



COLORADO

Colorado Water Conservation Board

Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203

September 21, 2021

Mesa County Public Trustee
Department 5027
P.O. Box 20,000
Grand Junction, CO 81502

Subject: Releases of Deeds of Trust
Contract No. C150234

This refers to the attached Requests for Full Release of Deeds of Trust relative to an agreement between Headgate 396 Lateral Corporation and the Colorado Water Conservation Board (CWCBC). Also attached for your handling are the original Deed of Trusts along with the Promissory notes stamped "PAID IN FULL". Payments in the amount of \$28.00 each (total check for \$56.00), for fees, is enclosed along with these documents. The original documents should be returned to CWCBC in the enclosed self-addressed stamped envelope.

Should you have any questions, please contact me. Thank you for your assistance in this matter.

Sincerely,

Jessica Halvorsen
Loan & Grant Program Assistant
Finance Section
jessica.halvorsen@state.co.us
303-866-3441 X3247

Enclosures



Original Note and Deed of Trust Returned to:
WHEN RECORDED RETURN TO:
CWCB
1313 Sherman Street, Room 718
Denver, CO 80203
Prepared/Received by: Jessica Halvorsen

REQUEST FOR FULL ☒ / PARTIAL ☐
RELEASE OF DEED OF TRUST AND RELEASE BY OWNER OF INDEBTEDNESS WITH PRODUCTION OF EVIDENCE
OF DEBT PURSUANT TO § 38-39-102 (1) (a), COLORADO REVISED STATUTES

September 1, 2021	Date
The Headgate 396 Lateral Corporation	Original Grantor (Borrower)
P.O. Box 3724	Current Address of Original Grantor,
Grand Junction, CO 81502	Assuming Party, or Current Owner
<input type="checkbox"/> Check here if current address is unknown	
Colorado Water Conservation Board	Original Beneficiary (Lender)
February 26, 2007	Date of Deed of Trust
April 17, 2007	Date of Recording and/or Re-Recording of Deed
2375418	of Trust
County Rept. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.	Recording Information

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

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

Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Ste. 718 Denver, CO 80203
Name and Address of Current Owner, Holder of the Indebtedness and Successor in Interest from the Department of Natural Resources, Secured by Deed of Trust

Kirk Russell, Finance Section Chief, CWCB, 1313 Sherman Street, Ste. 718 Denver, CO 80203
Name, Title and Address of Officer, Agent, or Attorney of Current Owner and Holder

Signature/Date 9/2/21

State of Colorado, County of Denver
The foregoing Request for Release was acknowledged before me on September 2, 2021 (date) by*
Kirk Russell
Finance Section Chief
Date Commission Expires May 18, 2024
*If applicable, insert title of officer and name of current owner and holder

Notary Public

Witness my hand and official seal

LAUREN CASS MIREMONT
Notary Public
(Notar) State of Colorado
Notary ID # 20104038240
My Commission Expires 05-18-2024

RELEASE OF DEED OF TRUST

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

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

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

(Public Trustee use only; use appropriate label) (Public Trustee's Seal)

Public Trustee

Deputy Public Trustee

(If applicable: Notary Seal)

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

LAUREN CASS MIREMONT
Notary Public
State of Colorado
Notary ID # 2018036340
My Commission Expires 08-18-2024

Deed of Trust

DATE: February 26, 2007
GRANTOR: THE HEADGATE 396 LATERAL CORPORATION
BENEFICIARY: COLORADO WATER CONSERVATION BOARD
COUNTY: MESA
PRINCIPAL LOAN AMOUNT: \$232,300
LOAN CONTRACT: Loan Contract No. C150234, dated February 26, 2007
TERMS OF REPAYMENT: 2.50% per annum for 30 years
COLLATERAL: An undivided 100 percent interest in any rights to the 396 Lateral that the Grantor holds, including approximately 7,000 feet of pipeline commencing at the Headgate ML-396, Mesa County, Colorado, and any easements, rights-of-way, or other property or property interests held and used in connection with the access and operation of said ditch.

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 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.

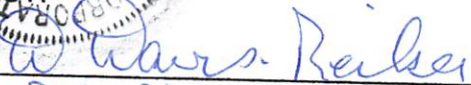
In case of default in any of said payments of the principal or interest, according to the terms of said Promissory Note or LOAN CONTRACT, by the GRANTOR, its successors or assigns, then said principal sum hereby secured, and interest thereon, may at once, at the option of the BENEFICIARY, become due 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 Headgate 396 Lateral Corporation, a
Colorado nonprofit corporation

By 
Dave McDonald, President

By 
Diana Davis-Reiber, Secretary - Treasurer

County of Mesa

State of Colorado

)
) SS
)

Appendix 5 to Loan Contract C150234

...in the ... of the ... and ... to ...
... and ... in the ... as ...
... and ... of the ... as a ...
... of the ... by ...
... of the ... and ...
... of the ... in the ...
... of the ... against all and every person or
person lawfully claiming or to claim the whole or any part thereof.

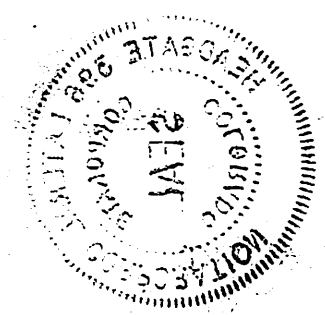
Until payment in full of the indebtedness, the ... and ... shall pay all taxes and
assessments levied on the ... and of ... and of ... of the ...
and interest on any ... and ... and will keep the ...
in accordance with the ... of the ... in the ... of the ...
of the ... the ... may decide the entire ... of the
note ... and ...

In case of default in any of the ... of the ... or ... or ...
... of the ... by the ... its ... or ...
... and ... and ... of the ... of the ...
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It is further understood and agreed that if a ... of a ... of the ...
... the ... the ... will pay the ... of the ...
... and ... and ... and ...
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... and ... and ... and ...
... and ... and ... and ...
... and ... and ... and ...

Executed the day and date first written above
The ... and ... Corporation a
... Corporation

By _____
Dave McDonald, President



By _____
Secretary-Treasurer

County of _____
State of _____

Attest: _____
Notary Public

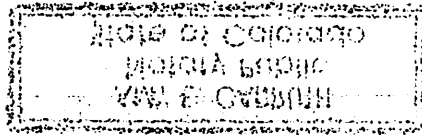
The foregoing instrument was acknowledged before me this 22 day of February 2007, by Dave McDonald and ^{Diana Davis}~~Reiber~~, as President and Secretary - Treasurer, respectively, of The Headgate 396 Lateral Corporation. Witness my hand and official seal.

My commission expires 7/25/09  Notary Public

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

RECEIVED
THE CHIEF OF POLICE

2nd
Colo. Water Conservation Board
1580 Logan St. #750
Denver 80203



15.00-1.00

PROMISSORY NOTE

Date: February 26, 2007
Borrower: The Headgate 396 Lateral Corporation
Principal Amount: \$232,300
Interest Rate: 2.50% per annum
Term of Repayment: 30 years
Loan Contract No.: C150234, dated February 26, 2007
Loan Payment: \$11,098.75
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

Appendix 2 to Loan Contract C150234

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.

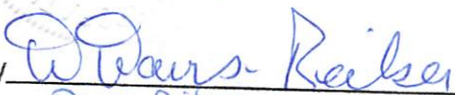
9. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection 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 Headgate 396 Lateral Corporation

By 
Dave McDonald, President

Attest:

By 
Dana Davis-Reiber, Secretary - Treasurer

PAID IN FULL

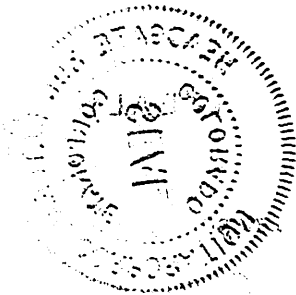
principal balance of the Note, all accrued interest and any outstanding late charges immediately due and payable and the interest shall bear interest at the rate of 7% per annum from the date of default. The LENDER shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice. If the BORROWER fails to cure the default within the time specified in this Promissory Note.

3. The BORROWER and any co-signer or guarantor hereby agree that if the Note or interest thereon is not paid when due or if suit is brought thereon it shall pay all reasonable costs of collection, including reasonable attorney fees, in the event of any penalty 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 Headgate 398 Lateral
 Corporation

By David McDonald
 Dave McDonald, President



By John J. McQuinn
 John J. McQuinn, Secretary - Treasurer

Original Note and Deed of Trust Returned to:
WHEN RECORDED RETURN TO:
CWCB
1313 Sherman Street, Room 718
Denver, CO 80203
Prepared/Received by: Jessica Halvorsen

REQUEST FOR FULL ☒ / PARTIAL ☐
RELEASE OF DEED OF TRUST AND RELEASE BY OWNER OF INDEBTEDNESS WITH PRODUCTION OF EVIDENCE
OF DEBT PURSUANT TO § 38-39-102 (1) (a), COLORADO REVISED STATUTES

September 1, 2021	Date
Headgate 396 Lateral Corporation	Original Grantor (Borrower)
P.O. Box 3724	Current Address of Original Grantor,
Grand Junction, CO 81502	Assuming Party, or Current Owner
<input type="checkbox"/> Check here if current address is unknown	
Colorado Water Conservation Board	Original Beneficiary (Lender)
April 1, 2008	Date of Deed of Trust
July 11, 2008	Date of Recording and/or Re-Recording of Deed
2448340	of Trust
County Rept. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.	Recording Information

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

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

Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Ste. 718 Denver, CO 80203
Name and Address of Current Owner, Holder of the Indebtedness and Successor in Interest from the Department of Natural Resources, Secured by Deed of Trust

Kirk Russell, Finance Section Chief, CWCB, 1313 Sherman Street, Ste. 718 Denver, CO 80203
Name, Title and Address of Officer, Agent, or Attorney of Current Owner and Holder

State of Colorado, County of Denver
The foregoing Request for Release was acknowledged before me on September 2, 2024 (date) by*
Kirk Russell
Finance Section Chief

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

Signature/Date
9/2/24

Notary Public
Witness my hand and official seal

LAUREN CASS MIREMONT
(Notary Seal)
Notary Public
State of Colorado
Notary ID # 20104038240
My Commission Expires 05-18-2024

RELEASE OF DEED OF TRUST

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

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

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

(Public Trustee use only; use appropriate label) (Public Trustee's Seal)

Public Trustee

Deputy Public Trustee

(If applicable: Notary Seal)

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

LAUREN CASS M REMONT
Notary Public
State of Colorado
Notary ID #2010038140
My Commission Expires 08-18-2024

Amendment No. 1 to Deed of Trust

Date: April 1, 2008
Grantor (Borrower): Headgate 396 Lateral Corporation
Beneficiary (Lender): Colorado Water Conservation Board
Date of Deed of Trust: February 26, 2007
Recording Date of Deed of Trust: April 17, 2007
County of Recording ("County"): Mesa
Deed of Trust Recording Information: 2375418, BK 4402, PG 839 (3 pages)
Loan Contract: C150234, dated February 26, 2007,
amended April 1, 2008
Promissory Note: \$128,991.20, 2.5%, 30 years, dated
April 1, 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.

Based upon a principal payment made by Grantor from funds delivered from the United States Department of Agriculture, the principal amount of the loan has been reduced.

Grantor and Beneficiary have agreed to amend the Original Deed of Trust to \$43,322.34 to reflect the revised principal and annual loan payment amount.

NOW THEREFORE, the CWCB and Grantor agree that:

1. The second full paragraph of the Original Deed of Trust is hereby amended to read as follows:

The Grantor has executed a Promissory Note dated April 1, 2008, to secure the repayment of the indebtedness evidenced by Contract No. C150234 dated August 8, 2005, as amended on April 1, 2008, for the total principal sum of \$128,991.20, 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 30 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.


Appendix C to Loan Contract C150234 Amendment No. 1

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: Headgate 396 Lateral Corporation

(SEAL)

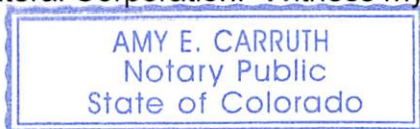
By 
David Snapp, President

ATTEST:

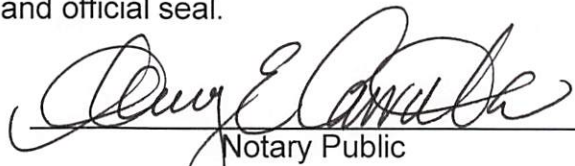
By 
David McDonald, Secretary

State of Colorado)
County of Mesa) ss.

The foregoing instrument was acknowledged before me on April 30, 2008, by David Snapp as President and David McDonald as Secretary of the Headgate 396 Lateral Corporation. Witness my hand and official seal.



My Commission Expires July 25, 2009


Notary Public

My commission expires 07/25/2009

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

PROMISSORY NOTE

Date: April 1, 2008

Borrower: Headgate 396 Lateral Corporation

Principal Amount: \$128,991.20

Interest Rate: 2.50% per annum

Term of Repayment: 30 years

Loan Contract No.: C150234, dated February 26, 2007

Loan Payment: \$6,162.90

Payment Initiation Date: December 1, 2007

Maturity Date: December 1, 2037

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 February 26, 2007, in the principal amount of \$232,300.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation, 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 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

PAID IN FULL

Appendix A to Loan Contract C150234 Amendment No. 1

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.

(SEAL)

Attest:

By 
David McDonald, Secretary

BORROWER: Headgate 396 Lateral Corporation

By 
David Snapp, President

PAID IN FULL