



COLORADO

Colorado Water Conservation Board

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

October 20, 2021

North Poudre Irrigation Company
PO Box 1008
Wellington, CO 80549

Subject: Loan Contract No. C-153385
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the North Poudre Irrigation Company, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C-153385. The documents have been stamped "PAID IN FULL" denoting that the Company has satisfied the terms of the agreement in full.

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



✓ COLORADO WATER CONSERVATION BOARD
DEPT. OF NATURAL RESOURCES
1313 SHERMAN ST., RM 721
DENVER, CO 80203

Deed of Trust

This indenture, made this 1st day of October 2001, between The North Poudre Irrigation Company, whose address is 3729 Cleveland Avenue, P.O. Box 100, Wellington, Colorado 80549, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Larimer, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

Witnesseth, that whereas, GRANTOR has executed Contract No. C153385, dated May 1, 1982, as amended, ("Contract") for a loan in the amount of \$1,331,703.71 with loan contract performance obligations to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, and

And whereas, the GRANTOR is desirous of securing the performance of these loan contract obligations under said Loan Contract to the State of Colorado.

Now, therefore, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: the Fossil Creek Reservoir and Dam, located in Sections 10 and 15, Township 6 North, Range 68 West, of the 6th PM in the County of Larimer, State of Colorado, collectively or hereinafter referred to as the "Property."

To have and to hold the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said county, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of

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redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

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

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

And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request and on refusal, the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or

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any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

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

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

Executed the day and date first written above.

The North Poudre Irrigation Company,
a Colorado nonprofit corporation

By Gary E. Simpson
Gary Simpson, President

ATTEST

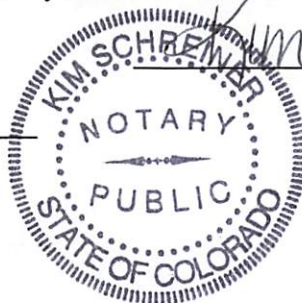
By Sharon Seaworth
Sharon Seaworth, Corporate Secretary

State of Colorado)
County of LARIMER) SS

The foregoing instrument was acknowledged before me this 3rd day of October 2001, by Gary Simpson and Sharon Seaworth as President and Secretary, respectively, of The North Poudre Irrigation Company. Witness my hand and official seal.

My commission expires: 3/31/04

Kim Schreiner
Notary Public



AGENCY NAME: Water Conservation Board
AGENCY NUMBER: PDA
ROUTING NUMBER: 02 PDA 00030

Contract Amendment No. 2

THIS AMENDMENT, made this 1st day of October 2001, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board (CWCB), hereinafter referred to as the STATE, and The North Poudre Irrigation Company, a Colorado nonprofit corporation, 3729 Cleveland Avenue, P.O. Box 100, Wellington, Colorado 80549, hereinafter referred to as the CONTRACTOR.

Factual Recitals

- A. Authority exists in the law, and funds have been budgeted, appropriated, and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, Contract Encumbrance Number C153385.
- B. Required approval, clearance, and coordination has been accomplished from and with appropriate agencies.
- C. The State and the Contractor entered into a contract dated May 1, 1982, Contract Encumbrance Number C153385, and amended on May 1, 1985, hereinafter referred to as the Original Contract and incorporated herein by reference, wherein the State agreed to loan money in the total amount of \$1,331,703.71 and the Contractor agreed to repay the loan in accordance with the terms of the Original Contract.
- D. At its January 27, 1999 meeting, the CWCB approved a loan to the Contractor for rehabilitation projects on Reservoir No. 4, Reservoir No. 5, and Indian Creek Reservoir in an amount up to \$1,107,000, at an interest rate of 4.04% per annum for a duration of 20 years. As a condition of its approval of that loan, the Board requested that the Contractor provide substitute collateral to better secure the principal balance on four existing Construction Fund loans with contract nos. C153385, C153449, C153496, and C153572.
- E. The parties agree to amend the contract to provide the substitute collateral and to secure it with a Deed of Trust.

NOW THEREFORE, it is hereby agreed that

- 1. Consideration for this Amendment to the Original Contract consists of the payments which shall be made pursuant to this Amendment and the Original Contract, as amended, and the promises and agreements herein set forth.

2. It is expressly agreed by the parties that this Amendment is supplemental to the Original Contract, as amended, 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.
3. It is agreed the Original Contract is and shall be modified, altered, and changed in the following respects only:

- a. Paragraph A.5 is modified by the addition of the following sentence:

The CWCB hereby agrees to execute a quit claim deed, attached hereto as **Appendix 1** and incorporated herein, to convey the property as described on said quit claim deed back to the Contractor in consideration of the Contractor providing substitute collateral to assure repayment of the loan.

- b. Paragraph A.5 is modified by the addition of the following paragraph:

Part of the security provided for this loan, as evidenced by the Deed of Trust, executed by the Contractor, attached as **Appendix 2** and incorporated herein, shall be an undivided one hundred percent (100%) interest in the Fossil Creek Reservoir and Dam, as more particularly described in the attached Deed of Trust, hereinafter referred to as "collateral."

- c. Paragraph A.12 is replaced by the following:

The Contractor promises to pay the State the principal sum of One Million Three Hundred Thirty One Thousand Seven Hundred Three and 71/100 Dollars (\$1,331,703.71) plus interest at the rate of five percent (5%) per annum for a term of forty (40) years. Principal and interest shall be payable in equal installments of \$77,611.69, with the first payment due and payable May 1, 1985, and annually thereafter until all principal and interest have been paid in full, with all such principal and interest required to be paid within 40 years. Payments shall be made payable to the Colorado Water Conservation Board and mailed to 1313 Sherman Street, Room 721, Denver, Colorado 80203. The outstanding loan amount 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. All payments received shall be applied first to accrued interest and then to reduce the principal amount. As of the date of this amendment, the outstanding principal balance on this loan was \$1,046,848.28.

- d. Paragraph I of the Original Contract is revised to read as follows:

Upon complete repayment to the STATE of the entire principal and all accrued interest, the STATE agrees to execute a release of deed of trust to convey to the CONTRACTOR all of the STATE'S right, title, and interest in and to the property described in the Deed of Trust.

- e. The Special Provisions are amended by the addition of the following:

10. 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 22, 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.

4. 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 OR THE AMENDMENT NO. 1, 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.
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.
6. This amendment shall not be deemed valid or effective until it shall have been approved by the Controller of the State of Colorado or his designee.

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

CONTRACTOR: The North Poudre Irrigation Company, a Colorado nonprofit corporation

By Gary E. Simpson
Gary Simpson, President

Federal ID Number: 84-0281680

Attest (Seal)

By Sharon Seaworth
Sharon Seaworth, Corporate Secretary

State of Colorado
Bill Owens, Governor

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

PAID IN FULL

APPROVALS

KEN SALAZAR, ATTORNEY GENERAL

By Robert D. Lowe

Arthur L. Barnhart, STATE CONTROLLER

By Angela Anderson

Effective Date 11/16/09

✓ COLORADO WATER CONSERV. BOARD
DEPT. OF NATURAL RESOURCES
1313 SHERMAN ST., RM 721
DENVER, CO 80203

STATE DOCUMENTARY FEE
EXEMPT

QUIT CLAIM DEED ATTN: STEVE BIONDO

The Colorado Water Conservation Board ("Grantor"), whose address is 1313 Sherman Street, Room 721, Denver, Colorado, 80203, City and County of Denver, State of Colorado, hereby quit claims to The North Poudre Irrigation Company ("Grantee"), whose address is P. O. Box 100, Wellington, County of Larimer, State of Colorado, the following property, previously deed to the Grantor under Contract C153385, dated May 1, 1982, to wit: an undivided 50% interest in the following:

- a. 225,000± cu. yds. of earthfill in the core, embankment, and breach between Stations 0+00 and 39+75
- b. 27,810± tons of riprap in the main embankment between Stations 0+00 and 39+75
- c. 11,350± tons of gravel for pit run and road surface in the main embankment between stations 0+00 and 39+75
- d. 314± cu. yds. of reinforced concrete in the outlet works at Station 19+44
- e. 229± linear feet of 54-inch reinforced concrete pipe in the outlet works at Station 19+44
- f. Three stop logs in the outlet works at Station 19+44
- g. 140± square feet of trash racks in the outlet works at Station 19+44
- h. a 14x11 foot building, 8-feet high, located at the outlet works at Station 19+44
- i. 2 36-inch-square cast iron slide gates in the outlet works at Station 19+44
- j. 499± cu. yds of concrete in the spillway between Stations 51+50 and 69+40
- k. 18,000± cu. yds. of earthfill in the spillway between Stations 51+50 and 69+40
- l. 23± acres of land for right-of-way in the spillway between Stations 51+50 and 69+40
- m. 33,000± cu. yds. of earthfill in the north freeboard dike between Stations 0+00 and -20+00
- n. 2.7± acres of land for right-of-way in the north freeboard dike between Stations 0+00 and -20+00

All of the above are in the area of the Fossil Creek dam in Sections 10 and 15, Township 6 North, Range 68 West, in the County of Larimer, State of Colorado.

Executed this 18th day of October 2001.

GRANTOR: STATE OF COLORADO
Bill Owens, Governor
Acting by and through the
Colorado Water Conservation Board

By Rod Kuharich
Rod Kuharich, Director

STATE OF COLORADO)

) ss.

CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 18th day of October, 2001, by Rod Kuharich, as Director of the Colorado Water Conservation Board, on behalf of the State of Colorado. Witness my hand and official seal.

Catherine Gonzales
Notary Public

My commission expires My Commission Expires August 3, 2003

Appendix 1 to Contract C153385 Amendment No. 2

COPY

\$5.00
\$0.00

RCPTN # 2001115704 12/18/2001 12:02:00 # PAGES 1 FEE -
M RODENBERGER RECORDER, LARIMER COUNTY CO STATE DOC FEE -

CLERKS NOTE
NO REAL PROPERTY DECLARATION RECEIVED
BY COUNTY CLERK OFFICE

WARRANTY DEED

The North Poudre Irrigation Company
(Grantor(s))

whose address is 3729 Cleveland Avenue, Wellington

*County of Larimer, State of

Colorado, for good and valuable ~~for the consideration of~~
consideration

~~do hereby sell and~~ hereby sell(s)

and convey(s) to State of Colorado for the use and benefit of the Department of
Natural Resources (Colorado Water Conservation Board)
whose legal address is 721 State Centennial Building, 1313 Sherman Street

City and County of Denver, and State of Colorado

the following real property in the County of Larimer, and State of

Colorado, to wit:

See attached Exhibit A, which is incorporated by reference as though fully
set forth herein.

The property described is owned by The North Poudre Irrigation Company and
is part of the Fossil Creek Dam and improvements thereto in Sections 10 and
15, Township 6 N, Range 68W.

This deed is per contractual requirement between North Poudre and The
Colorado Water Conservation Board and property is to be re-conveyed to North
Poudre when contractual obligations are complete.

~~also known by street and number as~~

with all its appurtenances, and warrant(s) the title to the same, ~~subject to~~

PAID IN FULL

Signed this 4th day of December, 1985

The North Poudre Irrigation
Company

By: Robert L. Stieben - Pres.
President

ATTEST:

Ben Dumler - Sec. Mgr.
Secretary/Manager

STATE OF COLORADO,

County of Larimer

ss.

The foregoing instrument was acknowledged before me in the County of Larimer
State of Colorado, this 4th day of December, 1985, by Robert L. Stieben,
President and Ben Dumler, Secretary/Manager.

My commission expires

Witness my hand and official seal.

My Commission Expires January 19, 1988
160 W. Mountain Ave., Fort Collins, CO 80524

Alden V. Hill
Notary Public

160 W. Mountain Ave
Address
Fort Collins, Colo. 80521

*If in Denver, insert "City and "

Exhibit A

An undivided fifty percent (50%) of the following:

a. Two hundred twenty-five thousand plus or minus (225,000±) cubic yards of earthfill in the core, embankment, and breach between Stations 0+00 and 39+75.

b. Twenty-seven thousand eight hundred ten plus or minus (27,810±) tons of riprap in the main embankment between Stations 0+00 and 39+75.

c. Eleven thousand three hundred fifty plus or minus (11,350±) tons of gravel for pit run and road surface in the main embankment between Stations 0+00 and 39+75.

d. Three hundred fourteen plus or minus (314±) cubic yards of reinforced concrete in the outlet works at Station 19+44.

e. Two hundred twenty-nine plus or minus (229±) linear feet of 54-inch reinforced concrete pipe in the outlet works at Station 19+44.

f. Three stop logs in the outlet works at Station 19+44.

g. One hundred forty plus or minus (140±) square feet of trash racks in the outlet works at Station 19+44.

h. A fourteen-by-eleven-foot building, eight feet high, to be located in the outlet works at Station 19+44.

i. Two 36-inch-square cast iron slide gates in the outlet works at Station 19+44.

j. Four hundred ninety-nine plus or minus (499±) cubic yards of concrete in the spillway between Stations 51+50 and 69+40.

k. Eighteen thousand plus or minus (18,000±) cubic yards of earthfill in the spillway between Stations 51+50 and 69+40.

l. Twenty-three plus or minus (23±) acres of land for right-of-way in the spillway between Stations 51+50 and 69+40.

m. Thirty-three thousand plus or minus (33,000±) cubic yards of earthfill in the north freeboard dike between Stations 0+00 and -20+00.

n. Two point seven plus or minus (2.7±) acres of land for right-of-way in the north freeboard dike between Stations 0+00 and -20+00.

All of the above are in the area of the Fossil Creek dam in Sections 10 and 15, Township 6N, Range 68W, a part of Fossil Creek Reservoirs.

QUIT CLAIM DEED

The Colorado Water Conservation Board ("Grantor"), whose address is 1313 Sherman Street, Room 721, Denver, Colorado, 80203, City and County of Denver, State of Colorado, hereby quit claims to The North Poudre Irrigation Company ("Grantee"), whose address is P. O. Box 100, Wellington, County of Larimer, State of Colorado, the following property, previously deed to the Grantor under Contract C153385, dated May 1, 1982, to wit: an undivided 50% interest in the following:

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- e. 229± linear feet of 54-inch reinforced concrete pipe in the outlet works at Station 19+44
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- g. 140± square feet of trash racks in the outlet works at Station 19+44
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PAID IN FULL

All of the above are in the area of the Fossil Creek dam in Sections 10 and 15, Township 6 North, Range 68 West, in the County of Larimer, State of Colorado.

Executed this 18th day of October 2001.

GRANTOR: STATE OF COLORADO
Bill Owens, Governor
Acting by and through the
Colorado Water Conservation Board

By

Rod Kuharich
Rod Kuharich, Director

STATE OF COLORADO)

) ss.

CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 15th day of October 2001, by Rod Kuharich, as Director of the Colorado Water Conservation Board, on behalf of the State of Colorado. Witness my hand and official seal.

Catherine Gonzales
Notary Public

My commission expires My Commission Expires August 3, 2003

COPY

COLORADO WATER CONSERVATION BOARD
DEPT. - NATURAL RESOURCES
1313 SHERMAN ST., RM 721
DENVER, CO 80203

Deed of Trust

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Witnesseth, that whereas, GRANTOR has executed Contract No. C153385, dated May 1, 1982, as amended, ("Contract") for a loan in the amount of \$1,331,703.71 with loan contract performance obligations to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, and

And whereas, the GRANTOR is desirous of securing the performance of these loan contract obligations under said Loan Contract to the State of Colorado.

Now, therefore, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: the Fossil Creek Reservoir and Dam, located in Sections 10 and 15, Township 6 North, Range 68 West, of the 6th PM in the County of Larimer, State of Colorado, collectively or hereinafter referred to as the "Property."

To have and to hold the same, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said county, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of

\$15.00
\$.00

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M RODENBERGER RECORDER, LARIMER COUNTY CO

PAID IN FULL

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redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

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

PAID IN FULL

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

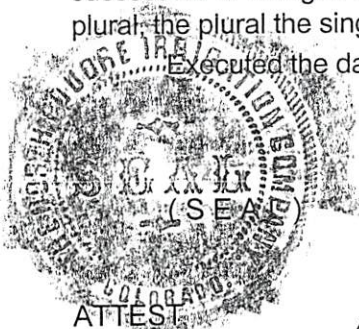
And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request and on refusal, the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or

02/3
any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

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

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

Executed the day and date first written above.



ATTEST
By Sharon Seaworth
Sharon Seaworth, Corporate Secretary

The North Poudre Irrigation Company,
a Colorado nonprofit corporation

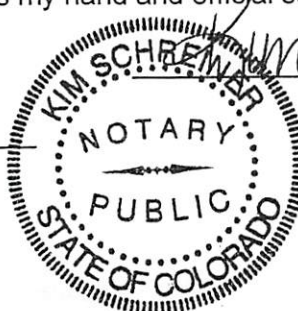
By Gary E. Simpson
Gary Simpson, President

PAID IN FULL

State of Colorado)
County of LARIMER) SS

The foregoing instrument was acknowledged before me this 3rd day of October 2001, by Gary Simpson and Sharon Seaworth as President and Secretary, respectively, of The North Poudre Irrigation Company. Witness my hand and official seal.

My commission expires: 3/31/04



Kim Schreiner
Notary Public

Ac 85/1029

DEPARTMENT OR AGENCY NUMBER
34-04-00
CONTRACT ROUTING NUMBER
85308

Change in encumbrance
From \$2,057,000.00

CONTRACT AMENDMENT To 1,331,703.71

THIS CONTRACT, made this 1st day of May 1985 by and between the
State of Colorado for the use and benefit of the Department of '1 Natural Resources
(Colorado Water Conservation Board),
hereinafter referred to as the State, and '2 The North Poudre Irrigation Company,
P. O. Box 100, Wellington, CO 80549,
hereinafter referred to as the contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5610X, Contract Encumbrance Number C153385; and ABL Account Number 16101, Org. Unit 77-77-777,

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

WHEREAS, the State and the Contractor did on May 1, 1982, enter into a contract for State participation in the repairs of the Fossil Creek Reservoir for the benefit of the stockholders of the North Poudre Irrigation Company in Larimer County, Colorado, which contract is attached hereto as Exhibit A and is hereby incorporated herein; and

WHEREAS, the cost of construction of the project was less than what was originally estimated;

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

1. The terms and provisions of paragraphs A12, C1 and I of that certain contract dated May 1, 1982, attached hereto as Exhibit A and incorporated herein by reference shall no longer be effective. All other terms and provisions of that certain contract dated May 1, 1982, shall remain in full force and effect.

2. Paragraphs A12, C1 and I are hereby amended to read as follows:

A.12. Purchase from the State all of the State's right, title, and interest in said project and any facilities thereof at a total purchase price of Three Million One Hundred Four Thousand Four Hundred Sixty-Seven Dollars and Sixty Cents (\$3,104,467.60) payable in forty (40) annual installments of Seventy-Seven Thousand Six Hundred Eleven Dollars and Sixty-Nine Cents (\$77,611.69) each, which first installment shall be due and payable on May 1, 1985, and yearly thereafter until the entire principal sum shall have been paid. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado.

C. The State agrees that it shall:

1. Make available to the Contractor for the purpose of this contract not to exceed the sum of One Million Three Hundred Thirty-One Thousand Seven Hundred Three Dollars and Seventy-One Cents (\$1,331,703.71). Said One Million Three Hundred Thirty-One Thousand Seven Hundred Three Dollars and Seventy-One Cents (\$1,331,703.71) shall be made available to the Contractor in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing May 1, 1982, and for every month thereafter until said project has been completed, the Contractor shall prepare with the assistance of the consulting engineer referred to in paragraph A1 above an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

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

c. No payments will be made under this contract until the project plans and specifications referred to in paragraph A1 above are approved by the State.

I. Upon completion of the payment of the full purchase price to the State in the sum of Three Million One Hundred Four Thousand Four Hundred Sixty-Seven Dollars and Sixty Cents (\$3,104,467.60), as set forth in paragraph A12 of this contract, the State agrees to convey to the Contractor all of the State's right, title, and interest in and to the project by deed or other proper conveyance.

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

MINIMUM WAGE

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

DISCRIMINATION AND AFFIRMATIVE ACTION

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

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

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

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

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

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

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

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

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

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

COLORADO LABOR PREFERENCE

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

GENERAL

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

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

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

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

THE NORTH POUDRE
(Full Legal Name) IRRIGATION COMPANY
Contractor By: *Manuel F. Pineda*
Position (Title) Vice President
84-0281680
Federal I.D. Number

(If Corporation:)

Attest: (Seal)

By *Bert Sumner*

Secretary

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

By *David H. Getches*
*5 EXECUTIVE DIRECTOR.
DAVID H. GETCHES

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By *David W. Wadsworth*
J. WILLIAM McDONALD, DIRECTOR

APPROVALS

DUANE WOODARD
ATTORNEY GENERAL
By *Alan J. Woodard*
ALAN J. WOODARD, JR.
First Assistant Attorney General
General Legal Services

CONTROLLER

By *James A. Stroup*

JAMES A. STROUP

Ac 83/1003

DEPARTMENT OR AGENCY NUMBER
-04-00
CONTRACT ROUTING NUMBER
83018

\$2,057,000

CONTRACT

THIS CONTRACT, made this 1st day of May 1982, by and between the State of Colorado for the use and benefit of the Department of '1 Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and '2 The North Poudre Irrigation Company, P. O. Box 100, Wellington, Colorado 80549, hereinafter referred to as the contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5610X, Contract Encumbrance Number C/53385 and ABL Account Number 16101, Org. Unit 77-77-777,

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

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

WHEREAS, the Contractor is a duly constituted irrigation company in the State of Colorado and wishes to repair the Fossil Creek Reservoir, hereinafter called the project, for the stockholders of the North Poudre Irrigation Company in Larimer County, Colorado, at an estimated cost of Four Million One Hundred Fourteen Thousand Dollars (\$4,114,000); and

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

WHEREAS, the State has agreed to construct said project and to sell the same to the Contractor upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose; and

WHEREAS, pursuant to Senate Bill No. 87, Fifty-Third General Assembly of the State of Colorado, duly enacted into law, the Colorado Water Conservation Board has been authorized to expend a sum not to exceed Two Million Fifty-Seven Thousand Dollars (\$2,057,000) for construction of the project;

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

A. The Contractor agrees that it shall:

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

2. Subcontract the construction of said project to a responsible and capable firm, said project to be completed within two (2) years of the date of this contract in accordance with the project plans and specifications and any necessary modification thereof approved by the State. The State must approve, in writing, all subcontracts before they become effective. The above-mentioned time may be extended by the State if such time is insufficient because of acts of God or other acts or circumstances beyond the control of the Contractor.

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

4. Require all Subcontractors to maintain liability insurance in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of One Hundred Fifty Thousand Dollars (\$150,000).

b. For any injury to two or more persons in any single occurrence, the sum of Four Hundred Thousand Dollars (\$400,000).

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

5. Convey or cause title to be conveyed by warranty deed to the Colorado Water Conservation Board, Department of Natural Resources, State of Colorado, the following portions of the proposed project facilities within thirty (30) days of their completion:

An undivided fifty percent (50%) of the following:

a. Two hundred twenty-five thousand plus or minus (225,000+) cubic yards of earthfill in the core, embankment, and breach between Stations 0+00 and 39+75.

b. Twenty-seven thousand eight hundred ten plus or minus (27,810+) tons of riprap in the main embankment between Stations 0+00 and 39+75.

c. Eleven thousand three hundred fifty plus or minus (11,350+) tons of gravel for pit run and road surface in the main embankment between Stations 0+00 and 39+75.

d. Three hundred fourteen plus or minus (314+) cubic yards of reinforced concrete in the outlet works at Station 19+44.

e. Two hundred twenty-nine plus or minus (229+) linear feet of 54-inch reinforced concrete pipe in the outlet works at Station 19+44.

f. Three stop logs in the outlet works at Station 19+44.

g. One hundred forty plus or minus (140+) square feet of trash racks in the outlet works at Station 19+44.

h. A fourteen-by-eleven-foot building, eight feet high, to be located in the outlet works at Station 19+44.

i. Two 36-inch-square cast iron slide gates in the outlet works at Station 19+44.

j. Four hundred ninety-nine plus or minus (499+) cubic yards of concrete in the spillway between Stations 51+50 and 69+40.

k. Eighteen thousand plus or minus (18,000+) cubic yards of earthfill in the spillway between Stations 51+50 and 69+40.

l. Twenty-three plus or minus (23+) acres of land for right-of-way in the spillway between Stations 51+50 and 69+40.

m. Thirty-three thousand plus or minus (33,000+) cubic yards of earthfill in the north freeboard dike between Stations 0+00 and -20+00.

n. Two point seven plus or minus (2.7+) acres of land for right-of-way in the north freeboard dike between Stations 0+00 and -20+00.

All of the above are located in the general Fossil Creek Dam area; more details for the exact location can be found in Appendices A, B, and C.

The warranty deed must be recorded by the Contractor in the proper county or counties and all transfer taxes shall be paid by the Contractor.

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

7. Without expense to the State, manage, operate, and maintain the project system continuously in an efficient and economical manner, and assume all legal liability for such management, operation, and maintenance. The Contractor shall maintain general liability insurance covering its management, operation, and maintenance of the project system until it has completed purchase of the project system from the State in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of One Hundred Fifty Thousand Dollars (\$150,000).

b. For any injury to two or more persons in any single occurrence, the sum of Four Hundred Thousand Dollars (\$400,000).

PAID IN FULL

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

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

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

10. Expand the system from time to time to meet reasonable growth or service requirements in the area within its jurisdiction.

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

12. Purchase from the State all of the State's right, title, and interest in said project and any facilities thereof at a total purchase price of Four Million Seven Hundred Ninety-Five Thousand Two Hundred Seventy-Eight Dollars (\$4,795,278) payable in forty (40) annual installments of One Hundred Nineteen Thousand Eight Hundred Eighty-One Dollars and Ninety-Five Cents (\$119,881.95) each, which first installment shall be due and payable on May 1, 1984, and yearly thereafter until the entire principal sum shall have been paid. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado.

13. Obtain and maintain general fire and hazard insurance on the project system in an amount not less than the amount owing to the State for purchase of the project system until the Contractor has purchased the project system. The State shall be the sole insured of this policy. The purchase price payable to the State shall be reduced in the amount of any payments made to the State under this insurance coverage; if only a portion of the purchase price is paid to the State under this policy, the number of installment payments shall remain unchanged, however the amount of each payment shall be reduced.

14. Comply with Construction Fund Program Procedures attached hereto as Schedule A.

15. Comply with the provisions of Section 5 of S.B. 439, 1981 Session of the Colorado General Assembly.

16. Not sell, convey, assign, grant, transfer, or otherwise dispose of the project or any portion thereof, so long as any of the annual installments required by paragraph A.12. above remain unpaid, without the prior written concurrence of the State.

PAID IN FULL

B. Upon default in the payments herein set forth to be made by the Contractor, or in the performance of any covenant or agreement contained herein, the State, at its option, may (a) declare the entire principal amount then outstanding immediately due and payable; (b) for the account of the Contractor incur and pay reasonable expenses for repair, maintenance, and operation of the system herein described and such expenses as may be necessary to cure the cause of default; and/or (c) take possession of the system, repair, maintain, and operate or lease it. The provisions of this contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the Contractor, through judicial proceedings to require specific performance of this contract or by such other proceedings in law or equity as may be deemed necessary by the State to insure compliance with provisions of this contract and the laws and regulations under which this contract is made.

C. The State agrees that it shall:

1. Make available to the Contractor for the purpose of this contract not to exceed the sum of Two Million Fifty-Seven Thousand Dollars (\$2,057,000). Said Two Million Fifty-Seven Thousand (\$2,057,000) shall be made available to the Contractor in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing May 1, 1982, and for every month thereafter until said project has been completed, the Contractor shall prepare with the assistance of the consulting engineer referred to in paragraph A.1. above an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

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

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

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

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

E. The Contractor shall not convey or sell any portion of the project without prior written authorization from the State until the Contractor has completed its payment obligation as set forth in paragraph A.12. above. The parties to this contract intend that the relationship between them contemplated by this contract is that of employer-independent contractor. No agent, employee, or servant of the contractor shall be or shall be deemed to be an employee, agent, or servant of the State. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, and Subcontractors during the performance of this contract.

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

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

H. In its sole discretion, the State may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the Contractor's obligations under this agreement, with or without valuable consideration, upon

such terms and conditions as the State may determine to be (a) advisable to further the purposes of this contract or to protect the State's financial interest therein, and (b) consistent with both the statutory purposes of this contract and the limitations of the statutory authority under which it is made.

I. Upon completion of the payment of the full purchase price to the State in the sum of Four Million Seven Hundred Ninety-Five Thousand Two Hundred Seventy-Eight Dollars (\$4,795,278) as set forth in paragraph A.12. of this contract, the State agrees to convey to the Contractor all of the State's right, title, and interest in and to the project by deed or other proper conveyance.

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

PAID IN FULL

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

MINIMUM WAGE

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

DISCRIMINATION AND AFFIRMATIVE ACTION

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

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

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

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

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

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

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

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

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

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

COLORADO LABOR PREFERENCE

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

GENERAL

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

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

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

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

the NORTH POUDRE IRRIGATION
COMPANY

Contractor

Position

EMPLOYER I. D. NUMBER

#84-0281680

ATTORNEY GENERAL

By

A. H. JEWELL, JR.

Assistant Solicitor General
General Legal Services

STATE OF COLORADO

RICHARD D. LAMM, GOVERNOR

By

EXECUTIVE DIRECTOR, D. MONTE PASCOE

DEPARTMENT
OF

NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By

J. WILLIAM McDONALD, DIRECTOR

J. D. MacFARLANE APPROVALS

CONTROLLER

JAMES A. STROUP

By

*INSTRUCTIONS

(1) Insert official Department designation, e. g., Administration, Local Affairs, etc. as appropriate.

(2) Set forth company(ies) or individual(s) name(s) and address(es).

(3) Insert a brief statement indicating reason for contract, e. g., "The contractor having special knowledge, expertise and skill in diagnosing and testing diseases affecting cattle; and." Use as many "Whereas's" as required. If additional space is required continue to above words "NOW, THEREFORE;" and state "continued on page 2". On page 2, state "Whereas continued from page 1" if required.

(4) Specify clearly the goods or services contracted for, the consideration moving from one party to the other, the time within which the contract is to be executed, limitations on assignments, if any, and special provisions desired, or required. Seek legal assistance when in doubt. Separate each principal item and number consecutively using as many pages as necessary.

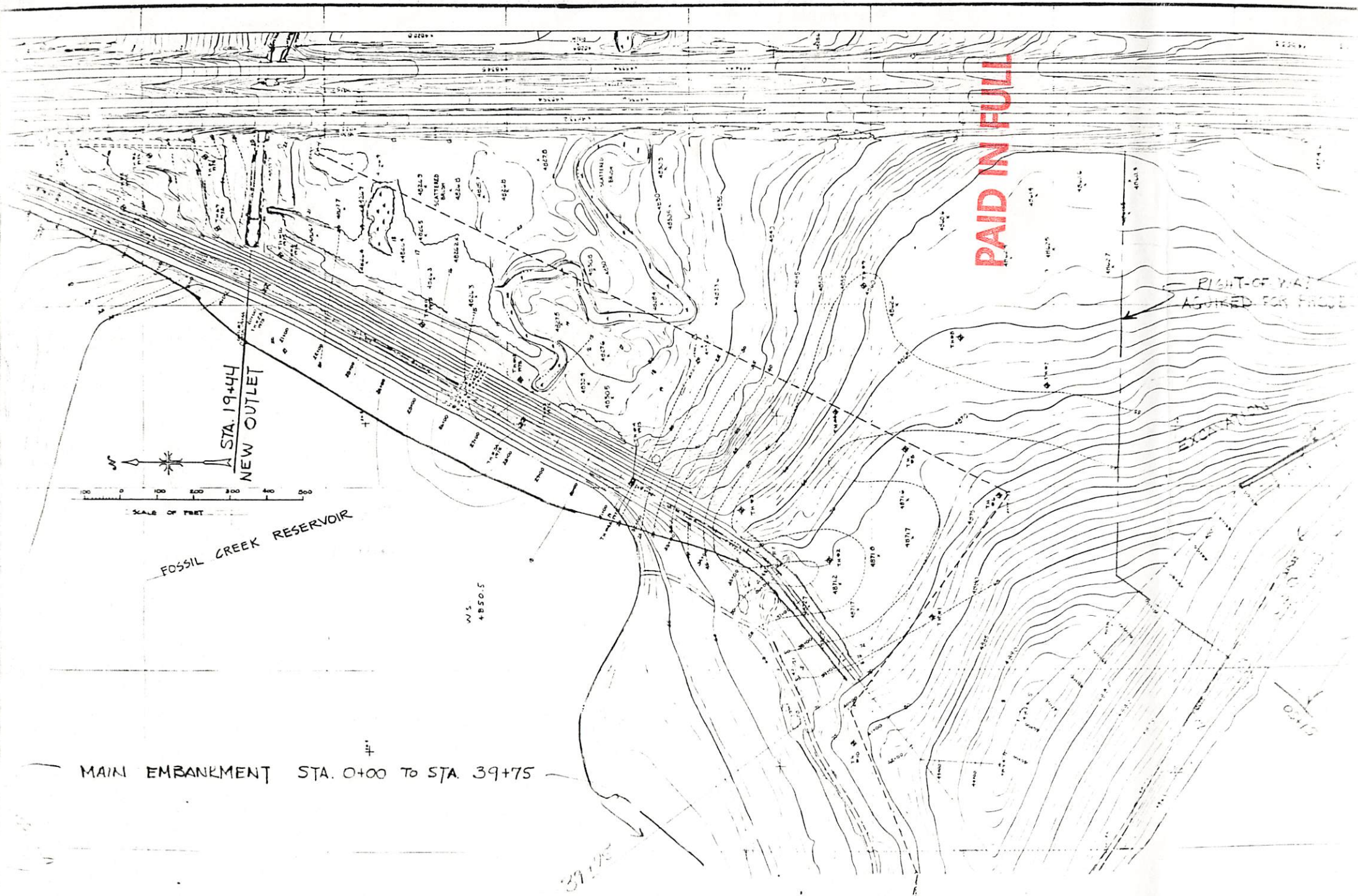
(5) If a delegee signs for the Executive Director place the words "FOR THE" before the word "EXECUTIVE"

Autographic, as distinguished from stamped, signatures should, as a minimum, be affixed to the original, which will be filed by the Division of Accounts and Control, and two counterparts, one of which shall be transmitted to the contractor. If there is more than one contractor a copy so signed will be sent to each, thus requiring additional autographic signatures.

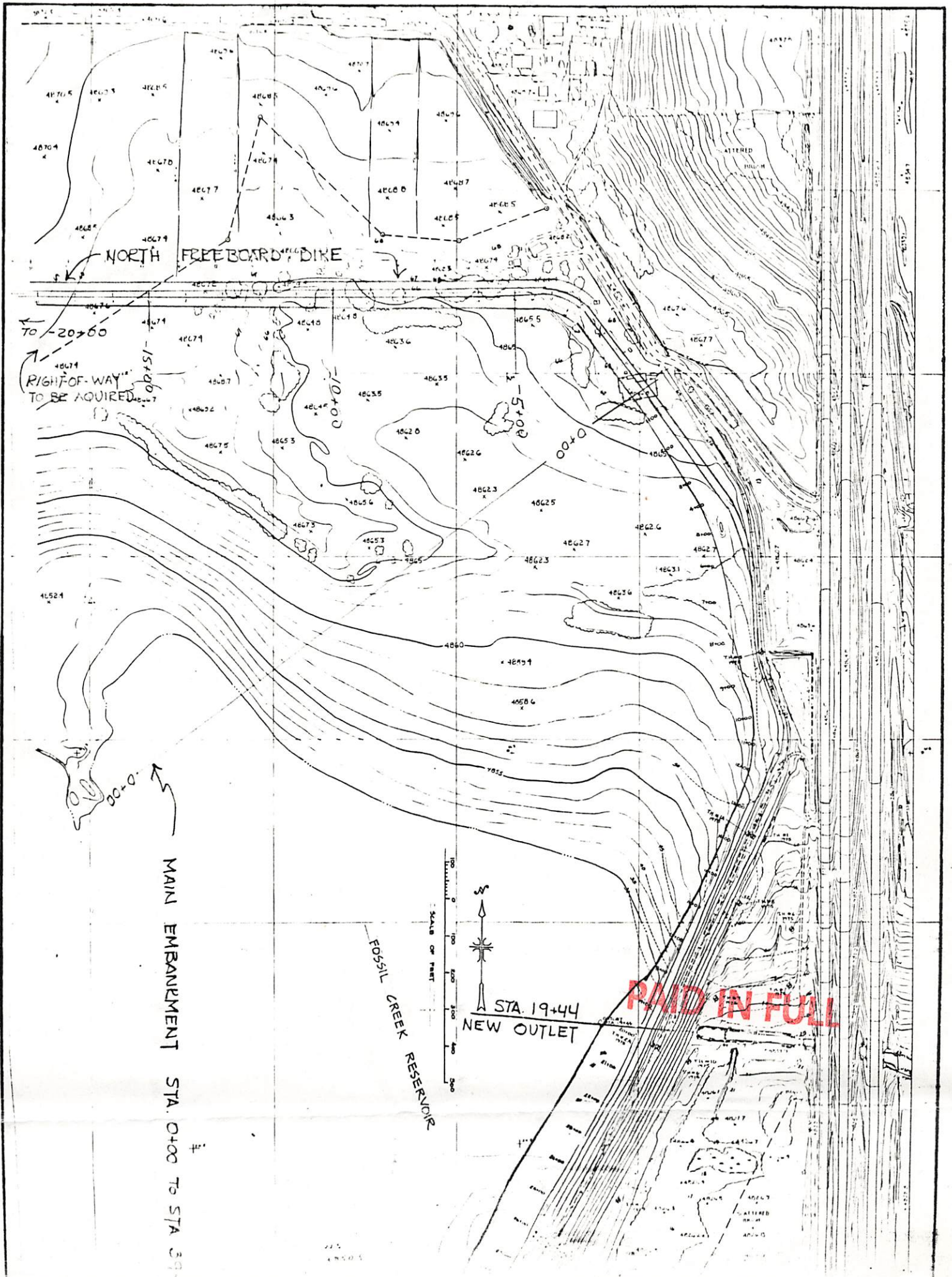
PAID IN FULL







APPENDIX C



SCHEDULE A

COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND PROGRAM PROCEDURES

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

WARRANTY DEED

The North Poudre Irrigation Company

Grantor(s)

whose address is 3729 Cleveland Avenue, Wellington

*County of Larimer, State of

Colorado, for good and valuable ~~for the consideration of~~
consideration

~~do hereby sell~~ hereby sell(s)

and convey(s) to State of Colorado for the use and benefit of the Department of
Natural Resources (Colorado Water Conservation Board)
whose legal address is 721 State Centennial Building, 1313 Sherman Street

City and County of Denver, and State of Colorado

the following real property in the County of Larimer, and State of

Colorado, to wit:

See attached Exhibit A, which is incorporated by reference as though fully
set forth herein.

The property described is owned by The North Poudre Irrigation Company and
is part of the Fossil Creek Dam and improvements thereto in Sections 10 and
15, Township 6 N, Range 68W.

This deed is per contractual requirement between North Poudre and The
Colorado Water Conservation Board and property is to be re-conveyed to North
Poudre when contractual obligations are complete.

~~as shown by~~

with all its appurtenances, and warrant(s) the title to the same, ~~subject to~~

PAID IN FULL

Signed this 4th day of December

, 19 85

The North Poudre Irrigation
Company

By:

Robert L. Stieben - Pres.
President

ATTEST:

Ben Dumler - Sec. Mgr.
Secretary/Manager

STATE OF COLORADO,

County of Larimer

ss.

The foregoing instrument was acknowledged before me in the
State of Colorado, this 4th day of December, 19 85, by Robert L. Stieben,
President and Ben Dumler, Secretary/Manager.

My commission expires

Witness my hand and official seal.

My Commission Expires January 19, 1988
160 W. Mountain Ave., Fort Collins, CO 80521

Alden V. Hill
Notary Public

160 W. Mountain Ave
Address
Fort Collins, Colo. 80521

*If in Denver, insert "City and."

Exhibit A

An undivided fifty percent (50%) of the following:

- a. Two hundred twenty-five thousand plus or minus (225,000±) cubic yards of earthfill in the core, embankment, and breach between Stations 0+00 and 39+75.
- b. Twenty-seven thousand eight hundred ten plus or minus (27,810±) tons of riprap in the main embankment between Stations 0+00 and 39+75.
- c. Eleven thousand three hundred fifty plus or minus (11,350±) tons of gravel for pit run and road surface in the main embankment between Stations 0+00 and 39+75.
- d. Three hundred fourteen plus or minus (314±) cubic yards of reinforced concrete in the outlet works at Station 19+44.
- e. Two hundred twenty-nine plus or minus (229±) linear feet of 54-inch reinforced concrete pipe in the outlet works at Station 19+44.
- f. Three stop logs in the outlet works at Station 19+44.
- g. One hundred forty plus or minus (140±) square feet of trash racks in the outlet works at Station 19+44.
- h. A fourteen-by-eleven-foot building, eight feet high, to be located in the outlet works at Station 19+44.
- i. Two 36-inch-square cast iron slide gates in the outlet works at Station 19+44.
- j. Four hundred ninety-nine plus or minus (499±) cubic yards of concrete in the spillway between Stations 51+50 and 69+40.
- k. Eighteen thousand plus or minus (18,000±) cubic yards of earthfill in the spillway between Stations 51+50 and 69+40.
- l. Twenty-three plus or minus (23±) acres of land for right-of-way in the spillway between Stations 51+50 and 69+40.
- m. Thirty-three thousand plus or minus (33,000±) cubic yards of earthfill in the north freeboard dike between Stations 0+00 and -20+00.
- n. Two point seven plus or minus (2.7±) acres of land for right-of-way in the north freeboard dike between Stations 0+00 and -20+00.

All of the above are in the area of the Fossil Creek dam in Sections 10 and 15, Township 6N, Range 68W, a part of Fossil Creek Reservoirs.