COLORADO
Colorado Water Conservation Board
Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203
303-866-3441

September 14, 2022

West Rhone Lateral Ditch Company
2096 I Road
Fruita, CO 81521

Subject: Loan Contract No. C150057
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the West Rhone Lateral Ditch Company, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C150057. The documents have been stamped "PAID IN FULL" denoting that the Company has satisfied the terms of the agreement in full.

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

Wendy Cheek, Finance Manager
Finance Section

Attachments

cc: CWCB Files

COLORADO
Colorado Water Conservation Board
Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203

September 14, 2022

Home Loan Industrial Bank
145 N. 4th Street
Grand Junction, CO 81501

Subject: Loan Contract C150057
Release of Deposit Number 2966

To Whom It May Concern:

This refers to the attached Assignment of Deposit Number 2966, assigned March 5, 2001, relative to the above referenced agreement between West Rhone Lateral Ditch Company and the Colorado Water Conservation Board (CWCB). CWCB hereby authorizes you to release to the Company upon demand all funds available and held in this deposit account.

Thank you for your assistance in this matter. Should you have any questions, please contact me at 303-866-3441 x 3205 or wendy.cheek@state.co.us.

Sincerely,

Wendy Cheek

Wendy Cheek
Finance Manager
Finance Section - CWCB

STATE OF COLORADO

Colorado Water Conservation Board
Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
Phone: (303) 866-3441
FAX: (303) 866-4474

MEMORANDUM

To: Department of the Treasury

From: Mr. S. S. Biondo, Contract Compliance Officer
Water Supply Planning and Finance Section

Date: March 6, 2001

Subject: West Rhone Lateral Ditch Company
Loan Contract No. 150057
Certificate of Deposit No. 2966

Attached for deposit for safekeeping with the State of Colorado, Department of the Treasury, is Investment Certificate No. 2966 of Home Loan Industrial Bank, date of issue March 5, 2001, in the amount of $4,000.00, issued to West Rhone Lateral Ditch Company, for a term of 12 months (with automatic renewal).

If you have any questions, please advise.

Thank you.

cc: Ms. J. S. Illian
CWCB File

AGENCY NAME: Water Conservation Board
AGENCY NUMBER: PDA
ROUTING NUMBER: 02 PDA 00058

CONTRACT AMENDMENT NO. 1

This Amendment, made this 1st day of March 2002, 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 CWCB or STATE, and West Rhone Lateral Ditch Company, a Colorado nonprofit corporation, hereinafter referred to as the CONTRACTOR and/or BORROWER.

Factual Recitals

A. Authority exists in the law, and funds have been budgeted, appropriated, and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 424, Appropriation SPL, Contract Encumbrance Number **C150057**.

B. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.

C. The STATE and the CONTRACTOR entered into Contract Encumbrance Number C150057, dated March 1, 2001, hereinafter referred to as ORIGINAL CONTRACT, incorporated herein by reference, wherein the STATE agreed to loan money in the total amount up to $100,000, and the CONTRACTOR agreed to repay the loan in accordance with the terms of the ORIGINAL CONTRACT.

D. The Project was substantially complete as of September 1, 2001.

E. Of the $100,000 loan amount available, the Contractor borrowed only $49,500 for the construction of the Project.

PAID IN FULL

F. The parties agree to amend the contract to reduce the final loan amount.

NOW THEREFORE, it is hereby agreed that

1. Consideration for this Amendment to the ORIGINAL CONTRACT consists of the payments which shall be made pursuant to this Amendment and ORIGINAL 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 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. The Contractor agrees that it shall execute the following documents, all of which shall set forth the revised loan amount of $49,500:

   a. a Promissory Note, attached as **Exhibit A** and incorporated herein, which shall supersede and replace the Promissory Note attached to the ORIGINAL CONTRACT as Appendix 2; and

   b. an Amended Security Agreement, attached as **Exhibit B** and incorporated herein, which amends the Security Agreement attached to the Original Contract as Appendix 5.

4. Except for the SPECIAL PROVISIONS, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the ORIGINAL

CONTRACT, the provisions of this Amendment shall in all respects supersede, govern, and control. The SPECIAL PROVISIONS shall always be controlling over other provisions in the contract or amendments. The representations in the SPECIAL PROVISIONS concerning the absence of bribery or corrupt influences and personal interest of STATE employees are presently reaffirmed.

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

6. This amendment shall not be deemed valid or effective until it shall have been approved by the controller of the State of Colorado or such assistant as he may designate.

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

CONTRACTOR: West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

By_____
Ken Hess, President

Federal ID Number: 84-1544783

Attest (Seal)

By_____
Carol Todd, Corporate /Secretary

State of Colorado
Bill Owens, Governor

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

LEGAL REVIEW:

Ken Salazar, ATTORNEY GENERAL

By_____

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

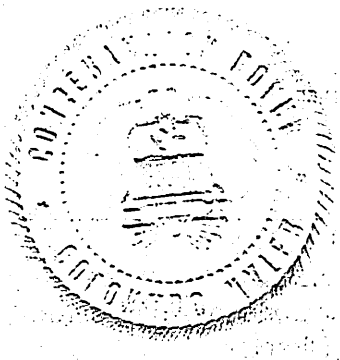
CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado may not be obligated to pay for the goods and/or services provided.

STATE CONTROLLER: Arthur L. Barnhart

By_____

Effective Date April 1, 2002

Revised: 12/1/01



Promissory Note

Date March 1, 2002 Date of Completion: September 1, 2001

FOR VALUE RECEIVED, the West Rhone Lateral Ditch Company ("BORROWER") promises to pay the State of Colorado Water Conservation Board ("CWCB"), the principal sum of Forty Nine Thousand Five Hundred Dollars ($49,500) plus interest at the rate of 3.5% per annum for a term of thirty (30) years, pursuant to Loan Contract No. C150057 dated March 1, 2001, and amended March 1, 2002 ("LOAN CONTRACT").

1. Principal and interest shall be payable in equal installments of $2,691.38, with the first payment due and payable on September 1, 2002, and annually thereafter until all principal, interest, and all late charges, if any, have been paid in full. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable 30 years thereafter.

2. Payments shall be made payable to the Colorado Water Conservation Board and mailed to 1313 Sherman Street, Room 721, Denver, Colorado 80203.

3. If the CWCB does not receive the annual payment within 15 calendar days of the due date, the CWCB may impose a late charge in the amount of 5% of the annual payment.

4. 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.

5. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.

PAID IN FULL

6. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. The security interests, evidenced by a Security Agreement, and an Assignment of Certificate of Deposit, cover certain revenues and accounts of the BORROWER. The LOAN CONTRACT, Security Agreement and the Assignment grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.

7. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Agreement or Assignment 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.

8. The BORROWER, any guarantor, and any other person who is now or may hereafter become primarily or secondarily liable for the payment of this Note or any portion thereof 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.

9. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

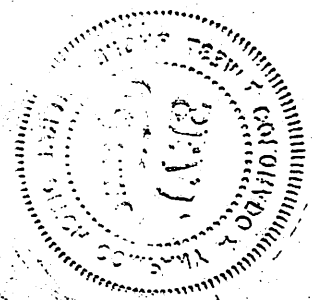
By_____
Ken Hess, President

(SEAL)

Attest:

By_____
Carol Todd, Corporate Secretary

PAID IN FULL



AMENDED SECURITY AGREEMENT

DEBTOR: West Rhone Lateral Ditch Company
2074 I Road
Fruita, CO 81521

FEDERAL TAX NUMBER: 84-1544783

COUNTY: MESA (CODE: 08)

SECURED PARTY: State of Colorado - Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203

COLLATERAL: Contract Rights (Code: 030)

DEBTOR, for consideration, hereby grants to SECURED PARTY a security interest in the following property and any and all additions, accessions and substitutions thereto or therefor, hereinafter called the COLLATERAL: All revenues derived from assessments on stock and all of DEBTOR'S right to receive said assessment revenues to repay the indebtedness on the amount loaned to debtor by secured party, as described in Pledge of Property provisions in Contract No. C150057, dated March 1, 2001 and amended March 1, 2002 (CONTRACT).

To secure payment of the indebtedness evidenced by the Promissory Note between the above named parties herewith, payable to the SECURED PARTY, the loan amount of $49,500 at an interest rate of 3.5% per annum for a period of 30 years in accordance with said Promissory Note or until all principal and interest are paid in full. The Parties agree to amend the Security Agreement to establish the correct loan amount of $49,500.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby, DEBTOR is, or to the extent that this agreement states that the COLLATERAL is to be acquired after the date hereof, will be, 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 anytime 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. That, if DEBTOR is a corporation, its certificate and articles of incorporation and by-laws do not prohibit any term or condition of this agreement.
4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, DEBTOR shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.
5. To pay all taxes and assessments of every nature which may be levied or assessed against the COLLATERAL.
6. 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.
7. That the DEBTOR will not use the COLLATERAL in violation of any applicable statutes, regulations, ordinances, articles of incorporation or by-laws.

PAID IN FULL

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 the happening of any of the following events or conditions:

a. default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

b. 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;

c. loss, theft, damage, destruction, sale or encumbrance to or of any of the COLLATERAL, or the making of any levy seizure or attachment thereof or thereon;

d. 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 any guarantor or surety for DEBTOR.

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

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 said 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 said SECURED PARTY shall retain its rights of set-off against DEBTOR.

PAID IN FULL

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 heirs, executors or administrators or its successors or assigns. If there be more than one DEBTOR, their liabilities hereunder shall be joint and several.

Dated this 1st day of March 2002.

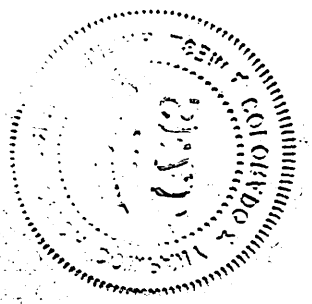
DEBTOR: West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

By_____
Ken Hess, President

SEAL

ATTEST:

By_____
Carol Todd, Corporate Secretary



BORROWER: WEST RHONE LATERAL DITCH CO.
Contract No. C150057
Loan Amount $100,000

Agency Name: Water Conservation Board
Agency Number PDA
Routing Number 00049

LOAN CONTRACT

THIS CONTRACT, made this 1st day of March 2001, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB" and/or the "STATE"), and West Rhone Lateral Ditch Company, 2074 I Road, Fruita, CO 81521, a Colorado nonprofit corporation, ("BORROWER" and/or "CONTRACTOR").

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 payment as follows: Fund Number 424, Organization YYYY, Appropriation Code SPL, GBL W057, Program WTRC, Object Code 5881, Reporting Category 0057, Contract Encumbrance No. C150057

2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.

3. CWCB's authority for making this loan: Pursuant to the provisions of §§ 37-60-119 and 37-60-120, C.R.S., the CWCB is authorized to loan money for the construction of water projects for the benefit of the people of the STATE, provided that the borrower assures repayment of that money.

4. The **Project Summary**, attached as **Appendix 1** and incorporated herein, contains BORROWER Information (Section 1) and the PROJECT Description (Section 2).

PAID IN FULL

5. Board approval and legislative authorization, if required

   a. At its November 20, 2000, meeting, the CWCB approved a loan to the BORROWER in an amount up to $100,000, ("LOAN AMOUNT") not to exceed 90% of the cost of the PROJECT, at an interest rate of 3.5% per annum for a repayment term of 30 years.

   b. Section 37-60-122.7, C.R.S., authorizes the CWCB to make loans of up to $100,000 from the Small Project Loan Account of the Construction Fund without prior approval from the General Assembly if the CWCB determines that delay would result in undue hardship on the borrower. The CWCB did make such determination at said meeting.

6. The BORROWER has been approved by NRCS for a grant of approximately $27,000 for the PROJECT, which the BORROWER shall receive upon completion of the PROJECT and shall apply to the repayment of the CWCB loan.

7. The BORROWER expects to receive a grant of approximately $13,000 from the Colorado River Water Conservation District, hereinafter referred to as the CRWCD, for the PROJECT, which the BORROWER shall receive upon completion of the PROJECT and shall apply to the repayment of the CWCB loan.

THEREFORE, in consideration of the mutual and dependent covenants contained herein, the

parties agree as follows:

A. LOAN PROVISIONS

1. **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.

2. **Application of Grants to Repayment of Loan.** Upon receipt of the CRWCD grant of approximately $13,000 and the NRCS grant of approximately $27,000, the BORROWER shall submit the total amount of grant funds to the CWCB to reduce the final loan amount within thirty (30) days of the BORROWER'S receipt of said grant funds. Subsequent to application of the grant funds to the loan, the parties shall enter into a contract amendment establishing the terms of repayment of the final loan amount.

3. **Interest Prior to Project Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, interest shall accrue at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to completion of the PROJECT and the BORROWER shall repay that amount to the CWCB either within ten (10) days after the date the CWCB determines that the PROJECT has been substantially completed, or, at the CWCB'S discretion, said interest shall be deducted from the final disbursement of loan funds that the CWCB makes to the BORROWER.

4. **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 days of either (1) completion of the PROJECT or (2) upon the determination by the CWCB that the PROJECT will not be completed.

5. **BORROWER'S Authority To Contract.** The BORROWER'S board of directors and/or stockholders have adopted resolutions, attached as **Appendix 3** and incorporated herein, authorizing the BORROWER to perform in accordance with the terms of this contract.

6. **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 person 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;

   b. the BORROWER'S board of directors and/or stockholders have validly adopted resolutions approving this contract;

   c. there are no provisions in the BORROWER'S articles of incorporation or bylaws or any state or local law that prevent this contract from binding the BORROWER; and

   d. the contract will be valid and binding against the BORROWER if entered into by the CWCB.

7. **Pledge Of Property.** The BORROWER hereby irrevocably pledges to the CWCB for purposes of repayment of this loan (1) revenues from assessments levied for that purpose as authorized by the BORROWER'S resolution(s) and (2) all of the BORROWER'S rights to receive said assessment revenues, hereinafter collectively referred to as the "Pledged Property."

   a. **Segregation of Pledged Revenues.** The BORROWER hereby agrees to set aside and keep

the pledged revenues in an account separate from other BORROWER revenues, and warrants that it shall not use the pledged revenues for any other purpose.

b. **Establish Security Interest.** The BORROWER agrees that, to provide a security interest to the CWCB in the Pledged Property so that the CWCB shall have priority over all other competing claims for said property, it shall execute a Security Agreement, attached hereto as **Appendix 4**, and incorporated herein. The CWCB shall perfect its security interest in the BORROWER'S right to receive assessment revenues by filing a UCC-1 Form with the Colorado Secretary of State.

c. **Assessments For Repayment Of The Loan.** Pursuant to its statutory authority, articles of incorporation and bylaws, the BORROWER shall take all necessary actions consistent therewith to levy assessments sufficient to pay this loan as required by the terms of this contract and the Promissory Note. In the event the assessments levied by the BORROWER become insufficient to assure such repayment to the CWCB, the BORROWER shall immediately take all necessary action consistent with its statutory authority, its articles of incorporation and bylaws including, but not limited to, levying additional assessments to raise sufficient revenue to assure repayment of this loan.

d. **Assessments For Operations, Maintenance And Reserves.** Pursuant to its statutory authority, articles of incorporation and bylaws, the BORROWER shall levy assessments in sufficient amounts to provide funds for adequate operation and maintenance, emergency repair services, and obsolescence and debt service reserves.

e. **Debt Service Reserve Account.** To establish and maintain the debt service reserve account, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve fund on the due date of its first annual loan payment and annually thereafter for the first ten years of 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.

8. **Collateral.** The collateral for this loan is described in Section 3 (Collateral) of the **Project Summary**. The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the collateral for this loan, including 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.

PAID IN FULL

9. **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 property pledged to repay this loan.

10. **Warranties.**

a. The BORROWER warrants that, by accepting the loan money 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 collateral for this loan is not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner.

11. **Change of Use 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 rates, the BORROWER agrees to notify the CWCB of any change of the use of the water rights represented by its shares from irrigation to municipal or commercial use. The interest rate shall be revised when the blend of the agricultural rate and the municipal/commercial rate increases 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 in accordance with Paragraph A.4 herein.

12. **Remedies For Default.** Upon default in the payments to be made by the BORROWER under this contract, or if the BORROWER fails to comply with any provision of this contract, the CWCB, at its option, may:

    a. suspend this contract and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;

    b. declare the entire principal amount, accrued interest, and late charges, if any, then outstanding immediately due and payable;

    a. exercise its rights under any appendices to this contract, including, but not limited to, the Promissory Note, Security Agreement, Assignment of Certificate of Deposit; and/or

    b. take any other appropriate action.

    PAID IN FULL

    The CWCB shall provide written notice tot he 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.

13. **BORROWER'S Indemnification Of The CWCB.** The BORROWER agrees to indemnify and hold the CWCB harmless from any liability incurred by the CWCB as a result of the CWCB'S interest in the PROJECT facilities and any other property identified in Section 3 (Collateral) of the **Project Summary**.

14. **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.

15. **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 covering the management,

operation, and maintenance of the PROJECT 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.

Said general liability insurance shall name the CWCB as additional insured. The BORROWER shall provide the CWCB with a certificate of said insurance and an additional insured endorsement, and proof of renewals of said insurance. The CWCB shall not disburse any loan funds without evidence of said insurance coverage. Throughout the life of this contract, the CWCB reserves the right to increase the above amount of insurance.

B. PROJECT PROVISIONS

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the following:

   a. The BORROWER shall employ an engineer, registered in the state of Colorado to prepare plans and specifications for the PROJECT.

   b. The BORROWER'S and the Engineering Consultant's Agreements and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this contract when available prior to bidding. Any modifications to the plans and specifications must be approved in writing by the CWCB staff.

   c. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.

   d. CWCB staff must be present at bidding and must approve the award of the construction contract.

   PAID IN FULL

   e. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, which said Construction Firms shall be selected by the BORROWER and found acceptable by the CWCB staff.

   f. The BORROWER must provide a copy of the executed construction contract documents consisting of the contractor's proposal, construction contract, performance bond, payment bond, notice of award, notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this contract, the BORROWER may issue the notice to proceed to the Construction Firms.

   g. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.

   h. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.

   i. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.

   j. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval and filing.

   k. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection

for the CWCB staff.

l. The BORROWER shall pay all of the expenses related to the Project when such bills are due.

2. **Eligible Expenses.** Listed below are the PROJECT expenses for which the BORROWER is eligible for reimbursement:

   a. Preparing final designs and specifications for the PROJECT.

   b. Preparing bid and construction contract documents.

   c. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.

   d. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.

   e. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.

   f. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.

   g. Engineering services for construction management, including design and construction management for CWCB-approved change orders.

   h. Interest during completion of the PROJECT pursuant to Paragraph A.3 herein.

   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.

PAID IN FULL

3. **Loan Disbursements.** The CWCB shall disburse loan funds in accordance with Section 4, (Disbursement Schedule) 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 Section 5 (Time For Performance) of the **Project Summary**.

5. **Indemnification By The Construction Firm.** The BORROWER shall require all Construction Firms and their subcontractors to indemnify the CWCB 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 following insurance coverage in the limits shown with a company that is satisfactory to the CWCB.

   a. BORROWER shall maintain builder's risk insurance for construction in progress for all perils of loss including fire, wind, hail, and vandalism in an amount equal to the completed value of the PROJECT.

   b. The construction firms and subcontractors shall maintain during the term of their contracts for construction of the PROJECT the following.

j. Worker's compensation and employer's liability insurance in the required statutory amounts.

ii. 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.

iii. 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 personal injury.

c. Said general liability insurance shall name the BORROWER and the CWCB as additional insured. An additional insured endorsement and a current copy of a certificate of said liability insurance must be provided to the CWCB prior to commencement of construction and maintained until construction is complete. No payments shall be made to the BORROWER unless all insurance certificates are current. The BORROWER shall file notices of renewals of said policies with the CWCB as renewals occur.

d. Before or during the time of construction, the CWCB reserves the right to increase the above limits of insurance as may be warranted by the size of the PROJECT.

C. GENERAL PROVISIONS

1. **Periodic Inspections.** Throughout the term of this contract, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Said inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this contract and shall not be construed nor interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.

2. **Adhere To Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this contract.

3. **Designated Agent Of The CWCB.** The CWCB's agents and employees are hereby designated as the agents of the CWCB for the purpose of this contract.

4. **Contract Is Not Assignable.** The BORROWER may not assign this contract except with the prior written approval of the CWCB.

5. **Contract Relationship.** The parties to this contract intend that the relationship between them under this contract is that of lender-borrower, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this contract.

6. **Complete Integration Of All Understandings.** This agreement is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to STATE fiscal rules, unless expressly provided for herein.

7. **In Event Of A Conflict.** In the event of conflict between the terms of this contract and conditions as set forth in any of the appendices, the provisions of this contract shall control.

8. **CWCB May Release Contract.** In its sole discretion, the CWCB may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the BORROWER'S obligations under this contract, with valuable consideration, upon such terms and conditions as the CWCB may determine to be advisable to further the purposes of this contract or to protect the CWCB's financial interest therein, and consistent with both the statutory purposes of this Contract and the limitations of the statutory authority under which it is made.

9. **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 opts 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.

10. **Captions.** The captions and headings contained in this contract are for convenience and reference only and shall not be construed so as to define or limit the terms or provisions contracted herein.

11. **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 shall be solely responsible for the accuracy and completeness of such documents.

12. **Waiver.** The waiver of any breach of a term of this contract shall not be construed as a waiver of any other term, or of any subsequent breach of the same term.

13. **Addresses for mailing.** All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the addresses shown in the Section 1 (Borrower Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

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

D. **SPECIAL PROVISIONS** (6/97 version). State Fiscal Rule 3-1 requires the inclusion of these Special Provisions in every STATE contract, including grants.

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

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public 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 the STATE official who will sign the contract, 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 upon the 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, provendor or other supplies used or consumed by such CONTRACTOR or his subcontractor in performance of the work contracted to be done or fails to pay any person who supplies rental machinery, tools, or equipment in the prosecution of the work 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 is executed, delivered and filed, no claim in favor of the CONTRACTOR arising under such contract shall be audited, allowed or paid. A certified or cashier's check or a bank money order payable to the Treasurer of the State of Colorado may be accepted in lieu of a bond. This provision is in compliance with C.R.S. 38-26-106.

INDEMNIFICATION

PAID IN FULL

4. To the extent authorized by law, the CONTRACTOR shall indemnify, save, and hold harmless the STATE, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the CONTRACTOR, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

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 (C.R.S. 24-34-402), 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:

   a. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, martial 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 advertisings; 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.

   b. 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, martial status, religion, ancestry, mental or physical handicap, or age.

c. The CONTRACTOR will send to each labor union or representative of workers with which he has a 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.

d. 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.

e. 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.

f. 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.

g. 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 canceled, 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.

h. The CONTRACTOR will include the provisions of paragraphs (a) through (h) in every sub-contract and subcontractor 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 subcontractor 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. a. Provisions of C.R.S. 8-17-101 & 102 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.

b. When construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (C.R.S. 8-19-101 and 102).

GENERAL

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

9. Pursuant to CRS 24-30-202.4 (as amended), the state controller may withhold debts owed to state agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, CRS; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the state or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

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

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

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

CONTRACTOR: West Rhone Lateral Ditch Company, a Colorado nonprofit Corporation

By Karen E. Fogelquist
Karen Fogelquist, President

Federal ID Number: 84-1544783

Attest (Seal)

By Carol Todd
Carol Todd, Corporate Secretary

State of Colorado
Bill Owens, Governor

By Rod Kuharich
For the Executive Director
Department of Natural Resources
COLORADO WATER CONSERVATION BOARD
Rod Kuharich, Director

APPROVALS

KEN SALAZAR, ATTORNEY GENERAL

By Todd Doff

ARTHUR L. BARNHART, STATE CONTROLLER

By Jerome Anderson

Effective Date 3/5/2001

PROJECT SUMMARY

SECTION 1 – BORROWER INFORMATION

Name:	West Rhone Lateral Ditch Company
Address:	2074 I Road Fruita, CO 81521
Phone Number:	970-248-0622
E-mail address:	fogo@acsol.net
Type of Entity:	Mutual ditch company and a Colorado nonprofit corporation

Section 2 – Project Description

A. **Description of Project**: The loan is for rehabilitation of the West Rhone Lateral, which shall consist of construction of a new headgate with concrete intake structure on the south side of the Mainline Canal, just east of Road 21. 6,500 feet of 12-inch plastic pipeline will be laid along Road 21 right-of-way. The new pipeline will tie into the existing 12-inch West Rhone Lateral pipeline 1.25 miles south of the new headgate. Taps will be provided off the new pipeline to deliver water to the shareholders.

B. **Description of Feasibility Study**: Karen Fogelquist, President of the West Rhone Lateral Ditch Company, has completed the Feasibility Study using information provided by Kenny Lang, Louis Hartbauer, and Mark Roskos of the NRCS. Dan Crabtree of the U.S. Bureau of Reclamation also provided technical support. The study includes an assessment of alternatives available for rehabilitation of the West Rhone Lateral.

PAID IN FULL

SECTION 3 – COLLATERAL

Collateral. Part of the security provided for this loan, as evidenced by the executed Assignment of Certificate of Deposit attached as **Appendix 5** and incorporated herein, shall be an undivided one hundred percent (100%) interest in a certificate of deposit account established by the BORROWER in the amount of ($4000.00), hereinafter referred to as CD ACCOUNT. The CWCB shall use the funds contained in the CD ACCOUNT for the purpose of paying principal and interest due under this contract not otherwise paid by the BORROWER. Any amount withdrawn by the CWCB for this purpose shall be replenished by the BORROWER within sixty days after such withdrawal. The CWCB shall not disburse any loan funds under this contract until the BORROWER has established the CD ACCOUNT.

SECTION 4 – DISBURSEMENT SCHEDULE

The CWCB shall disburse the full loan amount to the Borrower in the following increments:

1. 50% of loan amount at award of construction contract
2. 40% at 50% completion of the project as determined by the CWCB staff
3. 10% upon substantial completion of the Project as determined by the CWCB staff

SECTION 5 – TIME FOR PERFORMANCE

Project Beginning: Upon effective date of this contract

Project Finish: Two (2) years from the effective date of this contract

PAID IN FULL

Promissory Note

Date March 1, 2001 Date of Completion_____

1. FOR VALUE RECEIVED, the West Rhone Lateral Ditch Company ("BORROWER") promises to pay the State of Colorado Water Conservation Board ("CWCB"), the principal sum of One Hundred Thousand Dollars ($100,000) plus interest at the rate of 3.5% per annum for a term of thirty (30) years, pursuant to Loan Contract No. C150057 dated March 1, 2001 ("LOAN CONTRACT").

2. Principal and interest shall be payable in equal installments of $5,437.13, with the first payment due and payable one year from the date that the CWCB determines that the project is substantially complete, and annually thereafter until all principal, interest, and all late charges, if any, have been paid in full. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable 30 years thereafter.

3. Payments shall be made payable to the Colorado Water Conservation Board and mailed to 1313 Sherman Street, Room 721, Denver, Colorado 80203.

4. If the CWCB does not receive the annual payment within 15 calendar days of the due date, the CWCB may impose a late charge in the amount of 5% of the annual payment.

5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.

6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.

7. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. The security interests, evidenced by a Security Agreement, and an Assignment of Certificate of Deposit, cover certain revenues and accounts of the BORROWER. The LOAN CONTRACT, Security Agreement and the Assignment grant additional rights to theCWCB, including the right to accelerate the maturity of this Note in certain events.

8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Agreement or Assignment securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.

9. The BORROWER, any guarantor, and any other person who is now or may hereafter become primarily or secondarily liable for the payment of this Note or any portion thereof hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.

10. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

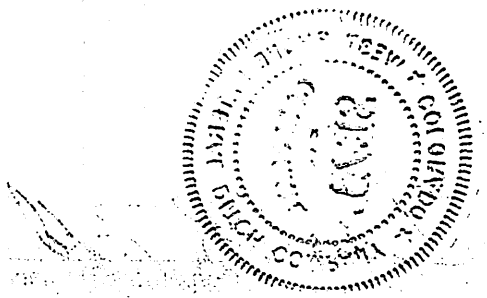
By Karen E. Fogelquist
Karen E. Fogelquist, President

(SEAL)

Attest:

By Carol Todd
Carol Todd, Corporate Secretary

Appendix 2 to Loan Contract C150057



RESOLUTIONS OF THE SHAREHOLDERS OF THE WEST RHONE LATERAL DITCH COMPANY

The Shareholders of the West Rhone Lateral Ditch Company (Company), at a Shareholders' meeting held November 14, 2000, at Fruita, Colorado, adopted the following resolutions concerning a loan from the State of Colorado Water Conservation Board (State), for the purpose of rehabilitating the lateral and establishing a new headgate, in the amount of $100,000 or such actual amount, more or less, as may be needed by the Company and available from the State for up to 90% of the actual project costs.

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

1. RESOLVED, to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of $100,000, or such actual amount, more or less, as needed to finance up to 90% of the project costs, and
2. RESOLVED, to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. RESOLVED, to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. RESOLVED, to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. RESOLVED, to obtain a certificate of deposit in the amount of one annual loan payment to serve as collateral and to execute an Assignment of Certificate of Deposit.
6. RESOLVED, to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement, Assignment Of Deposit Account As Security, and a Promissory Note, and
7. RESOLVED, to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

CERTIFICATION

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 14 DAY OF NOVEMBER 2000.

By Karen E. Fogelquist
Karen E. Fogelquist, President

(SEAL)

ATTEST:

By Carol L. Todd
Carol L. Todd, Corporate Secretary

Appendix 3 to Loan Contract C150057

RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE WEST RHONE LATERAL DITCH COMPANY

The Board of Directors of the West Rhone Lateral Ditch Company (Company), at a meeting held November 14, 2000, at Fruita, Colorado, adopted the following resolutions concerning a loan in the amount of up to $100,000, not to exceed 90% of actual construction costs, from the State of Colorado Water Conservation Board (CWCB), for the purpose of rehabilitating the lateral and establishing a new headgate.

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

1. RESOLVED, to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of $100,000, or such actual amount, more or less, as needed to finance up to 90% of the project costs, and
2. RESOLVED, to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. RESOLVED, to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. RESOLVED, to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. RESOLVED, to obtain a certificate of deposit in the amount of one annual loan payment to serve as collateral and to execute an Assignment of Certificate of Deposit.
6. RESOLVED, to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement, Assignment Of Deposit Account As Security, and a Promissory Note, and
7. RESOLVED, to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

CERTIFICATION

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 14 DAY OF NOVEMBER 2000.

By Karen E. Fogelquist
Karen E. Fogelquist, President

(SEAL)

ATTEST:

By Carol L. Todd
Carol L. Todd, Corporate Secretary

RESOLUTIONS OF THE SHAREHOLDERS OF THE WEST RHONE LATERAL DITCH COMPANY

The Shareholders of the West Rhone Lateral Ditch Company (Company), at a Shareholders' meeting held November 14, 2000, at Fruita, Colorado, adopted the following resolutions concerning a loan from the State of Colorado Water Conservation Board (State), for the purpose of rehabilitating the lateral and establishing a new headgate, in the amount of $100,000 or such actual amount, more or less, as may be needed by the Company and available from the State for up to 90% of the actual project costs.

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

1. RESOLVED, to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of $100,000, or such actual amount, more or less, as needed to finance up to 90% of the project costs, and
2. RESOLVED, to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. RESOLVED, to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. RESOLVED, to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. RESOLVED, to obtain a certificate of deposit in the amount of one annual loan payment to serve as collateral and to execute an Assignment of Certificate of Deposit.
6. RESOLVED, to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement, Assignment Of Deposit Account As Security, and a Promissory Note, and
7. RESOLVED, to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

PAID IN FULL

CERTIFICATION

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 14 DAY OF NOVEMBER 2000.

By Karen E. Fogelquist
Karen E. Fogelquist, President

(SEAL)

ATTEST:

By Carol L. Todd
Carol L. Todd, Corporate Secretary

Appendix 3 to Loan Contract C150057

RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE WEST RHONE LATERAL DITCH COMPANY

The Board of Directors of the West Rhone Lateral Ditch Company (Company), at a meeting held November 14, 2000, at Fruita, Colorado, adopted the following resolutions concerning a loan in the amount of up to $100,000, not to exceed 90% of actual construction costs, from the State of Colorado Water Conservation Board (CWCB), for the purpose of rehabilitating the lateral and establishing a new headgate.

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

1. RESOLVED, to enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of $100,000, or such actual amount, more or less, as needed to finance up to 90% of the project costs, and
2. RESOLVED, to levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. RESOLVED, to place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. RESOLVED, to make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. RESOLVED, to obtain a certificate of deposit in the amount of one annual loan payment to serve as collateral and to execute an Assignment of Certificate of Deposit.
6. RESOLVED, to execute all documents as required by the loan contract, including, but not limited to, a Security Agreement, Assignment Of Deposit Account As Security, and a Promissory Note, and
7. RESOLVED, to take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

PAID IN FULL

CERTIFICATION

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 14 DAY OF NOVEMBER 2000.

By Karen E. Fogelquist
Karen E. Fogelquist, President

(SEAL)

ATTEST:

By Carol L. Todd
Carol L. Todd, Corporate Secretary

SECURITY AGREEMENT

DEBTOR: West Rhone Lateral Ditch Company
2074 I Road
Fruita, CO 81521

FEDERAL TAX NUMBER: 84-1544783

COUNTY: MESA (CODE: 08)

SECURED PARTY: State of Colorado - Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203

COLLATERAL: Contract Rights (Code: 030)

DEBTOR, for consideration, hereby grants to SECURED PARTY a security interest in the following property and any and all additions, accessions and substitutions thereto or therefor, hereinafter called the COLLATERAL: All revenues derived from assessments on stock and all of DEBTOR's right to receive said assessment revenues to repay the indebtedness on the amount loaned to debtor by secured party, as described in Pledge of Property provisions in Contract No. C150057 (CONTRACT).

To secure payment of the indebtedness evidenced by the Promissory Note between the above named parties herewith, payable to the SECURED PARTY, the loan amount of $100,000 at an interest rate of 3.5% per annum for a period of 30 years in accordance with said Promissory Note or until all principal and interest are paid in full.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

PAID IN FULL

1. That except for the security interest granted hereby, DEBTOR is, or to the extent that this agreement states that the COLLATERAL is to be acquired after the date hereof, will be, 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 anytime 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. That, if DEBTOR is a corporation, its certificate and articles of incorporation and by-laws do not prohibit any term or condition of this agreement.

4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, DEBTOR shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.

5. To pay all taxes and assessments of every nature which may be levied or assessed against the COLLATERAL.

6. 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.

7. That the DEBTOR will not use the COLLATERAL in violation of any applicable statutes, regulations, ordinances, articles of incorporation or by-laws.

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 the happening of any of the following events or conditions:

a. default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

b. 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;

c. loss, theft, damage, destruction, sale or encumbrance to or of any of the COLLATERAL, or the making of any levy seizure or attachment thereof or thereon;

d. 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 any guarantor or surety for DEBTOR.

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

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 said 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 said SECURED PARTY shall retain its rights of set-off against DEBTOR.

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 heirs, executors or administrators or its successors or assigns. If there be more than one DEBTOR, their liabilities hereunder shall be joint and several.

Dated this 1st day of March 2001.

DEBTOR: West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

By Karen E. Fogelquist
Karen E. Fogelquist, President

SEAL

ATTEST:

By Carol B. Todd
Carol Todd, Corporate Secretary

ASSIGNMENT OF CERTIFICATE OF DEPOSIT

In consideration of and as security for reimbursement for monies owing under a loan from the Colorado Water Conservation Board ("Lender") to the West Rhone Lateral Ditch Company ("Owner") in the amount of up to $100,000 ("Loan") pursuant to Contract Encumbrance Number C150057, ("Loan Contract"), Owner hereby assigns to the Lender Certificate of Deposit No. 2966 in the amount of $4,000.00 ("Collateral") issued by Home Loan Industrial Bank ("Bank"). Owner warrants that said Certificate of Deposit Account has been established as a special deposit with the funds deposited therein to be used solely to secure repayment of the Loan to Lender.

The Collateral secures the payment and performance of all of Owner's present and future, direct or indirect, absolute and contingent, express and implied, indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") by Lender pursuant to the Loan Contract described above and any amendments thereto. This Assignment is made solely to secure performance of the Obligations and is made subject to the following terms, covenants and conditions:

1. Owner shall deliver the original Certificate of Deposit to Lender upon the execution of this Assignment. This Assignment shall continue until Lender specifically terminates the security interest in the Collateral in a writing signed by Lender.
2. Lender shall be entitled to notify the Bank to pay Lender any monies owing Owner under the Certificate of Deposit in the event of a default under the Obligations. The Lender shall apply such monies first to costs associated with collection, including reasonable attorney's fees, next to outstanding interest, and then to the principal sum of the Loan. In the event that Owner possesses or receives possession of any instruments or other remittances with respect to the Certificate of Deposit following the giving of such notification, Owner shall hold such instruments and other remittances in trust for Lender apart from Owner's other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances.
3. The Owner shall be in default under this Assignment upon the occurrence of any of the following events or conditions: (a) failure or omission to make any payment under the Loan Contract when due; (b) default in the payment or performance of any obligation, covenant, agreement or liability contained or referred to in the Loan Contract; (c) the making of any levy, seizure, or attachment on the Collateral; (d) the Owner becoming insolvent or unable to pay debts as they mature. The Lender shall give the Owner 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 Assignment.
4. Owner hereby appoints Lender as its attorney-in-fact to endorse Owner's name on all instruments and other remittances payable to Owner with respect to the Certificate of Deposit. This power of attorney is coupled with an interest and is irrevocable.
5. The modification or waiver of any of Owner's obligations or Lender's rights under this Assignment must be contained in a writing signed by Lender. A waiver on one occasion shall not constitute a waiver on any other occasion.
6. The rights and remedies of the Lender stated in this Assignment are in addition to any other rights the Lender may have under the Loan Contract or any law.
7. This Assignment shall be binding upon Owner and its successors, assigns, trustees, and

PAID IN FULL

receivers.

8. This Assignment shall be construed in accordance with the laws of the State of Colorado.
9. The Owner and Lender specifically request the Bank to honor and accept this Assignment and its terms.

Executed this 5th day of March 2001.

West Rhone Lateral Ditch Company, a Colorado nonprofit corporation

By Karen E. Fogelquist
Karen E. Fogelquist, President

SEAL

Attest:

By Carol Todd
Carol Todd, Corporate Secretary

ACKNOWLEDGMENT BY BANK

By its officer's signature below, the Home Loan Industrial Bank ("Bank") acknowledges that it has received a copy of the foregoing Assignment, and agrees that, upon notice from the Colorado Water Conservation Board ("CWCB") that the Owner is in default under its Loan Contract with the CWCB and that the CWCB is exercising its right under the Assignment to withdraw funds contained in the Certificate of Deposit, the Bank shall pay such funds directly to the CWCB until advised otherwise by the CWCB and the Owner. The Bank acknowledges that the Certificate of Deposit Account is a special deposit and that the funds deposited therein are to be used solely to secure Owner's Loan from the CWCB, and waives any right of setoff it may have in and to the Account.

Bank: Home Loan Industrial Bank

By James D. Hamilton, President

Printed Name & Title James D Hamilton, President

Date March 5, 2001

Attest:

By Karen Vogel Chief Financial Officer

PO Box 100
Grand Junction CO 81502
1-800-576-6428
970-242-3366

receivers.

8. This Assignment shall be construed in accordance with the laws of the State of Colorado.

9. The Owner and Lender specifically request the Bank to honor and accept this Assignment and its terms.

Executed this 22 day of March, 2001.

West Rifle Lateral Ditch Company, a Colorado nonprofit corporation

By: Karen E. Fogelquist, President

Attest:

By: Carol Todd, Corporate Secretary

ACKNOWLEDGMENT BY BANK

By its officer's signature below, the _____ ("Bank") acknowledges that it has received a copy of the foregoing Assignment, and agrees that, upon notice from the Colorado Water Conservation Board ("CWCB") that the Owner is in default under its Loan Contract with the CWCB and that the CWCB is exercising its right under the Assignment to withdraw funds contained in the Certificate of Deposit, the Bank shall pay such funds directly to the CWCB until advised otherwise by the CWCB and the Owner. The Bank acknowledges that the Certificate of Deposit Account is a special deposit and that the funds deposited therein are to be used solely to secure Owner's Loan from the CWCB, and waives any right of setoff it may have in and to the Account.

Bank: _____

By: _____, President

Printed Name & Title: _____

Date: _____

By: _____

Attest:

FDIC Insured

Investment Certificate

OF

HOME LOAN INDUSTRIAL BANK 2966

Grand Junction, Colorado

Amount $ 4,000.00

Home Loan Industrial Bank, a Colorado Corporation, promises to pay to: West Rhone Lateral Ditch Company

whose address is 2074 I Rd, Fruita, CO 81521

the sum of Four Thousand Dollars and no/100 Cents

with interest at the rate of 5.50 % per annum and with a maturity date of the 5th day of March, 2002.

Interest shall be payable ☒ quarterly ☐ other

This Investment Certificate may be called and paid by the Bank on 30 days written notice, after which time interest shall cease.

All notices relating to this Investment Certificate shall be mailed to the registered holder at the address shown herein, until the Bank is otherwise instructed in writing.

Dated at Grand Junction, Colorado, this 5th day of March, 2001.

Prepared By [signature]

HOME LOAN INDUSTRIAL BANK

By Karen Vogel

Authorized Officer

PAID IN FULL

INVESTMENT CERTIFICATE

1. For all purposes, including payment of this Certificate, payment of interest hereon, and any notice, this Bank, may treat as the absolute owner hereof any payee named on the reverse side. If more than one payee is named, the Bank may treat either or any of said payees or the survivors as the absolute owner, and each such payee shall be the agent of each other payee for all the foregoing purposes. In mailing any notice, this Bank may rely upon the address as shown on the records of this Bank.

2. Payment or withdrawal of principal and/or interest can only be made with presentation of proper identification and is subject to the Bank's right to impose penalties upon the customer's withdrawal of such funds. Upon receipt of written notice by the Bank, from any party authorized to request payment, that withdrawals should not be permitted, then the account shall forthwith be closed and all money placed in a check payable to the parties.

3. POD ACCOUNT (Terms applicable only if designated as POD account on reverse side).

   This is (a) Payable on Death account. (Multi-party account authorized by Colorado Probate Code). This account is payable to payee(s) during life time, and on death of all parties is payable to the POD payee(s).

4. AUTOMATICALLY RENEWABLE - On each maturity date, this Certificate will automatically be renewed for a period equal to the original term at the interest rate then in effect. The Certificate shall be automatically renewed on each maturity date (1) until it is presented for payment on a maturity date (or within ten calendar days thereafter), or (2) unless the Bank receives prior written notice of intention to request payment on a maturity date, or (3) unless the Bank elects to call this Certificate for payment on a maturity date and give not less than thirty (30) days written notice thereof by mail prior to such maturity date.

5. PENALTY - Payment or withdrawal of all or part of the funds in this account may not be made prior to maturity except with the consent of the Bank. Such consent may be given only at the time such request for withdrawal or payment is made. If the Bank gives consent, a penalty may be assessed on the amount withdrawn.

6. Interest payable hereunder is subject to change by the Bank as may be necessary to comply with requirements of the Federal Reserve Board and applicable laws of the State of Colorado. Terms of Certificate are subject to Bank rules and applicable government regulations.

_____

Signature Date

_____

Signature Date

UCC Financing Statement

Colorado Secretary of State
Date and Time: 03/04/2019 09:40:00 AM
Master ID: 20192017651
Validation Number: 20192017651
Amount: $8.00

Debtor: (Organization)

Name: WEST RHONE LATERAL DITCH COMPANY
Address1: 2096 I ROAD
Address2:
City: FRUITA State: CO ZIP/Postal Code: 81521
Province: Country: United States

Secured Party: (Organization)

Name: STATE OF COLORADO - COLORADO WATER CONSERVATION BOARD
Address1: 1313 SHERMAN ST ROOM 718
Address2:
City: DENVER State: CO ZIP/Postal Code: 80203
Province: Country: United States

Collateral

Description:

SECURED PARTY'S REVENUES PLEDGED TO REPAY LOAN OF $49,500.00 IN ACCORDANCE WITH LOAN CONTRACT NO. C150057 AND PROMISSORY NOTE, DATED MARCH 1, 2001.

Optional Information

Optional filer reference data/miscellaneous information:

RENEWAL OF LAPSED FILING #20132067457

UCC Financing Statement

Colorado Secretary of State
Date and Time: 08/01/2013 10:01:24 AM
Master ID: 20132067457
Validation Number: 20132067457
Amount: $8.00

Debtor: (Organization)

Name: WEST RHONE LATERAL DITCH COMPANY
Organizational ID: 20001027666
Address1: 2096 I ROAD
Address2:
City: FRUITA
State: CO
ZIP/Postal Code: 81521
Province:
Country: United States
Type of organization: Nonprofit Corporation
Jurisdiction of organization: CO

Secured Party: (Organization)

Name: State of Colorado - Colorado Water Conservation Board
Address1: 1580 Logan St
Address2: Ste 600
City: Denver
State: CO
ZIP/Postal Code: 80203
Province:
Country: United States

Collateral

Description:

SECURED PARTY'S REVENUES PLEDGED TO REPAY LOAN OF $49,500.00 IN ACCORDANCE WITH LOAN CONTRACT NO. C150057 AND PROMISSORY NOTE, DATED MARCH 1, 2001.

COLORADO UCC FINANCING STATEMENT

Filing Fee: $15

Follow Instructions (front and back) Carefully

A. NAME & PHONE OF CONTACT (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

[COLORADO WATER CONSERVATION BOARD
ATTN: WATER SUPPLY PLANNING & FINANCE
1580 LOGAN STREET, SUITE 750
DENVER, COLOARDO 80203]

20072035829 C
$ 18.00
SECRETARY OF STATE
04-09-2007 14:43:56

ABOVE SPACE FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR

1a. ORGANIZATION'S NAME: WEST RHONE LATERAL DITCH COMPANY

1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: 2096 I ROAD | CITY: FRUITA | STATE: CO | POSTAL CODE: 81521 | COUNTRY: USA

ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: DNC | 1f. JURISDICTION OF ORGANIZATION: CO | 1g. ORGANIZATIONAL ID#, if any: CO20001027666 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

OR

3a. ORGANIZATION'S NAME: COLORADO WATER CONSERVATION BOARD

3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: 1580 LOGAN STREET, SUITE 750 | CITY: DENVER | STATE: CO | POSTAL CODE: 80203 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

SECURED PARTY'S REVENUES PLEDGED TO REPAY LOAN OF $49,500.00. IN ACCORDANCE WITH LOAN CONTRACT NO. C150057 AND PROMISSORY NOTE DATED MARCH 1, 2001.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) in the REAL ESTATE RECORDS

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (Optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

LOAN CONTRACT NO. C150057

UCC FINANCING STATEMENT AMENDMENT

Filing Fee: $15
Follow Instructions (front and back) Carefully

A. NAME & PHONE OF CONTACT (optional)
Steve Biondo 303-866-3496

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

COLORADO WATER CONSERVATION BOARD
ATTN: WATER SUPPLY PLANNING & FINANCE
1313 SHERMAN STREET, ROOM 721
DENVER, COLORADO 80203

20022042991 C
$ 15.00
SECRETARY OF STATE
04-23-2002 14:56:49

ABOVE SPACE FOR FILING OFFICE USE ONLY

1. Initial Financing Statement Information (Required)

1a. Original Filing Number: 20012016773 C	1b. Original Filing Date: 03-03-2001	1c. If filed prior to January 1, 2000, indicate Original Filing Office:

2. ☐ Termination: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☐ Continuation: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ Assignment: Give name of assignee in Item 7a or 7b and address of assignee in Item 7c; also give name of assignor in Item 9.

5. Amendment (Party Information): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in Item 6 and/or 7.
☐ CHANGE name and/or address: Give current record name in Item 6a or 6b; also give new name (if name change) in Item 7a or 7b and/or new address (if address change) in Item 7c.
☐ DELETE name: Give record name to be deleted in 6a or 6b.
☐ ADD name: Complete Item 7a or 7b, and also Item 7c; also complete Items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

OR	6a. ORGANIZATION'S NAME: WEST RHONE LATERAL DITCH COMPANY			
	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

OR	7a. ORGANIZATION'S NAME			
	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2074 I ROAD	FRUITA	CO	81521	USA

7d. TAX ID#: SSN OR EIN (OPTIONAL: NOT REQUIRED)	ADDL INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATION ID#, if any
		DNC	CO	CO20001027668 ☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
Describe collateral ☐ deleted or ☐ added, or give entire [X] restated collateral description, or describe collateral ☐ assigned

LOAN CONTRACT NO. C150057, DATED 03/01/01, AS AMENDED, FOR $49,500.00. ALL REVENUES DERIVED FROM ASSESSMENTS ON STOCK AND ALL OF DEBTOR'S RIGHT TO RECEIVE SAID ASSESSMENT REVENUES TO REPAY THE INDEBTEDNESS ON THE AMOUNT LOANED TO DEBTOR BY SECURED PARTY, AS DESCRIBED IN PLEDGE OF PROPERTY PROVISIONS IN LOAN CONTRACT NO. C150057, TO SECURE PAYMENT OF THE INDEBTEDNESS EVIDENCED BY THE PROMISSORY NOTE, DATED MARCH 1, 2002. THE PARTIES AGREE TO AMEND THE SECURITY AGREEMENT TO ESTABLISH THE CORRECT LOAN AMOUNT OF $49,600.00.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

OR	9a. ORGANIZATION'S NAME: STATE OF COLORADO - COLORADO WATER CONSERVATION BOARD			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
LOAN CONTRACT NO. C150057, AMENDMENT NO. 1

NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) - COLORADO (REV 7/13/2001)

RECEIVED

APR 06 2001

WATER RESOURCES
STATE ENGINEER
COLO

20012018673 C
$ 15.00
SECRETARY OF STATE
03-09-2001 15:46:16

For Filing Officer Use Only

COLORADO UCC-1

Approved by Central Indexing System Board
Filing Fee = $15

1st DEBTOR Business X

SSN/FED Tax ID: **84-1544783**
NAME: **WEST RHONE LATERAL DITCH COMPANY**
STREET: **2074 I ROAD**
CITY, STATE, ZIP: **FRUITA, COLORADO 81521**

County Where 1st Debtor Resides

08 MESA

2nd DEBTOR ☐ additional debtor(s) on attachment
check one: ☐ Business ☐ Personal

SSN/FED Tax ID:
NAME:
STREET:
CITY, STATE, ZIP

Check if Applicable

☐ This statement is to be filed in the real estate records only.
☐ This statement is to b e filed in UCC and real estate records.
☐ The debtor is a transmitting utility.

1st SECURED PARTY ☐ additional secured party on attachment

NAME: **STATE OF COLORADO**
COLORADO WATER CONSERVATION BOARD
STREET: **1313 SHERMAN STREET, ROOM 721**
CITY, STATE, ZIP: **DENVER, COLORADO 80203**

ASSIGNED PARTY ☐ additional assigned party on attachment

NAME:
STREET:
CITY, STATE, ZIP:

EFS Filing? ☐ Yes ☐ No
(If non EFS filing, fill in collateral codes only)
(If EFS filing, enter County Code and effective dates)
(If EFS filing and all years covered, leave dates)

RETURN COPY TO:

NAME: **COLORADO WATER CONSERVATION BOARD**
ATTN: **ATTN: WATER SUPPLY PLANNING AND FINANCE SECTION**
STREET **1313 SHERMAN STREET, ROOM 721**
CITY, STATE, ZIP: **DENVER, COLORADO 80203**

Collateral Code	County Code	From Date	To Date
030			

COMPLETE DESCRIPTION OF COLLATERAL **Fold Here**
(Description required only if collateral codes do not adequately describe collateral. Only first 250 characters will be entered into CIS data base)

LOAN CONTRACT NO. C150057, DATED 03/01/01, FOR $100,000.00. ALL REVENUES DERIVED FROM ASSESSMENTS ON STOCK AND ALL OF DEBTOR'S RIGHT TO RECEIVE SAID ASSESSMENT REVENUES TO REPAY THE INDEBTEDNESS ON THE AMOUNT LOANED TO DEBTOR BY SECURED PARTY, AS DESCRIBED IN PLEDGE OF PROPERTY PROVISIONS IN THE LOAN CONTRACT, TO SECURE PAYMENT OF THE INDEBTEDNESS IN THE AMOUNT OF $100,000.00, EVIDENCED BY CERTAIN PROMISSORY NOTE, DATED MARCH 1, 2001.

CRB

TMENT OF THE TREASURY

SAFEKEEPING RECEIPT
140 STATE CAPITOL
DENVER, CO 80203

DATE: 03/06/2001

RECEIPT #: 17335

RECEIVED FROM: 3600 WATER CONSERVATION BOARD

the following property:

WEST RHONE LATERAL DITCH COMPANY

AMOUNT $ $4,000.00

AGENCY ID:: 3600

DATED: 03/05/2001

DUE: 03/05/2002

RATE: 5.5 %

PERMIT #

CHECK #

CD#: 2966

LETTER OF CREDIT #:

BANK OR COMPANY: HOME LOAN INDUSTRIAL BANK

INSURANCE CO:

BONDING AGENT:

BOND #:

CUSIP #

RIDER DATED:

INCREASE/DECREASE: 0

NEW DUE DATE:

to be held in safekeeping. This is your receipt.

The property described above will be returned only upon surrender of the original copy of this receipt, signed by a property authorized person and approved by the appropriate state official.

This receipt is not negotiable or assignable.

Treasurer, State of Colorado

By Leslie Sloss

Authorized Agent

WITHDRAWAL

Treasurer, State of Colorado:

The purpose having been effected, you are requested to release and return the property herinabove described.

Withdrawal Approved:

By

Date

AuthorizedAgent

STATE OF COLORADO

Colorado Water Conservation Board
Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
Phone: (303) 866-3441
FAX: (303) 866-4474

MEMORANDUM

To: Department of the Treasury

From: Mr. S. S. Biondo, Contract Compliance Officer
Water Supply Planning and Finance Section

Date: March 6, 2001

Subject: West Rhone Lateral Ditch Company
Loan Contract No. 150057
Certificate of Deposit No. 2966

Attached for deposit for safekeeping with the State of Colorado, Department of the Treasury, is Investment Certificate No. 2966 of Home Loan Industrial Bank, date of issue March 5, 2001, in the amount of $4,000.00, issued to West Rhone Lateral Ditch Company, for a term of 12 months (with automatic renewal).

If you have any questions, please advise.

Thank you.

cc: Ms. J. S. Illian
CWCB File