operation of said reservoirs, pumping station, and pipeline.

This indenture is between the GRANTOR, and the Public Trustee of the above referenced COUNTY, State of Colorado ("PUBLIC TRUSTEE"),

Factual Recitals

1. The GRANTOR has executed a Promissory Note of even date and amount, set forth in the LOAN CONTRACT, for a loan in the PRINCIPAL LOAN AMOUNT to be repaid to the BENEFICIARY, with TERMS OF REPAYMENT and in accordance with the Promissory Note or until loan is paid in full.
2. The GRANTOR is desirous of securing payment of the PRINCIPAL LOAN AMOUNT and interest of said Promissory Note to the BENEFICIARY.

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, the above described COLLATERAL.

To have and to hold the same, together with all appurtenances, in trust nevertheless, that in case of default in the payment of said Promissory Note, or any part thereof, or the interest thereon, or in the performance of any covenants hereinafter set forth or in said Promissory Note or LOAN CONTRACT, then upon the BENEFICIARY filing notice of election and demand for sale, said PUBLIC TRUSTEE, after advertising notice of said sale weekly for not less than four weeks in some newspaper of general circulation in said COUNTY, shall sell said COLLATERAL in the manner provided by law in effect at the time of filing said notice and demand, at public auction for cash, at any proper place designated in the notice of sale. Out of the proceeds of said sale, the PUBLIC TRUSTEE shall retain or pay first all fees, charges and costs and all moneys advanced for taxes, insurance and assessments, or on any prior encumbrance, with interest thereon and pay the principal and interest due on said Promissory Note, rendering the overplus, if any, unto the GRANTOR; and after the expiration of the time of redemption, the PUBLIC TRUSTEE shall execute and deliver to the purchaser a deed to the COLLATERAL sold. The BENEFICIARY may purchase said COLLATERAL or any part thereof at such sale.

The GRANTOR covenants that at the time of the delivery of these presents, it is well seized of the COLLATERAL in fee simple, and has full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid. The GRANTOR fully waives and releases all rights and claims it may have in or to said COLLATERAL as a Homestead Exemption or other exemption, now or hereafter provided by law. The

Appendix 5 to Loan Contract C150163



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GRANTOR further covenants that the collateral is free and clear of all liens and encumbrances whatever and that the GRANTOR shall warrant and forever defend the COLLATERAL 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.


Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the COLLATERAL; any and all amounts due on account of the principal and interest or other sums on any senior encumbrances, if any; and will keep the COLLATERAL insured in accordance with the requirements of the LOAN CONTRACT. In the event of the sale or transfer of the COLLATERAL, the BENEFICIARY, at its option, may declare the entire balance of the note immediately due and payable.

In case of default in any of said payments of the principal or interest, according to the terms of said Promissory Note or LOAN CONTRACT, by the GRANTOR, its successors or assigns, then said principal sum hereby secured, and interest thereon, may at once, at the option of the BENEFICIARY, become due and payable, and the said COLLATERAL 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 Promissory Note and LOAN 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.

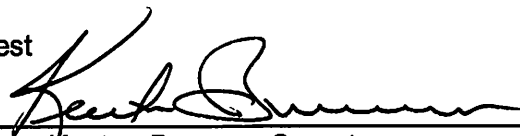
Executed the day and date first written above.

The New Cache La Poudre Irrigation Company, a Colorado nonprofit corporation

By 
Mike Hungenberg, President

(SEAL)


Attest

By 
Kenton Brunner, Secretary

County of Weld)
) SS
State of Colorado)

The foregoing instrument was acknowledged before me this 2nd day of July 2004, by Mike Hungenber and Kenton Brunner, as President and Secretary, respectively, of The New Cache La Poudre Irrigation Company. Witness my hand and official seal.



 Notary Public

Return recorded deed of trust to: CWCB Finance Section, Attn: Jan Illian, 1580 Logan Street, Suite 750, Denver, CO 80202 (Phone Number 303-866-3462)



3231211 10/28/2004 02:46P Weld County, CO
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ATTACHMENT 1 TO DEED OF TRUST DATED JULY 1, 2004

GRANTOR: NEW CACHE LA POUDDRE IRRIGATING COMPANY

Description of collateral:

A tract of land located in the W1/2 of Section 4, E1/2 of Section 5, Section 8, W1/2 of Section 9, and NE1/4NW1/4 of Section 17, Township 6 North, Range 63 West of the 6th P.M., County of Weld, State of Colorado, being more particularly described as:

Considering the North line of the NW1/4 of said Section 4 to bear South 89 degrees 58 minutes 45 seconds East, and all bearings contained herein being relative thereto:

Beginning at the Northwest corner of said Section 4;
thence South 89 degrees 58 minutes 45 seconds East, 1334.14 feet to the West One-Sixteenth (W1/16) Corner of said Section 4 and Section 33, Township 7 North, Range 63 West of the 6th P.M.;
thence South 00 degrees 05 minutes 44 seconds West, 653.14 feet to the Center North Northwest One Sixty-Fourth (C-N-NW 1/64) corner of said Section 4;
thence South 45 degrees 33 minutes 43 seconds East, 930.89 feet to the Center-East Northwest One-Sixty-Fourth (C-E-NW 1/64) corner;
thence North 89 degrees 52 minutes 50 seconds East, 665.75 feet to the Center-North One-Sixteenth (C-N 1/16) corner of said Section 4;
thence South 00 degrees 12 minutes 42 seconds West, 1318.53 feet to the Center One-Quarter (C 1/4) corner of said Section 4;
thence South 00 degrees 12 minutes 42 seconds West, 2637.06 feet to the South One-Quarter (S1/4) of said Section 4;
thence along the East line of the NW1/4 of said Section 9, South 00 degrees 50 minutes 37 seconds West, 2141.61 feet to a point on the North rights-of-way line of Highway No. 392, in Book 922 as Reception No. 1843691;
thence along said right-of-way, South 45 degrees 44 minutes 01 seconds West, 3791.07 feet to a point on a curve to the right which has a delta angle of 13 degrees 55 minutes 54 seconds, a radius of 3737.56 feet, the chord of which bears South 52 degrees 41 minutes 59 seconds West, 906.57 feet to a point on the North line of the NE1/4 of said Section 17;
thence along the North line of the NE1/4 of said Section 17, South 89 degrees 03 minutes 13 seconds West, 1874.03 feet to the North One-Quarter of said Section 17;
thence along the East line of the NW1/4 of said Section 17, South 00 degrees 02 minutes 21 seconds West, 711.84 feet to a point on the North right-of-way line of Highway No. 392, in Book 922 as Reception No. 1843691;
thence along said right-of-way, South 69 degrees 06 minutes 37 seconds West, 1405.49 feet;
thence leaving the North right-of-way line of Highway No. 392, North 00 degrees 01 minutes 29 seconds West, 1191.28 feet to the West One-Sixteenth corner (W1/16) of Sections 8 and 17;
thence North 00 degrees 24 minutes 46 seconds East, 1327.23 feet to the Southwest One-Sixteenth (S-W 1/16) corner of said Section 8;
thence along the East line of the NW1/4SW1/4 of said Section 8, North 00 degrees 24 minutes 46 seconds East, 111.34 feet;
thence leaving the East line of the NW1/4SW1/4 of said Section 8, South 89 degrees 52 minutes 47 seconds West, 443.62 feet;
thence North 39 degrees 00 minutes 32 seconds West, 837.12 feet;
thence North 33 degrees 24 minutes 16 seconds West, 616.64 feet to a point on the West line of the NW1/4SW1/4 of said Section 8;
thence along the West line of the NW1/4SW1/4 of said Section 8, North 00 degrees 18 minutes 55 seconds East, 32.61 feet to the West Quarter corner of said Section 8;
thence North 00 degrees 17 minutes 57 seconds East, 2656.03 feet to the Northwest corner of said Section 8;
thence North 89 degrees 17 minutes 20 seconds East, 2647.19 feet to the North Quarter corner of said Section 8;
thence North 00 degrees 02 minutes 55 seconds West, 2648.66 feet to the Center One-Quarter (C 1/4) corner of said Section 5;
thence North 89 degrees 09 minutes 13 seconds East, 1324.30 feet to the Center-East One-Sixteenth (C-E 1/16) corner of said Section 5;
thence North 00 degrees 02 minutes 04 seconds West, 1327.73 feet to the North-East One-Sixteenth (N-E 1/16) corner of said Section 5;
thence North 00 degrees 02 minutes 04 seconds West, 1313.66 feet to the East One-Sixteenth corner of said Section 5 and Section 32, Township 7 North, Range 63 West of the 6th P.M.;
thence North 89 degrees 20 minutes 36 seconds East, 1324.90 feet to the Point of Beginning.

AMENDMENT NO. 1 TO DEED OF TRUST

Date: April 10, 2008
Grantor (Borrower): NEW CACHE LA Poudre IRRIGATING CO.
Beneficiary (Lender): Colorado Water Conservation Board
Date of Deed of Trust: July 1, 2004
Recording Date of Deed of Trust: October 28, 2004
County of Recording ("County"): Weld
Deed of Trust Recording Information: 3231211 (3 pages)
Loan Contract: C150163, dated June 1, 2004, amended April 10, 2008
Promissory Note: \$7,272,000, 2.5%, 20 Years, dated April 10, 2008

This Amendment to the Deed of Trust is between the Grantor and the Public Trustee of the County, State of Colorado.

The Original Deed of Trust was recorded to secure repayment of the indebtedness evidenced by Loan Contract and Promissory Note between the Grantor and the Beneficiary.

Grantor requested amending the repayment term from 30 years to 20 years under the Loan Contract; and the Beneficiary has agreed to the Grantor's request.

Grantor and Beneficiary have agreed to amend the Original Deed of Trust to reflect the revised repayment term in the new Promissory Note.

NOW THEREFORE, the CWCB and Grantor agree that:

1. The first factual recital of the Original Deed of Trust is hereby amended to read as follows:

The Grantor has executed a Promissory Note dated April 10, 2008, to secure the repayment of the indebtedness evidenced by Contract No. C150163, dated July 1, 2004, as amended on April 10, 2008, for the total principal sum of \$7,272,000, to be repaid to the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB") the beneficiary herein, whose address is 1313 Sherman Street, Room 721, Denver, CO 80203, payable in 20 annual installments, in accordance with said Promissory Note, or until the loan is paid in full.

2. In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this amendment and any of the provisions of the original deed of trust, the provisions of this amendment shall in all respects supersede, govern, and control.
3. Any provisions of the original deed of trust not expressly modified herein remain in full force and effect.

Executed on the date first written above.

GRANTOR: NEW CACHE LA Poudre IRRIGATING CO.

By 

 (SEAL)
Appendix C to Loan Contract C150163 Amendment No. 1



3581946 10/02/2008 04:22P Weld County, CO
2 of 2 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

Mike Hungenberg, President

ATTEST:

By Kenton Brunner
Kenton Brunner, Secretary

State of Colorado)

County of Weld) ss.

The foregoing instrument was acknowledged before me on April 10th, 2008, by Mike Hungenberg as President and Kenton Brunner as Secretary of the New Cache La Poudre Irrigating Company. Witness my hand and official seal.

Renee Z. Osborn
Notary Public



My commission expires 4-25-09

Return recorded document to: CWCB Finance Section, Attn: Contract Manager, 1580 Logan Street, Suite 750, Denver CO 80203 (Phone Number 303-866-3462)

Appendix C to Loan Contract C150163 Amendment No. 1

PROMISSORY NOTE

Date: May 5, 2008
Borrower: NEW CACHE LA POUDE IRRIGATING CO.
Principal Amount: \$7,272,000
Interest Rate: 2.5% per annum
Term of Repayment: 20 years
Loan Contract No.: C150163, dated June 1, 2004
Loan Payment: \$466,477.92
Payment Initiation Date*: December 1, 2012
Maturity Date*: December 1, 2031

* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.
2. This Promissory Note replaces and supersedes the Promissory Note dated July 1, 2004, in the principal amount of \$7,272,000.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
4. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
5. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
6. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
7. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
8. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due

PAID IN FULL

hereunder. Said security interests are evidenced by a Security Agreement and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER.

The LOAN CONTRACT and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.

9. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
10. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
11. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: NEW CACHE LA
POUDRE IRRIGATING CO.

(S E A L)

By 
Mike Hungenberg, President

Attest:

By 
Kenton Brunner, Secretary

PAID IN FULL

SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: JULY 1, 2004

DEBTOR: THE NEW CACHE LA POUDE IRRIGATING COMPANY

SECURED PARTY: COLORADO WATER CONSERVATION BOARD
1313 SHERMAN STREET, ROOM 721
DENVER, CO 80203

PROMISSORY NOTE: \$7,272,000, DATED JULY 1, 2004

TERMS OF REPAYMENT: 2.5% PER ANNUM FOR 30 YEARS

LOAN CONTRACT: C150163, DATED JULY 1, 2004

COLLATERAL: All revenues derived from assessments on stock and all of Debtor's right to receive said assessment revenues to repay the loan as described in Pledge of Property provisions of the LOAN CONTRACT and the Resolutions dated January 14, 2004.

To secure payment of the loan evidenced by the PROMISSORY NOTE payable in accordance with the TERMS OF REPAYMENT, or until all principal, interest, and late charges, if any, are paid in full, the DEBTOR grants to SECURED PARTY a security interest in the above described COLLATERAL.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby and any other security interests described in Section 5 of the Loan Contract Project Summary, DEBTOR is the owner of the COLLATERAL free from any adverse lien, security interest or encumbrances; and that DEBTOR will defend the COLLATERAL against all claims and demands of all persons at any time claiming the same or any interest therein.
2. That the execution and delivery of this agreement by DEBTOR will not violate any law or agreement governing DEBTOR or to which DEBTOR is a party.
3. To not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the COLLATERAL and not to permit the same to be attached or replevined.
4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, DEBTOR shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.
5. To pay all taxes and assessments of every nature which may be levied or assessed against the COLLATERAL.
6. That the DEBTOR's articles of incorporation and by-laws do not prohibit any term or condition of this agreement.

UNTIL DEFAULT DEBTOR may have possession of the COLLATERAL, provided that DEBTOR keeps the COLLATERAL in an account separate from other revenues of DEBTOR and does not use the COLLATERAL for any purpose not permitted by the CONTRACT. Upon default, SECURED PARTY shall have the immediate right to the possession of the COLLATERAL.

DEBTOR SHALL BE IN DEFAULT under this agreement upon any of the following events or conditions:

- a. default in the payment or performance of any obligation contained herein or in the Promissory Note or Loan Contract;
- b. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or against DEBTOR; or
- c. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on behalf of DEBTOR which proves to have been false in any material respect when made or furnished.


UPON SUCH DEFAULT and at any time thereafter, SECURED PARTY shall have the remedies of a secured party under Article 9 of the Colorado Uniform Commercial Code. SECURED PARTY may require DEBTOR to deliver or make the COLLATERAL available to SECURED PARTY at a place to be designated by SECURED PARTY, which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses.

The SECURED PARTY shall give the DEBTOR written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the DEBTOR shall be considered in default for purposes of this Security Agreement. No default shall be waived by SECURED PARTY except in writing, and no waiver by SECURED PARTY of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security SECURED PARTY may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this security agreement; but SECURED PARTY shall retain its rights of set-off against DEBTOR. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and DEBTOR consents to venue and personal jurisdiction in said Court.

All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of DEBTOR shall bind its successors or assigns.

DEBTOR: The New Cache La Poudre
Irrigation Company, a Colorado nonprofit
corporation

By 
Mike Hungenberg, President

Attest
By 
Kenton Brunner, Secretary

PAID IN FULL

AMENDMENT NO. 1 TO SECURITY AGREEMENT

DEBTOR: NEW CACHE LA POUDE IRRIGATING CO.

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

DATE OF ORIGINAL SECURITY AGREEMENT: JUNE 1, 2004

Original Promissory Note: \$7,272,000, dated June 1, 2004,
Interest at the rate of 2.5% per annum
with annual payment for a period of 30
years or until paid in full.

ORIGINAL LOAN CONTRACT: C150163, DATED JUNE 1, 2004

1. The Parties have amended the ORIGINAL LOAN CONTRACT and Promissory Note to decrease the payment term from 30 years to 20 years and hereby amend the original Security Agreement to document the change of repayment term.
2. The Parties expressly agree that this Amendment is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.

Amended Loan Contract: C150163, dated May 5, 2008

Replacement Promissory Note: \$7,272,000, dated May 5, 2008, interest
at the rate of 2.5% per annum with
annual payments for a period of 20 years
or until paid in full.

Date of Amended Security Agreement: May 5, 2008

DEBTOR: NEW CACHE LA POUDE IRRIGATING
Co.

SEAL

By 
Mike Hungenberg, President

ATTEST:

By 
Kenton Brunner, Secretary

PAID IN FULL



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721
Denver, CO 80203

June 11, 2014

Ms. Heather Johnson, Division Order Analyst
Noble Energy
1625 Broadway, Suite 2200
Denver, CO 80202

Subject: NCLP PC AA04-63-1HN
Deed of Trust Reception No. 3231211
CWCB Loan Contract No. C150163

Dear Ms Johnson:

This refers to the attached copy of your letter, dated January 21, 2014, to the New Cache La Poudre Irrigating Company (Company) relative to the above-referenced Drilling and Division Order and Deed of Trust. This deed is covered by an agreement between the Colorado Water Conservation Board and the Company, dated July 1, 2004, amended April 10, 2008, Loan Contract No. C150163.

This letter is to advise you that the subject revenues should be remitted to the Company from inception of the drilling operation on the land covered by the deed. Any revenues and expenses relative to the drilling operations, including liability, are subject to the agreement between the Company and Noble Energy.

If you have any questions, please contact me at Telephone No. (303) 866-3441, ext.3232 or by email at kirk.russell@state.co.us.

Very truly yours,

Kirk Russell, Chief
Colorado Water Conservation Board

Attachment

PAID IN FULL

cc: CWCB Files

Mr. Dale Trowbridge, Office Manager
New Cache La Poudre Irrigating Company
P. O. Box 104
Lucerne, CO 80646



1625 Broadway
Suite 2200
Denver, CO 80202

Tel 303.228.4000
Fax 303.228.4285
www.nobleenergyinc.com



January 21, 2014

New Cache La Poudre Irrigating Company
P.O. Box 104
Lucerne, CO 80646

RE: NCLP PC AA04-63-1HN
Township 6 North, Range 63 West, Section 3: S2; Section 4: S2

Dear Sirs:

Upon a recent review of the above well, Noble Energy, Inc. ("Noble") has encountered a title requirement pertaining to your potential interest. Encumbrance 4 concerns unreleased mineral deeds of trust.

Please send written instructions for the payments of proceeds. Until this written notice is received your interest will be held in suspense.

Enclosed, please find the excerpts from that certain Drilling and Division Order Title Opinion regarding Encumbrance 4.

If you have any questions, please do not hesitate to contact the undersigned at the letterhead address, or by calling 720-587-2177, or by email at hjohnson@nobleenergyinc.com

Sincerely,

Noble Energy Inc.

Heather I. Johnson
Division Order Analyst

Enclosure

PAID IN FULL

BORROWER: NEW CACHE LA POUFRE
IRRIGATING CO.
Contract No. C150163
Original Loan Amount \$7,272,000

Agency Name: Water Conservation Board
Agency Number PDA
Routing Number: 09 PDA 00003

LOAN CONTRACT AMENDMENT NO. 1

(STANDARD CONTRACT – WAIVER #160 – APPROVED NOVEMBER 10, 2003)

This Amendment, made this April 10, 2008, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), and NEW CACHE LA POUFRE IRRIGATING COMPANY, P. O. Box 104, Lucerne, Colorado 80646, a Colorado nonprofit corporation ("BORROWER" or "CONTRACTOR").

FACTUAL RECITALS

- A. Authority exists in the law, and funds have been budgeted, appropriated, and otherwise made available for payment in Contract Encumbrance Number C150163.
- B. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
- C. The CWCB and the BORROWER entered into Contract Encumbrance Number C150163, dated July 1, 2004 ("ORIGINAL CONTRACT"), incorporated herein by reference, wherein the CWCB agreed to loan money in the total amount up to \$7,272,000, and the BORROWER agreed to repay the loan in accordance with the terms of the ORIGINAL CONTRACT.
- D. The BORROWER has requested an extension in the time the CWCB has allowed for completion of the Project as well as a reduction of the repayment term.
- E. The CWCB has reviewed the BORROWER's request and has agreed to amend this contract to extend the time for completion of the project until January 1, 2014 and to reduce the term of repayment to 20 years.

NOW THEREFORE, it is hereby agreed that

PAID IN FULL

- 2. Consideration for this Amendment to the ORIGINAL CONTRACT consists of the payments that shall be made pursuant to this Amendment and the ORIGINAL CONTRACT and the promises and agreements herein set forth.
- 3. It is expressly agreed by the parties that this Amendment is supplemental to the ORIGINAL CONTRACT and all terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.
- 4. The CWCB agrees that it shall extend the time for completion of the BORROWER's Project until January 1, 2014.
- 5. The CWCB and the Borrower agree that the repayment term shall be reduced from 30 years to 20 years.

6. The parties agree that the ORIGINAL CONTRACT, is and shall be modified, altered, and changed in the following respects only:
 - a. Section 11, Time for Performance, is revised to read as follows: PROJECT Finish: January 1, 2014.
7. The BORROWER agrees that it shall execute the following documents, all of which shall set forth the revised repayment term of 20 years:
 - a. Promissory Note, attached as Appendix A and incorporated herein, which shall replace and supersede the Promissory Note dated July 1, 2004, attached to the ORIGINAL CONTRACT as Appendix 2.
 - b. Amended Security Agreement, attached hereto as Appendix B and incorporated herein, which shall supplement and operate in conjunction with the Security Agreement, dated July 1, 2004, attached to the ORIGINAL CONTRACT as Appendix 4.
 - c. Amended Deed of Trust, attached hereto as Appendix C and incorporated herein, which shall supplement and operate in conjunction with the Deed of Trust dated July 1, 2004, attached to the ORIGINAL CONTRACT as Appendix 5.
8. Except for the SPECIAL PROVISIONS, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the ORIGINAL CONTRACT, the provisions of this Amendment shall in all respects supersede, govern, and control. The SPECIAL PROVISIONS shall always be controlling over other provisions in the contract or amendments. The representations in the SPECIAL PROVISIONS concerning the absence of bribery or corrupt influences and personal interest of STATE employees are presently reaffirmed.
9. 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.
10. This amendment shall not be deemed valid or effective until it shall have been approved by the controller of the State of Colorado or such assistant as he may designate.

PAID IN FULL

SPECIAL PROVISIONS

The Special Provisions apply to all contracts except where noted in *italics*.

1. CONTROLLER'S APPROVAL. CRS §24-30-202 (1). This contract shall not be deemed valid until it has been approved by the Colorado State Controller or designee.

2. FUND AVAILABILITY. CRS §24-30-202(5.5). 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.

3. INDEMNIFICATION. 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 and related costs, incurred as a result of any act or omission by Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

[Applicable Only to Intergovernmental Contracts] No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. 2671 et seq., as applicable, as now or hereafter amended.

4. INDEPENDENT CONTRACTOR. 4 CCR 801-2. Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither contractor nor any agent or employee of contractor shall be or shall be deemed to be an agent or employee of the state. Contractor shall pay when due all required employment taxes and income taxes and local head taxes on any monies paid by the state pursuant to this contract. Contractor acknowledges that contractor and its employees are not entitled to unemployment insurance benefits unless contractor or a third party provides such coverage and that the state does not pay for or otherwise provide such coverage. Contractor shall have no authorization, express or implied, to bind the state to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall provide and keep in force workers' compensation (and provide proof of such insurance when requested by the state) and unemployment compensation insurance in the amounts required by law and shall be solely responsible for its acts and those of its employees and agents.

5. NON-DISCRIMINATION. Contractor agrees to comply with the letter and the spirit of all applicable State and federal laws respecting discrimination and unfair employment practices.

6. CHOICE OF LAW. 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 this contract is capable of execution. At all times during the performance of this contract, Contractor shall strictly adhere to all applicable federal and State laws, rules, and regulations that have been or may hereafter be established.

7. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to Intergovernmental Agreements] The State Controller may withhold payment of certain debts owed to State agencies under the State's vendor offset intercept system for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et. seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts certified by the State Controller as owing to the State as a result of final agency determination or judicial action.

8. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00. No State or other public funds payable under this contract shall be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies that, for the term of this contract and any extensions, Contractor has in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this paragraph, the State may exercise any remedy available at law or equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

9. EMPLOYEE FINANCIAL INTEREST. CRS §24-18-201 and §24-50-507. The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract.

10. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. *[Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]* Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, institution of higher education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.


11. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101. Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

Revised May 13, 2008

PAID IN FULL

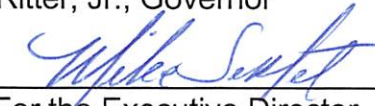
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day first above written.

BORROWER: NEW CACHE LA Poudre
IRRIGATING CO.

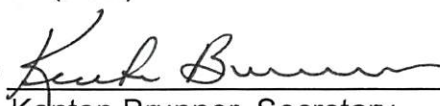
By 
Mike Hungenberg, President

(S E A L)

State of Colorado
Bill Ritter, Jr., Governor

By 
For the Executive Director
Department of Natural Resources
Colorado Water Conservation Board
Jennifer L. Gimbel, Director

Attest (Seal)

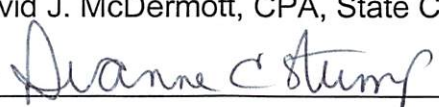
By 
Kenton Brunner, Secretary

Pre-Approved Form
By 
CWCB Contract Manager

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid and there are no loan funds available until the State Controller, or such assistant as he may delegate, has signed it

David J. McDermott, CPA, State Controller

By 

Effective Date 8-1-06

PAID IN FULL

PROMISSORY NOTE

Date: May 5, 2008
Borrower: NEW CACHE LA POUDRE IRRIGATING CO.
Principal Amount: \$7,272,000
Interest Rate: 2.5% per annum
Term of Repayment: 20 years
Loan Contract No.: C150163, dated June 1, 2004
Loan Payment: \$466,477.92
Payment Initiation Date*: _____
Maturity Date*: _____

* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.
2. This Promissory Note replaces and supersedes the Promissory Note dated July 1, 2004, in the principal amount of \$7,272,000.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
4. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
5. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
6. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
7. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
8. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due

Appendix A to Loan Contract C150163

hereunder. Said security interests are evidenced by a Security Agreement and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.

9. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
10. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
11. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: NEW CACHE LA
POUDRE IRRIGATING CO.

(S E A L)

By 
Mike Hungenberg, President

Attest:

By 
Kenton Brunner, Secretary

PAID IN FULL

AMENDMENT NO. 1 TO SECURITY AGREEMENT

DEBTOR: NEW CACHE LA POUDE IRRIGATING CO.

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

DATE OF ORIGINAL SECURITY AGREEMENT: JUNE 1, 2004

Original Promissory Note: \$7,272,000, dated June 1, 2004,
Interest at the rate of 2.5% per annum
with annual payment for a period of 30
years or until paid in full.

ORIGINAL LOAN CONTRACT: C150163, DATED JUNE 1, 2004

1. The Parties have amended the ORIGINAL LOAN CONTRACT and Promissory Note to decrease the payment term from 30 years to 20 years and hereby amend the original Security Agreement to document the change of repayment term.
2. The Parties expressly agree that this Amendment is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.

Amended Loan Contract: C150163, dated May 5, 2008

Replacement Promissory Note: \$7,272,000, dated May 5, 2008, interest
at the rate of 2.5% per annum with
annual payments for a period of 20 years
or until paid in full.

Date of Amended Security Agreement: May 5, 2008

PAID IN FULL

DEBTOR: NEW CACHE LA POUDE IRRIGATING
Co.

SEAL

By 
Mike Hungenberg, President

ATTEST:

By 
Kenton Brunner, Secretary

3581946 10/02/2008 04:22P Weld County, CO
1 of 2 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

AMENDMENT NO. 1 TO DEED OF TRUST

Date: April 10, 2008
Grantor (Borrower): NEW CACHE LA Poudre IRRIGATING CO.
Beneficiary (Lender): Colorado Water Conservation Board
Date of Deed of Trust: July 1, 2004
Recording Date of Deed of Trust: October 28, 2004
County of Recording ("County"): Weld
Deed of Trust Recording Information: 3231211 (3 pages)
Loan Contract: C150163, dated June 1, 2004, amended April 10, 2008
Promissory Note: \$7,272,000, 2.5%, 20 Years, dated April 10, 2008

This Amendment to the Deed of Trust is between the Grantor and the Public Trustee of the County, State of Colorado.

The Original Deed of Trust was recorded to secure repayment of the indebtedness evidenced by Loan Contract and Promissory Note between the Grantor and the Beneficiary.

Grantor requested amending the repayment term from 30 years to 20 years under the Loan Contract, and the Beneficiary has agreed to the Grantor's request.

Grantor and Beneficiary have agreed to amend the Original Deed of Trust to reflect the revised repayment term in the new Promissory Note.

NOW THEREFORE, the CWCB and Grantor agree that:

1. The first factual recital of the Original Deed of Trust is hereby amended to read as follows:

The Grantor has executed a Promissory Note dated April 10, 2008, to secure the repayment of the indebtedness evidenced by Contract No. C150163, dated July 1, 2004, as amended on April 10, 2008, for the total principal sum of \$7,272,000, to be repaid to the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB") the beneficiary herein, whose address is 1313 Sherman Street, Room 721, Denver, CO 80203, payable in 20 annual installments, in accordance with said Promissory Note, or until the loan is paid in full.

2. In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this amendment and any of the provisions of the original deed of trust, the provisions of this amendment shall in all respects supersede, govern, and control.
3. Any provisions of the original deed of trust not expressly modified herein remain in full force and effect.

Executed on the date first written above.

GRANTOR: NEW CACHE LA Poudre IRRIGATING CO.

(SEAL)

By



Appendix C to Loan Contract C150163 Amendment No. 1

3581946 10/02/2008 04:22P Weld County, CO
2 of 2 R 11.00 D 0.00 Steve Moreno Clerk & Recorder

Mike Hungenberg, President

ATTEST:

By Kenton Brunner
Kenton Brunner, Secretary

State of Colorado)
County of Weld) ss.

The foregoing instrument was acknowledged before me on April 10th, 2008, by Mike Hungenberg as President and Kenton Brunner as Secretary of the New Cache La Poudre Irrigating Company. Witness my hand and official seal.

Renee E. Osborn
Notary Public

My commission expires 4-25-09

Return recorded document to: CWCB Finance Section, Attn: Contract Manager, 1580 Logan Street, Suite 750, Denver CO 80203 (Phone Number 303-866-3462)

PAID IN FULL

BORROWER: NEW CACHE LAPOUDRE
IRRIGATING CO.
Contract No. C150163
Project Amount \$7,200,000
Loan Service Fee \$72,000
Loan Amount \$7,272,000

Agency Name: Water Conservation Board
Agency Number PDA
Routing Number 05 PDA 00005

LOAN CONTRACT

(STANDARD CONTRACT – WAIVER #160 – APPROVED NOVEMBER 10, 2003)

THIS CONTRACT, made this July 1, 2004, is by and between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "STATE"), and The New Cache La Poudre Irrigating Company, P. O. Box 104, Lucerne, Colorado 80646, a Colorado nonprofit corporation ("BORROWER").

FACTUAL RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this contract under: Contract Encumbrance No. C150163, Fund Number 424, Appropriation Code L04, Organization YYYY, GBL N163, Program WTRC, Object Code 5882, Reporting Category 0163.
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
3. The **PROJECT Summary**, attached as **Appendix 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval and Legislative Authorization which identifies the amount of the loan and the terms of repayment (Section 4).
4. The CWCB now desires, by this contract, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.

THEREFORE, in consideration of the mutual and dependent covenants contained herein, the parties agree as follows:

A. LOAN PROVISIONS

1. **Loan Service Fee.** The amount of the loan (LOAN AMOUNT) shall include (1) the amount of the funds loaned by the CWCB to the BORROWER for the PROJECT and (2) a service fee of one percent (1%) of the PROJECT amount. In the event that the BORROWER does not use the LOAN AMOUNT authorized, the parties shall amend this contract to revise the LOAN AMOUNT including adjustment of the service fee to reflect 1% of the actual LOAN AMOUNT disbursed to the BORROWER.
2. **Contract Amendment Service Fees.** Under certain circumstances, the BORROWER shall be assessed a fee for amending the contract.

PAID IN FULL

- a. A service fee shall be imposed on the BORROWER for amendments processed for the benefit of the BORROWER and necessary for the BORROWER'S course of business but not necessary for the CWCB, including, but not limited to, a change in borrower name (novation), assignment of contract, substitution of collateral, loan payment deferrals in excess of 3 per loan, and loan consolidation. Amendments in the course of CWCB business, including, but not limited to, loan payment deferrals (up to 3 per loan), changes in terms of loan repayment and amendments to adjust the interest rate pursuant to Paragraph A.13 herein, will be processed at no additional charge to the borrower.
 - b. The amount charged shall be in accordance with the fee rate structure set forth in the CWCB Loan Service Charge Policy in effect at the time the BORROWER shall request an amendment. The current fee for an amendment is \$1,000.
 - c. The BORROWER shall remit the service fee to the CWCB prior to initiation of the amendment. Any service fee remitted to the CWCB cannot be refunded
3. **Promissory Note Provisions.** The CWCB agrees to loan to the BORROWER an amount not to exceed the LOAN AMOUNT and the BORROWER agrees to repay the loan in accordance with the terms as set forth in the Promissory Note, attached hereto as **Appendix 2** and incorporated herein. The Promissory Note shall identify the LOAN AMOUNT. If the amount of loan funds disbursed by the CWCB to the BORROWER differs from the LOAN AMOUNT, the parties agree to amend this contract, including its appendices where necessary, to revise the LOAN AMOUNT.
4. **Interest Prior to PROJECT Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, interest shall accrue at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to PROJECT'S substantial completion (as determined by the CWCB) and notify BORROWER of such amount. The BORROWER shall repay that amount to the CWCB either within ten (10) days from the date of notification from the CWCB, or, at the CWCB's discretion, said interest shall be deducted from the final disbursement of loan funds that the CWCB makes to the BORROWER.
5. **Return of Unused Loan Funds.** Any loan funds disbursed but not expended for the PROJECT in accordance with the terms of this contract shall be remitted to the CWCB within 30 calendar days from notification from the CWCB of either (1) completion of the PROJECT or (2) determination by the CWCB that the PROJECT will not be completed.
6. **BORROWER's Authority To Contract.** The BORROWER warrants that it has full power and authority to enter into this contract. The execution and delivery of this contract and the performance and observation of its terms, conditions and obligations have been duly authorized by all necessary actions of the BORROWER. The BORROWER's authorizing resolution(s) are attached as **Appendix 3** and incorporated herein.
7. **Attorney's Opinion Letter.** Prior to the execution of this contract by the CWCB, the BORROWER shall submit to the CWCB a letter from its attorney stating that it is the attorney's opinion that
 - a. the contract has been duly executed by officers of the BORROWER who are duly

elected or appointed and are authorized to execute the contract and to bind the BORROWER;

- b. the resolutions of the BORROWER authorizing the execution and delivery of the contract were duly adopted by the BORROWER's board of directors and/or stockholders
 - c. there are no provisions in the BORROWER's articles of incorporation or bylaws or any state or local law that prevent this contract from binding the BORROWER; and
 - d. the contract will be valid and binding against the BORROWER if entered into by the CWCB.
8. **Pledge Of Property.** The BORROWER irrevocably pledges to the CWCB for purposes of repayment of this loan: (1) revenues from assessments levied for that purpose as authorized by the BORROWER's resolution(s) and (2) all of the BORROWER's rights to receive said assessment revenues, hereinafter collectively referred to as the "Pledged Property."
- a. **Segregation of Pledged Revenues.** The BORROWER shall set aside and keep the pledged revenues in an account separate from other BORROWER revenues, and warrants that these revenues will not be used for any other purpose.
 - b. **Establish Security Interest.** The BORROWER has duly executed a Security Agreement, attached hereto as **Appendix 4** and incorporated herein, to provide a security interest to the CWCB in the Pledged Property. The CWCB shall have priority over all other competing claims for said Pledged Property, except for the liens of the BORROWER's existing loans as listed in Section 5 (Schedule of Existing Debt) of the **Project Summary**, which sets forth the position of the lien created by this contract in relation to any existing lien(s).
 - c. **Revenue Assessments.** Pursuant to its statutory authority, articles of incorporation and bylaws, the BORROWER shall take all necessary actions consistent therewith during the term of this contract to levy assessments sufficient to pay this loan as required by the terms of this contract and the Promissory Note, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves. In the event the assessments levied by the BORROWER become insufficient to assure such repayment to the CWCB, the BORROWER shall immediately take all necessary action consistent with its statutory authority, its articles of incorporation and bylaws including, but not limited to, levying additional assessments to raise sufficient revenue to assure repayment of this loan.
 - d. **Debt Service Reserve Account.** To establish and maintain the debt service reserve account, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve fund on the due date of its first annual loan payment and annually thereafter for the first ten years of repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds.

9. **Collateral.** The collateral for this loan is described in Section 6 (Collateral) of the **Project Summary**, and secured by the instrument(s) attached hereto as **Appendix 5** and incorporated herein.
10. **Collateral During Loan Repayment.** The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the Collateral or the Pledged Property so long as any of the principal, accrued interest, and late charges, if any, on this loan remain unpaid, without the prior written concurrence of the CWCB. In the event of any such sale, transfer or encumbrance without the CWCB's written concurrence, the CWCB may at any time thereafter declare all outstanding principal, interest, and late charges, if any, on this loan immediately due and payable.
11. **Release After Loan Is Repaid.** Upon complete repayment to the CWCB of the entire principal, all accrued interest, and late charges, if any, as specified in the Promissory Note, the CWCB agrees to release and terminate any and all of the CWCB's right, title, and interest in and to the Collateral and the Pledged Property.
12. **Warranties.**
- The BORROWER warrants that, by acceptance of the loan under this contract and by its representations herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan to the CWCB as required by this contract.
 - The BORROWER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER, to solicit or secure this contract and has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this contract.
 - The BORROWER warrants that the Pledged Property and Collateral for this loan are not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner, except for any existing lien(s) identified in Section 5 (Schedule of Existing Debt) of the **Project Summary**, which sets forth the position of the lien created by this contract in relation to any existing lien(s). Documentation establishing the relative priorities of said liens, if necessary, is attached to the **Project Summary** and incorporated herein.
13. **Change of Ownership of Water Shares During Term of Contract.** If the interest rate for this loan is based on the CWCB's agricultural or blended agricultural and municipal and/or commercial and/or industrial rates, the BORROWER agrees to notify the CWCB of any change of the ownership of the water rights represented by its shares from irrigation to municipal or commercial or industrial use. The interest rate shall be revised when said change in ownership would increase the original interest rate by 0.5% or more. The parties shall amend this contract, including a revised promissory note, to effect said change in interest rate.
14. **Remedies For Default.** Upon default in the payments to be made by the BORROWER under this contract, or default in the performance of any covenant or agreement

contained herein, the CWCB, at its option, may:

- a. suspend this contract and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;
- b. declare the entire principal amount, accrued interest, and late charges, if any, then outstanding immediately due and payable;
- c. exercise its rights under any appendices to this contract, including, but not limited to, the Promissory Note, Security Agreement, and/or any instrument securing collateral; and/or
- d. take any other appropriate action.

The CWCB shall provide written notice to the BORROWER of any such default and shall give the BORROWER an opportunity to cure within thirty (30) days of receipt of such notice. All remedies described herein may be simultaneously or selectively and successively enforced. The CWCB may enforce the provisions of this contract at its option without regard to prior waivers 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 CWCB to ensure compliance with provisions of this contract and the laws and regulations under which this contract is executed. The CWCB's exercise of any or all of the remedies described herein shall not relieve the BORROWER of any of its duties and obligations under this contract.

15. **Operation of PROJECT.** The BORROWER shall, without expense or legal liability to the CWCB, manage, operate, and maintain the PROJECT continuously in an efficient and economical manner.

16. **BORROWER's Liability Insurance.**

PAID IN FULL

- a. Upon execution of this contract and continuing until complete repayment of the loan is made to the CWCB, the BORROWER shall maintain commercial general liability insurance, with a company that is satisfactory to the CWCB, with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate, including products/completed operations and personal injury.
 - b. Prior to the disbursement of any loan funds, the BORROWER shall provide the CWCB with an Acord Form 27 evidencing said insurance and shall provide the CWCB with documentation of renewals of said insurance.
17. **Additional Contract Requirements.** Any additional contract requirements are set forth in Additional Contract Requirement (Section 7) of the **Project Summary**.

B. PROJECT PROVISIONS

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the CWCB Construction Fund Program Procedures (Section

8), of the **Project Summary**.

2. **Eligible Expenses.** The PROJECT expenses for which the BORROWER is eligible for loan disbursements are listed in Eligible Expenses (Section 9) of the **Project Summary**.
3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 10) of the **Project Summary**.
4. **Time for Performance.** The BORROWER recognizes that time is of the essence in the performance of all of its obligations under this contract. Therefore, the BORROWER shall complete the PROJECT within the time specified in Time for Performance (Section 11) of the **Project Summary**.
5. **Indemnification By The Construction Firm.** The BORROWER shall 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 any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT 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.
6. **Liability Insurance During Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown during the term of their contracts for the construction of the PROJECT. The BORROWER shall provide the CWCB with an Acord Form 27 evidencing said insurance prior to commencement of construction, maintained until construction is complete, and shall provide the CWCB with documentation of renewals of said insurance. No payments shall be made to the BORROWER unless all insurance certificates are current.
 - a. Builder's risk insurance for construction in progress for all perils of loss including fire, wind, hail, and vandalism in an amount equal to the completed value of the PROJECT.
 - b. Worker's compensation and employer's liability insurance in the required statutory amounts.
 - c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.
 - d. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.

C. GENERAL PROVISIONS

1. **Periodic Inspections.** Throughout the term of this contract, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Such inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this contract and shall not be construed nor interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.
2. **Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this contract.
3. **Designated Agent Of The CWCB.** The CWCB's employees are designated as the agents of the CWCB for the purpose of this contract.
4. **Assignment.** The BORROWER may not assign this contract except with the prior written approval of the CWCB.
5. **Contract Relationship.** The parties to this contract intend that the relationship between them under 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 CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this contract.
6. **Integration of Terms.** This contract 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 STATE fiscal rules, unless expressly provided for herein.
7. **Controlling Terms.** In the event of conflicts or inconsistencies between the terms of this contract and conditions as set forth in any of the appendices, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: (1) Colorado Special Provisions, (2) the remainder of this contract, and (3) the Appendices.
8. **Casualty and Eminent Domain.** If, at any time, during the term of this contract, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged or destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof, or to repayment of this loan. Any net proceeds remaining after such work has been completed or this loan has been repaid,

shall be retained by the BORROWER. If the net insurance proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds. In the event BORROWER chooses to repay the loan, BORROWER shall remain responsible for the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.

9. **Captions.** The captions and headings contained in this contract are for convenience and reference only and shall not be construed so as to define or limit the terms or provisions contracted herein.
10. **CWCB's Approval.** This contract requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER'S compliance with this contract and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER and any of its consultants, by preparing any such documents, shall be solely responsible for the accuracy and completeness of any of said documents.
11. **Waiver.** The waiver of any breach of a term of this contract shall not be construed as a waiver of any other term, or of any subsequent breach of the same term.
12. **Addresses for mailing.** All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

Colorado Water Conservation Board
Attn: Construction Fund Section
1313 Sherman Street, Room 721
Denver, CO 80203

PAID IN FULL

SPECIAL PROVISIONS (4/1/04 version). State Fiscal Rule 3-1 requires the inclusion of these Special Provisions in every STATE contract, including grants.

1. **CONTROLLER'S APPROVAL.** CRS 24-30-202 (1)

This contract shall not be deemed valid until it has been approved by the Controller of the State of Colorado or such assistant as he may designate.

2. **FUND AVAILABILITY.** CRS 24-30-202 (5.5)

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

3. **INDEMNIFICATION.**

To the extent authorized by law, the BORROWER 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 BORROWER, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract, or as a result of the CWCB's interest in the PROJECT facilities and any other property identified in Section 6 (Collateral) of the **Project Summary**.

5. NON-DISCRIMINATION.

The BORROWER agrees to comply with the letter and the spirit of all applicable state and federal laws respecting discrimination and unfair employment practices.

6. CHOICE OF LAW.

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.

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

7. VENDOR OFFSET. CRS 24-30-202 (1) & CRS 24-30-202.4

PAID IN FULL

Pursuant to CRS 24-30-202.4 (as amended), the State Controller may withhold debts owed to State agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 21, Title 39, CRS; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) owed amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

8. SOFTWARE PIRACY PROHIBITION Governor's Executive Order D 002 00

No State or other public funds payable under this Contract shall be used for the acquisition, operation, or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. The BORROWER hereby certifies that, for the term of this Contract and any extensions, the Borrower has in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that the BORROWER is in violation of this paragraph, the State may exercise any remedy available at law or equity or under

this Contract, including, without limitation, immediate termination of the Contract and any remedy consistent with United States copyright laws or applicable licensing restrictions.

9. EMPLOYEE FINANCIAL INTEREST. CRS 24-18-201 & CRS 24-50-507

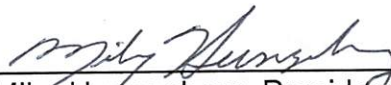
The signatories aver that to their knowledge, no employee of the State of Colorado has any personal or beneficial interest whatsoever in the service or property described herein.

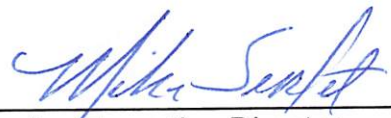
Revised: 4/1/04

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

BORROWER: The New Cache La
Poudre Irrigation Company, a Colorado
nonprofit corporation

State of Colorado
Bill Owens, Governor

By 
Mike Hungenberg, President

By 
For the Executive Director
Department of Natural Resources
Colorado Water Conservation Board
Rod Kuharich, Director

Attest

By 
Kenton Brunner, Secretary

Pre-Approved Form

By 
Janis Illian, CWCB Contract Manager

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid and no loan funds are available until the State Controller, or such assistant as he may delegate, has signed it.

Leslie M. Shenefelt, State Controller

By 

Effective Date 8-12-00

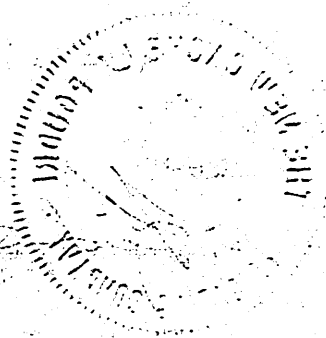
PAID IN FULL

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DATE 10/10/00

Project Summary – New Cache LaPoudre – Contract No. C150163

SECTION 1 –BORROWER INFORMATION

Name: The New Cache La Poudre Irrigating Company

Address: P. O. Box 104, Lucerne, CO 80646

Federal Identification No.: 84-0279140

Contact: Don Magnuson, Superintendent

Phone Number: 970-352-0222 Fax Number: 970-3520226

E-mail address: Don@newcache.com

Type of Entity: mutual ditch company, Colorado nonprofit corporation

Section 2 – Project Description

- A. Description of PROJECT: The BORROWER provides irrigation water to service approximately 35,000 acres in Larimer and Weld counties, and applied to the CWCB for a loan to be used for the construction of an equalizer reservoir, two additional storage reservoirs, and a pumping station and pipeline, hereinafter referred to as the PROJECT, at an estimated total cost of \$9,542,000.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report on the PROJECT compiled by Smith Geotechnical of Fort Collins, Colorado, entitled "*Feasibility Study for New Cache La Poudre Irrigation Company Reservoirs and Pipeline*" dated October 2003, which is incorporated herein by reference, and, based upon the feasibility report, the CWCB determined the PROJECT to be technically and financially feasible.

SECTION 3 – CWCB'S AUTHORITY

Construction Fund: This loan is made pursuant to the provisions of §§ 37-60-119 and 37-60-120, C.R.S., which authorize the CWCB to loan money for water projects from the CWCB Construction Fund for the benefit of the people of the state, provided that the borrower assures repayment of that money.

SECTION 4 - BOARD APPROVAL AND LEGISLATIVE AUTHORIZATION (IF NEEDED)

A. At its November 2003 meeting, the CWCB approved a Construction Fund loan to the BORROWER in an amount up to \$7,200,000 for PROJECT costs plus \$72,000 for the 1% loan service charge for a total loan amount of \$7,272,000, with repayment terms of 2.50% per annum for 30 years.

B. Pursuant to Bill HB 04-1221, Section 1(a), the Colorado General Assembly authorized CWCB to loan to the BORROWER an amount up to \$7,272,000 for the PROJECT

SECTION 5 – SCHEDULE OF EXISTING DEBT

The BORROWER has three existing loans: (1) The CWCB Loan Contract C153639L dated April 1, 1999, in the original principal amount of \$450,000. (2) The Cornish Plains Livestock, LLLP. The security for this loan is approximately 1,300 acres and no pledge of revenues. The CWCB's loan will retain senior position on the pledge of revenues and a second on the PROJECT as security. (3) The Colorado Community Bank of Greeley for approximately \$702,596. This loan, used to purchase property for the PROJECT, will be repaid with proceeds from the CWCB loan pursuant to legislative approval.

SECTION 6 - COLLATERAL

The collateral provided for this loan, as evidenced by the executed Deed of Trust, in the form attached as **Appendix 5** and incorporated herein, shall be an undivided one hundred percent (100%) interest in the real property upon, over and under which the Drury Reservoir, Cornish Plains Reservoir, Barnesville Reservoir, Jack Wells pumping station and pipeline will be constructed with loan proceeds, as more particularly described in the attached Deed of Trust ("Collateral").

SECTION 7 – ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

The Borrower can use the loan to refinance existing debt related to the Project, in accordance with CWCB approval and legislative approval in HB 04-1221.

SECTION 8 – CONSTRUCTION FUND PROGRAM PROCEDURES

- A. The BORROWER shall employ an engineer, registered in the state of Colorado to prepare plans and specifications for the PROJECT.
- B. The BORROWER's and the Engineering Consultant's Agreements and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this Contract when available prior to bidding. Any modifications to the plans and specifications must be approved in writing by the CWCB staff.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.
- D. CWCB staff must be present at bid opening and must approve the award of the construction contract.
- E. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, which said Construction Firms shall be selected by the BORROWER and found acceptable by the CWCB staff.
- F. The BORROWER must provide a copy of the executed construction contract documents consisting of the contractor's proposal, construction contract, performance bond, payment bond, notice of award, notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this contract, the BORROWER may issue the notice to proceed to the Construction Firms.
- G. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- H. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.
- I. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- J. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval and filing.
- K. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- L. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are

due.

- M. PROJECT-related expenses incurred prior to the Effective Date of this contract in accordance with the legislative approval of this loan.

SECTION 9 – ELIGIBLE EXPENSES. The following items are eligible for loan disbursements.

- A. Preparing final designs and specifications for the PROJECT.
- B. Preparing bid and construction contract documents.
- C. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- D. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- E. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.
- F. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.
- G. Engineering services for construction management, including design and construction management for CWCB-approved change orders.
- H. Interest during completion of the PROJECT pursuant to Paragraph A.4 of the Contract.
- I. Legal services for reviewing engineering services contracts, reviewing this Contract, reviewing construction contract documents, and for complying with all federal, state, and local regulatory requirements.
- J. Pay off existing loan to Colorado Community Bank of Greeley for a loan in the outstanding amount of approximately \$702,596 used to purchase property for this PROJECT.

SECTION 10 – DISBURSEMENT SCHEDULE

For Project costs: The BORROWER shall prepare a periodic progress report which contains a statement of the PROJECT costs expended for that period and shall forward said statement to the CWCB. After receipt of the periodic progress report from the BORROWER, and review and acceptance of the items therein as eligible expenses as described below, the CWCB will pay to the BORROWER the amount set forth in the report or such portion that has been approved by the CWCB. Such payment shall be made within thirty (30) days from the CWCB's approval of each progress report.

For loan payoffs: For loan disbursements to payoff existing debt described in Section 9.J, the BORROWER shall provide the CWCB with a request that includes the amount needed to pay in full each existing loan, the loan number and the name and address of the creditor and creditor contact. After review and acceptance of the request, the CWCB will pay to the BORROWER the amount set forth in the request. Payment of said request shall be made within thirty (30) days from the CWCB's approval of said request.

SECTION 11 – TIME FOR PERFORMANCE

PROJECT Beginning: Upon Effective Date of this Contract (the date this contract is signed by the State Controller or his designee).

PROJECT Finish: Seven (7) years from the Effective Date of this Contract

PROMISSORY NOTE

Date: July 1, 2004
Borrower: The New Cache La Poudre Irrigating Company
Principal Amount: \$7,272,000.00
Interest Rate: 2.5% per annum
Term of Repayment: 30 years
Loan Contract No.: C150163, dated July 1, 2004
Loan Payment: \$347,439.00
Payment Initiation Date*: _____
Maturity Date*: _____

* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a Security Agreement and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.
8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the

Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.

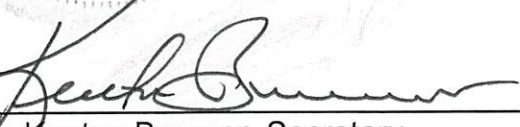
9. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: The New Cache La Poudre
Irrigation Company, a Colorado nonprofit
corporation

(SEAL)

By 
Mike Hungenberg, President

Attest

By 
Kenton Brunner, Secretary

PAID IN FULL

RESOLUTIONS OF THE SHAREHOLDERS OF THE NEW CACHE LA POUDE IRRIGATING COMPANY

The Shareholders of The New Cache La Poudre Irrigating Company (Company), at a Shareholders' meeting held January 14, 2004, at the Ebony Event Center, 3313 11th Avenue, Evans, Colorado, adopted the following resolutions concerning a secured loan from the State of Colorado Water Conservation Board (CWCB), for construction of an equalizer reservoir, two storage reservoirs, a pump station and pipeline in the amount of \$7,272,000 or such actual amount, more or less, as may be needed by the Company and available from the CWCB including the CWCB loan origination fee of 1% of the loan amount.

At said meeting, the Shareholders charged that these resolutions are irrevocable during the term of the loan and, pursuant to the Company's bylaws, authorized the Board of Directors and officers, RESOLVED as follows:

1. to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of \$7,272,000, or such actual amount, more or less, as needed to finance the project costs, including the CWCB loan origination fee of 1%, and
2. to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. to pledge the project constructed with CWCB loan proceeds including the equalizer reservoir, two storage reservoirs, and a pumping station and pipeline, as collateral for the loan and execute all documents, including a deed of trust, necessary to convey a security interest in said property to the CWCB, and
6. to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement and a Promissory Note, and
7. to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

CERTIFICATION

THE UNDERSIGNED, RESPECTIVELY, THE PRESIDENT AND SECRETARY OF THE COMPANY, HEREBY CERTIFY THAT THE FOREGOING ARE TRUE AND CORRECT COPIES OF RESOLUTIONS DULY ADOPTED AT A MEETING OF THE COMPANY'S SHAREHOLDERS DULY CALLED AND HELD AS ABOVE RECITED, PURSUANT TO THE COMPANY'S BYLAWS, AND THAT SAID RESOLUTIONS HAVE NOT BEEN AMENDED OR RESCINDED.

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 14TH DAY OF JANUARY, 2004.

(SEAL)

By 
Mike Hungenberg, President

ATTEST:

By 
Kenton Brunner, Corporate Secretary

**RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE NEW CACHE LA POUDE IRRIGATING COMPANY**

The Board of Directors of The New Cache La Poudre Irrigating Company (Company), a meeting held January 7, 2004, at 33040 Railroad Avenue, Lucerne, Colorado, adopted the following resolutions concerning a secured loan from the State of Colorado Water Conservation Board (CWCB), for the purpose of construction of an equalizer reservoir, two storage reservoirs, a pump station and pipeline in the amount of \$7,272,000 or such actual amount, more or less, as may be needed by the Company and available from the CWCB including the CWCB loan origination fee of 1% of the loan amount.

At said meeting, the Board charged that these resolutions are irrevocable during the term of the loan and, pursuant to the Company's bylaws, authorized the President and Corporate Secretary, RESOLVED as follows.

1. to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of \$7,272,000, or such actual amount, more or less, as needed to finance the project costs, including the CWCB loan origination fee of 1%, and
2. to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. to pledge the project constructed with CWCB loan proceeds, including the equalizer reservoir, two storage reservoirs, and a pumping station and pipeline, as collateral for the loan and execute all documents, including a deed of trust, necessary to convey a security interest in said property to the CWCB, and
6. to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement and a Promissory Note, and
7. to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

CERTIFICATION

THE UNDERSIGNED, THE PRESIDENT AND THE CORPORATE SECRETARY HEREBY CERTIFY THAT THE FOREGOING ARE TRUE AND CORRECT COPIES OF RESOLUTIONS DULY ADOPTED AT A MEETING OF THE COMPANY'S BOARD OF DIRECTORS DULY CALLED AND HELD AS ABOVE RECITED, PURSUANT TO THE COMPANY'S BYLAWS, AND THAT SAID RESOLUTIONS HAVE NOT BEEN AMENDED OR RESCINDED.

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 7TH DAY OF JANUARY, 2004.

(SEAL)

ATTEST:

By Kenton Brunner
Kenton Brunner, Corporate Secretary

By Mike Hungenberg
Mike Hungenberg, President



3231211 10/28/2004 02:46P Weld County, CO
1 of 3 R 16.00 D 0.00 Steve Moreno Clerk & Recorder

Deed of Trust

DATE: July 1, 2004
GRANTOR: NEW CACHE LA Poudre IRRIGATING COMPANY
BENEFICIARY: COLORADO WATER CONSERVATION BOARD
COUNTY: WELD
PRINCIPAL LOAN AMOUNT: \$7,272,000
LOAN CONTRACT: Loan Contract No. C150163, dated July 1, 2004
TERMS OF REPAYMENT: 2.50% per annum for 30 years
COLLATERAL: An undivided one-hundred percent interest in certain real property consisting of approximately 1300 acres more particularly described in the attachment hereto (Attachment 1), upon, over and under which the Drury Reservoir, Cornish Plains Reservoir, Barnesville Reservoir, Jack Wells pumping station and pipeline will be constructed, together with all improvements thereon, including but not limited to gates, ditches (including full access to and use of the Greeley No. 2 ditch as historically used by the GRANTOR for operating and delivery of water to the reservoirs), canals, and all other structures and fixtures, and any easements, rights-of-way, or other property or property interests held and used in connection with the operation of said reservoirs, pumping station, and pipeline.

This indenture is between the GRANTOR, and the Public Trustee of the above referenced COUNTY, State of Colorado ("PUBLIC TRUSTEE"),

Factual Recitals

1. The GRANTOR has executed a Promissory Note of even date and amount, set forth in the LOAN CONTRACT, for a loan in the PRINCIPAL LOAN AMOUNT to be repaid to the BENEFICIARY, with TERMS OF REPAYMENT and in accordance with the Promissory Note or until loan is paid in full.
2. The GRANTOR is desirous of securing payment of the PRINCIPAL LOAN AMOUNT and interest of said Promissory Note to the BENEFICIARY.

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, the above described COLLATERAL.

To have and to hold the same, together with all appurtenances, in trust nevertheless, that in case of default in the payment of said Promissory Note, or any part thereof, or the interest thereon, or in the performance of any covenants hereinafter set forth or in said Promissory Note or LOAN CONTRACT, then upon the BENEFICIARY filing notice of election and demand for sale, said PUBLIC TRUSTEE, after advertising notice of said sale weekly for not less than four weeks in some newspaper of general circulation in said COUNTY, shall sell said COLLATERAL in the manner provided by law in effect at the time of filing said notice and demand, at public auction for cash, at any proper place designated in the notice of sale. Out of the proceeds of said sale, the PUBLIC TRUSTEE shall retain or pay first all fees, charges and costs and all moneys advanced for taxes, insurance and assessments, or on any prior encumbrance, with interest thereon and pay the principal and interest due on said Promissory Note, rendering the overplus, if any, unto the GRANTOR; and after the expiration of the time of redemption, the PUBLIC TRUSTEE shall execute and deliver to the purchaser a deed to the COLLATERAL sold. The BENEFICIARY may purchase said COLLATERAL or any part thereof at such sale.

The GRANTOR covenants that at the time of the delivery of these presents, it is well seized of the COLLATERAL in fee simple, and has full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid. The GRANTOR fully waives and releases all rights and claims it may have in or to said COLLATERAL as a Homestead Exemption or other exemption, now or hereafter provided by law. The



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GRANTOR further covenants that the collateral is free and clear of all liens and encumbrances whatever and that the GRANTOR shall warrant and forever defend the COLLATERAL 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.

Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the COLLATERAL; any and all amounts due on account of the principal and interest or other sums on any senior encumbrances, if any; and will keep the COLLATERAL insured in accordance with the requirements of the LOAN CONTRACT. In the event of the sale or transfer of the COLLATERAL, the BENEFICIARY, at its option, may declare the entire balance of the note immediately due and payable.

In case of default in any of said payments of the principal or interest, according to the terms of said Promissory Note or LOAN CONTRACT, by the GRANTOR, its successors or assigns, then said principal sum hereby secured, and interest thereon, may at once, at the option of the BENEFICIARY, become due and payable, and the said COLLATERAL 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 Promissory Note and LOAN 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)

The New Cache La Poudre Irrigation Company, a
Colorado nonprofit corporation

By Mike Hungenberg
Mike Hungenberg, President

Attest

By Kenton Brunner
Kenton Brunner, Secretary

PAID IN FULL

County of Weld)
State of Colorado) SS

The foregoing instrument was acknowledged before me this 2nd day of July 2004, by Mike Hungenber and Kenton Brunner, as President and Secretary, respectively, of The New Cache La Poudre Irrigating Company. Witness my hand and official seal.



Barbara A. Perusch Notary Public

Return recorded deed of trust to: CWCB Finance Section, Attn: Jan Illian, 1580 Logan Street, Suite 750, Denver CO 80203 (Phone Number 303-866-3462)



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ATTACHMENT 1 TO DEED OF TRUST DATED JULY 1, 2004

GRANTOR: NEW CACHE LA POUDRE IRRIGATING COMPANY

Description of collateral:

A tract of land located in the W1/2 of Section 4, E1/2 of Section 5, Section 8, W1/2 of Section 9, and NE1/4NW1/4 of Section 17, Township 6 North, Range 63 West of the 6th P.M., County of Weld, State of Colorado, being more particularly described as:

Considering the North line of the NW1/4 of said Section 4 to bear South 89 degrees 58 minutes 45 seconds East, and all bearings contained herein being relative thereto:

Beginning at the Northwest corner of said Section 4;
thence South 89 degrees 58 minutes 45 seconds East, 1334.14 feet to the West One-Sixteenth (W1/16) Corner of said Section 4 and Section 33, Township 7 North, Range 63 West of the 6th P.M.;
thence South 00 degrees 05 minutes 44 seconds West, 653.14 feet to the Center North Northwest One Sixty-Fourth (C-N-NW 1/64) corner of said Section 4;
thence South 45 degrees 33 minutes 43 seconds East, 930.89 feet to the Center-East Northwest One-Sixty-Fourth (C-E-NW 1/64) corner;
thence North 89 degrees 52 minutes 50 seconds East, 665.75 feet to the Center-North One-Sixteenth (C-N 1/16) corner of said Section 4;
thence South 00 degrees 12 minutes 42 seconds West, 1318.53 feet to the Center One-Quarter (C 1/4) corner of said Section 4;
thence South 00 degrees 12 minutes 42 seconds West, 2637.06 feet to the South One-Quarter (S1/4) of said Section 4;
thence along the East line of the NW1/4 of said Section 9, South 00 degrees 50 minutes 37 seconds West, 2141.61 feet to a point on the North rights-of-way line of Highway No. 392, in Book 922 as Reception No. 1843691;
thence along said right-of-way, South 45 degrees 44 minutes 01 seconds West, 3791.07 feet to a point on a curve to the right which has a delta angle of 13 degrees 55 minutes 54 seconds, a radius of 3737.56 feet, the chord of which bears South 52 degrees 41 minutes 59 seconds West, 906.57 feet to a point on the North line of the NE1/4 of said Section 17;
thence along the North line of the NE1/4 of said Section 17, South 89 degrees 03 minutes 13 seconds West, 1874.03 feet to the North One-Quarter of said Section 17;
thence along the East line of the NW1/4 of said Section 17, South 00 degrees 02 minutes 21 seconds West, 711.84 feet to a point on the North right-of-way line of Highway No. 392, in Book 922 as Reception No. 1843691;
thence along said right-of-way, South 69 degrees 06 minutes 37 seconds West, 1405.49 feet;
thence leaving the North right-of-way line of Highway No. 392, North 00 degrees 01 minutes 29 seconds West, 1191.28 feet to the West One-Sixteenth corner (W1/16) of Sections 8 and 17;
thence North 00 degrees 24 minutes 46 seconds East, 1327.23 feet to the Southwest One-Sixteenth (S-W 1/16) corner of said Section 8;
thence along the East line of the NW1/4SW1/4 of said Section 8, North 00 degrees 24 minutes 46 seconds East, 111.34 feet;
thence leaving the East line of the NW1/4SW1/4 of said Section 8, South 89 degrees 52 minutes 47 seconds West, 443.62 feet;
thence North 39 degrees 00 minutes 32 seconds West, 837.12 feet;
thence North 33 degrees 24 minutes 16 seconds West, 616.64 feet to a point on the West line of the NW1/4SW1/4 of said Section 8;
thence along the West line of the NW1/4SW1/4 of said Section 8, North 00 degrees 18 minutes 55 seconds East, 32.61 feet to the West Quarter corner of said Section 8;
thence North 00 degrees 17 minutes 57 seconds East, 2656.03 feet to the Northwest corner of said Section 8;
thence North 89 degrees 17 minutes 20 seconds East, 2647.19 feet to the North Quarter corner of said Section 8;
thence North 00 degrees 02 minutes 55 seconds West, 2648.66 feet to the Center One-Quarter (C 1/4) corner of said Section 5;
thence North 89 degrees 09 minutes 13 seconds East, 1324.30 feet to the Center-East One-Sixteenth (C-E 1/16) corner of said Section 5;
thence North 00 degrees 02 minutes 04 seconds West, 1327.73 feet to the North-East One-Sixteenth (N-E 1/16) corner of said Section 5;
thence North 00 degrees 02 minutes 04 seconds West, 1313.66 feet to the East One-Sixteenth corner of said Section 5 and Section 32, Township 7 North, Range 63 West of the 6th P.M.;
thence North 89 degrees 20 minutes 36 seconds East, 1324.90 feet to the Point of Beginning.