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

February 21, 2023

Cortez, City of and Dolores Water Conservancy District
123 Roger Smith Ave
Cortez, CO 81321

Subject: Loan Contract No. C153465
Loan Compliance Confirmation

Attached for your records are the original documents relative to the agreement between the Cortez, City of and Dolores Water Conservancy District, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C153465. The documents have been stamped "PAID IN FULL" denoting that the District 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 mimi.winter@state.co.us. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Mimi Winter, Finance Manager
Finance Section

Attachments

cc: CWCB Files

Form 6-AC-02A (R 5/85)
W/FRPB
Towaoc Project

AC894175

L[illegible]TMENT OR AGENCY NUMBER
89339
CONTRACT ROUTING NUMBER
34-04-00

AMENDMENT #1
PROJECT
CONTRACT

Reduce Encumbrance
From: $2,351,902.00
To: 1,430,705.51

THIS CONTRACT, made this 18th day of January 198 9, by and between the State of Colorado for the use and benefit of the Department of *1 Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and *2 the Dolores Water Conservancy District, P.O. Box 1117, Cortez, CO 81321, and the City of Cortez, 201 E. Main St., Cortez, CO 81321, hereinafter referred to collectively as the contractor/Contractor.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5401X, Contract Encumbrance Number C153465; and ABL Account No. 14011, Org. Unit 77-77-777,

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

WHEREAS, the State and the Contractor did on May 1, 1986, enter into a contract for State participation in the construction of a pipeline between the outlet of McPhee Dam and the Cortez water treatment plant for the benefit of the citizens of the City of Cortez in Montezuma County, Colorado; and

WHEREAS, paragraph A.5. of that contract requires the Contractor to execute a warranty deed conveying certain described real property to the State as security for the loan; and

WHEREAS, the Contractor desires to amend paragraph A.5. of that contract to substitute a mortgage interest in that same real property for the warranty deed currently required; and

WHEREAS, pursuant to section 37-60-120 (1), CRS (1987), the State is required to have ownership, or to take a sufficient security interest, or to impose other obligations, as will assure repayment of the project loan to the State; and

PAID IN FULL

WHEREAS, the State is willing to accept the proposed substitution of the mortgage interest for the warranty deed required by paragraph A.5. provided that prior to the execution of this amendment the City of Cortez lawfully adopts a specific ordinance, which shall be irrepealable for the period of the project loan, which ordinance shall authorize the City of Cortez to enter this contract amendment and which shall pledge the full faith and credit of the City of Cortez to repay the project loan in the event of default; and

WHEREAS, the parties recognize that the requirements of Article XI, Section 6, of the Colorado Constitution are not applicable to this project loan water supply debt, and that the pledge of credit by the City of Cortez applies only to the obligation of the city under the contract amendment and is not in aid of any other person or in payment of any debt, contract, or liability of any other person; and

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

WHEREAS, the parties desire to amend the project contract to decrease the amount of the project loan consistent with this revised cost.

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

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1. The terms and provisions of paragraphs A.5., A.11., B., C.1. and I. of that certain contract dated May 1, 1986, attached hereto as Attachment A and incorporated by reference herein, shall no longer be effective. All other terms and provisions of that certain contract dated May 1, 1986, shall remain in full force and effect, except as specifically modified herein..

2. Paragraphs A.5., A.11., B., C.1. and I. are hereby amended to read as follows:

A.5. The City shall execute a mortgage of the following real property to the State as security for the loan:

a. A 24-inch, class 50 ductile iron pipe, 8,340± linear feet with all appurtenances.

b. A 30-inch, class 50 ductile iron pipe, 9,160± linear feet with all appurtenances.

c. Eleven vaults, air release valves, five drain valves and assemblies.

d. 3.6± acres of land to be used as pipeline easements.

This mortgage shall be in the form attached hereto as Attachment B and incorporated herein.

The mortgage will be recorded by the Contractor in the proper county or counties and all recording fees shall be paid by the Contractor. The retainage shall not be paid to the Contractor until a mortgage has been executed, recorded, and filed with the State.

A.11. Repay to the State the total principal sum of Two Million Nine Hundred Thousand Two Hundred Fifty-One Dollars and Twenty Cents ($2,900,251.20), which includes the project loan amount and the feasibility report amount, together with interest at the rate of five percent (5%) per annum, said repayment to be made in constant annual installments of Seventy-Two Thousand Five Hundred Six Dollars and Twenty-Eight Cents ($72,506.28) each, for forty (40) years, as shown in Attachment C, attached hereto and incorporated by reference herein, which first installment shall be due and payable on the first day of the month next succeeding the month in which the State determines that the project has been substantially completed, and yearly thereafter until the entire principal sum shall have been paid. However, in the event the Contractor does not draw funds commencing on the date specified in paragraph C.1.a. below, the obligation to repay shall be postponed for the same number of months as the Contractor delays in drawing funds. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado. The Contractor pledges its full faith and credit in support of this obligation and warrants that it has taken all steps necessary to pledge its full faith and credit for this obligation.

PAID IN FULL

B. Upon default in the payments herein set forth to be made by the Contractor, or default in the performance of any covenant or agreement contained herein, the State, at its option, may (a) declare the entire principal amount then outstanding immediately

due and payable; (b) for the account of the Contractor, incur and pay reasonable expenses for repair, maintenance, and operation of the project herein described ad such expenses as may be necessary to cure the cause of default; (c) take possession of the project, repair, maintain, and operate or lease it; (d) act upon the security (described in paragraph A.5. above) mortgaged to the State; and/or (e) take any other appropriate legal action, including requiring the City of Cortez, upon written demand from the State, to use general city revenues to cure any default and to repay the project loan to the State based upon the City's pledge of its full faith and credit herein. All remedies described herein may be simultaneously or selectively and successively enforced. The provisions of this contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the Contractor, through judicial proceedings to require specific performance of this contract or by such other proceedings in law or equity as may be deemed necessary by the State to ensure compliance with provisions of this contract and the laws and regulations under which this contract is entered into.

C. The State agrees that it shall:

1. Loan and grant to the Contractor for the purpose of this contract an amount not to exceed One Million Four Hundred Thirty Thousand Seven Hundred Five Dollars and Fifty-One Cents ($1,430,705.51), thirteen and four hundreths percent (13.04%) of the total amount provided to the Contractor, One Hundred Eighty-Six Thousand Five Hundred Sixty-Four Dollars ($186,564), will be a nonreimbursable grant. Said One Million Four Hundred Thirty Thousand Seven Hundred Five Dollars and Fifty-One Cents ($1,430,705.51) shall be made available to the Contractor in accordance with the following terms and conditions:

PAID IN FULL

a. Beginning with the monthly period commencing May 1, 1986, and for every month thereafter until said project has been completed, the Contractor shall prepare, with the assistance of the engineering firm referred to in paragraph A.1. above, an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

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

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

I. Upon completion of the repayment to the State in the sum of Two Million Nine Hundred Thousand Two Hundred Fifty-One Dollars and Twenty Cents ($2,900,251.20) as set forth in paragraph A.11. of this contract, the State agrees to convey to the Contractor all of the State's right, title, and

interest in and to the project and any other property described in paragraph A.5. by deed or other proper conveyance.

3. Paragraph A.16. is added to read as follows:

A.16. The City shall lawfully adopt a valid ordinance pursuant to its charter prior to the execution of this Contract Amendment. Such ordinance is a condition precedent to State performance of this contract. Such ordinance shall be irrepealable for the period of repayment of the project contract loan. Such ordinance shall specifically authorize the City to enter into this Contract Amendment. Such ordinance shall specifically pledge the full faith and credit of the City to repay the project contract loan in the event of default. Such ordinance shall be attached hereto as Attachment D, and is incorporated herein by this reference.

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

INDEMNIFICATION

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 (24-34-402. CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. *Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.*

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

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

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

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

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

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

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

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

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and 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 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a 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 extend necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

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

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

10. The signatories aver that to their knowledge, no state employee has a 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 (Full Legal Name) DOLORES WATER CONSERVANCY DISTRICT

By Bruce C. McNafu

Position (Title) Pres.

Social Security No. or Federal I.D. No.

ATTEST: (Seal if Corporation)

By Dudley Millard (Secretary/Clerk)

(Full Legal Name) CITY OF CORTEZ

By Billy L. Smart

Position (Title) MAYOR

Social Security No. or Federal I.D. No.

ATTEST: (Seal if Corporation)

By Laurie Blackmore (Secretary/Clerk)

STATE OF COLORADO
ROY ROMER, GOVERNOR

By Dorothy Wachs
For the Executive Director
DEPARTMENT OF NATURAL RESOURCES
(COLO. WATER CONSERVATION BOARD
J. WILLIAM McDONALD, DIRECTOR)

APPROVALS

ATTORNEY GENERAL

By

CONTROLLER

By

VERIFIED INFORMATION COPY
The original and two copies of this contract have been signed by all State officials required by law to approve contracts.

ATTACHMENT B

MORTGAGE

STATE OF COLORADO)

COUNTY OF MONTEZUMA)

This indenture, made this 11th day of October, 1988, between the CITY OF CORTEZ, of the State of Colorado and County of Montezuma, hereinafter called "Mortgagor," and the STATE OF COLORADO for the use and benefit of the DEPARTMENT OF NATURAL RESOURCES (COLORADO WATER CONSERVATION BOARD), herein after called "Mortgagee."

Witnesseth:

Whereas, Mortgagor is justly indebted to Mortgagee in the sum of Two Million Three Hundred Fifty-One Thousand Nine Hundred Two Dollars ($2,351,902), in lawful money of the United States, and has agreed to pay the same, with interest thereon, according to the terms of the project contract (the "Agreement") between Mortgagor as contractor and Mortgagee, dated May 1, 1986, as amended, with final payment being due as provided therein.

PAID IN FULL

Now, Therefore, in consideration of the Premises and the sum hereinabove set forth, Mortgagor has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto Mortgagee property situate in Montezuma County, Colorado, more particularly described as follows:

a. A 24-inch, class 50 ductile iron pipe, 8,340± linear feet with all other appurtenances.

b. A 30-inch, class 50 ductile iron pipe, 9,160± linear feet with all appurtenances.

c. Eleven vaults, air release valves, five drain valves and assemblies.

d. 3.6± acres of land to be used as pipeline easements.

and further described in the attached maps, together with structures and other improvements now or hereafter located on the property hereinbefore described, or any part and parcel thereof; and

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Together with all and singular the tenements, hereditaments, easements, and appurtenances thereunto belonging or in any wise appertaining, whether now owned or hereafter acquired by Mortgagor, and including all rights of ingress and egress to and from adjoining property (whether such rights now exist or subsequently arise) together with the reversion or reversions, remainder and remainders, rents, issues and profits thereof; and also all estate, right, title, interest, claim and demand whatsoever of Mortgagor of, in and to the same and of, in and to every part and parcel thereof; and

Together with all machinery, apparatus, equipment fittings, fixtures, whether actually or constructively attached to said property now or hereafter located in, upon or under said property or any part thereof and used or usable in connection with any present or future operation of said property and now owned or hereafter acquired by Mortgagor, including, but without limiting the generality of the foregoing together with all building materials and equipment now or hereafter delivered to the Premises and intended to be installed therein; together with all additions thereto and replacements thereof (Mortgagor hereby agreeing with respect to all additions and replacements to execute and deliver from time to time such further instruments as may be requested by Mortgagee to confirm the conveyance, transfer and assignment of any of the foregoing); and

All the foregoing encumbered by this Mortgage being collectively referred to herein as the "Premises."

To have and to hold the Premises hereby granted to the use, benefit and behoof of the Mortgagee, forever.

It is agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a Security Agreement and Mortgagor agrees to join with the Mortgagee in the execution of any financing statements and to execute any other instruments that may be required for the perfection or renewal of such security interest under the Uniform Commercial Code.

PAID IN FULL

Conditioned, however, that if Mortgagor shall pay or cause to be paid to Mortgagee, at its office and principal place of business in or at such other place which may hereafter be designated by Mortgagee, its or their successors or assigns, with interest the principal sum of One Million Two Hundred Forty-Four Thousand One Hundred Forty-One Dollars and Fifty-One Cents ($1,244,141.51), with final maturity if not sooner paid, no later than Forty (40) years from the date of this contract, unless amended or extended according to the terms of a promissory note of even date herewith executed by Mortgagor and payable to the order of Mortgagee, as well as all future

advances and all other sums, indebtedness, obligations and liabilities for which this instrument is security, and shall also fully perform all the covenants, conditions and terms of this Mortgage, then these presents shall be void, otherwise to remain in full force and effect.

Mortgagor warrants that Mortgagor has good title to the Premises, and is lawfully seized and possessed of the Premises and every part thereof, and has the right and authority to mortgage and give security upon all Premises; that the Premises are unencumbered except as may be herein expressly provided; and that Mortgagor will forever warrant and defend the title to the Premises unto Mortgagee against the claims of all persons whomsoever.

It is the intent hereof to secure repayment of the loan amount plus interest as provided in the Agreement whether the entire amount shall have been advanced to the Mortgagor at the date hereof, or at a later date, and to secure any other amount or amounts that may be added to the mortgage indebtedness under the terms of this instrument (all of which are collectively referred to herein as the "Secured Indebtedness"), the entire Secured Indebtedness being equally secured with and having the same priority as any amounts advanced at the date hereof.

It is agreed that any additional sum or sums advanced by the then holder of the note secured hereby to or for the benefit of Mortgagor, whether such advances are obligatory or are made at the option of Mortgagee, or otherwise, at any time within twenty (20) years from the date of this mortgage, with interest thereon at the rate agreed upon at the time of each additional loan or advance, shall be equally secured with and have the same priority as the original indebtedness and be subject to all of the terms and provisions of this mortgage, whether or not such additional loan or advance is evidenced by a promissory note of the borrowers and whether or not identified by a recital that it is secured by this mortgage; provided that the aggregate amount of principal indebtedness outstanding at any one time shall not exceed the sum of Two Million Three Hundred Fifty-One Thousand Nine Hundred Two Dollars ($2,351,902), plus interest and disbursements made for the payment of taxes, levies or insurance on the property covered by this Mortgage with interest on such disbursements, and provided further that it is understood and agreed that this future advance provision shall not be construed to obligate the Mortgagee to make any such additional loans or advances. It is further agreed that any additional note or notes executed and delivered under this future advance provision shall be included in the word "note" wherever it appears in the context of this mortgage.

It is agreed that mortgagor shall by ordinance pledge its full faith and credit to assure repayment of the Agreement loan to Mortgagee.

1. Mortgagor shall pay to Mortgagee the Secured Indebtedness with interest thereon as in the Agreement and this mortgage provided.

2. Mortgagor shall pay, when due and payable, (a) all taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against the Premises, this instrument or the Secured Indebtedness or any interest of the Mortgagee in the Premises or the obligations secured hereby.

In the event of the passage, after the date of this instrument, of any law or ordinance of the United States, the State or any political subdivision thereof, wherein the Premises are situated, or any decision by a court of competent jurisdiction, creating or providing for any tax, assessment or charge against the Premises, this instrument or the Secured Indebtedness or any interest of the Mortgagee in the Premises or the obligations secured hereby, that is to be paid by Mortgagee, the Secured Indebtedness shall, at the option of Mortgagee, become immediately due and payable and, in the event payment thereof is not made by Mortgagor forthwith, Mortgagee may take, or cause to be taken, such action or proceeding as may be taken hereunder in the case of any other default in the payment of the indebtedness.

Mortgagor shall keep the Premises insured for the benefit of Mortgagee against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke and such other hazards, including business interruptions insurance covering loss of rents, revenues, income, profits or proceeds from leases, franchises, concessions or licenses of or on any part of the Premises, or as Mortgagee may from time to time require, all in amounts approved by Mortgagee not exceeding one hundred percent (100%) of full insurable value; all insurance herein provided for shall be in the form and companies approved by Mortgagee; and, regardless of the types or amounts of insurance required and approved by Mortgagee, of all unearned premiums existing from time to time thereon. If Mortgagee, by reason of such insurance, receives any money for loss or damage, such amount may, at the option of Mortgagee, be retained and applied by Mortgagee toward payment of the Secured Indebtedness, or be paid over, wholly or in part, to Mortgagor for the repair or replacement of the Premises or any part thereof, or for any other purpose or object satisfactory to Mortgagee, but Mortgagee shall not be obligated to see to the proper application of any amount paid over to Mortgagor.

In the absence of written direction from Mortgagee, the insurance amount required herein shall not be less than such amount as may be required to prevent Mortgagor from becoming Co-insurers under the terms of any applicable policy, or the amount of the Secured Indebtedness, whichever is greater.

Not less than 10 days prior to the expiration date of each policy of insurance required of Mortgagor pursuant to this paragraph, and of each policy of insurance held as additional collateral to secure the Secured Indebtedness, Mortgagor shall deliver to Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to Mortgagee.

In the event of a foreclosure of this mortgage, the purchaser of the Premises shall succeed to all the rights of Mortgagor, including any right to unearned premiums, in and to all policies of insurance assigned and delivered to Mortgagee, with respect to all property herein encumbered.

Mortgagor shall maintain the Premises in good condition and repair, shall not commit or suffer any waste to the Premises, and shall comply with, or cause to be complied with, all statutes, and requirements of any governmental authority relating to the Premises or any part thereof. Mortgagor shall promptly repair, restore, replace or rebuild any part of the Premises, now or hereafter encumbered by this mortgage which may be affected by any proceeding. No part of the Premises, including, but not limited to, any building, structure, driveway, scheme, or other ground improvement, equipment or other property, now or hereafter mortgaged, shall be removed, demolished or materially altered without the prior written consent of Mortgagee. Mortgagor shall complete, within a reasonable time, and pay for any building, structure or other improvement at any time in the process of construction on the property herein mortgaged. Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Premises or any part thereof. Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

Mortgagor shall execute and deliver (and pay the costs of preparation and recording thereof) to Mortgagee and to any subsequent holder from time to time, upon demand, any further instrument or instruments, including, but not limited to, mortgages, security agreements, financing statements, assignments and renewal and substitution notes, so as to reaffirm, to correct and to perfect the evidence of the obligation hereby secured and the legal security title of Mortgagee to all or any part of the Premises intended to be

hereby mortgaged, whether now mortgaged, later substituted for, or acquired subsequent to the date of this mortgage and extensions or modifications thereof. Mortgagor, upon request, made either personally or by mail, shall certify by a writing, duly acknowledged, to Mortgagee or to any proposed assignee of this mortgage, the amount of principal and interest then owing on the Secured Indebtedness and whether or not any offsets or defenses exist against the Secured Indebtedness, within six (6) days in case the request is made personally, or within ten (10) days after the mailing of such request in case the request is made by mail.

Notwithstanding any taking of any property, herein mortgaged and agreed to be mortgaged, by eminent domain, alteration of the grade of any street or other injury to, or decrease in value of, the Premises by any public or quasi-public authority or corporation, Mortgagor shall continue to pay principal and interest on the Secured Indebtedness, and any reduction in the Secured Indebtedness resulting from the application by Mortgagee of any award or payment for such taking, alterations, injury or decrease in value of the Premises, as hereinafter set forth, shall be deemed to take effect only on the date of such receipt; and such award or payment may, at the option of Mortgagee, be retained and applied by Mortgagee toward payment of the Secured Indebtedness, or be paid over, wholly or in part, to Mortgagor for the purpose of altering, restoring or rebuilding any part of the Premises which may have been altered, damaged or destroyed as a result of any such taking, alteration of grade, or other injury to the Premises, or for any other purpose or object satisfactory to Mortgagee, but Mortgagee shall not be obligated to see to the application of any amount paid over to Mortgagor. If, prior to the receipt by Mortgagee of such award or payment,

Upon the occurrence of any one of the following events (herein called an "Event of Default"):

PAID IN FULL

(i) should Mortgagor fail to pay the Secured Indebtedness, or any part thereof, or the periodic deposits for insurance and other charges, as hereinbefore provided, when and as the same shall become due and payable as provided in the Agreement;

(ii) should any warranty of Mortgagor herein contained, or contained in any instrument, document, transfer, conveyance, assignment or loan agreement given with respect to the Secured Indebtedness, prove untrue or misleading in any material aspect;

(iii) should the Premises be subject to actual or threatened waste, or any part thereof, be removed, demolished or materially altered so that the value of the Premises be diminished;

(iv) should claim of lien for labor or material be filed of record against Mortgagor or the Premises and not be removed by payment or bond within thirty (30) days from date of recording;

(v) should any claim of priority to this mortgage by title, lien or otherwise be asserted in any legal, administrative or equitable proceeding;

(vi) should Mortgagor make any assignment for the benefit of creditors, or should a receiver, liquidator or trustee of Mortgagor or of any of Mortgagor's property be appointed, or should any petition for the bankruptcy, reorginization or arrangement of Mortgagor, pursuant to the Federal Bankruptcy Act or any similar statute, be filed, or should Mortgagor be adjudicated a bankrupt or insolvent, or should Mortgagor if a corporation, be liquidated or dissolved or its charter expire or be revoked, or, if a partnership or business association, be dissolved or partitioned, or, if a trust, be terminated or expire;

(vii) should Mortgagor fail to keep, observe, perform, carry out and execute in every particular the covenants, agreements, obligations and conditions set out in this mortgage, or in the note, or in any of the following instruments given with respect to the Secured Indebtedness: Construction Commitment of Mortgage, Construction Loan Agreement between Mortgagor and Mortgagee, Assignment of Rents and Leases by Mortgagor; or any other instrument securing this loan or related thereto;

PAID IN FULL

Then and thereupon Mortgagee may immediately do any one or more of the following, time expressly being made of the essence herein:

(i) enter upon and take possession of the Premises without the appointment of a receiver, or an application therefor, employ a managing agent of the Premises and let the same, either in its own name, or in the name of Mortgagor, and receive the rents, incomes, issues and profits of the Premises and apply the same, after payment of all necessary charges and expenses, on account of the Secured Indebtedness, but only with the consent of Mortgagor, which consent shall be conclusively presumed from Mortgagor's interests in any lease now or hereafter affecting the whole or any part of the Premises;

(ii) pay any sums in any form or manner deemed expedient by Mortgagee to protect the security of this instrument or to cure any event of default other than payment of interest or principal on Secured Indebtedness; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment without inquiry into the accuracy or validity thereof, and the receipt of any such public officer or party in the hands of Mortgagee shall be conclusive evidence of the validity and amount of items so paid, in which event the amounts so paid, with interest thereon from the date of such payment at the rate of five percent (5%) per annum, shall be added to and become a part of the Secured Indebtedness and be immediately due and payable to Mortgagee; and Mortgagee shall be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by Mortgagee under the provisions hereof, and any such subrogation rights shall be additional and cumulative security to this instrument;

(iii) declare the note and the whole indebtedness secured by this mortgage, including all payments for taxes, assessments, insurance premiums, liens, costs, expenses and attorney's fees herein specified, without notice to Mortgagor (such notice being hereby expressly waived), to be due and collectible at once, by foreclosure or otherwise;

(iv) require the mortgagee, in writing, to use general funds to rectify any repayment default and to repay the Agreement debt, pursuant to the pledge of full faith and credit by Mortgagor;

(v) pursue any and all remedies available under the Uniform Commercial Code or as otherwise provided in the Agreement.

PAID IN FULL

If at any time in the discretion of Mortgagee a receivership may be necessary to protect the Premises, whether before or after maturity of the indebtedness hereby secured, or at the time of or after the institution of suit to collect such indebtedness or to enforce this mortgage, Mortgagee shall, have the right to the appointment on ex parte application, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect and operate the Premises and any business or businesses located thereon, to collect the rents, issues, profits, and income thereof, to make all necessary and needed repairs, and to pay all assessments against the Premises and insurance premiums for insurance thereon and after the payment of the expenses of the receivership, including reasonable attorney's fees to Mortgagee's attorney, and after compensation for management of the property, to apply the net proceeds in reduction of the

indebtedness hereby secured or in such manner as the court shall direct. All such expenses shall be secured by the lien of this Mortgage until paid.

Such receivership shall, at the option of Mortgagee, continue until full payment of all sums hereby secured, or until title to the property shall have passed by foreclosure sale under this mortgage.

Mortgagor shall keep the Premises free from all prior liens and, upon demand of Mortgagee, pay and procure release of any lien which in any way may impair the security of this mortgage.

Mortgagee shall have the right from time to time to sue for any sums, whether interest, principal or any installment of either or both, taxes, penalties, or any other sums required to be paid under the terms of this mortgage, as the same become due, without regard to whether or not all of the Secured Indebtedness shall be due on demand, and without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against the Mortgagor, including an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced. Any payments to or on account of Mortgagor of insurance or eminent domain proceeds shall not affect the lien of this Mortgage for the full amount secured hereby before such payment.

The rights of Mortgagee, granted and arising under the clauses and covenants contained in this mortgage, the note, the Agreement, or any other instrument securing this loan, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which Mortgagee may have in law or equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages, and preservation of security as provided at law. No act of Mortgagee shall be construed as an election to proceed under any one provision herein or under the note to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or other wise to the contrary notwithstanding.

Every provision for notice and demand or request shall be deemed fulfilled by written notice and demand or request personally served on one or more of the persons who shall at the time hold the record title to the Premises, or on their heirs or successors, or mailed by depositing it in any post office station or letter box, enclosed in a postpaid envelope (a) addressed to such person or persons, or their heirs or successors, at his, their or its address last known to

Mortgagee or (b) addressed to the street address of the Premises hereby mortgaged.

Any indulgence or departure at any time by the Mortgagee from any of the provisions hereof, or of any obligation hereby secured, shall not modify the same or relate to the future or waive future compliance therewith by the Mortgagor.

Mortgagor will defend, at its own cost and expense, and indemnify and hold Mortgagee harmless from, any action, proceeding or claim affecting the Premises, the note or any other instrument securing payment of the Secured Indebtedness. Costs and expenses will include all reasonable attorneys' fees.

Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of the note, and without notice or consent: (a) release any person liable for payment of all or any part of the indebtedness or for performance of any obligation; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (c) exercise or refrain from exercising or waive any right Mortgagee may have; (d) accept additional security of any kind; or (e) release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

PAID IN FULL

Mortgagee shall be subrogated to the lien of any and all prior encumbrances, liens or charges paid and discharged from the proceeds of the note hereby secured, and even though such prior liens have been released of record, the repayment of the note shall be secured by such liens on the portions of the Premises affected thereby to the extent of such payments, respectively.

In the event that there is any conflict between the covenants and the conditions of this mortgage and the terms and conditions of the Agreement, then the Agreement shall control to the extent of any conflict.

If any provision of this mortgage, Construction Loan Agreement, or any other instrument securing this loan, or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the

application of the provision to other persons, entities or circumstances, nor any other instrument referred to hereinabove shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

This mortgage is executed and delivered in, and its terms and provisions are to be governed by, the laws of the State of Colorado.

In Witness Whereof, the Mortgagor has caused this instrument to be executed by its duly authorized officers pursuant to a duly adopted ordinance and its corporate seal to be affixed hereto as of the day and year first above written.

Signed, Sealed and Delivered in the Presence of:

CITY OF CORTEZ

By: Billy T Smart

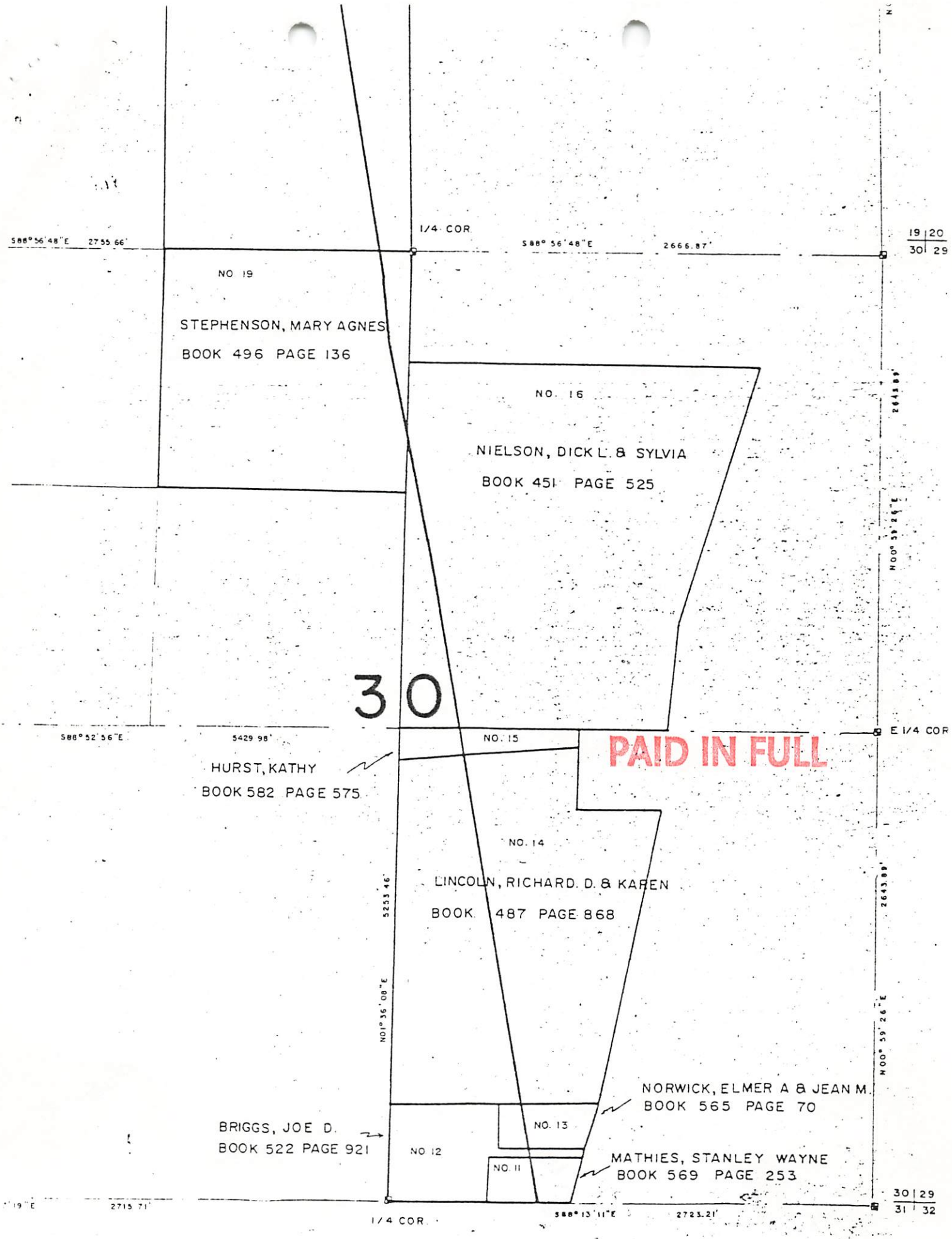
Title: MAYOR

ATTEST:

Laurie Blackmore

Deputy City Clerk

PAID IN FULL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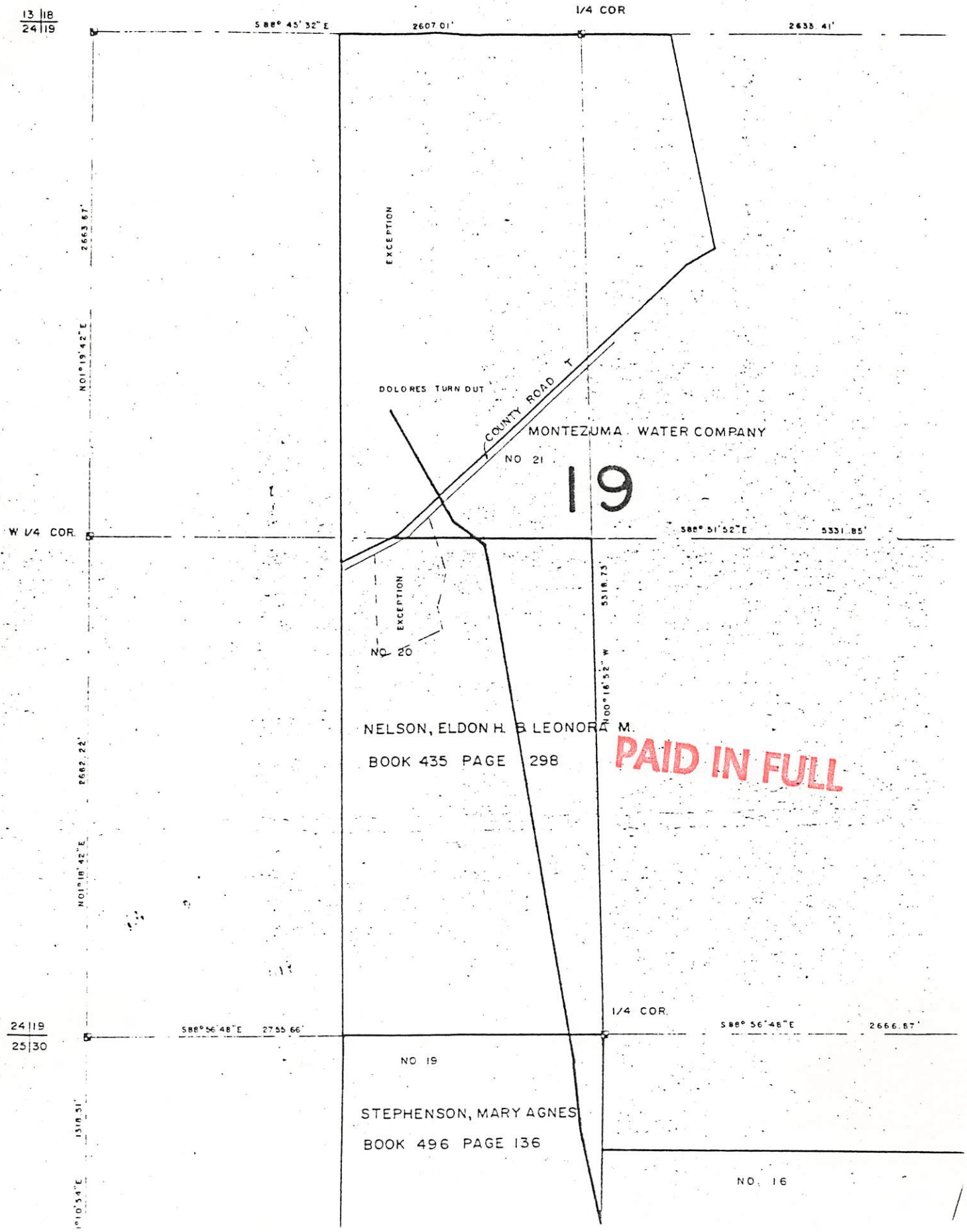
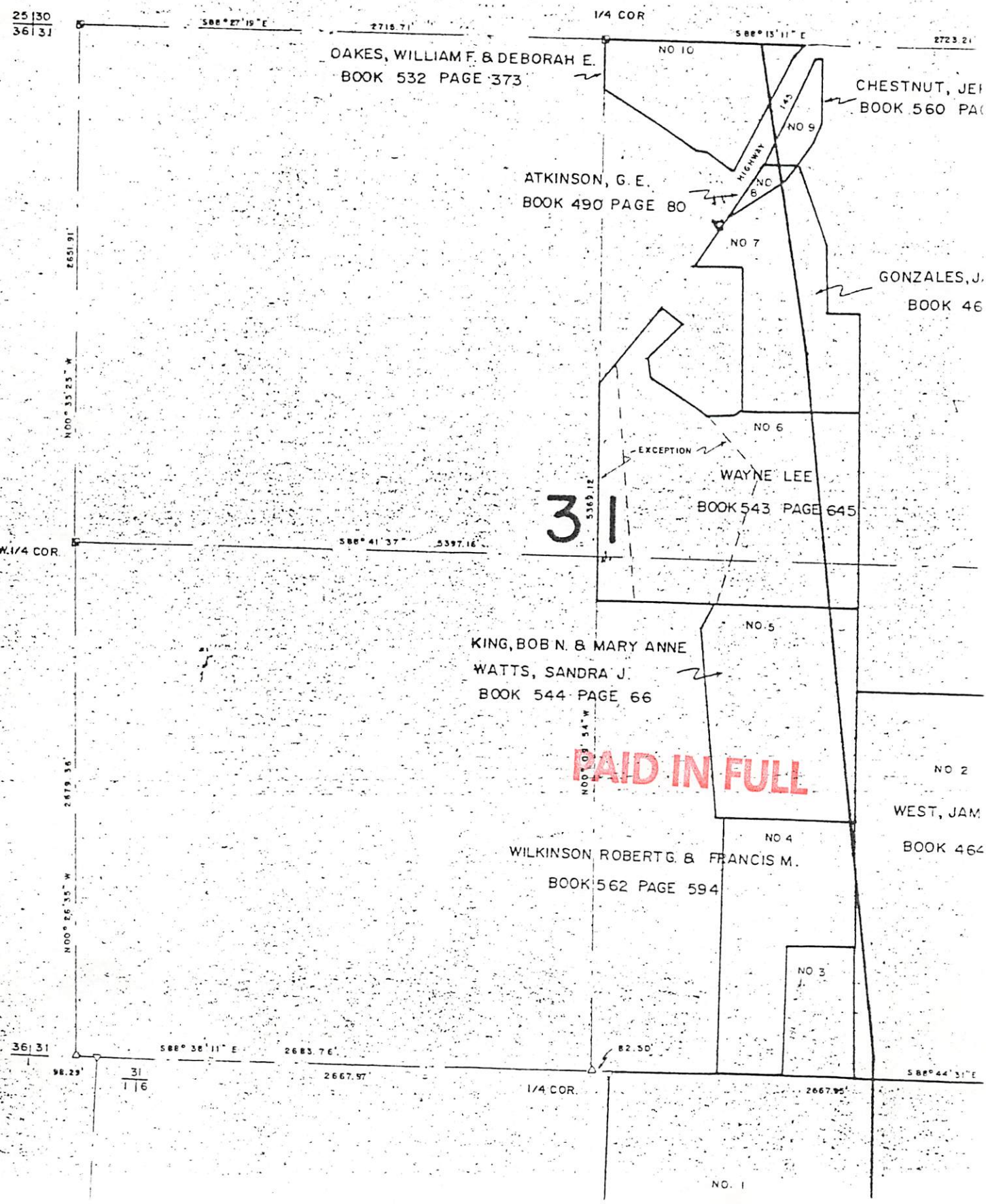
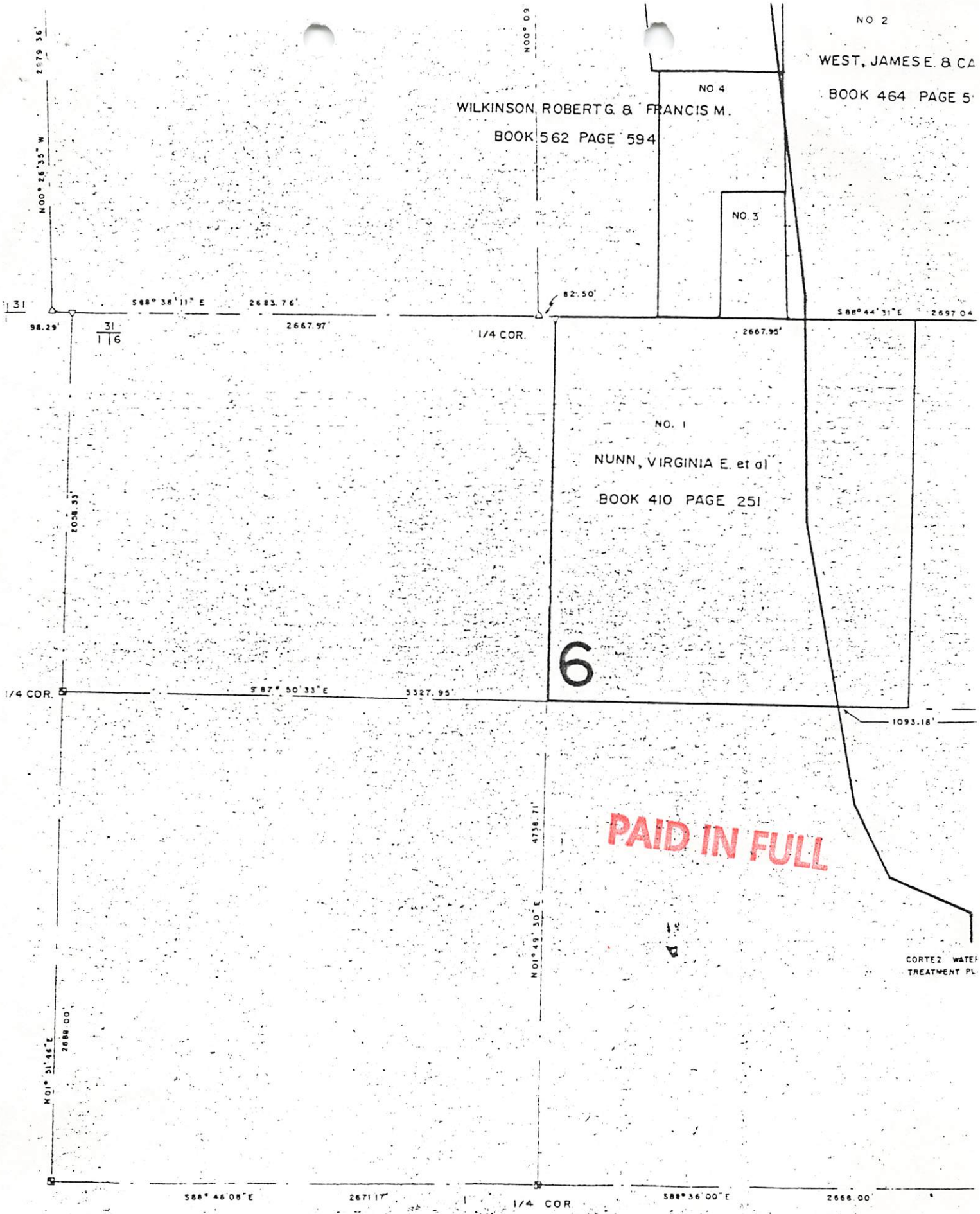
1/4 COR
S88° 56'48"E 2666.87'
19 | 20
30 | 29
NO. 19
STEPHENSON, MARY AGNES
BOOK 496 PAGE 136
NO. 16
NIELSON, DICK L. & SYLVIA
BOOK 451 PAGE 525
2643.89'
N00° 59' 26"E
30
S88°52'56"E 5429.98'
NO. 15
E 1/4 COR
PAID IN FULL
HURST, KATHY
BOOK 582 PAGE 575
NO. 14
LINCOLN, RICHARD. D. & KAREN
BOOK 487 PAGE 868
5253.46'
N01° 36' 08"E
2643.89'
N00° 59' 26"E
NORWICK, ELMER A & JEAN M.
BOOK 565 PAGE 70
BRIGGS, JOE D.
BOOK 522 PAGE 921
NO. 13
NO. 12
NO. 11
MATHIES, STANLEY WAYNE
BOOK 569 PAGE 253
2715.71'
1/4 COR
S88° 13' 11"E 2723.21'
30 | 29
31 | 32

PR


13 | 18
24 | 19
1/4 COR
S 88° 45' 32" E
2607.01'
2633.41'
2663.67'
N 01° 19' 42" E
EXCEPTION
DOLORES TURN OUT
COUNTY ROAD T
MONTEZUMA WATER COMPANY
NO 21
19
W 1/4 COR.
S 88° 51' 52" E
5331.85'
5318.73'
N 00° 16' 52" W
EXCEPTION
NO 20
NELSON, ELDON H. & LEONORA M.
BOOK 435 PAGE 298
PAID IN FULL
2662.22'
N 01° 18' 42" E
1/4 COR.
24 | 19
25 | 30
S 88° 56' 48" E
2755.66'
S 88° 56' 48" E
2666.87'
NO 19
STEPHENSON, MARY AGNES
BOOK 496 PAGE 136
1318.31'
N 1° 10' 34" E
NO. 16

WNER INDEX MAP




NO 2
WEST, JAMES E. & CA
BOOK 464 PAGE 5
NO 4
WILKINSON, ROBERT G. & FRANCIS M.
BOOK 562 PAGE 594
NO. 3
N00° 26' 35" W
2679.36'
N00° 09
S88° 38' 11" E
2683.76'
82.50'
S88° 44' 31" E
2697.04
31
98.29'
31
1 | 6
2667.97'
1/4 COR.
2667.95'
NO. 1
NUNN, VIRGINIA E. et al
BOOK 410 PAGE 251
2658.33'
6
1/4 COR.
S87° 50' 33" E
3327.95'
1093.18'
4738.71'
PAID IN FULL
N01° 49' 30" E
CORTEZ WATE
TREATMENT PL
N01° 31' 46" E
2688.00'
S88° 46' 08" E
2671.17'
1/4 COR
S88° 36' 00" E
2668.00'

Repayment Schedule: Dolores Water Conservancy District and City of Cortez
Principal $1,244,141.51 Payment $72,506.28
Interest 5.00%
Term 40 Years

Period	Principal	Payment	Interest	Principal Repayment
1	$1,244,141.51	$72,506.28	$62,207.08	$10,299.20
2	1,233,842.31	72,506.28	61,692.12	10,814.16
3	1,223,028.14	72,506.28	61,151.41	11,354.87
4	1,211,673.27	72,506.28	60,583.66	11,922.62
5	1,199,750.65	72,506.28	59,987.53	12,518.75
6	1,187,231.90	72,506.28	59,361.60	13,144.68
7	1,174,087.22	72,506.28	58,704.36	13,801.92
8	1,160,285.30	72,506.28	58,014.26	14,492.02
9	1,145,793.28	72,506.28	57,289.66	15,216.62
10	1,130,576.67	72,506.28	56,528.83	15,977.45
11	1,114,599.22	72,506.28	55,729.96	16,776.32
12	1,097,822.90	72,506.28	54,891.15	17,615.13
13	1,080,207.77	72,506.28	54,010.39	18,495.89
14	1,061,711.88	72,506.28	53,085.59	19,420.69
15	1,042,291.19	72,506.28	52,114.56	20,391.72
16	1,021,899.47	72,506.28	51,094.97	21,411.31
17	1,000,488.16	72,506.28	50,024.41	22,481.87
18	978,006.29	72,506.28	48,900.31	23,605.97
19	954,400.33	72,506.28	47,720.02	24,786.26
20	929,614.06	72,506.28	46,480.70	26,025.58
21	903,588.49	72,506.28	45,179.42	27,326.86
22	876,261.63	72,506.28	43,813.08	28,693.20
23	847,568.43	72,506.28	42,378.42	30,127.86
24	817,440.57	72,506.28	40,872.03	31,634.25
25	785,806.32	72,506.28	39,290.32	33,215.96
26	752,590.36	72,506.28	37,629.52	34,876.76
27	717,713.60	72,506.28	35,885.68	36,620.60
28	681,093.00	72,506.28	34,054.65	38,451.63
29	642,641.37	72,506.28	32,132.07	40,374.21
30	602,267.16	72,506.28	30,113.36	42,392.92
31	559,874.23	72,506.28	27,993.71	44,512.57
32	515,361.66	72,506.28	25,768.08	46,738.20
33	468,623.47	72,506.28	23,431.17	49,075.11
34	419,548.36	72,506.28	20,977.42	51,528.86
35	368,019.50	72,506.28	18,400.97	54,105.31
36	313,914.19	72,506.28	15,695.71	56,810.57
37	257,103.62	72,506.28	12,855.18	59,651.10
38	197,452.52	72,506.28	9,872.63	62,633.65
39	134,818.87	72,506.28	6,740.94	65,765.34
40	69,053.53	72,506.28	3,452.68	69,053.60

PAID IN FULL

5628E

I, Laurie Blackmore, Deputy City Clerk for the City of Cortez, certify that this is a true and correct copy of the original Ordinance No. 694, Series 1988, as approved and adopted by the Cortez City Council on September 27, 1988, and October 11, 1988.

ATTEST:

Laurie Blackmore

Laurie Blackmore, Deputy City Clerk

11-14-88

Date

ORDINANCE NO. 694

SERIES 1988

AN ORDINANCE AUTHORIZING THE APPROVAL OF A CONTRACT AND ADDENDUM CONTRACT BETWEEN THE DOLORES WATER CONSERVANCY DISTRICT, THE COLORADO WATER CONSERVATION BOARD, AND THE CITY OF CORTEZ, FOR THE CONSTRUCTION AND INSTALLATION OF A RAW WATER LINE, ACQUISITION OF EASEMENTS, DUCTILE IRON PIPE, ELEVEN VAULTS, AIR RELEASE VALVES, AND FIVE DRAIN VALVES, AND RELATED WATER UTILITY IMPROVEMENTS AND NECESSARY INCIDENTALS; PRESCRIBING THE FORM OF THE MORTGAGE SECURING SAID OBLIGATION; PROVIDING FOR THE PAYMENT OF THE SAME AND THE INTEREST THEREON.

WHEREAS, for the purpose of constructing and installing a raw water line of ductile iron pipe, acquisition of valves and appurtenances along with 3.6 acres of land for easements, as well as other water utility improvements and necessary incidentals (the Project), the City of Cortez (the City) by proper action has considered a contract and amendments thereto between itself, the Colorado Water Conservation Board and the Dolores Water Conservancy District; and

WHEREAS, the City Council has received the funds to build and complete the Project and determined that the cost of such Project shall benefit the health, safety and welfare of the inhabitants of the City and shall not exceed a cost of $1,430,705.51 principal with interest to be paid at five per cent (5%) over a term of forty (40) years in equal principal payments not including costs for collection, administration and other incidentals; and

WHEREAS, by reason of the fact that the Dolores Water Conservancy District and the Colorado Water Conservation Board requires that the City of Cortez pledge the full faith and credit of said City to subject obligation; and

WHEREAS, by reason that it is necessary to obtain money to pay the costs of the construction of the project, which costs have and will hereafter become due and payable, this Ordinance is hereby declared to become necessary to the preservation of the public peace, health, and property and shall take effect upon publication following passage pursuant to Article III, Section 10 of the Cortez City Charter; and

WHEREAS, the requirements of Article XI, Section 3 of the Colorado Constituion are not applicable to this project and that the pledge of credit by the City of Cortez applies only to the obligation of the City under the contract amendment and is not in aid of any other person or in payment of any debt, contract, or liability of any other person; and

WHEREAS, Article XI, Section 6(3), and the Charter of the City of Cortez, provides that debts contracted by a home rule city for the purposes of supplying water shall be excepted from the operation of Section 6 insofar as no political subdivision of the State shall contract any general obligation debt by loan in any form, whether individually or by contract, without an election; and

WHEREAS, it is now necessary to provide for the approval of the payback contract and this Ordinance in this form, subject to the commensurate payment schedule incorporated therein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORTEZ, COLORADO:

SECTION 1. By virtue and pursuant to Article XI, Sections 2 and 5, and Article VIII of the Cortez City Charter, the Colorado Revised Statutes and the Colorado Constitution, and all other laws thereunto enabling, the City of Cortez shall agree to pay and pledge its full faith and credit to repay all the costs incurred in constructing and installing:

ATTACHMENT D

a) a 24", Class 50 ductile iron pipe, 8,340 linear feet long with all appurtenances;

b) a 30", Class 50 ductile iron pipe, 9,160 linear feet long with all appurtenances;

c) eleven vaults, air release valves, five drain valves and assemblies; and

d) acquisition of 3.6 acres of land to be used as easements for the afore-referenced pipeline.

Payments shall be in the total principal amount of $1,244,141.51 payable to the Colorado Water Conservation Board and/or the Dolores Water Conservancy District as designated between the parties in Fund No. 4008, G/L Account No. 5401X, Contract Encumbrance No. C153465, ABL Account No. 14011, Org. Unit 77-77-777.

Payment shall consist of forty (40) equal principal payments of $72,506.28 with interest accruing at 5% per annum, in accordance with the project contract and the project contract amendment hereinbefore stated.

The payment schedule is as set out below:

PAYMENT NO.	PAYMENT	INTEREST	PRINCIPAL	LOAN BALANCE
				$1,244,141.51
1	$ 72,506.28	$ 62,207.08	$ 10,299.20	1,233,842.31
2	72,506.28	61,692.12	10,814.16	1,233,028.14
3	72,506.28	61,151.41	11,354.87	1,211,673.27
4	72,506.28	60,583.66	11,922.62	1,199,750.65
5	72,506.28	59,987.64	12,518.75	1,187,231.90
6	72,506.28	59,361.60	13,144.68	1,174,087.22
7	72,506.28	58,704.36	13,801.92	1,160,285.30
8	72,506.28	58,014.26	14,492.02	1,145,793.28
9	72,506.28	57,289.66	15,216.62	1,130,576.67
10	72,506.28	56,528.83	15,977.45	1,114,599.22
11	72,506.28	55,729.96	16,776.32	1,097,822.90
12	72,506.28	54,891.15	17,615.13	1,080,207.77
13	72,506.28	54,010.39	18,495.89	1,061,711.88
14	72,506.28	53,085.59	19,420.69	1,042,291.19
15	72,506.28	52,114.56	20,391.72	1,021,899.47
16	72,506.28	51,094.97	21,411.31	1,000,488.16
17	72,506.28	50,024.41	22,481.87	978,006.29
18	72,506.28	48,900.31	23,605.97	954,400.33
19	72,506.28	47,720.02	24,786.26	929,614.06
20	72,506.28	46,480.70	26,025.58	903,588.49
21	72,506.28	45,179.42	27,326.86	876,261.63
22	72,506.28	43,813.08	28,693.20	847,568.43
23	72,506.28	42,378.42	30,127.86	817,440.57
24	72,506.28	40,872.03	31,634.25	785,806.32
25	72,506.28	39,290.32	33,215.96	752,590.36
26	72,506.28	37,629.52	34,876.76	717,713.60
27	72,506.28	35,885.68	36,620.60	681,093.00
28	72,506.28	34,054.65	38,451.63	642,641.37
29	72,506.28	32,132.07	40,374.21	602,267.16
30	72,506.28	30,113.36	42,392.92	559,874.23
31	72,506.28	27,993.71	44,512.57	515,361.66
32	72,506.28	25,768.08	46,738.20	468,623.47
33	72,506.28	23,431.17	49,075.11	419,548.36
34	72,506.28	20,977.42	51,528.86	368,019.50
35	72,506.28	18,400.97	54,105.31	313,914.19
36	72,506.28	15,695.71	56,810.57	257,103.62
37	72,506.28	12,855.18	59,651.10	197,452.52
38	72,506.28	9,872.63	62,633.65	134,818.87
39	72,506.28	6,740.94	65,765.34	69,053.53
40	72,506.28	3,452.68	69,053.60	00.00

PAID IN FULL

The maximum net effective interest rate authorized to be paid under this contract shall be 5% per annum.

SECTION 2. Paying Agent. The afore-referenced payments shall be payable in lawful money of the United States of America at the offices of the Colorado Water Conservation Board, or such other place as designated in writing to the City of Cortez, or to their successors and assigns. Such payment may be paid by check or warrant of the City of Cortez.

SECTION 3. Execution of the Project Contract and Project Contract Amendment. The Project Contract has been previously executed by the City of Cortez through its Mayor, Billy F. Smart, and attested by its Clerk, Bonnie L. Gallion, by lawful resolution of the City of Cortez, and the Project Contract Amendment shall be further executed by the City of Cortez through its lawfully elected Mayor, Billy F. Smart, and attested by its duly appointed Clerk.

SECTION 4. Irrepealability of this Ordinance. This Ordinance shall be irrepealable for a period not to exceed forty (40) years or such lesser time as is necessary to complete the payments referenced in Section 1 of this Ordinance.

SECTION 5. Security for the Performance of the Obligations Provided for in this Ordinance. A mortgage, in a form mutually satisfactory to the City of Cortez, the Dolores Water Conservancy District, and the Colorado Water Conservation Board, shall be incorporated into this Ordinance by reference as provided in Article III, Section 11 of the Cortez City Charter. In summary:

a) The mortgage provides that the Colorado Water Conservation Board shall take a mortgage interest as provided by Colorado law in the 24" and 30" ductile iron pipe and appurtenances, vaults, air release valves, drain valves and assemblies, and all land acquired as easement for said pipeline.

b) The mortgage provides that all the afore-referenced items are real property or fixtures and that if the same shall be considered to be personal property under Colorado law or the Uniform Commercial Code, the mortgage shall be deemed to be a security agreement in personal property and shall be treated as such.

c) The mortgage provides that the mortgagee is justly indebted to the mortgagor in the amount of $1,244,141.51 and has agreed to pay the same with interest.

d) The mortgage requires that mortgagor has good title to the premises and warrants the same free of all encumbrances.

e) The mortgage provides for a future advance clause and provides that such mortgagor shall pledge its full faith and credit to assure repayment of the agreement loan to the mortgagee.

f) The mortgage provides that the mortgagor shall not damage or otherwise allow the destruction of the security, will keep the security insured to the extent such insurance can be obtained, and shall maintain the premises in good condition and repair and shall not suffer any waste to the premises and shall comply with all statutes and requirements of government authorities with jurisdiction.

g) The mortgage provides for events of default such as failure to pay the indebtedness, breach of warranties, demolition or threatened waste of the premises, or attachment of mechanics liens.

SECTION 6. Payment of Principal and Interest. There may be established a special principal and interest fund (the Raw Water Project Contract Fund) to contain the proceeds from such assessments which may be levied against the properties of the City of Cortez or which may be levied by assessment of water charges for the use of municipal water either within or without the limits of the City of Cortez.

Nothing in this Ordinance or in the creation of the afore-referenced fund shall preclude the City from budgeting and applying such monies from other

funds as it deems necessary or expedient for the payment of the obligations set forth herein or the prepayment of such obligations set forth herein.

SECTION 7. Estimated Period of Usefulness. Pursuant to the Cortez City Charter, the estimated period of usefulness of this project is at least forty (40) years.

SECTION 8. Execution of Collateral Documents. The Mayor, City Clerk, Finance Director, City Attorney, and other appropriate officers of the City are hereby authorized to execute on behalf of the City any collateral documents appropriate or necessary, directly or indirectly, relating to the subject matter of this Ordinance.

SECTION 9. Severability. If any one or more sections or parts of this ordinance shall be adjuged unenforceable or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this ordinance, it being the intention that various provisions hereof are severable.

SECTION 10. Repealer. All ordinances or parts thereof in conflict with this ordinance are hereby repealed.

SECTION 11. Ordinance Irrepealable. After the execution of the project contract amendment for repayment and the mortgage, this ordinance shall be and remain irrepealable until the contract shall have been fully paid, satisfied and discharged.

SECTION 12. Publication. Upon passage, this ordinance shall be numbered and recorded, and the adoption and publication shall be authenticated by the signature of the Mayor and the City Clerk, and by the affidavit of publication.

PAID IN FULL

SECTION 13. Public Hearing. Notice is hereby given that a public hearing will be held on this ordinance before its consideration and final reading on Tuesday, the 11th day of October at 7:30 p.m. in City Council Chambers at City Hall in the City of Cortez, Colorado, at which time and place all persons interested may appear and be heard, if they so desire.

APPROVED FOR PUBLIC HEARING this 27th day of September, 1988.

Billy F. Smart

(S E A L) BILLY F. SMART, Mayor

A T T E S T:

ELIZABETH REYNOLDS, City Clerk

PASSED, APPROVED AND ADOPTED ON FINAL READING this 11th day of October, 1988.

Billy F. Smart

BILLY F. SMART, Mayor

(S E A L)

A T T E S T:

Elizabeth Reynolds

ELIZABETH REYNOLDS, City Clerk

Form 6-AC-02A (R 5/85)
W/FRPB

Ae 86/1040

DEPARTMENT OR AGENCY NUMBER
54-04-00
CONTRACT ROUTING NUMBER
86313

$2,351,902

PROJECT CONTRACT

THIS CONTRACT, made this 1st day of May 198 6, by and between the State of Colorado for the use and benefit of the Department of *1 Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and *2 the Dolores Water Conservancy District, P. O. Box 1117, Cortez, CO 81321; and the City of Cortez, 201 E. Main St., Cortez, CO 81321; hereinafter referred to collectively as the Contractor or the Borrower.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5401X, Contract Encumbrance Number C123465; and ABL Account Number 14011, Org. Unit 77-77-777,

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

WHEREAS, pursuant to the provisions of 37-60-119, Colorado Revised Statutes, the State is authorized to loan money for the construction of water projects for the benefit of the people of the State; and

WHEREAS, the Borrower is a duly constituted Water Conservancy District and a City in the State of Colorado and wishes to construct, or cause to be constructed, a pipeline between the outlet of McPhee dam and the Cortez water treatment plant, hereinafter called the project, for the citizens of the City of Cortez in Montezuma County, Colorado, at an estimated cost of Two Million Four Hundred Thousand Dollars ($2,400,000); and

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

WHEREAS, on May 1, 1986, the State and the District entered into an agreement (attached as Exhibit A and incorporated by reference herein and hereinafter referred to as the termination contact) which terminated a feasibility report contract (attached as Exhibit 1 and incorporated by reference herein) previously entered into between the parties.

PAID IN FULL

WHEREAS, the termination contract provided that the District would pay the State Sixty-Two Thousand Two Hundred Eighty-Six Dollars and Ninety-One Cents ($62,286.91) under the terms and conditions of this contract in consideration of the State's partial financing of the feasibility report for the project; and

WHEREAS, the State has now agreed to loan and grant money for the construction of said project upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose; and the State and the Borrower agree that the repayment of the feasibility report funding shall be consolidated with the repayment of the project loan; and

WHEREAS, S.B. 27 (1986 Session) provides that the prorata cost of the pipeline from McPhee Reservoir to the City of Cortez treatment plant, which cost is attributable to the need to size the pipeline sufficiently large enough to enable the delivery of the Ute Mountain Ute Tribe's Dolores Project water through the pipeline, shall be non-reimbursable and the CWCB has determined that prorata cost to be thirteen and four hundredths percent (13.04%) of the entire project; and

WHEREAS, pursuant to House Bill No. 1102, Fifty-Fourth General Assembly of the State of Colorado, duly enacted into law, the Colorado Water Conservation Board has been authorized to loan and grant a sum not to exceed Seven Million Dollars ($7,000,000) for construction of the project;

*(See instructions on reverse of last page.)

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

A. The Borrower agrees that it shall:

1. Employ an engineering firm to prepare project plans and specifications for the project. Both the engineering firm and the project plans and specifications must be approved by the State before initiation of construction on the project, including any real estate and water rights acquisitions, can commence.

2. Contract for the construction of said project to a responsible and capable firm or firms (hereinafter referred to as Construction Firm or Firms), which Construction Firms shall, when required by the State, be selected through competitive public bidding, said project to be completed within two (2) years of the date of this contract in accordance with the project plans and specifications and any necessary modification thereof approved by the State. The State must approve, in writing, all contracts before they can become effective. The above-specified time may be extended by the State if such time is insufficient because of acts of God or other acts or circumstances beyond the control of the Borrower.

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

4. Require all Construction Firms and their subcontractors to maintain the following:

a. Workmen's compensation and employers' liability insurance.

b. Automobile liability insurance for all vehicles.

c. Comprehensive general liability insurance in at least the following amounts:

(1) For any injury to one person in any single occurrence, the sum of Five Hundred Thousand Dollars ($500,000).

(2) For any injury to two or more persons in any single occurrence, the sum of One Million Dollars ($1,000,000).

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

5. Execute a warranty deed which shall convey the following real property to the Board as security for the loan:

a. A 24-inch, class 50 ductile iron pipe, 18,500± linear feet, including 10 vaults and air release valves, 5 drain valves, and assemblies and all other appurtenances.

b. 3.6± acres of land to be used as pipeline easements.

The deed will be recorded by the Borrower in the proper county or counties and all recording fees shall be paid by the Borrower. The retainage shall not be paid to the Borrower until a warranty deed has been executed, recorded, and filed with the Colorado Water Conservation Board.

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

7. Without expense to the State, manage, operate, and maintain the project continuously in an efficient and economical manner, and assume all legal liability for such management, operation, and maintenance. The Borrower agrees to indemnify and hold the State harmless from any liability as a result of the State's interest in the project facilities and any other property identified in paragraph A.5. above. The Borrower shall maintain general liability insurance covering the management, operation, and maintenance of the project until it completes repayment to the State in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of Five Hundred Thousand Dollars ($500,000).

b. For any injury to two or more persons in any single occurrence, the sum of One Million Dollars ($1,000,000).

PAID IN FULL

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

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

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

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

11. Repay to the State the total principal sum of Four Million Eight Hundred Sixty-Five Thousand Three Hundred Seven Dollars and Sixty Cents ($4,865,307.60), which includes the project loan amount and the feasibility report amount, together with interest at the rate of five percent (5.0%) per annum, said repayment to be made in constant annual installments of One Hundred Twenty-One Thousand Six Hundred Thirty-Two Dollars and Sixty-Nine Cents ($121,632.69) each, for forty (40) years, as shown in Exhibit 2, attached hereto and

incorporated by reference herein, which first installment shall be due and payable on the first day of the month next succeeding the month in which the State determines that the project has been substantially completed, and yearly thereafter until the entire principal sum shall have been paid. However, in the event the Borrower does not draw funds commencing on the date specified in paragraph C.1.a. below, the obligation to repay shall be postponed for the same number of months as the Borrower delays in drawing funds. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado. The Borrower pledges its full faith and credit in support of this obligation and warrants that it has taken all steps necessary to pledge its full faith and credit for this obligation.

12. Obtain and maintain general fire and hazard insurance on the project in an amount not less than the outstanding amount of the loan made by the State to the Borrower until the Borrower has repaid the loan in the full under the terms of paragraph A.11. above. The State shall be the sole insured of this policy. The outstanding loan amount payable to the State shall be reduced in the amount of any payments made to the State under this insurance coverage. If only a portion of the outstanding loan amount is paid to the State under this policy, the number of installment payments shall remain unchanged; however, the amount of each payment shall be reduced.

13. Comply with the Construction Fund Program Procedures attached hereto as Exhibit 3 and incorporated by reference herein.

14. Comply with the provisions of section 37-60-120, Colorado Revised Statutes, and any other applicable statutes, procedures, requirements, rules, or regulations which the State has.

15. Not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the project or any portion thereof, so long as any of the annual installments required by paragraph A.11. above remain unpaid, without the prior written concurrence of the State.

B. Upon default in the payments herein set forth to be made by the Borrower, or default in the performance of any covenant or agreement contained herein, the State, at its option, may (a) declare the entire principal amount then outstanding immediately due and payable; (b) for the account of the Borrower, incur and pay reasonable expenses for repair, maintenance, and operation of the project herein described and such expenses as may be necessary to cure the cause of default; (c) take possession of the project, repair, maintain, and operate or lease it; (d) act upon the security (described in paragraph A.5. above) deeded to the State; and/or (e) take any other appropriate legal action. All remedies described herein may be simultaneously or selectively and successivley enforced. The provisions of this contract may be enforced by the State at its option without regard to prior waivers by it of previous defaults by the 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 State to insure compliance with provisions of this contract and the laws and regulations under which this contract is entered into.

C. The State agrees that it shall:

1. Loan and grant to the Borrower for the purpose of this contract an amount not to exceed Two Million Three Hundred Fifty-One Thousand Nine Hundred Two Dollars ($2,351,902).

thirteen and four hundredths percent (13.04%) of the total amount provided to the Borrower will be a nonreimbursable grant. Said Two Million Three Hundred Fifty-One Thousand Nine Hundred Two Dollars ($2,351,902) shall be made available to the Borrower in accordance with the following terms and conditions:

a. Beginning with the monthly period commencing May 1, 1986, and for every month thereafter until said project has been completed, the Borrower shall prepare, with the assistance of the engineering firm referred to in paragraph A.1. above, an estimate of the funds required from the State for project construction during that month and shall forward said estimate to the State not less than fifteen (15) days prior to the beginning of such month.

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

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

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

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

E. The parties to this contract intend that the relationship between them contemplated by 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 State. The Borrower will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, Construction Firms, and subcontractors during the performance of this contract.

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

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

H. In its sole discretion, the State may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the Borrower's obligations under this agreement, with or without valuable consideration, upon such terms and conditions as the State may determine to be (a) advisable to further the purposes of this contract or to protect the State's financial interest therein, and (b) consistent with both the statutory purposes of this contract and the limitations of the statutory authority under which it is made.

I. Upon completion of the repayment to the State in the sum of Four Million Eight Hundred Sixty-Five Thousand Three Hundred Seven Dollars and Sixty Cents ($4,865,307.60) as set forth in paragraph A.11. of this contract, the State agrees to convey to the Borrower all of the State's right, title, and interest in and to the project and any other property described in paragraph A.5. by deed or other proper conveyance.

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

K. All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the following addresses:

1. For the State

Mr. J. William McDonald, Director
Colorado Water Conservation Board
721 State Centennial Building
1313 Sherman Street
Denver, CO 80203
Attn: Nick Ioannides

2. For the Borrower jointly:

a. Dolores Water Conservancy District
P.O. Box 1117
Cortez, CO 81321
Attn: John Porter, Manager

b. City of Cortez
210 East Main Street
Cortez, CO 81321
Attn: Susan Sanfilippo, City Manager

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

INDEMNIFICATION

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 (24-34-402. CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. *Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.*

PAID IN FULL

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

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

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

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

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

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

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

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

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and 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 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a 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 extend necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

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

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

9. The signatories aver that to their knowledge, no state employee has a 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: (Full Legal Name) DOLORES WATER CONSERVANCY DISTRICT

Contractor By: Bruce C. McGee for

Position (Title) _____

_____ Federal I. D. Number

Attest: (Seal)

By _____ (Secretary/Clerk)

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

By _____
Executive Director
DAVID H. GETCHES

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By _____
WILLIAM McDONALD, DIRECTOR

(Full Legal Name) CITY OF CORTEZ

Contractor By: Billy F. Smart

Position (Title) _____

_____ Federal I. D. Number

Attest: (Seal)

By _____ (~~Secretary/~~ Clerk)

APPROVALS

DUANE WOODARD
ATTORNEY GENERAL

By _____
A.H. JEWELL, JR.
First Assistant Attorney General
General Legal Services

CONTROLLER

By _____
JAMES A. STROUP

EXHIBIT A

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT A

SCOPE OF SERVICES

Introduction

House Bills 1102 and 1128 of the 1983 and 1984 session respectively authorized the Colorado Water Conservation Board (CWCB) to expend monies as state participation in the Delores Federal Project. Part of the proposed State project is to conduct a feasiblity study for and eventually construct a raw water pipeline from the McPhee dam outlet works to the City of Cortez Water Filtration Plant.

Study Objective

The objective of the study is to evaluate, at a feasibility study and preliminary design level of detail, the size, type, route , and preliminary construction cost estimates of the proposed pipeline from the Delores Tunnel Terminal Structure to the Cortez Water Filtration Plant.

Work Tasks

The engineering services noted below are based upon the objectives of the study as outlined in the request for proposal (RFP) and subsequent discussions between the CWCB and Brown and Caldwell. The work effort has been divided into tasks and subtasks to provide a detailed description of our services, to delineate the approach, and to provide a basis for estimating the level of effort required.

Task 1--Management. Review of study data and engineering work by managerial and corporate level engineers, preparation of progress reports, correspondence with CWCB, and supervision of project staff.

Task 2--Review Meetings. Attendance of the Brown and Caldwell study/design team at review meetings with CWCB and City of Cortez staff will be required during the study. Draft documents will be presented before each meeting to allow preparation of comments.

Task 3--Data Acquisition/Analysis.

1. Review previous planning studies for the area. This will include the Bureau of Reclamation reports, City/County planning reports, Environmental Impact Statements. Brown and Caldwell will obtain these documents from the Bureau of Reclamation, the CWCB, Montezuma County, and Dolores Water Conservancy and City of Cortez.

2. Identify property owners of record, existing rights-of-way, and dedicated easements from Montezuma County Recorders' office records. Data collected by City of Cortez's attorney in evaluation of existing pipeline easements will be made available to Brown and Caldwell by the City.

3. Collect data on water rights and water demands of the City and other existing and potential customers. This data will be collected from the City of Cortez, from CWCB, and from the Bureau of Reclamation Environmental Impact Statement.

4. Review the existing pipeline and as-built drawings (if available) and existing geotechnical and survey information. Data sources will be U.S. Geological Survey, City of Cortez, and the CWCB.

5. Review existing utility information and identify areas of potential conflict. Utilities operating in the area will be contacted to locate water, gas, and electric services for the alignments being considered.

Task 4--Existing Pipeline Evaluation.

1. Upon review of pipeline as-builts (if available), determine ideal pipe flow characteristics and compare to actual flows observed and/or recorded at the Filtration Plant.

Task 5--Corridor Study.

1. Determine potential pipeline alignment corridors and identify needed rights-ofway. Evaluate them on a preliminary basis for feasible easement locations, pipeline costs, and interference with utilities and other uses.

2. Compare alternative alignments to the existing pipeline corridor for cost comparisons of construction costs, easement costs, and route restoration costs.

3. If no alternate routes are clearly comparable on a cost basis, then use the existing alignment and do not proceed with further study on the alternate alignments (go to line 7). If other alignments show a strong potential to be a better route at comparable costs, then those alignments should be studied further.

4. Check with other agencies who may have conflicts with alternate routes and determine land acquisition needs that would be needed.

5. Prepare preliminary location plan sheets showing feasible horizontal alignments and examine each for cost-effectiveness, right-of-way locations (including preliminary cost estimates), and interference with above-ground and underground structures and utilities.

6. Identify the most feasible pipeline alignment between the existing alignment and the other alternate routes in conjunction with CWCB and the City of Cortez.

7. Determine the pipeline size necessary for municipal and industrial usage and effective hydropower generation.

8. Establish the preliminary plan and profile drawings for the route selected.

9. Review and select the most suitable pipeline materials utilizing results from available geotechnical data. A soils analysis is to be conducted as soon as the most feasible alignment is selected.

Task 6--Hydropower Study.

1. Review hydraulic characteristics at the City reservoir and water treatment plant including minimum, average, and peak flow rates.

2. Evaluate power company requirements for generation and purchase of hydropower.

3. Review power requirements at the City's filtration plant.

4. Analyze various hydropower systems for applicability.

5. Evaluate equipment and associated costs.

6. Determine feasibility of a hydropower generating system and recommend course of action.

Task 7--Survey and Topography.

1. Acquire existing aerial photography conducted recently by the Bureau of Reclamation, the Bureau of Land Management, and the United States Geological Survey (USGS).

2. Review existing topographic mapping for the area including the USGS maps at 20 feet contour interval.

3. Produce new aerial photographs and new topographic mapping for the pipeline corridor selected in Task 6. Scale 1 inch equals 100 feet, contour interval of 2 feet. This aerial photography must await clearance of snow during the spring thaw. We assume that the snow will be cleared by the time the project schedule calls for aerial photography to be performed.

4. Establish a survey control line from the panel points utilized in part 3 above and reference existing utilities to the control line.

Task 8--Geotechnical Analysis.

1. Provide soil borings at approximate 1000 feet intervals along selected pipeline corridor. Soil borings to be 15 feet deep with column analysis at 5-foot intervals. Five piezometers will be installed at field determined sites.

Task 9--Preparation of Final Report.

1. Submit draft feasibility report and preliminary design plans for the project to the CWCB and City of Cortez for review. These plans will identify preliminary pipe elevations and necessary pipeline appurtenances.

2. Incorporate comments made by CWCB staff and City of Cortez during their review.

3. Print and provide 10 bound copies of the final report to the CWCB.

Special Engineering Services

Special engineering services, which constitute other duties not specifically mentioned above, shall be performed by Brown and Caldwell at the option of the Colorado Water Conservation Board and the City of Cortez and upon mutual agreement of the terms and conditions of such additional assignments.

Colorado Water Conservation Board
Cortez Pipeline
Feasibility Study

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                          Apr                   May                   Jun                   Jul                   Aug
Job Description           1   8   15  22  29    6   13  20  27    3   10  17  24    1   8   15  22  29    5
                          0   1   2   3   4     5   6   7   8     9   10  11  12    13  14  15  16  17    18
 1 Management             O=================================================================================X   .   .
 2 Review Meetings        X   .   .   .   .     X===X   .   .     .   .   )===)   .   .   .   .   .   .
 3 Data Analysis          O===========)   .     .   .   .   .     .   .   .   .   .   .   .   .   .   .
 4 Existing Pipe Evaluation O===========X   .     .   .   .   .     .   .   .   .   .   .   .   .   .   .
 5 Corridor Study         .   O================)   .   .   .   .     .   .   .   .   .   .   .   .   .   .
 6 Hydropower Study       .   .   .   )=======)   )=======X   .     .   .   .   .   .   .   .   .   .   .
 7 Survey/Topography      .   .   .   .   .   .   )==================)   .   .   .   .   .   .   .   .   .
 8 Geotechnical Analysis  .   .   .   .   .   .   )===============X   .   .   .   .   .   .   .   .   .   .
 9 Final Report           .   .   .   .   .   .   .   .   .   .   .   .   )===============X   .   .   .
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One week has been allowed for consideration of material presented at review meetings

PAID IN FULL

Colorado Water Conservation Board
CORTEZ PIPELINE
Feasibility Study

Brown and Caldwell
Consulting Engineers
Denver, Colorado

SCHEDULE-A BREAKDOWN OF MANPOWER

March 8, 1985

Task Description	Professional Hours CE	ME	SPE	PE	SE	Eng	Prof Tot.	Tech	Cler	Total Hours
1. Project Management		8			24		32			32
2. Review meetings		8			24	24	56			56
3. Data acquisition and analysis					16	40	56			56
4. Existing pipe evaluation		8		12	16	40	76			76
5. Corridor study				16	28	50	94	40	24	158
6. Hydropower study		8		20	20	14	62			62
7. Survey/topography					8	8	16			16
8. Geotechnical analysis				4	4		8			8
9. Final report		8		4	16	8	36	40	32	108
Total hours		40		56	156	184	436	80	56	572

PAID IN FULL

Colorado Water Conservation Board
CORTEZ PIPELINE
Feasibility Study

Brown and Caldwell
Consulting Engineers
Denver, Colorado

SCHEDULE-B SUMMARY OF DIRECT LABOR COSTS

March 8, 1985

Classification	Total Hours	Rate	Labor Cost
Chief Engineer (CE)		.00	.00
Managing Engineer (ME)	40	27.69	1107.60
Supervising Engineer (SPE)		.00	.00
Principal Engineer (PE)	56	20.45	1145.20
Senior Engineer (SE)	156	18.79	2931.24
Engineer (Eng)	184	14.00	2576.00
Technician (Tech)	80	15.16	1212.80
Clerical (Cler)	56	11.14	623.84
TOTALS	572		9596.68

PAID IN FULL

Colorado Water Conservation Board
CORTEZ PIPELINE
Feasibility Study

SCHEDULE-B1 TOTAL COSTS PER TASK

Task description	Total cost
1. Project management	2463.63
2. Review meetings	3513.59
3. Data acquistion and analysis	3051.61
4. Existing pipe evaluation	4510.67
5. Corridor study	7946.53
6. Hydropower study	4119.31
7. Survey/topography	8331.94
8. Geotechnical analysis	8552.70
9. Final report	5608.02
Total costs	48098.00

PAID IN FULL

Colorado Water Conservation Board
CORTEZ PIPELINE
Feasibility Study

Brown and Caldwell
Consulting Engineers
Denver, Colorado

SCHEDULE-C SUBCONTRACTORS

March 8, 1985

Name of Subcontractor	Description of Work	Cost of Subcontract
Summit Engineering Co.	Surveying/mapping	7150
ATEC Associates	Geotechnical	7700
TOTALS		14850

SCHEDULE-D DIRECT EXPENSES

March 8, 1985

Item		Cost
Travel	Air fares(8 @ $150)	1200
	Mileage (1600 miles)	400
Communication		400
Reproduction		500
Miscellaneous		200
Subsistence		560
TOTALS		3260

PAID IN FULL

Colorado Water Conservation Board
CORTEZ PIPELINE
Feasibility Study

Brown and Caldwell
Consulting Engineers
Denver, Colorado

SCHEDULE-E SUMMARY OF COSTS

March 8, 1985

Item	Cost
Direct Labor Costs (Refer Schedule B)	9596.68
Indirect Labor Costs	
Salary Fringes (35% of direct labor costs)	3358.84
Gen. and Admin. (130% of direct labor costs)	12475.68
Total Labor Costs	25431.20
Direct Expenses (Refer Schedule D)	3260.00
Subcontractors (Refer Schedule C)	14850.00
Professional Fee	4556.80
Total Contract Cost	48098.00

PAID IN FULL

C E R T I F I C A T E

Pursuant to the provisions of C.R.S., 24-30-1401, et seq., the Contractor hereby certifies and verifies as follows:

The wage rates and other factual unit costs supporting the compensation to be paid by the state agency for the professional services are accurate, complete, and current at the time of contracting.

In the event that the state determines that the contract price was increased due to inaccurate, incomplete or noncurrent wage rates or other factual unit costs, then the original contract price shall be adjusted to exclude any significant sums which reflect said increase. All such contract adjustments shall be made within one year following the end of the contract.

The Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for him, to solicit or secure this contract and that he has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for him, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this contract. Upon any violation of this provision, the State shall have the right to terminate this contract without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, or consideration.

PAID IN FULL

Contractor R. A. Barthen

Position Vice President

EXHIBIT 2

REPAYMENT SCHEDULE
FOR
DOLORES WATER CONSERVANCY DISTRICT

Year	Payment	Interest	Principal
1	139,872	120,000.00	19,872.00
2	139,872	119,006.40	20,865.60
3	139,872	117,963.12	21,908.88
4	139,872	116,867.68	23,004.32
5	139,872	115,717.46	24,154.54
6	139,872	114,509.73	25,362.27
7	139,872	113,241.62	26,630.38
8	139,872	111,910.10	27,961.90
9	139,872	110,512.01	29,359.99
10	139,872	109,044.01	30,827.99
11	139,872	107,502.60	32,369.40
12	139,872	105,884.14	33,987.86
13	139,872	104,184.74	35,687.26
14	139,872	102,400.38	37,471.62
15	139,872	100,526.80	39,345.20
16	139,872	98,559.54	41,312.46
17	139,872	96,493.92	43,378.08
18	139,872	94,325.01	45,546.99
19	139,872	92,047.66	47,824.34
20	139,872	89,656.44	50,215.56
21	139,872	87,145.67	52,726.33
22	139,872	84,509.35	55,362.65
23	139,872	81,741.22	58,130.78
24	139,872	78,834.68	61,037.32
25	139,872	75,782.81	64,089.19
26	139,872	72,578.35	67,293.65
27	139,872	69,213.67	70,658.33
28	139,872	65,680.76	74,191.24
29	139,872	61,971.19	77,900.81
30	139,872	58,076.15	81,795.85
31	139,872	53,986.36	85,885.64
32	139,872	49,692.08	90,179.92
33	139,872	45,183.08	94,688.92
34	139,872	40,448.64	99,423.36
35	139,872	35,477.47	104,394.53
36	139,872	30,257.74	109,614.26
37	139,872	24,777.03	115,094.97
38	139,872	19,022.28	120,849.72
39	139,872	12,979.80	126,892.20
40	139,872	6,635.18	133,236.82

PAID IN FULL

EXHIBIT 2

Form 6-AC-02A (R 5/85)

DEPARTMENT OR AGENCY NUMBER
34-04-00
CONTRACT ROUTING NUMBER
86312

No encumbrance

EXHIBIT A

TERMINATION
CONTRACT

THIS CONTRACT, made this 1st day of May 1986, by and between the State of Colorado for the use and benefit of the Department of [1] Narural Resources (Colorado Water Conservation Board),

hereinafter referred to as the State, and [2] the Dolores Water Conservancy District, P. O. Box 117, Cortez, CO 81321,

hereinafter referred to as the contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number N/A, G/L Account Number N/A, Contract Encumbrance Number N/A; and

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

WHEREAS, the State and the Contractor entered into a contract on April 1, 1985 (attached as Exhibit 1 and incorporated by reference herein, which contract shall hereinafter be referred to as the "feasibility report contract," in which the State agreed to pay Brown and Caldwell, Consulting Engineers, Forty-Eight Thousand Ninety-Eight Dollars ($48,098) for the purpose of funding a feasibility report concerning a pipeline from McPhee Dam to the City of Cortez treatment plant; and

WHEREAS, the feasibility report contract provided in part the following terms:

5. In consideration of the State assuming the cost of the preparation of the said project feasibility report, the Contractor shall pay to the State the sum of Sixty-Two Thousand Two Hundred Eighty-Six Dollars and Ninety-One Cents ($62,286.91) provided that construction of the subject water project is initiated within ten (10) years of the date of this contract. The Contractor shall fulfill this obligation irrespective of how, or by whom, the subject water project is financed or paid for so long as construction is initiated within the specified time.

PAID IN FULL

6. In the event the Contractor must make payment pursuant to the terms of paragraph 5 above, then the said sum of Sixty-Two Thousand Two Hundred Eighty-Six Dollars and Ninety-One Cents ($62,286.91) shall be payable in ten (10) equal installements of Six Thousand Two Hundred Eight Dollars and Sixty-Nine Cents ($6,228.69) each, the first installment to be due and payable upon the January 1st next succeeding the initiation of construction on the said water project. Subsequent payments shall be due and payable on January 1st of each year thereafter; and

WHEREAS, the State and the Contractor intend to enter into a contract (hereinafter referred to as the "project contract") in which the State will loan the Contractor money for the purpose of installing a pipeline between the outlet of McPhee Dam and the Cortez water treatment plant; and

WHEREAS, initiation of construction to install the Cortez pipeline would create an obligation on the part of the Contractor to make payments under the terms, specifically paragraph Nos. 5 and 6, of the existing feasibility report contract; and

WHEREAS, the parties agree that it would be mutually beneficial to terminate the Contractor's obligation under the feasibility report contract and to integrate repayment of the Forty-Eight Thousand Ninety Eight Dollars ($48,098) (which represents the principal amount provided by the State for the purpose of partially funding the feasibility report for the Cortez pipeline project) with the Contractor's repayment of the loan which will be made pursuant to the project contract;

EXHIBIT 3

SCHEDULE A

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND PROGRAM PROCEDURES

1. Board approval of engineering firm and engineering agreement between engineering firm and project sponsor.

2. Preparation of detailed plans and specifications for authorized projects by consulting engineering firm.

3. Approval of detailed plans and specifications by Board staff (plans and specifications for storage dams and reservoirs must also be approved by State Engineer's office).

4. Board staff approval of bidding for the project. Board staff present at bid opening for construction.

5. Project sponsor may issue the notice of award and the notice to proceed with construction to the contractor (both notices must be approved by the Board staff before they are issued).

6. Conduct a pre-construction conference. Approval of construction schedule by Board staff.

7. Construction commences. The Board staff makes periodic inspections during construction. All change orders must be approved by the Board staff in advance and before any construction on change items can commence. Emergency items cleared by telephone.

8. The consulting engineer certifies that the project has been completed according to approved drawings and specifications and arranges for final inspection.

9. Final inspection and acceptance of as-built project by Board staff.

10. Submittal of as-built drawings to Board staff for approval and filing.

Form 6-AC-02A

86/1002 & 1003

DEPARTMENT OR AGENCY NUMBER
34-04-00
CONTRACT ROUTING NUMBER
86040

No encumbrance

EXHIBIT 1

CONTRACT

THIS CONTRACT, made this 1st day of April 1985, by and between the State of Colorado for the use and benefit of the Department of *1 Natural Resources (Colorado Water Conservation Board),

hereinafter referred to as the State, and *2 the Dolores Water Conservancy District, P. O. Box 1117, Cortez, CO 81321,

hereinafter referred to as the contractor,

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5271X, Contract Encumbrance Number N.C.C.; and ABL Account Number 12710, Org. Unit 77-77-777,

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

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

WHEREAS, the Contractor has made application to the State for the improvement of an existing facility of the City of Cortez, such improvement to the facility is hereinafter sometimes referred to as the project; and

WHEREAS, the Contractor is a Water Conservancy District within the State of Colorado;

WHEREAS, the State has entered into a contract with the engineering firm of Brown and Caldwell for the purpose of preparing a project feasibility report, a copy of which is attached hereto as Exhibit A and hereby made a part of this contract;

PAID IN FULL

NOW THEREFORE, it is hereby agreed that

1. The Contractor, in consideration for the State's promises herein set forth, promises to indemnify, save and hold harmless and defend the State, and all of its employees and agents, acting officially ~~or otherwise~~, from any and all liability, claims, demands, actions, debts, and attorney fees arising out of, claimed on account of, or in any manner predicated upon loss or damage to the property of and injuries to, or death of all persons whatsoever, which may occur, or is sustained in connection with the performance of this contract, or by conditions created thereby, or based upon any violations of any statute, ordinance, or regulations, and the defense of any such claims or actions.

2. In consideration of the State assuming ~~a portion of~~ g.p. Bern the cost of the preparation of the said project feasibility report, the Contractor shall pay to the State the sum of Sixty-Two Thousand Two Hundred Eighty-Six Dollars and Ninety-One Cents ($62,286.91) provided that construction of the subject water project is initiated within ten (10) years of the date of this contract. The Contractor shall fulfill this obligation irrespective of how or by whom or to what specifications or plans the subject project is financed, paid, or constructed for so long as construction of the project is initiated within the specified time.

3. In the event the Contractor must make payment pursuant to the terms of paragraph 2 above, then the said sum of Sixty-Two Thousand Two Hundred Eighty-Six Dollars and Ninety-One Cents ($62,286.91) shall be payable in ten (10) equal yearly installments of Six Thousand Two Hundred Twenty-Eight Dollars and Sixty-Nine Cents ($6,228.69) each, the first installment to be

NOW, THEREFORE it is hereby agreed that

1. The feasibility report contract entered into between the State and the Contractor on April 1, 1985, (attached as Exhibit 1 and incorporated by reference herein) is hereby terminated, and the remaining obligations of the State and the Contractor under the terms of that contract are no longer enforceable.

2. The Contractor agrees to the following terms for the repayment of Forty-Eight Thousand Ninety-Eight Dollars ($48,098), which represents the principal amount provided by the State as financing for the feasibility report under the terms of the feasbility report contract:

a. The Forty-Eight Thousand Ninety-Eight Dollars ($48,098) referred to above will be added to that amount loaned to the Contractor by the State under the project contract for the construction of the Cortez pipeline project.

b. The total amount described in paragraph 2.a. above and interest for the full term will be repaid under the terms of the project contract to be entered into between the State and the Contractor.

3. This termination of the feasibility report contract will not be effective until such time as a valid and enforceable project contract is in effect for the construction of the Cortez pipeline project.

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

INDEMNIFICATION

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 (24-34-402. CRS 1982 Replacement Vol.), and as required by Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975. *Pursuant thereto, the following provisions shall be contained in all State contracts or sub-contracts.*

PAID IN FULL

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

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

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

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

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

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

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

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

(8) The contractor will include the provisions of paragraph (1) through (8) in every sub-contract and 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 8-17-101 & 102, CRS for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.

b. When a 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 extend necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (section 8-19-101 and 102, CRS).

GENERAL

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

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

PAID IN FULL

9. The signatories aver that to their knowledge, no state employee has a 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: DOLORES WATER CONSERVANCY DISTRICT
(Full Legal Name)

By: Bruce C. McKee

Position (Title)

Social Security Number or Federal I.D. Number

Attest (Seal)

By: Corporate Secretary, or Equivalent, Town/City/County Clerk

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

By
*5 EXECUTIVE DIRECTOR.
for DAVID H. GETCHES

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By
for WILLIAM McDONALD, DIRECTOR

APPROVALS

ATTORNEY GENERAL
DUANE WOODARD

By
ALI JEWELL, JR.
First Assistant Attorney General
General Legal Services

CONTROLLER JAMES A. STROUP

By

due and payable upon the January 1st next succeeding the initiation of construction on the said water project. Subsequent payments shall be due and payable on January 1st of each year thereafter.

4. This contract is personal in nature and assignment of performance by the Contractor to another is prohibited unless prior approval in writing is granted by the State.

5. The Contractor is an independent contractor and as such is not entitled to any benefits of the State personnel system.

6. All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the following addresses:

a. For the State

Director
Colorado Water Conservation Board
721 State Centennial Building
1313 Sherman Street
Denver, CO 80203
Attn: Nick Ioannides

b. For the Contractor

Dolores Water Conservancy District
P.O. Box 1117
Cortez, CO 81321

Attn: John Porter

PAID IN FULL

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

MINIMUM WAGE

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

PAID IN FULL

DISCRIMINATION AND AFFIRMATIVE ACTION

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

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

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment 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.

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

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

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

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

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

Form 6-AC-02C

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

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

COLORADO LABOR PREFERENCE

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

GENERAL

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

PAID IN FULL

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

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

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

(Full Legal Name) DOLORES WATER CONSERVANCY DISTRICT

Contractor By: Bruce C. McGee

Position (Title) President

Social Security Number or Federal I.D. Number

(If Corporation:)

Attest: (Seal)

By E. W. Gilliland
Secretary

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

By
DAVID H. GETCHES, EXECUTIVE DIRECTOR

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By J. William McDonald
J. WILLIAM McDONALD, DIRECTOR

JAMES A. STROUP

APPROVALS

ATTORNEY GENERAL DUANE WOODARD

By
JAMES L. JR.
First Assistant Attorney General
General Legal Services

CONTROLLER

By

*See instructions on reverse side.

Form 6-AC-02A

DEPARTMENT OR AGENCY NUMBER
34-04-00
CONTRACT ROUTING NUMBER
86040

$48,098

EXHIBIT A

FEASIBILITY REPORT
CONTRACT

THIS CONTRACT, made this 1st day of April 1985, by and between the State of Colorado for the use and benefit of the Department of *1 Natural Resources (Colorado Water Conservation Board), hereinafter referred to as the State, and *2 Brown and Caldwell, Consulting Engineers, 10200 E. Girard Ave., Suite B-325, Denver, CO 80231, hereinafter referred to as the contractor.

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 4008, G/L Account Number 5271X, Contract Encumbrance Number C/5343A and ABL Account Number 12710, Org. Unit 77-77-777,

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

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

WHEREAS, the Dolores Water Conservancy District has made application to the State for the improvement of the existing facility of the City of Cortez (namely a pipeline from McPhee Dam to its present treatment plant); and

WHEREAS, the Contractor was selected in accordance with the provisions of 24-30-1401, et seq., Colorado Revised Statutes 1982, and the Contractor has executed the Certificate attached hereto as Exhibit B, which provisions are incorporated herein by reference, pursuant to 24-30-1404, Colorado Revised Statutes 1982.

PAID IN FULL

WHEREAS, the Contractor is a professional engineering firm within the State of Colorado;

NOW THEREFORE, it is hereby agreed that

1. The Contractor, in consideration for the State's promises herein set forth, promises to indemnify, save and hold harmless and defend the State, and all of its employees and agents, acting officially or otherwise, from any and all liability, claims, demands, actions, debts, and attorney fees arising out of, claimed on account of, or in any manner predicated upon loss or damage to the property of and injuries to, or death of all persons whatsoever, which may occur, or is sustained in connection with the performance of this contract, or by conditions created thereby, or based upon any violations of any statute, ordinance, or regulations, and the defense of any such claims or actions.

2. The Contractor shall prepare a feasibility report directed to the way in which the proposed pipeline will be preliminarily designed in accordance with a proposal for a project feasibility report prepared by the Contractor and approved by the State, received March 22, 1985, which proposal is attached hereto as Exhibit A and made a part of this contract.

3. Fifteen (15) copies of the final report called for in this contract shall be furnished to the State not later than July 22, 1985, unless such time is extended by mutual agreement of the parties hereto in writing.

4. As compensation for the services of the Contractor, the State shall pay to the Contractor the sum of Forty-Eight Thousand Ninety-Eight Dollars ($48,098) in the manner following:

a. Sixty percent (60%), to wit, Twenty-Eight Thousand Eight Hundred Fifty-Eight Dollars and Eighty Cents ($28,858.80) of the total amount due in two (2) monthly installments of Fourteen Thousand Four Hundred Twenty-Nine Dollars and Forty Cents ($14,429.40) each, commencing on May 1, 1985.

b. The remaining forty percent (40%), to wit, Nineteen Thousand Two Hundred Thirty-Nine Dollars and Twenty Cents ($19,239.20) within forty (40) days following receipt and acceptance of the written report specified in paragraph 2 of this contract.

5. This contract is personal in nature and assignment of performance by the Contractor to another is prohibited unless prior approval in writing is granted by the State.

6. The Contractor is an independent contractor and as such is not entitled to any benefits of the State personnel system.

7. The original contract price stated in paragraph 4. and any additions thereto shall be adjusted to exclude any significant sums by which the State determines the contract price increased due to inaccurate, incomplete, or noncurrent wage rates and other factual unit costs. All such contract adjustments shall be made within one (1) year following the end of the contract.

8. The Contractor warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for him, to solicit or secure this contract and that he has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for him, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this contract.

9. All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the following addresses:

PAID IN FULL

a. For the State

Director
Colorado Water Conservation Board
721 State Centennial Building
1313 Sherman Street
Denver, CO 80203
Attn: Nick Ioannides

b. For the Contractor

G.A. Carthew
Vice President
Brown and Caldwell
Suite B-325
10200 E. Girard Avenue
Denver, CO 80231

SPECIAL PROVISIONS

CONTROLLER'S APPROVAL

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

FUND AVAILABILITY

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

BOND REQUIREMENT

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

MINIMUM WAGE

4. Except as otherwise provided by law, if this contract is in excess of one hundred fifty thousand dollars and requires or involves the employment of laborers or mechanics in the construction, alteration or repair of any building or other public works (except highways, highway bridges, underpasses and highway structures of all kinds or contracts for any purpose to which the state department of highways or the chief engineer is a party) within the geographical limits of the State, the rate of wages for all laborers and mechanics employed by the contractor or any subcontractor on the building or other public works covered under the contract shall not be less than the prevailing rate of wages for work of a similar nature in the county, city and county, or municipality of the State in which the building or other public works is located. The prevailing rate of wages and the resolution of any disputes resulting therefrom shall be as prescribed by 8-1-101 CRS, as amended.

PAID IN FULL

DISCRIMINATION AND AFFIRMATIVE ACTION

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

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

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, marital status, religion, ancestry, mental or physical handicap, or age. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment or recruitment 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.

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

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

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

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

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

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

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

COLORADO LABOR PREFERENCE

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

GENERAL

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

PAID IN FULL

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

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

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

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

By _____

*5 EXECUTIVE DIRECTOR.
DAVID H. GETCHES

DEPARTMENT OF NATURAL RESOURCES

COLORADO WATER CONSERVATION BOARD

By _____
for WILLIAM McDONALD, DIRECTOR

(Full Legal Name) BROWN AND CALDWELL

Contractor By: _____

Position (Title) Vice President

94-1446346
Social Security Number or Federal I.D. Number

(If Corporation:)

Attest: (Seal)

By _____
Secretary

APPROVALS

JAMES A. STROUP

ATTORNEY GENERAL DUANE WOODARD
By _____
A.H. JEWELL, JR.
First Assistant Attorney General
General Legal Services

CONTROLLER
By _____

*See instructions on reverse side.