



## COLORADO

### Colorado Water Conservation Board

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

June 8, 2022

Sylvan Dale, LLLP  
2939 North County Road 31D  
Loveland, CO 80538

Subject: Loan Contract No. C150392  
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Sylvan Dale, LLLP, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C150392. The documents have been stamped "PAID IN FULL" denoting that the LLLP 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 [wendy.cheek@state.co.us](mailto:wendy.cheek@state.co.us). If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Wendy Cheek, Finance Manager  
Finance Section

#### Attachments

cc: CWCB Files



# PROMISSORY NOTE

Date: May 22, 2014

Borrower: Sylvan Dale Ranch, LLLP, a Limited Liability Limited Partnership

Principal Amount: \$105,171

Interest Rate: Zero (0%) interest for first three years, followed by 1.75% for remaining 27 years

Term of Repayment: 30 years - no payments for first three years followed by 27 years of amortized payments

Loan Contract No.: C150392

Loan Payment: \$0 first three years of loan, followed by 27 remaining payments of \$4,921.03

Payment Initiation Date\*: June 1, 2014

Maturity Date\*: June 1, 2044

\* Payment Initiation Date and Maturity Date fields are filled in after the contract has been executed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable on the first of the month four (4) years from the 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.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a SECURITY AGREEMENT, and DEEDS OF TRUST, ("SECURITY INSTRUMENTS") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB, including the right to accelerate the maturity of this PROMISSORY NOTE in certain events.

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

BORROWER: Sylvan Dale Ranch, LLLP  
a Limited Liability Limited Partnership

By David M. Jessup  
Signature

NAME: David M. Jessup

TITLE: General Partner

DATE: 5/23/14

Attest:

By Sue A. Buchman  
Signature

NAME: Sue A. Buchman

TITLE: Front Desk Supervisor

DATE: 5-23-14

**PAID IN FULL**

Handwritten text at the top of the page, possibly a title or header.

Handwritten text in the upper middle section.

Handwritten text in the middle right section.

Handwritten text in the middle left section.

Handwritten text in the lower right section, including a date and a signature.

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C 150392

RECEIVED

JUL 28 2014

Colorado Water  
Conservation Board

July 23, 2014

Ms. Peg Mason  
Contracts Manager  
Water Project Loan Section  
Colorado Water Conservation Board  
1313 Sherman Street  
Room 721  
Denver, Colorado 80203

Dear Peg:

Our records show that Northern Water received a *Notice of Claim of Lien or Security Interest in a Class D Allotment and Request for Notification of Action Regarding a Class D Allotment Contract* dated today, July 23, 2014, for an allotment contract of 20 acre-foot units of Colorado-Big Thompson Project water held in the name of **Sylvan Dale Ranch, LLLP**.

The name of the lender as shown on this notice is Colorado Water Conservation Board.

If further information is needed, please contact me at (970) 622-2217.

Sincerely,

  
Sherri Rasmussen  
Allotment Contract Specialist

PAID IN FULL

sr  
Enclosure

0314-1021

MOBILE

1950-1951  
1952-1953

1954-1955

## Allottee Contract Detail

**Allottee:** SYLVAN DALE RANCH LLLP

**Contact:** David M Jessup

**Position:** General Partner

**Address:** 2939 N County Road 31 D  
Loveland CO 80538-9763

**Phone:** (970) 667-3915

Contract Information								
Contract ID	AFUs Owned	AFUs Withheld	Contract Class/ Contract Type	Quota Type	Rate Type	Unit Nbr	Assess Rate	Assessment
2123	20	0	D	Variable	Open	1	\$10.00	\$200.00
Document Number: 126744			Prev. IDs: 0					
Board Approved Date: 7/11/1975			Acc't Entity: SYLVAN DALE RANCH LLLP					
Effective Date: 7/11/1975			Lienholder(s): COLORADO WATER CONSERVATION BOARD (Loan # C150392)					
Trans Fee Coll. Date:			Cty Recdg #s: 1655/571 (OR)					
Comments:								
Contract ID	AFUs Owned	AFUs Withheld	Contract Class/ Contract Type	Quota Type	Rate Type	Unit Nbr	Assess Rate	Assessment
2966	2	0	D	Variable	Open	1	\$10.00	\$20.00
Document Number: 127417			Prev. IDs: 0					
Board Approved Date: 5/12/2006			Acc't Entity: SYLVAN DALE RANCH LLLP					
Effective Date: 5/12/2006			Lienholder(s):					
Trans Fee Coll. Date:			Cty Recdg #s: 20060041061 (OR)					
Comments:								
				Open Rate Assessment Total:				\$220.00
Total AFUs:				22	Assessment Grand Total:			\$220.00

Information for Tract # 1896		
SecTwnRng: 3-5N-70W; 4-5N-70W		Change Code:
Parcel Nbr: 0503300001; 0504000001		
County: Larimer	Total Irrigable Acres: 0	Irrigated Acres: 0
Comments:		
<b>Legal Description:</b> COM AT A PT ON S LN OF SEC 3 FROM WH SE COR OF SW1/4SW1/4 OF SD SEC BEARS N87 35'E 700FT; N32 10'E 373.4FT; N83 E 270.4FT; N66 12'E 428.7FT; N26 52'E 743.8FT; N19 22'E 597.8FT; N14 23'E 90FT; S69 14'E 322.8FT; S80 56'E TO PT OF INTER WITH E LN OF NW1/4SE1/4 OF SD SEC, N TO NE COR OF S1/2NW1/4SE1/4 OF SD SEC; TH W TO NW COR OF S1/2NE1/4SW1/4; TH N TO E & W C/L OF SD SEC; TH W TO NW COR OF NW1/4SW1/4; TH S TO SW COR OF SD SEC; TH E ALG S LN OF SD SEC TO POB; EXC SW1/4, S OF S RIM OF BIG THOMPSON CANYON; EXC ALL EXIST R/W & EASE & SE1/4NE1/4 OF SEC 4; EXC ALL EXIST R/W & EASE.		



# Notice of Claim of Lien or Security Interest in a Class D Allotment and Request for Notification of Action Regarding a Class D Allotment Contract

Date: July 23, 2014

Name of Allottee: Sylvan Dale Ranch, LLLP

Loan Number: C150392

Name of Lender: Colorado Water Conservation Board

Mailing Address: 1313 Sherman Street, Room 718, Denver, Colorado 80203

Contact Person: Peg Mason

Phone Number: 303-866-3441 x3227

Email: [peg.mason@state.co.us](mailto:peg.mason@state.co.us)

Complete Legal Description of Land and number of acre-foot units to which a Class D Allotment has been made and which is subject to the Claim of Lien or security interest: COM AT A PT ON S LN OF SEC 3 FROM WH SE COR OF SW1/4SW1/4 OF SD SEC BEARS N87 35'E 700FT; N32 10'E 373.4FT; N83 E 270.4FT; N66 12'E 428.7FT; N26 52'E 743.8FT; N19 22'E 597.8FT; N14 23'E 90FT; S69 14'E 322.8FT; S80 56'E TO PT OF INTER WITH E LN OF NW1/4SE1/4 OF SD SEC, N TO NE COR OF S1/2NW1/4SE1/4 OF SD SEC; TH W TO NW COR OF S1/2NE1/4SW1/4; TH N TO E & W C/L OF SD SEC; TH W TO NW COR OF NW1/4SW1/4; TH S TO SW COR OF SD SEC; TH E ALG S LN OF SD SEC TO POB; EXC SW1/4, S OF S RIM OF BIG THOMPSON CANYON; EXC ALL EXIST R/W & EASE & SE1/4NE1/4 OF SEC 4; EXC ALL EXIST R/W & EASE. (SECTIONS 3 & 4 – TOWNSHIP 5 NORTH – RANGE 70 WEST – LARIMER COUNTY; INCLUDING 20 ACRE-FOOT UNITS OF COLORADO-BIG THOMPSON PROJECT WATER ADMINISTERED THROUGH NORTHERN WATER

(If more space is needed, please continue legal description on the back of this form.)

**PAID IN FULL**

One of the following documents must be attached to this Notice:

1. A copy of the recorded Deed of Trust which has been executed by the allottee of record.
2. A copy of the recorded UCC-1 which has been executed by the allottee of record.
3. A copy of a Court Judgment and Decree which creates or recognizes a security interest in the allotment contract for the benefit of the party filing this notice.
4. A copy of the transcript of a money judgment in favor of the party filing this notice which has been granted by a Court having jurisdiction.
5. A copy of any other instrument evidencing a security interest in the Class D Allotment Contract.



Authorized Signature



## Allottee Contract Detail

**Allottee:** SYLVAN DALE RANCH LLLP

**Contact:** David M Jessup

**Position:** General Partner

**Address:** 2939 N County Road 31 D  
Loveland CO 80538-9763

**Phone:** (970) 667-3915

Contract Information								
Contract ID	AFUs Owned	AFUs Withheld	Contract Class/ Contract Type	Quota Type	Rate Type	Unit Nbr	Assess Rate	Assessment
2123	20	0	D	Variable	Open	1	\$10.00	\$200.00
Document Number: 126744			Prev. IDs: 0					
Board Approved Date: 7/11/1975			Acc't Entity: SYLVAN DALE RANCH LLLP					
Effective Date: 7/11/1975			Lienholder(s):					
Trans Fee Coll. Date:			Cty Recdg #s: 1655/571 (OR)					
Comments:								
Contract ID	AFUs Owned	AFUs Withheld	Contract Class/ Contract Type	Quota Type	Rate Type	Unit Nbr	Assess Rate	Assessment
2966	2	0	D	Variable	Open	1	\$10.00	\$20.00
Document Number: 127417			Prev. IDs: 0					
Board Approved Date: 5/12/2006			Acc't Entity: SYLVAN DALE RANCH LLLP					
Effective Date: 5/12/2006			Lienholder(s):					
Trans Fee Coll. Date:			Cty Recdg #s: 20060041061 (OR)					
Comments:								
				Open Rate Assessment Total:				\$220.00
				Total AFUs:	22	Assessment Grand Total:		\$220.00

Information for Tract # 1896		
SecTwnRng: 3-5N-70W; 4-5N-70W		Change Code:
Parcel Nbr: 0504000001		
County: Larimer	Total Irrigable Acres: 0	Irrigated Acres: 0
Comments:		
<b>Legal Description:</b> COM AT A PT ON S LN OF SEC 3 FROM WH SE COR OF SW1/4SW1/4 OF SD SEC BEARS N87 35'E 700FT; N32 10'E 373.4FT; N83 E 270.4FT; N66 12'E 428.7FT; N26 52'E 743.8FT; N19 22'E 597.8FT; N14 23'E 90FT; S69 14'E 322.8FT; S80 56'E TO PT OF INTER WITH E LN OF NW1/4SE1/4 OF SD SEC, N TO NE COR OF S1/2NW1/4SE1/4 OF SD SEC; TH W TO NW COR OF S1/2NE1/4SW1/4; TH N TO E & W C/L OF SD SEC; TH W TO NW COR OF NW1/4SW1/4; TH S TO SW COR OF SD SEC; TH E ALG S LN OF SD SEC TO POB; EXC SW1/4, S OF S RIM OF BIG THOMPSON CANYON; EXC ALL EXIST R/W & EASE & SE1/4NE1/4 OF SEC 4; EXC ALL EXIST R/W & EASE.		

PAID IN FULL

ACTION: R SCREEN: OPVH USERID: IOT009

07/14/14 04:39:54 PM

OPEN PV HEADER TABLE

KEY IS VENDOR CODE, VOUCHER AGENCY, VOUCHER NUMBER

VENDOR CD: 840909779 VOUCHER AGENCY: PDA VOUCHER NO: 14L00000161

NAME: SYLVAN DALE RANCH LTD

DBA:

ADDRESS: 2939 NORTH COUNTY ROAD 31D

CITY: LOVELAND

ST: CO ZIP: 80538

BUDGET FY: 14

VOUCHER TYPE: 1 OFF LIAB ACCT: 2100

SCHED PAY DATE:

HOLD IND:

REASON-CODE:

ACCOUNT PERIOD: 14 4 12

VOUCHER DATE: 140601

VOUCHER AMT: 104,130.00

CLOSED DATE: 140603

CLOSED AMT: 104,130.00

CHECK CATEGORY: PD

OUTSTANDING AMT: 0.00

SINGLE CHECK FLAG: Y

DISCOUNT AMT: 0.00

ACCOUNT NUMBER:

RETAINAGE AMT: 0.00

**PAID IN FULL**

ACTION: R SCREEN: OPVL USERID: IOT009

07/14/14 04:40:00 PM

OPEN PV LINE TABLE

KEY IS VENDOR CODE, VOUCHER AGENCY, VOUCHER NUMBER, VENDOR INVOICE, LINE NO

VENDOR CODE: 840909779 VOUCHER AGENCY/NUMBER: PDA 14L00000161  
VENDOR INVOICE: LINE NO: 02  
DESCRIPTION: LOAN SERVICE FEE

FND	AGY	ORG/SUB	APPR	PGMT	FUNC	OBJ/SUB	REV/SUB	BS	ACCT	GBL	RPTG	CAT	JOB/PROJECT
---	---	-----	----	----	----	-----	-----	---	---	---	---	---	-----
424	PDA	YYYY	C21				4400						

DISCOUNT TYPE:	APPLICATION TYPE:	RETAINAGE TYPE:	EFT IND:
PV LINE DISC AMOUNT:	0.00	DISBURSEMENT AMOUNT :	-1,041.00
PV LINE AMOUNT:	-1,041.00	CLOSED AMOUNT :	-1,041.00
RETAINAGE AMOUNT:	0.00	QUANTITY :	0.000

BANK/DISB: 0005 AD00043789798 DATE: 140603

PRIOR DISB:	DATE:	CX#:	DATE:
PRIOR DISB:	DATE:	CX#:	DATE:

REF TRANS ID:	LN:	DATE:	PC LN:	VI LN:
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PAID IN FULL

07/14/14 04:40:03 PM

KEY IS VENDOR CODE, VOUCHER AGENCY, VOUCHER NUMBER, VENDOR INVOICE, LINE NO

VOUCHER AGENCY/NUMBER: PDA 14L00000161

LINE NO: 01

DESCRIPTION: LOAN SYLVAN DALE RANCH

FND	AGY	ORG/SUB	APPR	PGMT	FUNC	OBJ/SUB	REV/SUB	BS ACCT	GBL	RPTG CAT	JOB/ PROJECT
744	PDA	6000	P14	WTRC		5882		1763	S392	0392	

DISCOUNT TYPE:	APPLICATION TYPE:	RETAINAGE TYPE:	EFT IND: N
PV LINE DISC AMOUNT:	0.00	DISBURSEMENT AMOUNT :	105,171.00
PV LINE AMOUNT:	105,171.00	CLOSED AMOUNT :	105,171.00
RETAINAGE AMOUNT:	0.00	QUANTITY :	0.000

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

LN: 01 DATE: 05 29 14 PC LN: VI LN:

**PAID IN FULL**



Colorado Water Conservation Board  
Project Expenditure Schedule

**Emergency Irrigation Pond Excavation**

Sylvan Dale ranch, LLLP  
2939 North County Rd. 31D  
LOveland, CO 80537  
c/o David Jessup

Ph. (970) 667-3915  
Cell (970) 481-8342  
davidj@sylvandale.com

	<b>Original</b>	<b>Final</b>
Loan Contract No.:	<b>C150392</b>	
Authorization:	\$105,171.00	
Contract Amount	\$104,130.00	
Loan Service Fee	\$1,041.00	
Total Loan Amount	\$105,171.00	
Interest:	0.00%	1.75%
Term:	30-years	27-years
Conditions:	100%	100%
IDC Calculation Date:	6/1/2014	

Substantial Completion Date

Open

Contract Expires:

N/A

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$105,171.00		
1	6/1/2014	Construction	\$ 104,130.00	\$ 104,130.00	\$ 1,041.00	\$ -	\$ -
Final	6/1/2014	Loan Service Fee	\$ 1,041.00	\$ 105,171.00	\$0.00	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -

PAID IN FULL

Colorado Water Conservation Board  
Project Expenditure Schedule

**Emergency Irrigation Pond Excavation**

Sylvan Dale ranch, LLLP  
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	<b>Original</b>	<b>Final</b>
Loan Contract No.:	<b>C150392</b>	
Authorization:	\$105,171.00	
Contract Amount	\$104,130.00	
Loan Service Fee	\$1,041.00	
Total Loan Amount	\$105,171.00	
Interest:	0.00%	1.75%
Term:	30-years	27-years
Conditions:	100%	100%
IDC Calculation Date:	6/1/2014	

Substantial Completion Date

Open

Contract Expires:

N/A

Pay Req. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$105,171.00		
1	6/1/2014	Construction	\$ 104,130.00	\$ 104,130.00	\$ 1,041.00	\$ -	\$ -
Final	6/1/2014	Loan Service Fee	\$ 1,041.00	\$ 105,171.00	\$0.00	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -
				\$ 105,171.00	\$ -	\$ -	\$ -

PAID IN FULL

ACTION: R SCREEN: OPOH USERID: I0T009

07/14/14 04:39:36 PM

OPEN PO HEADER TABLE

KEY IS VENDOR CODE, PO ID

01-

VENDOR CODE: 840909779 PO ID: PDA C150392

VENDOR NAME: SYLVAN DALE RANCH LTD

BUDGET FY: 14 PO TYPE: 1 OFFSET RES ACT: 3130

COMMENTS: CMS 69471

PO DATE: 05 29 14

PO CLOSING DATE: 06 01 14

PO AMOUNT: 105,171.00

CLOSED AMOUNT: 105,171.00

ROLL FORWARD:

OUTSTANDING AMOUNT: 0.00

I/G IND:

02-

VENDOR CODE: PO ID:

VENDOR NAME:

BUDGET FY: PO TYPE: OFFSET RES ACT:

COMMENTS:

PO DATE:

PO CLOSING DATE:

PO AMOUNT:

CLOSED AMOUNT:

ROLL FORWARD:

OUTSTANDING AMOUNT:

I/G IND:

02-\*S304 ACTION NOT AUTH FOR AGCY/SEC1

PAID IN FULL

ACTION: R SCREEN: OPOL USERID: I0T009

07/14/14 04:39:39 PM

OPEN PO LINE TABLE

KEY IS VENDOR CODE, PO AGENCY, PO NUMBER, LINE NO

01-

VENDOR CODE: 840909779 PO AGENCY: PDA PO NUMBER: C150392

LINE NO: 01 LINE DESC: LOAN EMERGENCY IRR POND EXCAV

FUND: 744 I/G REF FUND: AGENCY: PDA I/G REF AGY:

ORG/SUB ORG: 6000 APPR CODE: P14 PROGRAM: WTRC FUNCTION:

OBJ/SUB OBJ: 5882 GBL: S392 RPTG CAT: 0392 JOB NO:

PROJECT: TEXT FLAG: PO LINE AMT: 105,171.00

PO LINE CLSD AMT: 105,171.00 PO LINE EXP AMT: 105,171.00

OUTSTANDING: 0.00

LAST REF TRAN#/DATE: PV PDA 14L00000161 01 140601

REF RQ:

**PAID IN FULL**



# Deed of Trust

DATE: May 22, 2014  
GRANTOR: Sylvan Dale Ranch, LLLP, a Limited Liability Limited Partnership  
BENEFICIARY: Colorado Water Conservation Board  
COUNTY: Larimer  
PRINCIPAL LOAN AMOUNT: \$105,171  
LOAN CONTRACT: Loan Contract No. C150392  
TERMS OF REPAYMENT: 30 YEARS- no payments and zero interest for the first three years followed by 27 years of amortized payments at the interest rate of 1.75% per annum  
COLLATERAL: An undivided one-hundred percent interest in twenty (20) acre-foot units of Colorado-Big Thompson Project Water contractual rights #2123, administered through the Northern Water Conservancy District, defined as:  
COM AT A PT ON S LN OF SEC 3 FROM WH SE COR OF SW1/4SW1/4 OF SD SEC BEARS N87 35'E 700FT; N32 10'E 373.4FT; N83 E 270.4FT; N66 12'E 428.7FT; N26 52'E 743.8FT; N19 22'E 597.8FT; N14 23'E 90FT; S69 14'E 322.8FT; S80 56'E TO PT OF INTER WITH E LN OF NW1/4SE1/4 OF SD SEC, N TO NE COR OF S1/2NW1/4SE1/4 OF SD SEC; TH W TO NW COR OF S1/2NE1/4SW1/4; TH N TO E & W C/L OF SD SEC; TH W TO NW COR OF NW1/4SW1/4; TH S TO SW COR OF SD SEC; TH E ALG S LN OF SD SEC TO POB; EXC SW1/4, S OF S RIM OF BIG THOMPSON CANYON; EXC ALL EXIST R/W & EASE & SE1/4NE1/4 OF SEC 4; EXC ALL EXIST R/W & EASE. (SECTION 3 & 4 – TOWNSHIP 5 NORTH – 70 WEST) (See attached Allottee Contract Detail).

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

## FACTUAL RECITALS

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

The GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, the above described COLLATERAL.

**To have and to hold** the same, together with all appurtenances, in trust nevertheless, that in case of default in the payment of said PROMISSORY NOTE, or any part thereof, or the interest thereon, or in the performance of any covenants hereinafter set forth or in said PROMISSORY NOTE or LOAN CONTRACT, then upon the BENEFICIARY filing notice of election and demand for sale, said PUBLIC TRUSTEE, after advertising notice of said sale weekly for not less than four weeks in some

## Appendix 5 to Loan Contract C150392

Page 1 of 3

COLORADO WATER CONSERVATION BOARD

1313 SHERMAN ST #718  
DENVER, CO 80203

newspaper of general circulation in said COUNTY, shall sell said COLLATERAL in the manner provided by law in effect at the time of filing said notice and demand, at public auction for cash, at any proper place designated in the notice of sale. Out of the proceeds of said sale, the PUBLIC TRUSTEE shall retain or pay first all fees, charges and costs and all moneys advanced for taxes, insurance and assessments, or on any prior encumbrance, with interest thereon and pay the principal and interest due on said PROMISSORY NOTE, rendering the overplus, if any, unto the GRANTOR; and after the expiration of the time of redemption, the PUBLIC TRUSTEE shall execute and deliver to the purchaser a deed to the COLLATERAL sold. The BENEFICIARY may purchase said COLLATERAL or any part thereof at such sale.

The GRANTOR covenants that at the time of the delivery of these presents, it is well seized of the COLLATERAL in fee simple, and has full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid. The GRANTOR fully waives and releases all rights and claims it may have in or to said COLLATERAL as a Homestead Exemption or other exemption, now or hereafter provided by law. The GRANTOR further covenants that the COLLATERAL is free and clear of all liens and encumbrances whatever and that the GRANTOR shall warrant and forever defend the COLLATERAL in the quiet and peaceable possession of the PUBLIC TRUSTEE, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof.

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

In case of default in any of said payments of the principal or interest, according to the terms of said PROMISSORY NOTE or LOAN CONTRACT, by the GRANTOR, its successors or assigns, then said principal sum hereby secured, and interest thereon, may at once, at the option of the BENEFICIARY, become due and payable, and the said COLLATERAL be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the PUBLIC TRUSTEE, an attorney's fee in a reasonable amount for services in the supervision of said foreclosure proceedings shall be allowed by the PUBLIC TRUSTEE as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

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



3  
Executed the day and date first written above.

Sylvan Dale Ranch, LLLP  
a Limited Liability Limited Partnership

By David Jessup, General Partner  
Name, Title

ATTEST:

By David Jessup  
Name, Title

Date: 5/23/14

Date: 5/23/14

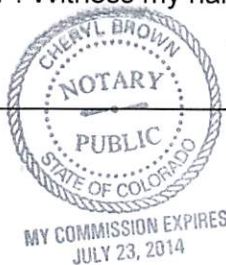
County of Lincoln )  
State of Colorado ) SS

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of May 2014, by

DAVID JESSUP (Name), General Partner (Title) and N/A (Name), N/A (Title),

of Sylvan Dale Ranch, LLLP. Witness my hand and official seal Cheryl Brown Notary Public

My commission expires \_\_\_\_\_



(SEAL)

**PAID IN FULL**

Return recorded DEED OF TRUST to: CWCB Finance Section, Attn: Contracts Manager, Peg Mason, 1313 Sherman Street, Suite 721, Denver CO 80203 (Phone Number 303-866-3441 ext. 3227).

▪ LILEY, ROGERS & MARTELL, LLC ▪  
ATTORNEYS AT LAW

May 21, 2014

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

Re: *Opinion Letter Provided Pursuant to CWCB Loan Contract C150392*

Ladies and Gentlemen:

We are providing this letter to the Colorado Water Conservation Board ("CWCB") at the request of Sylvan Dale Ranch, LLLP, a Colorado Limited Liability Limited Partnership ("Borrower") to meet the requirements of Paragraph 7 of CWCB Loan Contract C150392 ("Loan Contract"). For purposes of rendering our opinion set forth herein, we have reviewed originals or copies of the following documents that pertain directly to the Loan (collectively, the "Documents Reviewed"):

1. Partnership Agreement of Sylvan Dale Ranch, LLLP dated January 1, 2001 ("Partnership Agreement");
2. Certificate of Good Standing dated May 16, 2014, issued by the Secretary of State of the State of Colorado as to Borrower; and
4. A resolution dated May 23, 2014 authorizing the execution and delivery of the Contract by David Jessup as General Partner of the Borrower ("Resolution").
5. A Statement of Authority dated May 22, 2014 authorizing the execution of documents by David Jessup as general partner of the Borrower.

In basing the opinions set forth in this opinion on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Borrower, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. The words "our knowledge" as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing the Borrower in any capacity as of the date of this letter, including, but not limited to, in connection with the Loan.



Based on the Documents Reviewed and representations of the Borrower, it is our opinion that:

- (a) Borrower is a Colorado entity in good standing and is qualified to transact business in the State of Colorado.
- (b) David M. Jessup is a General Partner of the Borrower pursuant to the Partnership Agreement.
- (c) David M. Jessup, as a General Partner of the Borrower, is duly authorized by the Partnership Agreement to execute the Loan Contract between the CWCB and the Borrower and to bind the Borrower to the Loan Contract;
- (d) The Resolution was duly adopted by David M. Jessup as General Partner of the Borrower;
- (e) There are no provisions in the Partnership Agreement, or any state or local law that prevent the Loan Contract from binding the Borrower;
- (f) There are no provisions in the Partnership Agreement that would invalidate the Loan Contract; and
- (g) The Loan Contract will be valid and binding against the Borrower if entered into by the CWCB.

The opinions are based solely on our knowledge and the representations of the Borrower as of the date of this letter, including but not limited to the assumption that Borrower has not amended the Partnership Agreement, and except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

The foregoing opinions are for the exclusive reliance of the CWCB, and are not intended for the benefit of, and should not be relied upon whatsoever by, anyone except the CWCB.

Sincerely,

  
James A. Martell

**STATEMENT OF AUTHORITY**  
**(C.R.S. § 38-30-172)**

1. This Statement of Authority relates to an entity named SYLVAN DALE RANCH, LLLP.
2. The type of entity is:

<input type="checkbox"/> corporation	<input type="checkbox"/> registered limited liability partnership
<input type="checkbox"/> nonprofit corporation	<input checked="" type="checkbox"/> registered limited liability limited partnership
<input type="checkbox"/> limited liability company	<input type="checkbox"/> limited partnership association
<input type="checkbox"/> general partnership	<input type="checkbox"/> government or government subdivision or agency
<input type="checkbox"/> limited partnership	
3. The entity is formed under the laws of COLORADO.
4. The mailing address for the entity is 2939 North County Road 31-D, Loveland, CO 80538.
5. The name and position of each person authorized to execute instruments conveying, encumbering, or otherwise affecting title to real property on behalf of the entity is David M. Jessup, General Partner.
6. The authority of the foregoing person(s) to bind the entity is not limited
7. Other matters concerning the manner in which the entity deals with interest in real property:  
NOT APPLICABLE.
8. This Statement of Authority is executed on behalf of the entity pursuant to the provisions of C.R.S. § 38-30-172.
9. This Statement of Authority amends and supersedes in all respects any prior Statement of Authority executed on behalf of the entity.

EXECUTED this 22<sup>nd</sup> day of May, 2014.

  
\_\_\_\_\_  
David M. Jessup

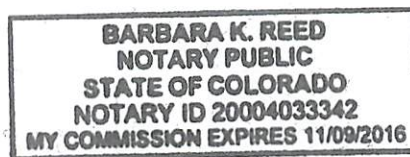
STATE OF COLORADO     )  
  ) ss.  
COUNTY OF LARIMER     )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 22nd day of May, 2014, by David M. Jessup.

Witness my hand and official seal.

My commission expires: 11-9-2016

Barbara K. Reed  
Notary Public



**PAID IN FULL**



BORROWER: SYLVAN DALE RANCH, LLLP  
CONTRACT NO. C150392  
PROJECT AMOUNT \$104,130  
LOAN SERVICE FEE \$1,041  
LOAN AMOUNT \$105,171

AGENCY NAME: COLORADO WATER  
CONSERVATION BOARD  
AGENCY NUMBER: PDA  
CONTRACT TYPE: LOAN/PRIVATE  
CWCB CMS #69471

## LOAN CONTRACT

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

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 **Sylvan Dale Ranch, LLLP**, 2939 N CR 31 D, Loveland, Colorado, 80538, ("BORROWER"), a Limited Liability Limited Partnership.

### FACTUAL RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for encumbering and subsequent payment of this CONTRACT.
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. On May 22, 2014 the CWCB approved a loan request from the BORROWER for the Emergency Irrigation Pond Excavation Project to repair damages caused by the 2013 flood event ("PROJECT"). The total estimated project cost is \$104,130. The total loan amount is \$105,171 which includes a one percent (1%) loan service fee of \$1,041. This loan was approved as a 30 year loan with no payments and zero interest for the first three years followed by 27 years of amortized payments at the interest rate of 1.75%.
4. The **PROJECT SUMMARY**, attached as **APPENDIX 1** and incorporated herein, contains BORROWER Information (Section 1), the PROJECT Description (Section 2), CWCB's authority for making this loan (Section 3), and CWCB Approval and Legislative Authorization (Section 4), identifying the amount of the loan and the terms of repayment. The PROJECT SUMMARY also contains sections on BORROWER's debt, collateral, procedures and eligible expenses.
5. The CWCB now desires, by this CONTRACT, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.

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

#### A. LOAN PROVISIONS

1. **Loan Service Fee.** The amount of the loan (LOAN AMOUNT) shall include (1) the amount of the funds loaned by the CWCB to the BORROWER for the PROJECT and (2) a service fee of one percent (1%) of the PROJECT amount. In the event that the BORROWER does not use the LOAN AMOUNT authorized, the parties shall amend this

**Loan Contract C150392**



CONTRACT to revise the LOAN AMOUNT including adjustment of the service fee to reflect 1% of the actual LOAN AMOUNT disbursed to the BORROWER.

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

- a. the CONTRACT has been duly executed by GENERAL PARTNER of the Sylvan Dale Ranch, Limited Liability Limited Partnership who is authorized to execute the CONTRACT and to bind the BORROWER;
  - b. the resolutions authorizing the execution and delivery of the CONTRACT were duly adopted by the GENERAL PARTNER of the Sylvan Dale Ranch, Limited Liability Limited Partnership;
  - c. there are no provisions in the partnership agreement for the Sylvan Dale Ranch, Limited Liability Limited Partnership or any state or local law that prevent this CONTRACT from binding the BORROWER;
  - d. there are no provisions in any of the Sylvan Dale Ranch, Limited Liability Limited Partnership's formation and governing documents that would invalidate the approval of this loan;
  - e. the CONTRACT will be valid and binding against the BORROWER if entered into by the CWCB.
8. **PLEDGE OF PROPERTY.** The BORROWER irrevocably pledges to the CWCB for purposes of repayment of this loan: the legally available operating revenues and all of the BORROWER'S rights to receive said revenues, hereinafter collectively referred to as the "PLEDGED PROPERTY".

The BORROWER further agrees to the following:

- a. **Segregation of Pledged Revenues.** The BORROWER shall set aside and keep the pledged revenues in an account separate from other BORROWER revenues and warrants that these revenues will not be used for any other purpose.
- b. **Establish Security Interest.** The BORROWER has duly executed a **SECURITY AGREEMENT**, attached hereto as **APPENDIX 4** and incorporated herein, to provide a security interest to the CWCB in the PLEDGED PROPERTY. The CWCB shall have priority over all other competing claims for said PLEDGED PROPERTY, except for the liens of the BORROWER'S existing loans as listed in Section 5 (Schedule of Existing Debt) of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s).
- c. **Revenue Assessments.** Pursuant to its partnership agreement, the BORROWER shall take all necessary actions consistent therewith during the term of this CONTRACT sufficient to pay this loan as required by the terms of this CONTRACT and the PROMISSORY NOTE, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves. In the event the revenues become insufficient to assure such repayment to the CWCB, the BORROWER shall immediately take all necessary action consistent with its partnership agreement to raise sufficient revenue to assure repayment of this loan.
- d. **Debt Service Reserve Account or Fund.** To establish and maintain the debt service reserve account, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve fund on the due date of its first annual loan payment and annually thereafter for the first ten years of



repayment of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds. The debt service reserve account or fund requirement is in effect until the loan is paid in full.

9. **Collateral.** The BORROWER irrevocably pledges to the CWCB, for purposes of repayment of this loan, an interest in the Colorado-Big Thompson (C-BT) contractual rights for water, administered through the Northern Water Conservancy District (Northern Water), hereinafter referred to "COLLATERAL". The COLLATERAL as further described in Section 6 (COLLATERAL) of the PROJECT SUMMARY is authorized by the BORROWER'S AUTHORIZING RESOLUTION, and secured by the **DEED OF TRUST (APPENDIX 5)**.
10. **Collateral during Loan Repayment.** The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the COLLATERAL or the PLEDGED PROPERTY so long as any of the principal, accrued interest, and late charges, if any, on this loan remain unpaid, without the prior written concurrence of the CWCB. In the event of any such sale, transfer or encumbrance without the CWCB's written concurrence, the CWCB may at any time thereafter declare all outstanding principal, interest, and late charges, if any, on this loan immediately due and payable.
11. **Release After Loan Is Repaid.** Upon complete repayment to the CWCB of the entire principal, all accrued interest, and late charges, if any, as specified in the PROMISSORY NOTE, the CWCB agrees to release and terminate any and all of the CWCB's right, title, and interest in and to the COLLATERAL and the PLEDGED PROPERTY.
12. **Warranties.**
  - a. The BORROWER warrants that, by acceptance of the loan under this CONTRACT and by its representations herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan to the CWCB as required by this CONTRACT.
  - b. The BORROWER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER, to solicit or secure this CONTRACT and has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this CONTRACT.
  - c. The BORROWER warrants that the PLEDGED PROPERTY and COLLATERAL for this loan are not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner, except for any existing lien(s) identified in Section 5 (Schedule of Existing Debt) of the PROJECT SUMMARY, which sets forth the position of the lien created by this CONTRACT in relation to any existing lien(s). Documentation establishing the relative priorities of said liens, if necessary, is attached to the PROJECT SUMMARY and incorporated herein.

13. **Change of Ownership of Water Shares during Term of Contract.** If the interest rate for this loan is based on the CWCB's agricultural or blended agricultural and municipal and/or commercial and/or industrial rates, the BORROWER agrees to notify the CWCB of any change of the ownership of the water rights represented by its shares from irrigation to municipal or commercial or industrial use. The interest rate shall be revised when said change in ownership would increase the original interest rate by 0.5% or more. The parties shall amend this CONTRACT, including a revised PROMISSORY NOTE, to effect said change in interest rate.
14. **Remedies for Default.** Upon default in the payments to be made by the BORROWER under this CONTRACT, or default in the performance of any covenant or agreement contained herein, the CWCB, at its option, may:
- suspend this CONTRACT and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;
  - declare the entire principal amount, accrued interest, and late charges, if any, then outstanding immediately due and payable;
  - exercise its rights under any appendices to this CONTRACT, including, but not limited to, the PROMISSORY NOTE, SECURITY AGREEMENT, DEEDS OF TRUST and/or any instrument securing COLLATERAL; and/or
  - take any other appropriate action.

The CWCB shall provide written notice to the BORROWER of any such default and shall give the BORROWER an opportunity to cure within thirty (30) days of receipt of such notice. All remedies described herein may be simultaneously or selectively and successively enforced. The CWCB may enforce the provisions of this CONTRACT at its option without regard to prior waivers of previous defaults by the BORROWER, through judicial proceedings to require specific performance of this CONTRACT, or by such other proceedings in law or equity as may be deemed necessary by the CWCB to ensure compliance with provisions of this CONTRACT and the laws and regulations under which this CONTRACT is executed. The CWCB's exercise of any or all of the remedies described herein shall not relieve the BORROWER of any of its duties and obligations under this CONTRACT.

15. **Operation of PROJECT.** The BORROWER shall, without expense or legal liability to the CWCB, manage, operate, and maintain the PROJECT continuously in an efficient and economical manner.
16. **BORROWER's Liability Insurance.**
- Upon execution of this CONTRACT and continuing until complete repayment of the loan is made to the CWCB, the BORROWER shall maintain commercial general liability insurance, with a company that is satisfactory to the CWCB, with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000



general aggregate, including products/completed operations and personal injury.

- b. Prior to the disbursement of any loan funds, the BORROWER shall provide the CWCB with an Acord Form 25 evidencing said insurance and shall provide the CWCB with documentation of renewals of said insurance.

17. **Additional Contract Requirements.** Any additional contract requirements are set forth in Additional Contract Requirement (Section 7) of the PROJECT SUMMARY.

## **B. PROJECT PROVISIONS**

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the CWCB Construction Fund Program Procedures (Section 8), of the PROJECT SUMMARY.
2. **Eligible Expenses.** The PROJECT expenses for which the BORROWER is eligible for loan disbursements are listed in Eligible Expenses (Section 9) of the PROJECT SUMMARY.
3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 10) of the PROJECT SUMMARY.
4. **Time for Performance.** The BORROWER recognizes that time is of the essence in the performance of all of its obligations under this CONTRACT. Therefore, the BORROWER shall complete the PROJECT within the time specified in Time for Performance (Section 11) of the PROJECT SUMMARY.
5. **Indemnification by the Construction Firm.** The BORROWER shall require all construction firms and their subcontractors to indemnify the STATE and the BORROWER against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.
6. **Liability Insurance during Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown during the term of their contracts for the construction of the PROJECT. The BORROWER shall provide the CWCB with an Acord Form 25 evidencing said insurance prior to commencement of construction, maintained until construction is complete, and shall provide the CWCB with documentation of renewals of said insurance. No payments shall be made to the BORROWER unless all insurance certificates are current.
  - a. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.
  - b. Worker's compensation and employer's liability insurance in the required statutory

amounts.

- c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.

### **C. GENERAL PROVISIONS**

- D. **Periodic Inspections.** Throughout the term of this CONTRACT, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Such inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this CONTRACT and shall not be construed nor interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.
- E. **Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this CONTRACT.
- F. **Designated Agent Of The CWCB.** The CWCB's employees are designated as the agents of the CWCB for the purpose of this CONTRACT.
- G. **Assignment.** BORROWER'S rights and obligations, of this contract, hereunder are personal and may not be transferred, assigned without the prior, written consent of the State. Any attempt at assignment without such consent shall be void. All assignments approved by BORROWER or the State are subject to all of the provisions hereof.
- H. **Contract Relationship.** The parties to this CONTRACT intend that the relationship between them under this CONTRACT is that of LENDER-BORROWER, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this CONTRACT.
- I. **Integration of Terms.** This CONTRACT is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or affect whatsoever unless embodied herein in writing. No subsequent renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to State fiscal rules, unless expressly provided for herein.
- J. **Order of Precedence.** The provisions of this CONTRACT shall govern the relationship of the Parties. In the event of conflicts or inconsistencies between this CONTRACT and its exhibits and attachments, including, but not limited to, those provided by Contractor, such conflicts or inconsistencies shall be resolved by



reference to the documents in the following order of priority:

- i. Colorado Special Provisions (provided that the parties hereby agree that, for the purposes of such Special Provisions "CONTRACTOR" shall mean "BORROWER")
- ii. The provisions of the main body of this CONTRACT
- iii. Appendices

- K. **Casualty and Eminent Domain.** If, at any time, during the term of this CONTRACT, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged or destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof, or to repayment of this loan. Any net proceeds remaining after such work has been completed or this loan has been repaid, shall be retained by the BORROWER. If the net insurance proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds. In the event BORROWER chooses to repay the loan, BORROWER shall remain responsible for the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.
- L. **Captions.** The captions and headings in this CONTRACT are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.
- M. **CWCB's Approval.** This CONTRACT requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER'S compliance with this CONTRACT and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER and any of its consultants, by preparing any such documents, shall be solely responsible for the accuracy and completeness of any of said documents.
- N. **Waiver.** Waiver of any breach under a term, provision, or requirement of this CONTRACT, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.
- O. **CORA Disclosure.** 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 Colorado Open Records Act, CRS §24-72-101, et seq.
- P. **Binding Effect.** All provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal

representatives, successors, and assigns.

- Q. **Entire Understanding.** This CONTRACT represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or effect whatsoever, unless embodied herein.
- R. **Severability.** Provided this CONTRACT can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this CONTRACT in accordance with its intent.
- S. **Third Party Beneficiaries.** Enforcement of this CONTRACT and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this CONTRACT are incidental to the CONTRACT, and do not create any rights for such third parties.
- T. **Counterparts.** This CONTRACT may be executed in multiple identical original counterparts, all of which shall constitute one agreement.
- U. **Addresses for mailing.** All notices, correspondence, or other documents required by this CONTRACT shall be delivered or mailed to the addresses shown in the Section 1 (BORROWER Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

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

**PAID IN FULL**



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

1. **CONTROLLER'S APPROVAL. CRS §24-30-202(1).** This contract shall not be 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.

SPs Effective

1/1/09

[END OF SPECIAL PROVISIONS]

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

\* 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:

Sylvan Dale Ranch, LLLP  
a Limited Liability Limited Partnership

BY: David M. Jessup  
Signature

NAME: David M. Jessup

TITLE: General Partner

DATE: 5/23/14

STATE OF COLORADO

John W. Hickenlooper, Governor  
Department of Natural Resources  
Mike King, Executive Director

BY: Tim Feehan

Name Tim Feehan, Assistant Director  
Finance Section  
Colorado Water Conservation Board

DATE: 5/29/14

Attest

BY: Sue A. Buchman  
Signature

NAME: Sue A. Buchman

TITLE: Front Desk Supervisor

DATE: 5-23-14

Pre-Approved Form Contract Reviewer

BY: Peg Mason  
Peg Mason, CWCB Contracts Manager

DATE: 5-29-14

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 the loan funds under this contract are not available until the State Controller, or such assistant as he may delegate, has signed it.

STATE CONTROLLER  
Robert Jaros, CPA, MBA, JD

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

Effective Date 5/30/14

PAID IN FULL

Loan Contract C150392

Handwritten signature

QUEST N. HAND  
JAN 19 1960  
4/22/74



**PROJECT SUMMARY**  
**Sylvan Dale Ranch, LLLP**  
**Contract No. C150392**

**SECTION 1 –BORROWER INFORMATION**

Name: Sylvan Dale Ranch, LLLP  
Type of Entity: A Limited Liability Limited Partnership  
Address: 2939 N CR 31 D, Loveland Colorado 80538  
Contact: David Jessup, General Partner  
Phone Number: 970-481-8342  
Email Address: [davidj@sylvandale.com](mailto:davidj@sylvandale.com)

**SECTION 2 – PROJECT DESCRIPTION**

- A. Description of PROJECT: The BORROWER applied to the CWCB for a loan for the Emergency Irrigation Pond Excavation Project, to excavate irrigation ponds that were silted during the 2013 flood event and restore them to their former use ("PROJECT"). The PROJECT is located in Larimer County and the estimated PROJECT cost is \$104,130.
- B. Description of Feasibility Study: The CWCB has reviewed a feasibility study report dated December 19, 2013 on the PROJECT, titled "*Emergency Loan Application and Feasibility Study*" which was prepared by David Jessup, General Partner of Sylvan Dale Ranch, Loveland, Colorado and is incorporated herein by reference. Based upon the feasibility report, the CWCB determined the PROJECT to be technically and financially feasible.

**SECTION 3 – CWCB's AUTHORITY**

**Severance Tax Perpetual Base Fund:** This loan is made pursuant to the provisions of §§ 39-29-109(1)(a)(I), 37-60-119 and 37-60-120, C.R.S., which authorize the CWCB to loan money for water projects from the CWCB Severance Tax Perpetual Base Fund for the benefit of the people of the state, provided that the BORROWER assures repayment of that money.

Section 37-60-122(1)(b), C.R.S., authorizes the CWCB to make loans of up to \$10,000,000 from the CWCB's State Severance Tax Trust Fund Perpetual Base Account Fund without prior approval from the General Assembly.

**SECTION 4 - BOARD APPROVAL**

At its May 2014 meeting, the CWCB approved a Small Project Loan from the Severance Tax Perpetual Base Fund to the BORROWER in an amount up to \$104,130 for PROJECT costs, with a loan service fee of 1% of the cost of the PROJECT, in accordance with CWCB Policy No. 16, resulting in a total loan amount of **\$105,171** for 30 years with no payments and zero interest for the first three years followed by 27 years of amortized payments at the interest rate of 1.75%.

**Appendix 1 to Loan Contract C150392**

## SECTION 5 – SCHEDULE OF EXISTING DEBT

Sylvan Dale Ranch has two existing loans:

### EXISTING DEBT

Lender	Current Balance	Annual Payment	Maturity Date	Collateral
American Ag Credit	\$306,738	\$33,116	3/1/2027	Land & C-BT shares
American Ag Credit	\$257,891	\$25,971	7/1/2028	Land & C-BT shares

As a result of the flood, both loans were refinanced by American Ag Credit to allow an 18-month moratorium on loan payments. Payments will resume in 2015. The twenty (20) acre-foot units of Colorado-Big Thompson Project Water contractual rights administered through Northern Water, pledged as collateral for this LOAN CONTRACT, are not encumbered for any of the existing debt.

## SECTION 6 - COLLATERAL

The COLLATERAL provided for this loan, as evidenced by the executed SECURITY AGREEMENT (Appendix 4) and DEED OF TRUST (APPENDIX 5) and incorporated herein, shall be twenty (20) acre-foot units of Colorado-Big Thompson Project Water contractual rights administered through Northern Water, valued at 110% of the loan amount, as more particularly described in the attached DEED OF TRUST ("COLLATERAL") which is incorporated herein. This is in accordance with CWCB Financial Policy #5 (COLLATERAL). A *Notice of Claim of Lien or Security Interest in a Class D Allotment and Request for Notification of Action Regarding a Class D Allotment Contract* shall be completed and sent to Northern Colorado Water Conservancy District.

## SECTION 7 – ADDITIONAL CONDITIONS & CONTRACT REQUIREMENTS

Any future grant funds obtained for the purpose of this PROJECT shall be submitted to CWCB to be applied to the balance of the loan within thirty (30) calendar days after receipt of said funds.

## SECTION 8 – CONSTRUCTION LOAN PROGRAM PROCEDURES

- A. The BORROWER shall employ an engineer, registered in the State of Colorado to prepare plans and specifications for the PROJECT.
- B. Engineering Contracts and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this CONTRACT when available prior to bidding. Any modifications, to the plans and specifications that effect changes to the construction costs must be approved in writing by CWCB.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by

## Appendix 1 to Loan Contract C150392



§ 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.

- D. The BORROWER shall notify CWCB of the bid opening date, time and location. CWCB staff may elect to attend the bid opening.
- E. CWCB must approve the award of the construction contract.
- F. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, which are found acceptable by the CWCB staff.
- G. The BORROWER must provide a copy of the executed construction contract documents consisting of the contractor's proposal, construction contract, performance bond, payment bond, notice of award, notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this CONTRACT, the BORROWER may issue the notice to proceed to the Construction Firms.
- H. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- I. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.
- J. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- K. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval and filing.
- L. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- M. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

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

- A. Preparing final designs and specifications for the PROJECT.
- B. Preparing bid and construction contract documents.
- C. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- D. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- E. Fish and wildlife mitigation measures required by federal, state, or local laws and

### **Appendix 1 to Loan Contract C150392**

regulations.

- F. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.
- G. Engineering services for construction management, including design and construction management for CWCB-approved change orders.
- H. Interest during completion of the PROJECT pursuant to Paragraph A.4 of the CONTRACT.
- I. Legal services for reviewing engineering services contracts, reviewing this CONTRACT, reviewing construction contract documents, and for complying with all federal, state, and local regulatory requirements.
- J. PROJECT-related expenses incurred prior to the Effective Date of this CONTRACT in accordance with the approval of this loan.

#### **SECTION 10 – DISBURSEMENT SCHEDULE**

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

#### **SECTION 11 – TIME FOR PERFORMANCE**

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

PROJECT Finish: Three (3) years from the Effective Date of this CONTRACT.

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**PAID IN FULL**



# PROMISSORY NOTE

Date: May 22, 2014

Borrower: Sylvan Dale Ranch, LLLP, a Limited Liability Limited Partnership

Principal Amount: \$105,171

Interest Rate: Zero (0%) interest for first three years, followed by 1.75% for remaining 27 years

Term of Repayment: 30 years - no payments for first three years followed by 27 years of amortized payments

Loan Contract No.: C150392

Loan Payment: \$0 first three years of loan, followed by 27 remaining payments of \$4,921.03

Payment Initiation Date\*: June 1, 2014

Maturity Date\*: June 1, 2044

\* Payment Initiation Date and Maturity Date fields are filled in after the contract has been executed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this PROMISSORY NOTE.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable on the first of the month four (4) years from the 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.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This PROMISSORY NOTE may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This PROMISSORY NOTE is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by a SECURITY AGREEMENT, and DEEDS OF TRUST, ("SECURITY INSTRUMENTS") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and SECURITY INSTRUMENTS grant additional rights to the CWCB, including the right to accelerate the maturity of this PROMISSORY NOTE in certain events.

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

BORROWER: Sylvan Dale Ranch, LLLP  
a Limited Liability Partnership

By David M. Jessup  
Signature

NAME: David M. Jessup

TITLE: General Partner

DATE: 5/23/14

Attest:

By Sue A. Buchman  
Signature

NAME: Sue A. Buchman

TITLE: Front Desk Supervisor

DATE: 5-23-14

**PAID IN FULL**



**RESOLUTIONS OF THE GENERAL PARTNER  
OF THE SYLVAN DALE RANCH, LLLP**

The General Partner of Sylvan Dale Ranch, LLLP (PARTNERSHIP), David Jessup (General PARTNER), acting on behalf of the members of the PARTNERSHIP and pursuant to the PARTNERSHIP AGREEMENT, has agreed to the following resolutions concerning a secured loan from the State of Colorado Water Conservation Board (CWCB), for the purpose of the Emergency Irrigation Pond Excavation Project (PROJECT) in the amount of \$105,171 or such actual amount, more or less, as may be needed by the PARTNERSHIP and available from the CWCB including the CWCB loan service fee of 1% of the loan amount.

The General PARTNER charges that these resolutions are irrevocable during the term of the LOAN CONTRACT and pursuant to the PARTNERSHIP AGREEMENT, authorizes the following:

1. to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of \$105,171, or such actual amount, more or less, as needed to finance the project costs, including the CWCB loan service fee of 1%, and
2. to make annual deposits to a debt service reserve fund separate and apart from other revenues, and
3. to make the annual payments required by the PROMISSORY NOTE, and
4. to pledge twenty (20) acre-foot units of C-BT contractual rights, administered through the Northern Water Conservancy District, as collateral for the loan, as more particularly described in the attached DEED OF TRUST ("Collateral"), valued at an amount equal to or greater than 110% of the loan amount. This is in accordance with CWCB Financial Policy #5 (Collateral); and
5. to execute all documents as required by the LOAN CONTRACT, including, but not limited to, a PROMISSORY NOTE, SECURITY AGREEMENT, and DEED OF TRUST, and
6. to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

**CERTIFICATION**

THE UNDERSIGNED GENERAL PARTNER, OF SYLVAN DALE RANCH, LIMITED LIABILITY LIMITED PARTNERSHIP HEREBY CERTIFIES THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE RESOLUTION AND THAT SAID RESOLUTION HAS NOT BEEN AMENDED OR RESCINDED.

PAID IN FULL

SYLVAN DALE RANCH, LLLP

A LIMITED LIABILITY LIMITED PARTNERSHIP

By David Jessup  
David Jessup, General Partner/Date

NOTARY:

County of Larimer )  
 )  
State of Colorado )

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of May 2014, by DAVID M JESSUP  
Witness my hand and official seal



Cheryl Brown Notary Public

My commission expires \_\_\_\_\_

**Appendix 3 to Loan Contract C150392**



# SECURITY AGREEMENT

(PLEDGE OF REVENUES)

DATE: May 22, 2014

DEBTOR: Sylvan Dale Ranch, LLLP, a Limited Liability Limited Partnership

SECURED PARTY: Colorado Water Conservation Board

PROMISSORY NOTE: \$105,171

TERMS OF REPAYMENT: 30 years - no payments and zero interest for the first three years followed by 27 years of amortized payments at the interest rate of 1.75% per annum

LOAN CONTRACT: C150392

COLLATERAL: twenty (20) acre-foot units of Colorado-Big Thompson Project Water contractual rights #2123, administered through the Northern Water Conservancy District, as described in Section 6, APPENDIX 1 of the LOAN CONTRACT and the BORROWER'S RESOLUTION, dated 5/23/2014

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

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

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

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

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

- a. default in the payment or performance of any obligation contained herein or in the PROMISSORY NOTE or LOAN CONTRACT;

**Appendix 4 to Loan Contract C150392**

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

UPON SUCH DEFAULT and at any time thereafter, SECURED PARTY shall have the remedies of a secured party under Section 11-57-208, Colorado Revised Statutes, as amended. SECURED PARTY may require DEBTOR to deliver or make the COLLATERAL available to SECURED PARTY at a place to be designated by SECURED PARTY, which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses.

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

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

DEBTOR: Sylvan Dale Ranch, LLLP  
a Limited Liability Limited Partnership

By David M. Jessup  
Signature

Attest:

NAME: David M. Jessup  
TITLE: General Partner  
DATE: 5/23/14

By Sue A. Buchman  
Signature

NAME: Sue A. Buchman  
TITLE: Front Desk Supervisor  
DATE: 5-23-14

**PAID IN FULL**

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# UCC Financing Statement Amendment

**Colorado Secretary of State**

Date and Time: 04/10/2019 11:14:13 AM

Master ID: 20142052681

Validation Number: 20192030219

Amount: \$8.00

## Initial Financing Statement

File #: 20142052681

File Date: 06/02/2014 02:51:35 PM

Filing office: Secretary of State

This amendment is a continuation.

## Authorizing Party (Secured Party): (Organization)

Name: STATE OF COLORADO- COLORADO WATER CONSERVATION BOARD

Address1: 1313 SHERMAN STREET

Address2: ROOM 721

City: dENVER

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

# UCC Financing Statement

## Colorado Secretary of State

Date and Time: 06/02/2014 14:51:35 PM

Master ID: 20142052681

Validation Number: 20142052681

Amount: \$8.00

### Debtor: (Organization)

Name: SYLVAN DALE RANCH, LLLP

Address1: 2939 N. COUNTY RD 31D

Address2:

City: LOVELAND

State: CO

ZIP/Postal Code: 80538

Province:

Country: United States

### Secured Party: (Organization)

Name: STATE OF COLORADO- COLORADO WATER CONSERVATION BOARD

Address1: 1313 SHERMAN STREET

Address2: ROOM 721

City: dENVER

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

### Collateral

#### Description:

SECURED PARTY'S REVENUES PLEDGED TO REPAY LOAN OF \$105,171 IN ACCORDANCE WITH LOAN CONTRACT NO. C150392 AND PROMISSORY NOTE, DATED MAY 22, 2014.