

THIS DEED, Made this _____ day of _____, 1983,

between The Town of Starkville,
a Municipal Corporation,

of the
County of Las Animas and State of Colorado, of the first part, and
Colo. Water Conservation Board, Dept. of
Natural Resources, State of Colorado
whose legal address is
1313 Sherman Street, City of Denver,
of the _____ County of _____ Denver _____ and State of
Colorado, of the second part:

WITNESSETH, That the said part Y of the first part, for and in consideration of
One Dollar and other good and valuable consideration-----DOLLARS
to the said part Y of the first part in hand paid by said part Y of the second part, the receipt whereof is
hereby confessed and acknowledged, ha S granted, bargained, sold and conveyed, and by these presents do es
grant, bargain, sell, convey and confirm, unto the said party of the second part its heirs and assigns for-
ever, all the following described lot or parcel of land, situate, lying and being in the
County of Las Animas and State of Colorado, to wit:

- A. A 6-inch tap provided by the City of Trinidad as per water purchase contract (Appendix A) to provide the Town of Starkville with water from the City of Trinidad.
- B. A meter vault and 6-inch meter to be located at the south of Trinidad city limits as shown on map (Appendix B).
- C. A 6-inch 9,000 linear-foot main from the connection to Trinidad at station 0+00 water main southerly to station 90+00 in Starkville as shown on map (Appendix B).

also known as street and number

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the said part Y of the first part, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the said part y of the second part, its heirs and assigns forever. And the said party of the first part, for it self, itsers, executors, and administrators, do es covenant, grant, bargain, and agree to and with the said part y of the second part, its heirs and assigns, that at the time of the ensealing and delivery of these presents, is well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and ha S good right, full power and authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and encumbrances of whatever kind of nature soever.

and the above bargained premises in the quiet and peaceable possession of the said part Y of the second part, its heirs and assigns against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said part Y of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF, the said part Y of the first part ha S hereunto set its hand and seal the day and year first above written.

Thomas James Martinez
Linda Martinez

STATE OF COLORADO,

ss.

County of Las Animas

The foregoing instrument was acknowledged before me this
19 84, by THOMAS JAMES MARTINEZ & LINDA MARTINEZ
My commission expires 1/14/88

Thomas James Martinez (SEAL)
Linda Martinez (SEAL)
(SEAL)

19 _____ day of JUNE
Witness my hand and official seal.

Connie Vignos
Notary Public

No. 557113

WARRANTY DEED

TO

STATE OF COLORADO

County of _____

} ss.

I hereby certify that this instrument was filed
for record in my office this 20 day of
April, 1984,
at 10:30 o'clock A M., and duly recorded in
Book 831, Page 329

Film No. _____ Reception No. _____

By Mary Arnone Recorder.

By td Deputy.

Fees, \$ 3.00

Mail to:
(or return to)

Send future tax statements to:

BORROWER: STARKVILLE, TOWN OF
CONTRACT NO. C153347
AMENDMENT No.2

AGENCY NAME: Water Conservation Board
AGENCY NUMBER: PDA
CMS # 53260

LOAN CONTRACT AMENDMENT No. 2

THIS CONTRACT, made between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB" or "STATE"), and Town of Starkville, Starkville, Colorado 81074 a ("BORROWER" OR "CONTRACTOR") a Municipal Corporation.

Factual Recitals

- A. Authority exists in the law, and funds have been budgeted, appropriated, and otherwise made available for payment in Contract Encumbrance Number C153347.
- B. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
- C. The CWCB and the BORROWER entered into Contract Encumbrance Number C153347 dated June 1, 1981 and amended on April 1, 1982 ("ORIGINAL LOAN CONTRACT"), incorporated herein by reference.
- D. C.R.S.§37-60-120(3) authorizes the CWCB to adjust the authorized interest rate, extend the authorized repayment period for any project or defer one or more annual payments if, in the Board's opinion, the entity requesting such adjustment, extension, and deferment demonstrates that it has encountered significant and unexpected financial difficulties.
- E. At its September 2012 meeting, the CWCB found that the BORROWER had encountered significant and unexpected financial difficulties in its efforts to comply with the repayment provisions of this CONTRACT and approved a restructuring of the loan.
- F. The parties agree to this AMENDMENT to the LOAN CONTRACT ("AMENDMENT") which shall include accrued interest forgiveness up to \$20,000 and amend the ORIGINAL LOAN CONTRACT to amortize the current principal balance of \$141,065.50 with a loan term of thirty (30) years at zero (0) percent interest rate.

Loan Contract C153347 Amendment 2

NOW THEREFORE, it is hereby agreed that

1. Consideration for this AMENDMENT to the ORIGINAL LOAN CONTRACT consists of the payments which shall be made pursuant to this AMENDMENT and ORIGINAL LOAN CONTRACT and the promises and agreements herein set forth.
2. It is expressly agreed by the parties that this AMENDMENT is supplemental to the ORIGINAL LOAN CONTRACT, and all terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this AMENDMENT as though they were expressly rewritten, incorporated, and included herein.
3. It is agreed the ORIGINAL LOAN CONTRACT is and shall be modified, altered, and changed in the following respects only:
 - a. Paragraphs A.2 (a), (b) and (c) are revised as follows: The collateral for this loan, currently secured by a deed, will now include the BORROWER'S water revenues from assessments levied for that purpose backed by a rate covenant and a facilities fee as authorized by the BORROWER'S **RESOLUTION**, attached hereto as **ATTACHMENT A** and incorporated herein.
 - b. Paragraph A.9 (Promissory Note Provisions) is revised as follows: The BORROWER shall execute the **AMENDED PROMISSORY NOTE**, attached hereto as **ATTACHMENT B** and incorporated herein, which shall replace and supersede the Promissory Note Provision of the ORIGINAL LOAN CONTRACT and Borrower agrees to repay the loan in accordance with the terms as set forth in the Promissory Note.
 - c. The BORROWER shall also execute an **AMENDED SECURITY AGREEMENT**, attached hereto as **ATTACHMENT C** and incorporated herein, which shall supplement and operate in conjunction with the Security Agreement Provision of the ORIGINAL LOAN CONTRACT, to provide a security interest to the CWCB in the pledged revenues and a facilities fee. The BORROWER will also provide annual financial reporting. This brings them in compliance with CWCB Financial Policy #5.
 - d. The Borrower shall execute an **AMENDED DEED OF TRUST**, attached hereto as **ATTACHMENT D** and incorporated herein, which shall replace and supersede the Deed of Trust in the ORIGINAL LOAN CONTRACT C153347.
 - e. Add the following CORA Disclosure Language: To the extent not prohibited by federal law, this CONTRACT and the performance measures and standards under CRS §24-103.5-101, if any, are subject to public release through the

- f. Colorado Open Records Act, CRS §24-72-101, et seq.
- g. The Special Provisions in the ORIGINAL LOAN CONTRACT are replaced by the Special Provisions in Section 8, below.
4. The BORROWER has adopted a **RESOLUTION**, irrevocable for the term of this loan, authorizing the BORROWER to enter into this AMENDMENT to restructure the loan to include interest forgiveness (up to \$20,000) and amortize the current principal balance of \$141,065.50 with a loan term of 30 years at a zero percent interest rate and include that the Town will enact a monthly facilities fee sufficient to pay the annual loan payments, to pledge said system revenues for repayment of the loan, and to execute documents necessary to convey a security interest in said system revenues to the CWCB. Said **RESOLUTION** is attached as Attachment A.
5. Prior to the execution of this AMENDMENT by the CWCB, the BORROWER shall submit to the CWCB a letter from its attorney that it is the attorney's opinion that (1) the person(s) signing for the BORROWER was duly elected or appointed and has authority to sign such documents on behalf of the BORROWER and to bind the BORROWER; (2) the BORROWER's governing body has validly adopted a resolution approving this AMENDMENT; (3) there are no provisions in the any state or local law that prevent this AMENDMENT from binding the BORROWER; and (4) this AMENDMENT will be valid and binding against the BORROWER if entered into by the CWCB.
6. The effective date hereof is upon approval of the State Controller or their delegate.
7. 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 CONTRACT, the provisions of this AMENDMENT shall in all respects supersede, govern and control. The most recent version of the Special Provisions incorporated into the LOAN CONTRACT or any AMENDMENT shall always control other provisions in the LOAN CONTRACT or any AMENDMENT.

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SPECIAL PROVISIONS

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

1. **CONTROLLER'S APPROVAL.** CRS §24-30-202(1). This contract shall not be valid until it has been approved by the Colorado State Controller or designee.
2. **FUND AVAILABILITY.** CRS §24-30-202(5.5). Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.
3. **GOVERNMENTAL IMMUNITY.** No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.
4. **INDEPENDENT CONTRACTOR.** Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.
5. **COMPLIANCE WITH LAW.** Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.
6. **CHOICE OF LAW.** Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not 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 shall not invalidate the remainder of this contract, to the extent capable of execution.
7. **BINDING ARBITRATION PROHIBITED.** The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.
8. **SOFTWARE PIRACY PROHIBITION.** Governor's Executive Order D 002 00. State or other public funds payable under this contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this contract, including, without limitation, immediate termination of this contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

9. **EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. CRS §§24-18-201 and 24-50-507.** The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.
10. **VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4. [Not Applicable to intergovernmental agreements]** Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.
11. **PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]** Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien to perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.
12. **PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.** Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this contract.

Revised 1-1-09

END OF SPECIAL PROVISIONS

IN WITNESS WHEREOF, the parties hereto have executed this AMENDMENT.

* Persons signing for BORROWER hereby swear and affirm that they are authorized to act on BORROWER's behalf and acknowledge that the State is relying on their representations to that effect.

BORROWER:

Town of Starkville

BY: Christopher Carlisle
Signature

NAME: Christopher Carlisle

TITLE: MAYOR

DATE: 1-25-13

(Seal)

Attest

BY: Kim Niccoli
Signature

NAME: Kim Niccoli

TITLE: TOWN CLERK

DATE: 1-25-13

STATE OF COLORADO

John W. Hickenlooper, Governor

Department of Natural Resources

Mike King, Executive Director

BY: Kirk Russell

For Jennifer L. Gimbel, Director

Colorado Water Conservation Board

Name: Kirk Russell, P.E., Chief

Finance & Administration Section

Colorado Water Conservation Board

DATE: 3/1/13

Pre-Approved Form Contract Reviewer

BY: Linda Bassi

Linda Bassi, CWCB Contract Reviewer

DATE: 2-28-13

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

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

David J. McDermott, CPA, State Controller

By Susan Borup
Susan Borup, Controller, Department of Natural Resources

Effective Date 3/13/13

Loan Contract C153347 Amendment 2

RESOLUTION NO. 3-2012
Resolution Approving An Amendment to Loan Contract C153347
Between
The Town of Starkville
and
The Colorado Water Conservation Board

WHEREAS, the Town of Starkville is a Municipal Corporation within the State of Colorado: and

WHEREAS, the town of Starkville is the owner and operator of the water utility and sewer utility (collectively defined as the "System"); and

WHEREAS, the System continues to be operated as a government owned business authorized to increase fees and establish and collect assessments sufficient to pay the annual loan payments and to pledge said System revenues for repayment of the loan and to execute; and

WHEREAS, at its September 2012 meeting the CWCB approved an amendment to the Original Loan Contract which shall include accrued interest forgiveness up to \$20,000 and amend the Original Loan Contract to amortize the current principal balance of \$141,065.50 with a loan term of thirty (30) years at zero (0) percent interest rate.

THEREFORE, BE IT RESOLVED by the town of Starkville Board of Trustees as follows:

1. to enter into and comply with the terms of the loan amendment contract, and
2. to institute a facilities fee in an amount sufficient to pay the annual amounts due under the amended Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. to place said pledged revenues in a special account separate and apart from other Company revenues, and
4. to make the annual payments required by the promissory note, and
5. to pledge the facilities fee as collateral for the loan and execute all documents, including an amended security agreement and amended deed of trust, necessary to convey a security interest in said property to the CWCB, and
6. to execute all documents as required by the loan amendment contract, including, but not limited to, a Security Agreement and a Promissory Note, and
7. to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan amendment.

This Resolution shall take effect immediately upon its passage. ADOPTED AND APPROVED this 15 day of Oct 2012.

[SEAL]

ATTEST:

By: Kim Niccoli
Signature

Name: Kim Niccoli

Title: Town Clerk

Date: 10/15/12

Town of Starkville

By: Christopher Carlisle
Signature

Name Christopher Carlisle

Title: Mayor

Date: 10/15/12

AMENDMENT TO PROMISSORY NOTE

Date: January 25, 2013

Borrower: Town of Starkville

Principal Amount: \$ 141,065.50

Interest Rate: 0% per annum

Term of Repayment: 30 years

Loan Contract No.: C153347, dated June 1, 1981, Amendment 1 dated April 1, 1982 and Amendment 2 dated January 25, 2013

Loan Payment: \$ 4,702.18

Payment Initiation Date*: June 1, 2012

Maturity Date*: June 1, 2042

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

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.
2. This Promissory Note replaces and supersedes the Promissory Note clause in the original contract dated June 1, 1981, in the principal amount of \$292,480.
3. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date, and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
4. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
5. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
6. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
7. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
8. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the

Attachment B to Loan Contract C153347 Amendment 2

9. 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 ("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.
10. 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.
11. 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.
12. This Note shall be governed in all respects by the laws of the State of Colorado.

]

BORROWER: Town of Starkville

(SEAL)

By Christopher Carlisle
Signature/Mayor

Attest:

By Kim Niccoli
Signature/Town Clerk

AMENDMENT TO SECURITY AGREEMENT

DEBTOR: TOWN OF STARKVILLE

SECURED PARTY: COLORADO WATER CONSERVATION BOARD

DATE OF ORIGINAL SECURITY AGREEMENT: JUNE 1, 1981

ORIGINAL PROMISSORY NOTE: \$292,480, dated June 1, 1981, Interest at the rate of 2.0% per annum with annual payment for a period of 40 years or until paid in full.

ORIGINAL LOAN CONTRACT: C153347, dated June 1, 1981 and Amendment 1 dated April 1, 1982

The Parties have amended the ORIGINAL LOAN CONTRACT and Promissory Note to institute a facilities fee and pledge assessment revenues, that include the facilities fee, in an amount sufficient to pay the annual amounts due under the amended Loan Contract and the Company's right to receive said revenues for repayment of the loan.

1. The Parties expressly agree that this AMENDMENT is supplemental to the Security Agreement and all terms, conditions, and provisions thereof, unless specifically modified below, are to apply to this Amendment as though they were expressly rewritten, incorporated, and included herein.

Amended Loan Contract: C153347

Replacement Promissory Note: \$141,065.50, the current principal balance, with an interest at the rate of 0% per annum with annual payments for a period of 30 years or until paid in full.

Date of Amended Security Agreement: December 20, 2012

DEBTOR: Town of Starkville

By Christopher Carlisle
Signature

NAME: Christopher Carlisle

TITLE: MAYOR

DATE: 2/27/13

(SEAL)

Attest:

By Kim Niccoli
Signature

NAME: Kim Niccoli

TITLE: TOWN CLERK

Date: 2/27/13

AMENDMENT TO DEED OF TRUST

Date: December 20, 2012
Grantor (Borrower): Town of Starkville
Beneficiary (Lender): Colorado Water Conservation Board
Date of Deed of Trust: 1983
Recording Date of Deed of Trust: April 20, 1984
County of Recording ("County"): Las Animas
Deed of Trust Recording Information: No. 557112, Book 831, Page 329
Loan Contract: C153347 and AMENDMENT 1 and AMENDMENT 2
Promissory Note: \$141,065.50, 0%, 30 Years

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 the Grantor's financial hardship and that the Grantor has been delinquent in the payment of the LOAN CONTRACT for several years, Grantor and Beneficiary have agreed to amend the ORIGINAL DEED OF TRUST to pledge to the CWCB as collateral for the loan: the facilities fee, pledge of assessment revenues and to convey a security interest in the property, which consists of a 6-inch tap, a meter vault and 6-inch meter and a 6-inch 9,000 linear foot main from the connection to Trinidad at station 0+00 water main southerly to station 90+00 in Starkville. The AMENDMENT to the ORIGINAL LOAN CONTRACT includes accrued interest forgiveness up to \$20,000 and will amortize the current principal balance of \$141,065.50 with a loan term of 30 years at 0% interest, allowing the Grantor to successfully repay the CWCB loan.

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 December 20, 2012, to secure the repayment of the indebtedness evidenced by LOAN CONTRACT NO. C153347, dated June 1, 1981, as amended on April 1, 1982 (AMENDMENT No.1) and as amended December 20, 2012 (AMENDMENT No. 2) for the current principal balance of \$141,065.50 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 annual installments, in accordance with said PROMISSORY NOTE, or until the loan is paid in full.
2. In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this AMENDMENT and any of the provisions of the ORIGINAL DEED OF TRUST, the provisions of this AMENDMENT shall in all respects supersede, govern, and control.
3. Any provisions of the original deed of trust not expressly modified herein remain in full force and effect.

Executed on the date first written above.

GRANTOR: Town of Starkville

(SEAL)

By Christopher Carlisle
Mayor

ATTEST:

By Kim Niccoli
Town Clerk

State of Colorado

County of Las Animas) ss.
)

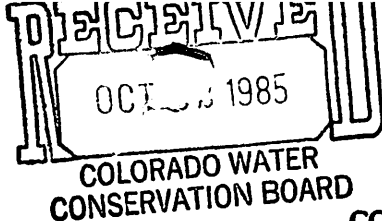
The foregoing instrument was acknowledged before me on January 25, 2013, by Christopher Carlisle (Name) as Mayor and Kim Niccoli (Name) as Town Clerk of the Town of Starkville. Witness my hand and official seal.

Dona A. Hernandez
Notary Public

My commission expires 5-29-16

Return recorded document to: CWCB Finance Section, Attn: Peg Mason, 1580 Logan Street, Suite 750, Denver CO 80203 (Phone Number 303-866-3441 ext. 3227)





DEPARTMENT OR AGENCY NUMBER	4-00
CONTRACT ROUTING NUMBER	8089

No encumbrance

CONTRACT AMENDMENT

THIS CONTRACT, made this 1st day of April 1982 by and between the State of Colorado for the use and benefit of the Department of Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and the Town of Starkville, Starkville, Colorado 81074, 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 5765X, Contract Encumbrance Number C153347, and ABL Account Number 17650, 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 June 1, 1981, enter into a contract for the construction of a domestic water system for the Town of Starkville, Colorado, at an estimated cost of Five Hundred Thousand Dollars (\$500,000), which contract is attached hereto as Exhibit A and hereby incorporated into this amended contract; and

WHEREAS, the State and the Contractor have agreed to amend the original contract, marked as Exhibit A, because Four Thousand Dollars (\$4,000), the cost of the feasibility study, was not subtracted from the Two Hundred Thousand Dollars (\$200,000) which was the total project appropriation;

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 that certain contract dated June 1, 1981, attached hereto as Exhibit A and incorporated herein by reference remain in full force and effect except as amended herein.

2. Paragraph C.1. is hereby amended to read as follows:

Make available to the Contractor for the purpose of this contract the sum of One Hundred Ninety-Six Thousand Dollars (\$196,000). Said One Hundred Ninety-Six Thousand Dollars (\$196,000) shall be made available to the Contractor in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing June 1, 1981, and for every month thereafter until said project has been completed, the Contractor shall prepare with the consulting engineer's help 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.

3. The Contractor shall comply with Construction Fund Program Procedures attached hereto as Schedule A.

NO original
11/6/94

Exhibit A

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 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 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.

TOWN OF STARKVILLE

Contractor Marie Couch
Position Mayor
13086100-0
EMPLOYER I. D. NUMBER

STATE OF COLORADO

RICHARD D. LAMM, GOVERNOR

By Harold H. Berry
EXECUTIVE DIRECTOR, D. MONTE PASCOE
DEPARTMENT
OF NATURAL RESOURCES
COLORADO WATER CONSERVATION BOARD

By James W. Wach
J. WILLIAM McDONALD, DIRECTOR

APPROVALS

By D. D. MacFARLANE
ATTORNEY GENERAL

By JAMES A. STROUP
CONTROLLER

By A. H. [Signature]
Assistant Solicitor General
General Legal Services

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.

DEPT/	MENT OR AGENCY NUMBER
34-04-00	
CONTRACT ROUTING NUMBER	
7518	

AC81-59

\$200,000

CONTRACT

THIS CONTRACT, made this 1st day of June 1981, 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 Town of Starkville, Starkville, Colorado 81074, 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 5765X, Contract Encumbrance Number C/53347, and

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

WHEREAS, '3 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 incorporated town in the State of Colorado and wishes to undertake repairs of its domestic water system, hereinafter called the project, for the Starkville community in Las Animas County, Colorado, at an estimated cost of Five Hundred Thousand Dollars (\$500,000); 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 approval of appropriations for that purpose by the Colorado General Assembly and the Governor of the State of Colorado; and

WHEREAS, pursuant to Senate Bill No. 69, Fifty-First General Assembly of the State of Colorado, duly enacted by the Colorado General Assembly and approved by the Governor of the State of Colorado, there was appropriated to the Colorado Water Conservation Board the sum of Two Hundred Thousand Dollars (\$200,000) for construction of the Starkville 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 will:

1. Cause the construction of 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. No payments will be made under this contract until the project plans and specifications are approved by the State. 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.

2. Convey or cause title to be conveyed by deed or other proper conveyance to the Colorado Water Conservation Board, Department of Natural Resources, State of Colorado, the following portions of the proposed project facilities:

a. A 6-inch tap provided by the City of Trinidad as per water purchase contract (Appendix A) to provide the Town of Starkville with water from the City of Trinidad.

b. A meter vault and 6-inch meter to be located at the south of Trinidad city limits as shown on map (Appendix B).

c. A 6-inch 9,000-linear-foot main from the connection to Trinidad at station 0+00 water main southerly to station 90+00 in Starkville as shown on map (Appendix B).

3. Permit periodic inspection of construction by authorized representatives of the State during construction and permit the State to review and approve or disapprove any contracts for the construction of the project or the performance of work pursuant to such contracts or subcontracts.

4. 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.

5. 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 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, and subject to the approval by the State.

6. 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.

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

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

9. 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 Two Hundred Ninety-Two Thousand Four Hundred Eighty Dollars (\$292,480) payable in Forty (40) annual installments of Seven Thousand Three Hundred Twelve (\$7,312) each, which first installment shall be due and payable on June 1, 1983, and yearly thereafter until the entire principal sum shall have been paid. Said installment payment shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado.

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 irrigation system herein described and such other reasonable 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 will:

1. Make available to the Contractor for the purpose of this contract the sum of Two Hundred Thousand Dollars (\$200,000). Said Two Hundred Thousand Dollars (\$200,000) shall be made available to the Contractor in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing June 1, 1981, and for every month thereafter until said project has been completed, the Contractor shall prepare with the consulting engineer's help 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.

2. Assist 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. 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.

E. Upon completion of the payment of the full purchase price to the State in the sum of Two Hundred Ninety-Two Thousand Four Hundred Eighty Dollars (\$292,480) as set forth in paragraph A.9. 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.

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 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 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.

TOWN OF STARKVILLE

Contractor Marie Conich
Position Mayor
84-6998618
EMPLOYER I. D. NUMBER

STATE OF COLORADO

RICHARD D. LAMM, GOVERNOR

By Robert D. Stull
EXECUTIVE DIRECTOR, D. MONTE PASCOE
DEPARTMENT OF NATURAL RESOURCES
COLORADO WATER CONSERVATION BOARD

By Dan S. Whittemore
WILLIAM McDONALD, DIRECTOR
DAN S. WHITTEMORE

APPROVALS

By J. D. McFarlane
ATTORNEY GENERAL
By A. H. Jewell, Jr.
Assistant Solicitor General
General Legal Services

By [Signature]
CONTROLLER

***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.

APPENDIX A

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into this 16th day of December, 1980, between the City of Trinidad, Colorado, a Municipal Corporation, hereinafter referred to as the Seller, and the Town of Starkville, Colorado, a Municipal Corporation, hereinafter referred to as Buyer.

WITNESSETH THAT:

WHEREAS, the Buyer, consisting of residents of Las Animas County and located South of the City of Trinidad is desirous of purchasing water for urban and residential use from the Seller, and

WHEREAS, the Seller owns and operates a water supply distribution system which will have a capacity of serving customers on Seller's present system and an estimated number of water users on Buyer's proposed distribution system.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller agrees:

1. To furnish the Buyer at the point of delivery hereinafter specified during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the State of Colorado in such quantity as may be required by the Buyer provided that water delivered under the terms of this contract shall be limited to 80 household taps or an amount equal to the actual number of dwellings within the corporate limits of Buyer on date of this contract, whichever is less.

2. That water will be furnished at a reasonably constant pressure from an existing main supply at a point located North of the Holiday Inn in Trinidad, Colorado. If a greater pressure than that normally available at the point of delivery is required by the Buyer, the cost of providing such greater pressure shall be borne by the Buyer. Emergency failure, flood, fire, and use of water to fight fire, earthquake, or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. To furnish the Buyer not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Buyer during the preceding month.

B. The Buyer agrees:

1. To pay the Seller not later than the 15th day of each month for water delivered, the purchase price of such water to be at the applicable rate for water service outside the corporate limits of the Seller, as set forth in the Code of Ordinances of the City of Trinidad subject to any future amendments or revisions of said Code of Ordinances.

2. To pay the Seller a total plant investment fee of \$36,000.00 for the number of taps specified in Paragraph A.1.

3. To install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Buyer, and to calibrate such metering equipment whenever requested by the Seller, but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the two months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Buyer shall agree upon a different amount. The metering equipment shall be read on the first day of each month. An appropriate official of the Buyer at all reasonable times shall have access to the meter for the purpose of verifying its readings.

C. It is further understood and agreed between the Buyer and Seller as follows:

1. That this contract shall extend for a term of ten years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Buyer and thereafter may be renewed or extended for three subsequent periods of ten years; each such period of ten years being referred to as an extended term.

2. That 15 days prior to the estimated date of completion of construction of the Buyer's water supply distribution system, the Buyer will notify the Seller in writing the date for the initial delivery of water.

3. When requested by the Buyer, the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Buyer during construction, such water to be supplied through the Buyer's regular meter.

4. That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Buyer with quantities of water required by the Buyer. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. The use of water outside the corporate limits shall be subject to the paramount rights of users within the corporate limits. In the event that there is a scarcity or shortage of water and the Seller has insufficient water to provide for users both within and without the corporate limits, the Seller may reduce, curtail, or shut off the supply of water to Buyer's consumers during such period of scarcity or shortage in the same manner as the supply of water to other users outside the corporate limits is reduced, curtailed or shut off. Seller may also impose reasonable regulations and restructions for the use of water outside of its corporate limits which are different from those that are applicable to the use of water within its corporate limits.

5. That the provisions of this Contract pertaining to the schedule of rates to be paid by the Buyer for water delivered are subject to modification pursuant to amendment of the Code of Ordinances of the City of Trinidad. Other provisions of this contract may be

modified or altered by mutual agreement of the parties hereto.

6. That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Buyer will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. That the construction of the water supply distribution system by the Buyer is being financed by a loan made or insured by, and/or a grant from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Buyer are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. That in the event of any occurrence rendering the Buyer incapable of performing under this Contract, any successor of the Buyer, limited to a municipality or other governmental unit, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Buyer hereunder.

9. The Buyer shall not install any pumping or storage equipment. Buyer will provide water to its members for urban and residential use only. Buyer may not provide water to its residents for industrial or livestock use. Each service connection provided by Buyer to its residents will be used to furnish water to one dwelling only.

10. That the water furnished by Seller to Buyer under the terms of this contract shall be limited to use by residents who are within the corporate boundaries of the Town of Starkville, Colorado.

11. The venue of any action in law or equity brought under the terms of this Contract shall be in the District Court, sitting in and for the County of Las Animas, State of Colorado and by the signing of this Contract, the parties consent hereto that the said venue shall be in Las Animas County, Colorado.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in four (4) counterparts, each of which shall constitute an original.

ATTEST:

BUYER: Town of Starkville

City Clerk

BY: Wm. Church

APPROVED AS TO FORM AND CONTENT:

TITLE: Mayor

City Attorney

SELLER: City of Trinidad

ATTEST:

BY: John Rino

Frank Hoch
Frank Hoch, City Clerk

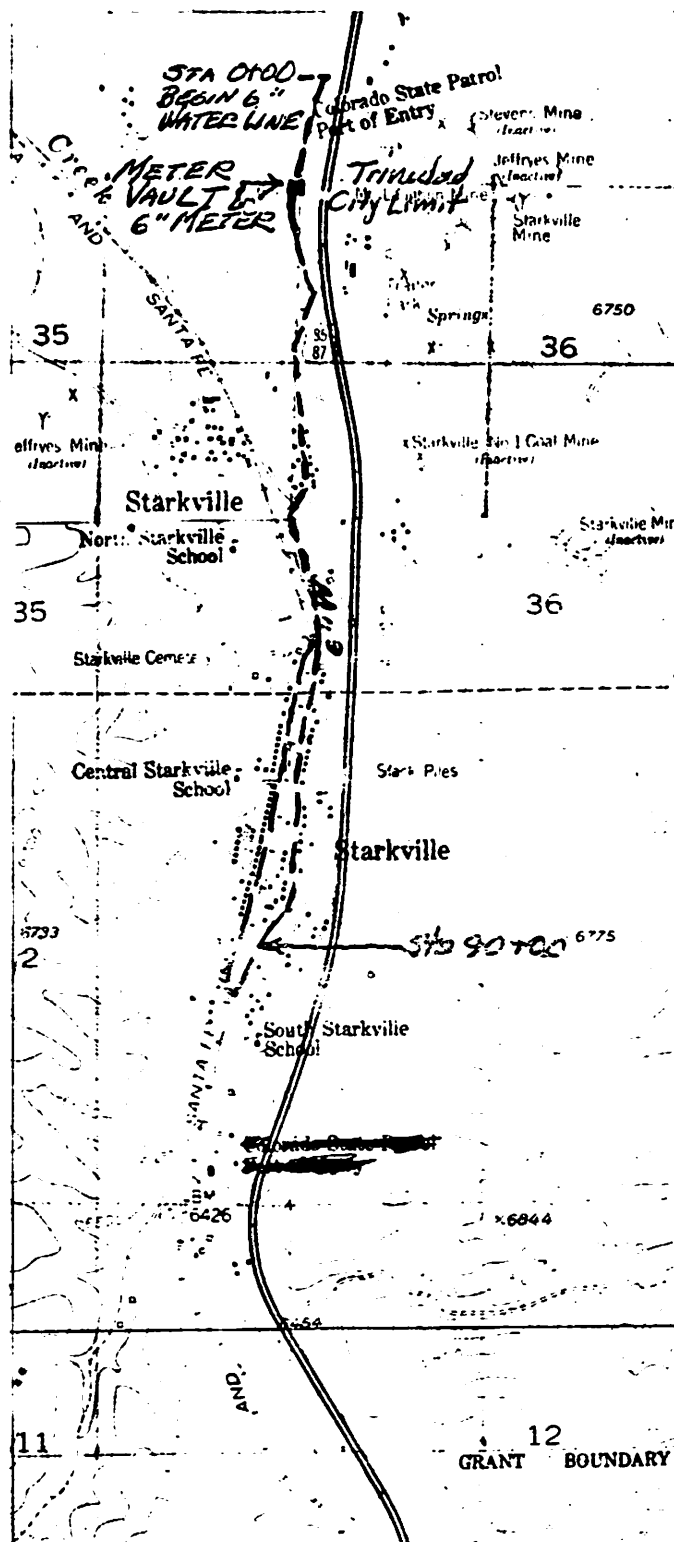
TITLE: John Rino, Mayor

This Contract is approved on behalf of the Farmers Home Administration
this _____ day of _____, 19__.

BY: _____

TITLE: _____

APPENDIX B



THIS DEED, Made this day of , 1983 ,

between The Town of Starkville,
a Municipal Corporation,

of the
County of Las Animas and State of Colorado, of the first part, and
Colo. Water Conservation Board, Dept. of
Natural Resources, State of Colorado
whose legal address is
1313 Sherman Street, City of Denver,
of the County of Denver and State of
Colorado, of the second part:

COPY

WITNESSETH, That the said part Y of the first part, for and in consideration of
One Dollar and other good and valuable consideration-----DOLLARS
to the said part Y of the first part in hand paid by said part Y of the second part, the receipt whereof is
hereby confessed and acknowledged, ha S granted, bargained, sold and conveyed, and by these presents do es
grant, bargain, sell, convey and confirm, unto the said party of the second part its heirs and assigns for-
ever, all the following described lot or parcel of land, situate, lying and being in the
County of Las Animas and State of Colorado, to wit:

- A. A 6-inch tap provided by the City of Trinidad as per water pur-
chase contract (Appendix A) to provide the Town of Starkville
with water from the City of Trinidad.
- B. A meter vault and 6-inch meter to be located at the south of
Trinidad city limits as shown on map (Appendix B).
- C. A 6-inch 9,000 linear-foot main from the connection to Trinidad
at station 0+00 water main southerly to station 90+00 in Stark-
ville as shown on map (Appendix B).

also known as street and number

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise apper-
taining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the
estate, right, title, interest, claim and demand whatsoever of the said party of the first part, either in law or
equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the
said part Y of the second part, its heirs and assigns forever. And the said party of the first part,
for it self, itsrs, executors, and administrators, do es covenant, grant, bargain, and agree to and
with the said part Y of the second part, its heirs and assigns, that at the time of the ensealing and delivery
of these presents, is well seized of the premises above conveyed, as of good, sure, perfect, absolute and
indefeasible estate of inheritance, in law, in fee simple, and ha S good right, full power and authority
to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear
from all former and other grants, bargains, sales, liens, taxes, assessments and encumbrances of whatever kind of
nature soever.

and the above bargained premises in the quiet and peaceable possession of the said part Y of the second part,
its heirs and assigns against all and every person or persons lawfully claiming or to claim the whole or any part
thereof, the said part Y of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF, the said part Y of the first part ha S hereunto set its hand
and seal the day and year first above written.

Thomas James Martinez
Linda Martinez

STATE OF COLORADO,

ss.

County of Las Animas

The foregoing instrument was acknowledged before me this
19 84, by THOMAS JAMES MARTINEZ & LINDA MARTINEZ
My commission expires 1/14/88

Thomas James Martinez (SEAL)
Linda Martinez (SEAL)
(SEAL)

7th day of JUNE
LINDA MARTINEZ
1984 Witness my hand and official seal.
Comm. Vigor
Notary Public

No. 557113

WARRANTY DEED

TO

STATE OF COLORADO

ss.

County of _____

I hereby certify that this instrument was filed
for record in my office this 20 day of
April, 1988,
at 10:30 o'clock A M., and duly recorded in
Book 831, Page 329

Film No. _____ Reception No. _____

By Mary Arnone Recorder.
td Deputy.

Fees, \$ 3.00

Mail to:
(or return to)

Send future tax statements to: