



## COLORADO

### Colorado Water Conservation Board

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

May 30, 2023

Appleton Northwest (ML369) Lateral and Drainage Corporation  
903 22 ½ Road  
Grand Junction, CO 81505

#### Loan Compliance Confirmation - C150088

Attached for your records are the original documents relative to the agreement between the Appleton Northwest (ML369) Lateral and Drainage Corporation, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C150088. The documents have been stamped "PAID IN FULL" denoting that the Corporation 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](mailto: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*

Mimi Winter, Finance Manager  
Finance Section

Attachments

cc: CWCB Files





## COLORADO

### Colorado Water Conservation Board

Department of Natural Resources  
1313 Sherman Street, Room 718  
Denver, CO 80203

May 10, 2023

Mesa County Public Trustee  
PO Box 20000, Dept 5027  
Grand Junction, CO 81502

Subject: CWCB Loan Contract C150088 - Release of Deed of Trust

This refers to the attached Request for Full Release of Deed of Trust relative to an agreement between Appleton Northwest (ML369) Lateral and Drainage Corporation and the Colorado Water Conservation Board (CWCB). Also attached for your handling is the Deed of Trust, dated April 1, 2002 along with the Promissory note stamped "PAID IN FULL" Payment in the amount of \$28.00, for fees, is enclosed along with these documents. The original documents should be returned to CWCB in the enclosed self-addressed stamped envelope.

Should you have any questions, please contact me at Telephone No. (303) 866-3441 ext. 3247. Thank you for your assistance in this matter.

Sincerely,

Jessica Halvorsen  
Loan & Grant Program Assistant  
Finance Section  
[jessica.halvorsen@state.co.us](mailto:jessica.halvorsen@state.co.us)

Enclosures



— *manuscript* —

2072192 08/21/02 0850AM  
MONIKA TODD CLK&REC MESA COUNTY CO  
REC FEE \$25.00

## Deed Of Trust

**This indenture**, made this 1<sup>st</sup> day of April 2002, between the Appleton Northwest (ML 369) Lateral and Drainage Corporation, whose address is 878 22 Road, Grand Junction, CO 81505, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Mesa, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

**Witnesseth**, that whereas, GRANTOR has executed a promissory note, dated April 1, 2002, set forth in Contract No. C150088 dated April 1, 2002 (the Contract) for a loan in the principal sum of \$100,000 to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, with interest thereon from the date of first disbursement of funds under the Contract at the effective interest rate of 2.75% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until loan is paid in full.

**And whereas**, the GRANTOR is desirous of securing payment of the principal and interest of said promissory note to the State of Colorado.

**Now, therefore**, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: the GRANTOR's Appleton Northwest 369 Lateral and headgate on the Grand Valley Irrigation Canal, located in Section 19 and NW/4 of Section 30, Township 1 North, Range 1 West of the Ute Principal Meridian, Mesa County, Colorado, and as shown on Attachment 1 hereto, collectively or hereinafter referred to as the "Property."

**To have and to hold the same**, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said county, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or





persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrance, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

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

Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the Property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep the Property

The first of these is the fact that the United States has a large and growing population of people of Mexican descent. This population is not only large but it is also growing rapidly. In 1960, there were approximately 5 million people of Mexican descent in the United States. By 1980, this number is expected to reach 10 million. This rapid growth is due to a combination of factors, including immigration from Mexico and a high birth rate among the Mexican population in the United States. The second factor is the fact that the United States has a large and growing population of people of Mexican descent who are not citizens. This population is also large and growing rapidly. In 1960, there were approximately 2 million people of Mexican descent who were not citizens in the United States. By 1980, this number is expected to reach 4 million. This rapid growth is due to a combination of factors, including immigration from Mexico and a high birth rate among the Mexican population in the United States. The third factor is the fact that the United States has a large and growing population of people of Mexican descent who are not citizens and who are not eligible for citizenship. This population is also large and growing rapidly. In 1960, there were approximately 1 million people of Mexican descent who were not citizens and who were not eligible for citizenship in the United States. By 1980, this number is expected to reach 2 million. This rapid growth is due to a combination of factors, including immigration from Mexico and a high birth rate among the Mexican population in the United States.

The fourth factor is the fact that the United States has a large and growing population of people of Mexican descent who are not citizens and who are not eligible for citizenship and who are not eligible for naturalization. This population is also large and growing rapidly. In 1960, there were approximately 1 million people of Mexican descent who were not citizens and who were not eligible for citizenship and who were not eligible for naturalization in the United States. By 1980, this number is expected to reach 2 million. This rapid growth is due to a combination of factors, including immigration from Mexico and a high birth rate among the Mexican population in the United States. The fifth factor is the fact that the United States has a large and growing population of people of Mexican descent who are not citizens and who are not eligible for citizenship and who are not eligible for naturalization and who are not eligible for citizenship. This population is also large and growing rapidly. In 1960, there were approximately 1 million people of Mexican descent who were not citizens and who were not eligible for citizenship and who were not eligible for naturalization and who were not eligible for citizenship in the United States. By 1980, this number is expected to reach 2 million. This rapid growth is due to a combination of factors, including immigration from Mexico and a high birth rate among the Mexican population in the United States.

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

And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request and on refusal, the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

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

**It is further understood and agreed,** that if a release or a partial release of this Deed of Trust is required, the GRANTOR, its successors or assigns will pay the expense thereof; that all the covenants and agreements contained herein and in the Contract shall

extend to and be binding upon the heirs or assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed the day and date first written above.



Appleton Northwest (ML 369) Lateral and Drainage Corporation, a Colorado nonprofit corporation

By Roger Warren  
Roger Warren, President

ATTEST

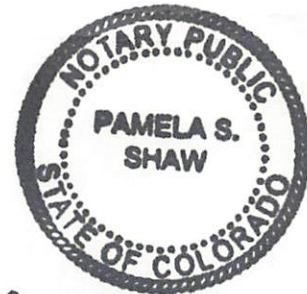
By Thena Walton  
Thena Walton, Corporate Secretary

State of Colorado )  
County of Mesa ) SS

The foregoing instrument was acknowledged before me this 5 day of April 2002, by Roger Warren as President and Thena Walton as Secretary of the Appleton Northwest (ML 369) Lateral and Drainage Corporation. Witness my hand and official seal.

Pamela S. Shaw  
Notary Public

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



My Commission Expires 02/12/2006

Commission Expires 03/13/2008





# PROMISSORY NOTE

Date: April 1, 2002

Date of Completion September 1 2002

1. FOR VALUE RECEIVED, the Appleton Northwest (ML 369) Lateral and Drainage Corporation ("BORROWER") promises to pay the State of Colorado Water Conservation Board ("STATE"), the principal sum of One Hundred Thousand Dollars (\$100,000) plus interest at the rate of two and three quarters percent (2.75%) per annum for a term of thirty (30) years, pursuant to Loan Contract No. C150088 dated April 1, 2002 ("LOAN CONTRACT").
2. Principal and interest shall be payable in equal installments of \$4,938.44, with the first payment due and payable one year from the date that the State determines that the project is substantially complete, and annually thereafter until all principal, interest, and all late charges, if any, have been paid in full. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable 30 years thereafter.
3. Payments shall be made payable to the Colorado Water Conservation Board and mailed to 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. If the STATE does not receive the annual payment within 15 calendar days of the due date, the State may impose a late charge in the amount of 5% of the annual payment.
5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This Note is issued pursuant to the LOAN CONTRACT between the STATE and the BORROWER. The LOAN CONTRACT creates security interests in favor of the STATE to secure the prompt payment of all amounts that may become due hereunder. The security interests, evidenced by a Security Agreement and a Deed of Trust, dated April 1, 2002, cover certain revenues and real property of the BORROWER. The LOAN CONTRACT, Security Agreement and Deed of Trust grant additional rights to the STATE, including the right to accelerate the maturity of this Note in certain events.
8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Agreement or Deed of Trust securing this Note occurs, the STATE may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The STATE shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.

PAID IN FULL



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

(SEAL)



BORROWER: Appleton Northwest (ML 369)  
Lateral and Drainage Corporation, a Colorado  
nonprofit corporation

By

*Roger Warren*

Roger Warren, President

Attest:

By

*Thena Walton*

Thena Walton, Corporate Secretary

**PAID IN FULL**



**Appleton Northwest Lateral (ML 369) & Drainage Corporation**

**President: Brian Abshire 906 22 ½ Road**

**Vice President: Ryan Attenburg 2221 I Road**

**Secretary: Kathleen Abshire 906 22 ½ Road**

**Treasurer: Ruth Kubin 903 22 ½ Road**

October 11, 2008

Colorado Water Conservation Board

Attn: Mr. S. S. Biondo

1580 Logan Street, Suite 750

Denver, CO 80203

*Ln Contract # C150088*

Dear Mr. Biondo:

Enclosed is our 2008 payment for Appleton Northwest (ML369) Lateral Drainage Corporation. We did not receive a letter from the Colorado Water Conservation Board regarding our payment due, probably because it was sent to an old board member. I am now the Treasurer and realized this payment was due. I am enclosing a check for \$5,938.44. I believe our loan payment is \$4,938.44, please apply the extra amount to our principal.

Please forward me a receipt and loan balance for our records. My address is 903 22 ½ Road Grand Junction, CO 81505. If you have any questions, I can be reached at 970-243-6179.

Sincerely,

*Ruth Kubin*  
Ruth Kubin

**RECEIVED**

OCT 16 2008

Colorado Water  
Conservation Board

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BORROWER: APPLETON NORTHWEST  
(ML369) LATERAL AND DRAINAGE  
CORPORATION  
Contract No. C150088  
Loan Amount \$100,000

Agency Name: Water Conservation Board  
Agency Number PDA  
Routing Number: 02 PDA 000608

## LOAN CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of April 2002, is by and between the State of Colorado for the use and benefit of The Department of Natural Resources, Colorado Water Conservation Board ("CWCB" and/or "STATE"), and Appleton Northwest (ML 369) Lateral and Drainage Corporation, 878 22 Road, Grand Junction, CO 81505, a Colorado non-profit corporation, ("BORROWER" and/or "CONTRACTOR").

### FACTUAL RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment as follows: Fund Number 486, Organization YYYY, Appropriation Code 010, GBL A088, Program WTRC, Object Code 5881, Reporting Category 0088, Contract Encumbrance No. C150088
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
3. CWCB's authority for making this loan: **Small Project Loan:** Pursuant to the provisions of §§37-60-119 and 37-60-120, C.R.S., the CWCB is authorized to loan money from the CWCB's Construction Fund Small Project Loan Account for water projects for the benefit of the people of the STATE, provided that the borrower assures repayment of that money. Section 37-60-122.7, C.R.S., authorizes the CWCB to make loans of up to \$100,000 from the Small Project Loan Account of the Construction Fund without prior approval from the General Assembly if the CWCB determines that delay would result in undue hardship on the borrower. The CWCB did make such determination at said meeting.
4. The **Project Summary**, attached as **Appendix 1** and incorporated herein, contains BORROWER Information (Section 1) and the PROJECT Description (Section 2).
5. Board approval and legislative authorization, if required, is included in Board Approval and Legislative Authorization (Section 3) of the Project Summary.
6. The CWCB now desires, by this contract, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions.

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



## A. LOAN PROVISIONS

1. **Promissory Note Provisions.** The CWCB agrees to loan to the BORROWER an amount not to exceed the LOAN AMOUNT and the BORROWER agrees to repay the loan in accordance with the terms as set forth in the Promissory Note, attached hereto as **Appendix 2** and incorporated herein.
2. **Interest Prior to Project Completion.** As the loan funds are disbursed by the CWCB to the BORROWER, interest shall accrue at the rate set by the CWCB for this loan. The CWCB shall calculate the amount of the interest that accrued prior to completion of the PROJECT and the BORROWER shall repay that amount to the CWCB either within ten (10) days after the date the CWCB determines that the PROJECT has been substantially completed, or, at the CWCB's discretion, said interest shall be deducted from the final disbursement of loan funds that the CWCB makes to the BORROWER.
3. **Return of Unused Loan Funds.** Any loan funds disbursed but not expended for the PROJECT in accordance with the terms of this Contract shall be remitted to the CWCB within 30 days of either (1) completion of the PROJECT or (2) upon the determination by the CWCB that the PROJECT will not be completed.
4. **BORROWER'S Authority To Contract.** The BORROWER'S board of directors (and stockholders, if required) have adopted resolutions, attached as **Appendix 3** and incorporated herein, authorizing the BORROWER to perform in accordance with the terms of this contract.
5. **Attorney's Opinion Letter.** Prior to the execution of this contract by the CWCB, the BORROWER shall submit to the CWCB a letter from its attorney stating that it is the attorney's opinion that
  - a. the person signing for the BORROWER was duly elected or appointed and has authority to sign such documents on behalf of the BORROWER and to bind the BORROWER;
  - b. the BORROWER'S board of directors and/or stockholders have validly adopted resolutions approving this contract;
  - c. there are no provisions in the BORROWER'S articles of incorporation or bylaws or any state or local law that prevent this contract from binding the BORROWER; and
  - d. the contract will be valid and binding against the BORROWER if entered into by the CWCB.
6. **Pledge Of Property.** The BORROWER hereby irrevocably pledges to the CWCB for purposes of repayment of this loan (1) revenues from assessments levied for that purpose as authorized by the BORROWER'S resolution(s) and (2) all of the BORROWER'S rights to receive said assessment revenues, hereinafter collectively referred to as the "Pledged Property."
  - a. **Segregation of Pledged Revenues.** The BORROWER hereby agrees to set aside and keep the pledged revenues in an account separate from other BORROWER revenues, and warrants that it shall not use the pledged revenues for any other purpose.

- b. **Establish Security Interest.** The BORROWER agrees that, to provide a security interest to the CWCB in the Pledged Property so that the CWCB shall have priority over all other competing claims for said property, it shall execute a Security Agreement, attached hereto as **Appendix 4**, and incorporated herein. The CWCB shall perfect its security interest in the BORROWER'S right to receive assessment revenues by filing a UCC-1 Form with the Colorado Secretary of State.
- c. **Assessments For Repayment Of The Loan.** Pursuant to its statutory authority, articles of incorporation and bylaws, the BORROWER shall take all necessary actions consistent therewith to levy assessments sufficient to pay this loan as required by the terms of this contract and the Promissory Note. In the event the assessments levied by the BORROWER become insufficient to assure such repayment to the CWCB, the BORROWER shall immediately take all necessary action consistent with its statutory authority, its articles of incorporation and bylaws including, but not limited to, levying additional assessments to raise sufficient revenue to assure repayment of this loan.
- d. **Assessments For Operations, Maintenance And Reserves.** Pursuant to its statutory authority, articles of incorporation and bylaws, the BORROWER shall levy assessments in sufficient amounts to provide funds for adequate operation and maintenance, emergency repair services, and obsolescence and debt service reserves.
- e. **Debt Service Reserve Account.** To establish and maintain the debt service reserve account, the BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve fund on the due date of its first annual loan payment and annually thereafter for the first ten years of this loan. In the event that the BORROWER applies funds from this account to repayment of the loan, the BORROWER shall replenish the account within ninety (90) days of withdrawal of the funds.
7. **Collateral.** The collateral for this loan is described in Section 4 (Collateral) of the **Project Summary**. The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the collateral for this loan, including the Pledged Property, so long as any of the principal, accrued interest, and late charges, if any, on this loan remain unpaid, without the prior written concurrence of the CWCB. In the event of any such sale, transfer or encumbrance without the CWCB's written concurrence, the CWCB may at any time thereafter declare all outstanding principal, interest, and late charges, if any, on this loan immediately due and payable.
8. **Release After Loan Is Repaid.** Upon complete repayment to the CWCB of the entire principal, all accrued interest, and late charges, if any, as specified in the Promissory Note, the CWCB agrees to release and terminate any and all of the CWCB's right, title, and interest in and to the collateral and the property pledged to repay this loan.
9. **Warranties.**
- a. The BORROWER warrants that, by accepting the loan money under this contract and by its representations herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan to the CWCB as required by this contract.



- b. The BORROWER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER, to solicit or secure this contract and has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this contract.
- c. The BORROWER warrants that the collateral for this loan is not encumbered by any other deeds of trust or liens of any party other than the CWCB or in any other manner, except for any pre-existing lien(s) identified in Section 5 (Schedule of Existing Debt) of the **Project Summary**, which sets forth the position of the lien created by this contract in relation to that pre-existing lien. Documentation establishing the relative priorities of said liens, if necessary, is attached to the **Project Summary** and incorporated herein.

10. **Change of Ownership of Water Shares During Term of Contract.** If the interest rate for this loan is based on the CWCB's agricultural or blended agricultural and municipal and/or commercial and/or industrial rates, the BORROWER agrees to notify the STATE of any change of the ownership of the water rights represented by its shares from irrigation to municipal or commercial or industrial use. The interest rate shall be revised when said rate would increase the original interest rate by 0.5% or more. The parties shall amend this contract, including a revised promissory note, to effect said change in interest rate.

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

- a. suspend this contract and withhold further loan disbursements pending corrective action by the BORROWER, and if the BORROWER does not cure the default as provided for below, permanently cease loan disbursements and deem the PROJECT substantially complete;
- b. declare the entire principal amount, accrued interest, and late charges, if any, then outstanding immediately due and payable;
- c. exercise its rights under any appendices to this contract, including, but not limited to, the Promissory Note, Security Agreement, Assignment of Certificate of Deposit, and/or Deed of Trust; and/or
- d. take any other appropriate action.

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

12. **BORROWER'S Indemnification Of The CWCB.** The BORROWER agrees to indemnify and hold the CWCB harmless from any liability incurred by the CWCB as a result of the CWCB's interest in the PROJECT facilities and any other property identified in Section 4 (Collateral) of the **Project Summary**.
13. **Operation of PROJECT.** The BORROWER shall, without expense or legal liability to the CWCB, manage, operate, and maintain the PROJECT continuously in an efficient and economical manner.
14. **BORROWER'S Liability Insurance.** Upon execution of this contract and continuing until complete repayment of the loan is made to the CWCB, the BORROWER shall maintain commercial general liability insurance with a company that is satisfactory to the CWCB covering the management, operation, and maintenance of the PROJECT with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate, including products/completed operations and personal injury.
  - a. Said general liability insurance shall name the CWCB as additional insured. The BORROWER shall provide the CWCB with a certificate of said insurance and an additional insured endorsement, and proof of renewals of said insurance.
  - b. The CWCB shall not disburse any loan funds without evidence of said insurance coverage.
  - c. Throughout the life of this contract, the CWCB reserves the right to increase the above amount of insurance.

## B. PROJECT PROVISIONS

**PAID IN FULL**

1. **Construction Fund Program Procedures.** During the completion of the PROJECT, the BORROWER shall adhere to the CWCB Construction Fund Program Procedures (Section 6), of the **Project Summary**.
2. **Eligible Expenses.** The items for which the BORROWER is eligible for loan disbursements are listed in Eligible Project Expenses (Section 7) of the **Project Summary**.
3. **Loan Disbursements.** The BORROWER shall provide to the CWCB a report prior to each loan disbursement that states the PROJECT tasks completed and the costs expended for that period. The CWCB shall disburse loan funds in accordance with the Disbursement Schedule (Section 8) of the **Project Summary**.
4. **Time for Performance.** The BORROWER recognizes that time is of the essence in the performance of all of its obligations under this contract. Therefore, the BORROWER shall complete the PROJECT within the time specified in Time For Performance (Section 9) of the **Project Summary**.
5. **Indemnification By The Construction Firm.** The BORROWER shall require all Construction Firms and their subcontractors to indemnify the CWCB and the BORROWER against all liability and loss, and against all claims and actions based upon or arising out of



damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

6. **Liability Insurance During Construction.** During construction of the PROJECT, the BORROWER shall require the construction firm(s) and any subcontractors to maintain the following insurance coverage in the limits shown with a company that is satisfactory to the CWCB during the term of their contracts for the construction of the PROJECT. Said general liability insurance shall name the BORROWER and the CWCB as additional insured. An additional insured endorsement and a copy of a current certificate of said liability insurance must be provided to the CWCB prior to commencement of construction and maintained until construction is complete. No payments shall be made to the BORROWER unless all insurance certificates are current. The BORROWER shall file notices of renewals of said policies with the CWCB as renewals occur. Before or during the time of construction, the CWCB reserves the right to increase the above limits of insurance as may be warranted by the size of the PROJECT.
- a. Builder's risk insurance for construction in progress for all perils of loss including fire, wind, hail, and vandalism in an amount equal to the completed value of the PROJECT.
  - b. Worker's compensation and employer's liability insurance in the required statutory amounts.
  - c. Automobile liability insurance that includes coverage for all owned, non-owned and hired vehicles with minimum limits of \$1,000,000 combined single limit for bodily injury and property damage.
  - d. Commercial general liability insurance with minimum limits of \$1,000,000 combined single limit for each occurrence and \$2,000,000 general aggregate. This insurance coverage shall include products/completed operations and bodily injury/property damage.

#### C. GENERAL PROVISIONS

- 1. **Periodic Inspections.** Throughout the term of this contract, the BORROWER shall permit a designated representative of the CWCB to make periodic inspections of the PROJECT. Said inspections shall cover the condition of the PROJECT, operating records, maintenance records, and financial records. These inspections are solely for the purpose of verifying compliance with the terms and conditions of this contract and shall not be construed nor interpreted as an approval of the actual design, construction or operation of any element of the PROJECT facilities.
- 2. **Adhere To Applicable Laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that are in effect or may hereafter be established throughout the term of this contract.
- 3. **Designated Agent Of The CWCB.** The CWCB's agents and employees are hereby

designated as the agents of the CWCB for the purpose of this contract.

4. **Contract Is Not Assignable.** The BORROWER may not assign this contract except with the prior written approval of the CWCB.
5. **Contract Relationship.** The parties to this contract intend that the relationship between them under this contract is that of lender-borrower, not employer-employee. No agent, employee, or servant of the BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the CWCB. The BORROWER shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants, engineering firms, construction firms, and subcontractors during the term of this contract.
6. **Complete Integration Of All Understandings.** This agreement is intended as the complete integration of all understandings between the parties. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless embodied herein in writing. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written contract executed and approved pursuant to STATE fiscal rules, unless expressly provided for herein.
7. **In Event Of A Conflict.** In the event of conflict between the terms of this contract and conditions as set forth in any of the appendices, the provisions of this contract shall control.
8. **CWCB May Release Contract.** In its sole discretion, the CWCB may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the BORROWER'S obligations under this contract, with valuable consideration, upon such terms and conditions as the CWCB may determine to be advisable to further the purposes of this contract or to protect the CWCB's financial interest therein, and consistent with both the statutory purposes of this Contract and the limitations of the statutory authority under which it is made.
9. **Casualty and Eminent Domain.** If, at any time, during the term of this contract, (a) the BORROWER'S PROJECT facilities, including buildings or any portion thereof, are damaged or destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof, or to repayment of this loan. Any net proceeds remaining after such work has been completed or this loan has been repaid, shall be retained by the BORROWER. If the net insurance proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds. In the event BORROWER opts to repay the loan, BORROWER shall remain responsible for the full loan amount outstanding regardless of the amount of such insurance proceeds or condemnation award.
10. **Captions.** The captions and headings contained in this contract are for convenience and reference only and shall not be construed so as to define or limit the terms or provisions contracted herein.



11. **CWCB's Approval.** This contract requires review and approval of plans, specifications, and various other technical and legal documents. The CWCB's review of these documents is only for the purpose of verifying BORROWER's compliance with this Contract and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given to the BORROWER by the CWCB on any such documents, BORROWER shall be solely responsible for the accuracy and completeness of such documents.
12. **Waiver.** The waiver of any breach of a term of this contract shall not be construed as a waiver of any other term, or of any subsequent breach of the same term.
13. **Addresses for mailing.** All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the addresses shown in the Section 1 (Borrower Information) of the **Project Summary**, for the BORROWER and to the address below for the CWCB:

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

14. **Additional Contract Requirements.** Any additional contract requirements are shown in Additional Contract Requirement (Section 10) of the **Project Summary**.

**SPECIAL PROVISIONS** (12/01 version). State Fiscal Rule 3-1 requires the inclusion of these Special Provisions in every STATE contract, including grants.

**1. CONTROLLER'S APPROVAL. CRS 24-30-202 (1)**

This contract shall not be deemed valid until it has been approved by the Controller of the State of Colorado or such assistant as he may designate.

**2. FUND AVAILABILITY. CRS 24-30-202 (5.5)**

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

**3. INDEMNIFICATION.**

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.

**4. INDEPENDENT CONTRACTOR. 4 CCR 801-2**

THE CONTRACTOR SHALL PERFORM ITS DUTIES HEREUNDER AS AN INDEPENDENT CONTRACTOR AND NOT AS AN EMPLOYEE. NEITHER THE CONTRACTOR NOR ANY AGENT OR EMPLOYEE OF THE CONTRACTOR SHALL BE OR SHALL BE DEEMED TO BE AN AGENT OR EMPLOYEE OF THE STATE. CONTRACTOR SHALL PAY WHEN DUE ALL REQUIRED EMPLOYMENT TAXES AND INCOME TAX AND LOCAL HEAD TAX ON ANY MONIES PAID BY THE STATE PURSUANT TO THIS CONTRACT.

CONTRACTOR ACKNOWLEDGES THAT THE CONTRACTOR AND ITS EMPLOYEES ARE NOT ENTITLED TO UNEMPLOYMENT INSURANCE BENEFITS UNLESS THE CONTRACTOR OR THIRD PARTY PROVIDES SUCH COVERAGE AND THAT THE STATE DOES NOT PAY FOR OR OTHERWISE PROVIDE SUCH COVERAGE. CONTRACTOR SHALL HAVE NO AUTHORIZATION, EXPRESS OR IMPLIED, TO BIND THE STATE TO ANY AGREEMENTS, LIABILITY, OR UNDERSTANDING EXCEPT AS EXPRESSLY SET FORTH HEREIN. CONTRACTOR SHALL PROVIDE AND KEEP IN FORCE WORKERS' COMPENSATION (AND PROVIDE PROOF OF SUCH INSURANCE WHEN REQUESTED BY THE STATE) AND UNEMPLOYMENT COMPENSATION INSURANCE IN THE AMOUNTS REQUIRED BY LAW, AND SHALL BE SOLELY RESPONSIBLE FOR THE ACTS OF THE CONTRACTOR, ITS EMPLOYEES AND AGENTS.

**5. NON-DISCRIMINATION.**

The contractor agrees to comply with the letter and the spirit of all applicable state and federal laws respecting discrimination and unfair employment practices.

**6. CHOICE OF LAW.**

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.

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.

**7. VENDOR OFFSET. CRS 24-30-202 (1) & CRS 24-30-202.4**

Pursuant to CRS 24-30-202.4 (as amended), the State Controller may withhold debts owed to State agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 21, Title 39, CRS; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) owed amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.

**8. EMPLOYEE FINANCIAL INTEREST. CRS 24-18-201 & CRS 24-50-507**

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

Revised: 12/1/01



**THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT**

CONTRACTOR: Appleton Northwest (ML 369) Lateral and Drainage Corporation, a Colorado non-profit corporation

State of Colorado  
Bill Owens, Governor

By Roger Warren  
Roger Warren, President

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

Federal ID Number 81-0545922

Attest

By Thena Walton  
Thena Walton, Corporate Secretary



Legal Review:  
KEN SALAZAR, ATTORNEY GENERAL

By Robert D. Bow

**ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER**

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

Arthur L. Barnhart, State Controller

By Myra L. Anderson

Effective Date 5/10/02

Revised: 12/1/01

**PAID IN FULL**





# **PROJECT SUMMARY –APPLETON NORTHWEST LATERAL– CONTRACT No. C150088**

## **SECTION 1 –BORROWER INFORMATION**

Name: Appleton Northwest (ML 369) Lateral and Drainage Corporation  
Address: 878 22 Road  
Grand Junction, CO 81505  
Phone Number: 970-243-5370  
Contact: Roger Warren, President  
Type of Entity: Colorado nonprofit corporation

## **Section 2 – Project Description**

- A. Description of Project: Rehabilitation of the Appleton Northwest Lateral located in Mesa County, consisting of construction of a new head gate on the GVIC Main Line, and placement of 16,850 feet of open ditch in pressurized plastic pipeline. The system will be rehabilitated in two phases. Phase 1 will consist of the headgate and the upper portion of the lateral. Phase 2 will consist of the lower portion of the lateral. The new system will have a capacity of 5 cfs, and taps will be provided for individual water users. A piped drainage system will also be constructed to solve flooding problems.
- B. Description of Feasibility Study: The CWCB reviewed a feasibility report on the Project titled "Feasibility of Rehabilitation of the Appleton Northwest Lateral (ML 369)" completed by Appleton Northwest (ML 369) Lateral and Drainage Corporation, which is incorporated herein by reference, and based upon this feasibility report, the CWCB determined the report meets the requirements of the CWCB Construction Fund Guidelines for feasibility studies.

**PAID IN FULL**

## **SECTION 3 – BOARD APPROVAL AND LEGISLATIVE AUTHORIZATION**

- A. At its January 23-24, 2002, meeting, the CWCB approved a loan to the BORROWER in an amount up to \$100,000, at an interest rate of 2.75% per annum for a repayment term of 30 years.
- B. Section 37-60-122.7, C.R.S., authorizes the CWCB to make loans of up to \$100,000 from the Small Project Loan Account of the Construction Fund without prior approval from the General Assembly if the CWCB determines that delay would result in undue hardship on the borrower. The CWCB did make such determination at said meeting.

## **SECTION 4 - COLLATERAL**

Part of the security provided for this loan, as evidenced by the executed Deed of Trust attached as **Appendix 6** and incorporated herein, shall be an undivided one hundred percent (100%) interest in the Appleton Northwest Lateral and headgate at the Grand Valley Irrigation

## **Appendix 1 to Loan Contract C150088**

Canal, as more particularly described in the attached Deed of Trust, hereafter referred to as the Collateral.

#### **SECTION 5 – SCHEDULE OF EXISTING DEBT**

No existing debt

#### **SECTION 6– TIME FOR PERFORMANCE**

Project Beginning: Upon effective date of this contract

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

#### **SECTION 7 – DISBURSEMENT SCHEDULE**

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

#### **SECTION 8 – CONSTRUCTION FUND PROGRAM PROCEDURES**

- A. The BORROWER shall employ an engineer, registered in the state of Colorado to prepare plans and specifications for the PROJECT.
- B. The BORROWER'S and the Engineering Consultant's Agreements and the plans and specifications must be submitted to the CWCB staff for verification of compliance with the terms of this contract when available prior to bidding. Any modifications to the plans and specifications must be approved in writing by the CWCB staff.
- C. For plans and specifications for all jurisdictional dams and reservoirs, as defined by § 37-87-105 C.R.S., the BORROWER shall provide a letter of approval from the State Engineer's Office prior to construction.
- D. CWCB staff must be present at bidding and must approve the award of the construction contract.
- E. The BORROWER shall contract for the construction of the work with responsible and capable Construction Firms, which said Construction Firms shall be selected by the BORROWER and found acceptable by the CWCB staff.
- F. The BORROWER must provide a copy of the executed construction contract documents consisting of the contractor's proposal, construction contract, performance bond, payment bond, notice of award, notice to proceed, sample change order, and sample field order, as well as the advertisement for bid and bid bond at bidding. After the CWCB staff verifies that these documents comply with the terms of this contract, the BORROWER may issue the notice to proceed to the Construction Firms.
- G. The BORROWER shall conduct a pre-construction conference at which time the CWCB staff shall have the opportunity to review and approve the construction schedule.
- H. If the CWCB staff determines that the PROJECT requires a resident inspector during construction, the BORROWER shall employ an inspector who has been approved by the CWCB staff.



- I. The BORROWER shall construct the PROJECT in accordance with the approved plans and specifications.
- J. Upon completion of the PROJECT construction, the BORROWER shall provide as-built drawings of the PROJECT to the CWCB staff, or, if required by § 37-87-105, C.R.S., the BORROWER shall provide the as-built drawings to the State Engineer's Office for approval and filing.
- K. Upon completion of the PROJECT construction, the BORROWER shall arrange a final inspection for the CWCB staff.
- L. The BORROWER shall pay all of the expenses related to the PROJECT when such bills are due.

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

- A. Preparing final designs and specifications for the PROJECT.
- B. Preparing bid and construction contract documents.
- C. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- D. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.
- E. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.
- F. Actual construction as called for in the design documents and in change orders approved by the CWCB and the BORROWER.
- G. Engineering services for construction management, including design and construction management for CWCB-approved change orders.
- H. Interest during completion of the PROJECT pursuant to Paragraph A.3 herein.
- I. Legal services for reviewing engineering services contracts, reviewing this contract, reviewing construction contract documents, and for complying with all federal, state, and local regulatory requirements.

**SECTION 10 – Additional Contract Requirements**

No additional contract requirements

**PAID IN FULL**

**RESOLUTIONS OF THE SHAREHOLDERS  
OF THE APPLETON NORTHWEST (ML 369) LATERAL & DRAINAGE COMPANY**

The Shareholders of the Appleton Northwest (ML 369) Lateral & Drainage Company (Company), at a Shareholders' meeting held January 31, 2002, at Grand Junction, Colorado, adopted the following resolutions concerning a loan from the State of Colorado Water Conservation Board (State), for the purpose of rehabilitating the Appleton Northwest (ML 369) Lateral, in the amount of \$100,000 or such actual lesser amount as may be needed by the Company and available from the State for up to 90% of the actual project costs.

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

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

**CERTIFICATION**

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 31 DAY OF Jan, 2002.

By Roger Warren  
Roger Warren, President

ATTEST:

By Phena Watson

Appleton Northwest (ML 369) Lateral & Drainage Company, Corporate Secretary

THE UNIVERSITY OF CHICAGO

The University of Chicago is a private research university in Chicago, Illinois. It was founded in 1837 and is one of the oldest and most prestigious universities in the United States. The university is known for its commitment to academic excellence and its diverse student body.

The university is organized into several divisions, including the Division of the Physical Sciences, the Division of the Biological Sciences, and the Division of the Social Sciences. Each division is responsible for a wide range of research and educational activities.

The University of Chicago is also home to several world-renowned research centers and institutes, including the James Franck Institute and the Enrico Fermi Institute. These centers provide a unique environment for interdisciplinary research and collaboration.

The university's commitment to academic excellence is reflected in its high standards for admission and its rigorous academic programs. The University of Chicago is consistently ranked among the top universities in the world, and its graduates go on to pursue careers in a wide range of fields.

The University of Chicago is also known for its commitment to social responsibility and its efforts to address the challenges of the world. The university has a long history of supporting community service and social justice initiatives.

The University of Chicago is a place where the pursuit of knowledge is always at the forefront. The university's commitment to academic excellence and its diverse student body make it a truly unique and inspiring place to study and work.

The University of Chicago is also known for its commitment to innovation and its efforts to advance the frontiers of knowledge. The university's research programs are constantly evolving, and its graduates are well-prepared to tackle the most complex challenges of the future.

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**RESOLUTIONS OF THE BOARD OF DIRECTORS  
of the APPLETON NORTHWEST (ML 369)  
Lateral and Drainage Corporation**

The Board of Directors of the Appleton Northwest (ML369) Lateral and Drainage Corporation (Company), at a meeting held January 29, 2002, at Grand Junction, Colorado, adopted the following resolutions concerning a loan in the amount of up to \$100,000 from the State of Colorado Water Conservation Board (CWCB), for the purpose of rehabilitation of the Appleton Northwest Lateral.

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

1. To enter into and comply with the terms of a contract with the Colorado Water Conservation Board for a loan in the amount of \$100,000, or such actual amount, more or less, as needed and available from the CWCB, and
2. To levy and collect assessments from the shareholders in an amount sufficient to pay the annual amounts due under the Loan Contract, and to pledge assessment revenues and the Company's right to receive said revenues for repayment of the loan, and
3. To place said pledged revenues in a special account separate and apart from other COMPANY revenues, and
4. To make the annual payments required by the promissory note and to make annual deposits to a debt service reserve fund, and
5. To execute a deed of trust to convey a security interest to the CWCB in certain property owned by the Company, and
6. To execute all documents as required by the loan contract, including, but not limited to, a Security Agreement and a Promissory Note, and
7. To take such other actions and to execute such other documents as may be necessary to consummate and implement the loan.

**PAID IN FULL**

**CERTIFICATION**

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

GIVEN UNDER OUR HANDS AND THE SEAL OF THE COMPANY THE 29 DAY OF JANUARY 2002.

(SEA

ATTEST:

By

Corporate Secretary

By

Roger Warren, President





# SECURITY AGREEMENT

DEBTOR: Appleton Northwest (ML 369) Lateral and Drain Corporation  
878 22 Road  
Grand Junction, CO 81505

FEDERAL TAX NUMBER: 84-

COUNTY: MESA (CODE: 08)

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

COLLATERAL: Contract Rights (Code: 030)

DEBTOR, for consideration, hereby grants to SECURED PARTY a security interest in the following property and any and all additions, accessions and substitutions thereto or therefor, hereinafter called the COLLATERAL: All revenues derived from assessments on stock and all of DEBTOR's right to receive said assessment revenues to repay the indebtedness on the amount loaned to debtor by secured party, as described in Pledge of Property provisions in Contract No. C150088 dated April 1, 2002 (CONTRACT).

To secure payment of the indebtedness evidenced by the Promissory Note between the above named parties herewith, payable to the SECURED PARTY, the loan amount of \$100,000 at an interest rate of 2.75% per annum for a period of 30 years in accordance with said Promissory Note or until all principal and interest are paid in full.

## DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby, DEBTOR is, or to the extent that this agreement states that the COLLATERAL is to be acquired after the date hereof, will be, the owner of the COLLATERAL free from any adverse lien, security interest or encumbrances; and that DEBTOR will defend the COLLATERAL against all claims and demands of all persons at anytime claiming the same or any interest therein.
2. That the execution and delivery of this agreement by DEBTOR will not violate any law or agreement governing DEBTOR or to which DEBTOR is a party.
3. That, if DEBTOR is a corporation, its certificate and articles of incorporation and by-laws do not prohibit any term or condition of this agreement.
4. That by its acceptance of the loan money pursuant to the terms of the CONTRACT and by its representations herein, DEBTOR shall be estopped from asserting for any reason that it is not authorized to grant a security interest in the COLLATERAL pursuant to the terms of this agreement.
5. To pay all taxes and assessments of every nature which may be levied or assessed against the COLLATERAL.
6. To not permit or allow any adverse lien, security interest or encumbrance whatsoever upon the COLLATERAL and not to permit the same to be attached or replevined.
7. That the DEBTOR will not use the COLLATERAL in violation of any applicable statutes, regulations, ordinances, articles of incorporation or by-laws.

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

## Appendix 4 to Loan Contract C150088

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

- a. default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;
- b. the making or furnishing of any warranty, representation or statement to SECURED PARTY by or on behalf of DEBTOR which proves to have been false in any material respect when made or furnished;
- c. loss, theft, damage, destruction, sale or encumbrance to or of any of the COLLATERAL, or the making of any levy seizure or attachment thereof or thereon;
- d. dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency law of, by or against DEBTOR or any guarantor or surety for DEBTOR.

UPON SUCH DEFAULT and at any time thereafter, or if it deems itself insecure, SECURED PARTY may declare all Obligations secured hereby immediately due and payable and shall have the remedies of a secured party under Article 9 of the Colorado Uniform Commercial Code. SECURED PARTY may require DEBTOR to deliver or make the COLLATERAL available to SECURED PARTY at a place to be designated by SECURED PARTY which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and DEBTOR consents to venue and personal jurisdiction in said Court.

The SECURED PARTY shall give the DEBTOR written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the DEBTOR shall be considered in default for purposes of this Security Agreement. No default shall be waived by SECURED PARTY except in writing, and no waiver by SECURED PARTY of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security said SECURED PARTY may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this security agreement; but said SECURED PARTY shall retain its rights of set-off against DEBTOR.

All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of DEBTOR shall bind its heirs, executors or administrators or its successors or assigns. If there be more than one DEBTOR, their liabilities hereunder shall be joint and several.

Dated this 1<sup>st</sup> day of April 2002.

DEBTOR: Appleton Northwest (ML 369) Lateral and Drainage Corporation, a Colorado nonprofit corporation

SEAL



By Roger Warren  
Roger Warren, President

ATTEST:

By Thena Walton  
Thena Walton, Corporate Secretary





2072192 08/21/02 0850AM  
MONIKA TODD CLK&REC MESA COUNTY CO  
REC FEE \$25.00

## Deed Of Trust

**This indenture**, made this 1<sup>st</sup> day of April 2002, between the Appleton Northwest (ML 369) Lateral and Drainage Corporation, whose address is 878 22 Road, Grand Junction, CO 81505, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Mesa, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

**Witnesseth**, that whereas, GRANTOR has executed a promissory note, dated April 1, 2002, set forth in Contract No. C150088 dated April 1, 2002 (the Contract) for a loan in the principal sum of \$100,000 to be repaid to the STATE OF COLORADO for the use and benefit of the Department of Natural Resources, Water Conservation Board, whose address is 1313 Sherman Street, Room 721, Denver, Colorado 80203, with interest thereon from the date of first disbursement of funds under the Contract at the effective interest rate of 2.75% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until loan is paid in full.

**And whereas**, the GRANTOR is desirous of securing payment of the principal and interest of said promissory note to the State of Colorado.

**Now, therefore**, the GRANTOR, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said PUBLIC TRUSTEE in trust forever, to wit: the GRANTOR's Appleton Northwest 369 Lateral and headgate on the Grand Valley Irrigation Canal, located in Section 19 and NW/4 of Section 30, Township 1 North, Range 1 West of the Ute Principal Meridian, Mesa County, Colorado, and as shown on Attachment 1 hereto, collectively or hereinafter referred to as the "Property."

**To have and to hold the same**, together with all and singular the privileges and appurtenances thereunto belonging: In Trust nevertheless, that in case of default in the payment of said note, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements contained in the Contract, the beneficiary hereunder may declare a violation of any of the covenants contained in the Contract and elect to advertise said Property for sale, and demand such sale by filing a notice of such election and demand for sale with the PUBLIC TRUSTEE. Upon receipt of such notice of election and demand for sale, the PUBLIC TRUSTEE shall cause a copy of the same to be recorded in the recorder's office of the county in which said Property is situated, it shall and may be lawful for the PUBLIC TRUSTEE to sell and dispose of the same (en masse or in separate parcels, as the said PUBLIC TRUSTEE may think best), and all the right, title and interest of the GRANTOR, its successors or assigns therein, at public auction at such time and at such location as shall be designated in the PUBLIC TRUSTEE's Notice of Sale, for the highest and best price the same will bring in cash, four weeks public notice having been previously given of the time and place of such sale, advertisement once each week for five consecutive weeks, in some newspaper of general circulation at that time published in said county, a copy of which notice shall be mailed within ten days from the date of the first publication thereof to the GRANTOR at the address herein given and to such person or



persons appearing to have acquired a subsequent record interest in said Property at the address given in the recorded instrument; where only the county and state is given as the address then such notice shall be mailed to the county seat, and to make and give to the purchaser of the Property at such sale, a certificate in writing describing the Property purchased, and the sum paid therefor, and the time when the purchaser (or other person entitled thereto) shall be entitled to the deed therefor, unless the same shall be redeemed as is provided by law; and said PUBLIC TRUSTEE shall, upon demand by the person holding the said certificate of purchase, when said demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the Property purchased, which said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said PUBLIC TRUSTEE and shall convey and quitclaim to such person entitled to such deed, the Property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the GRANTOR, its successors and assigns made therein, and shall recite the sum for which the said Property was sold and shall refer to the power of sale therein contained, and to the sale made by virtue thereof; and in case of an assignment of such certificate of purchase, or in case of the redemption of the Property, by a subsequent encumbrance, such assignment or redemption shall also be referred to in such deed; but the notice of sale need not be set out in such deed and the PUBLIC TRUSTEE shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at ten per cent per annum, rendering the surplus, if any, unto the GRANTOR, its legal representatives or assigns; which sale and said deed so made shall be a perpetual bar, both in law and equity, against the GRANTOR, its successors and assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under the GRANTOR, or any of them. The holder of said note may purchase Property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

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

Until payment in full of the indebtedness, the GRANTOR shall timely pay all taxes and assessments levied on the Property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep the Property



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

And that in case of any default, whereby the right of foreclosure occurs hereunder, the PUBLIC TRUSTEE, the State as holder of the note, or the holder of a certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the Property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be, and such possession shall at once be delivered to the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase on request and on refusal, the delivery of the Property may be enforced by the PUBLIC TRUSTEE, the State as holder of the note, or the holder of said certificate of purchase by an appropriate civil suit or proceeding, and the PUBLIC TRUSTEE, or the holder of said note or certificate of purchase, or any thereof, shall be entitled to a Receiver for said Property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the GRANTOR or of the then owner of said Property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

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

**It is further understood and agreed,** that if a release or a partial release of this Deed of Trust is required, the GRANTOR, its successors or assigns will pay the expense thereof; that all the covenants and agreements contained herein and in the Contract shall



extend to and be binding upon the heirs or assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed the day and date first written above.



Appleton Northwest (ML 369) Lateral and Drainage Corporation, a Colorado nonprofit corporation

By Roger Warren  
Roger Warren, President

ATTEST

By Thena Walton  
Thena Walton, Corporate Secretary

State of Colorado )  
County of Mesa ) SS

The foregoing instrument was acknowledged before me this 5 day of <sup>April</sup>~~March~~ 2002, by Roger Warren as President and Thena Walton as Secretary of the Appleton Northwest (ML 369) Lateral and Drainage Corporation. Witness my hand and official seal.

Pamela S. Shaw  
Notary Public

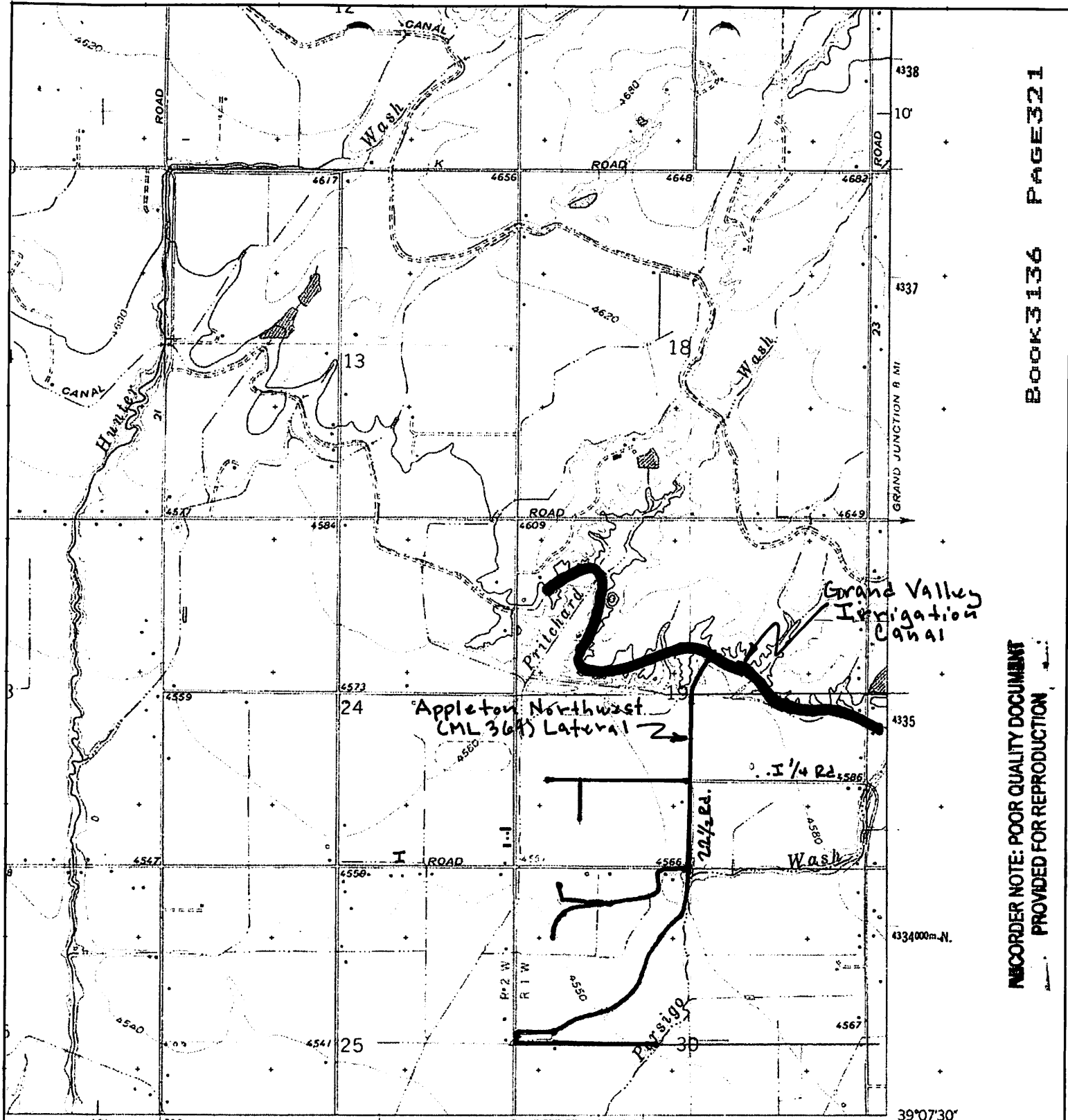
My commission expires: \_\_\_\_\_

PAID IN FULL



My Commission Expires 02/12/2006

RECORD NOTE: POOR QUALITY DOCUMENT  
PROVIDED FOR REPRODUCTION



1 MILE

QUADRANGLE LOCATION

COLORADO

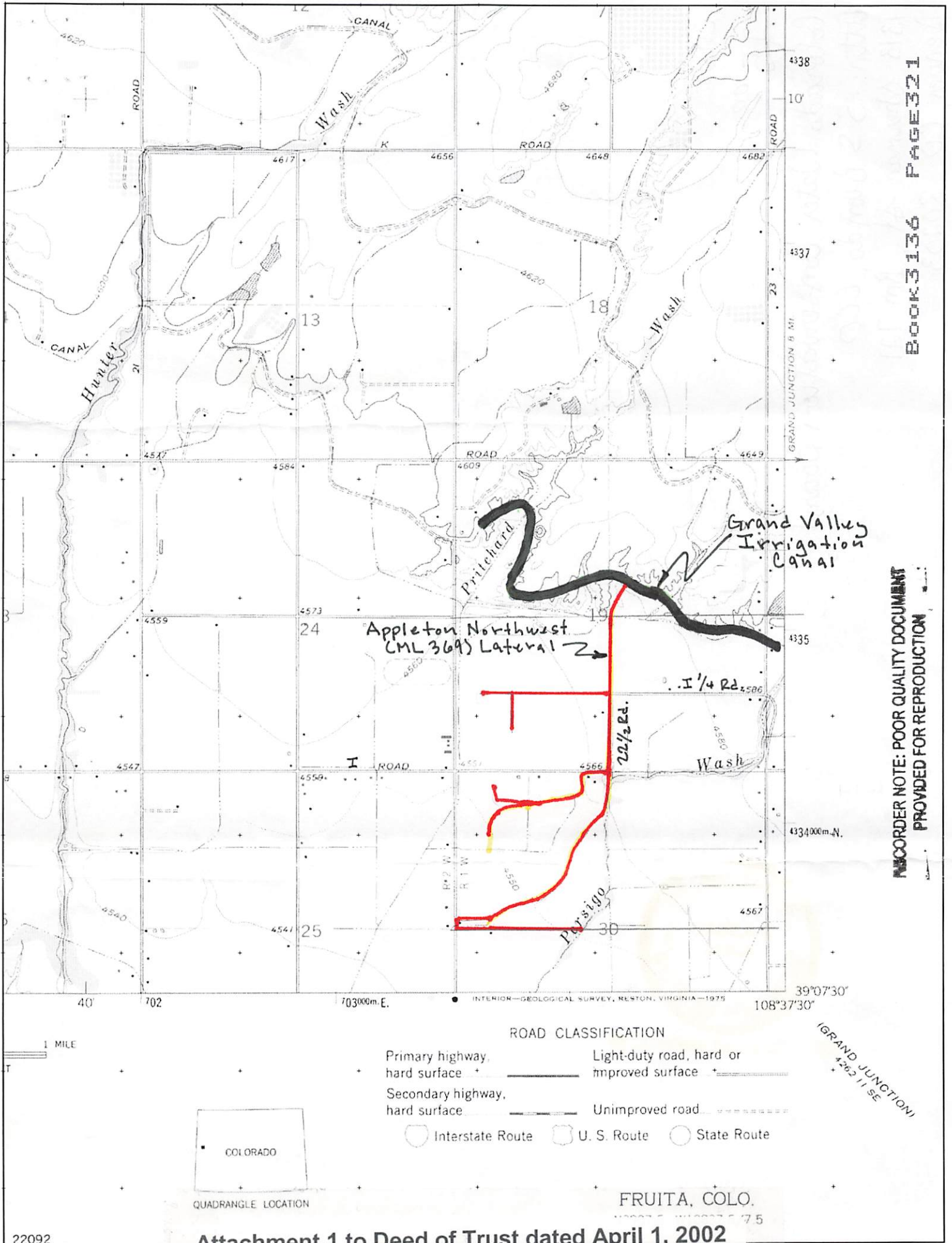
ROAD CLASSIFICATION

Primary highway, hard surface	Light-duty road, hard or improved surface
Secondary highway, hard surface	Unimproved road
Interstate Route	U. S. Route
	State Route

FRUITA, COLO.

22092

RECORD NOTE: POOR QUALITY DOCUMENT  
PROVIDED FOR REPRODUCTION





enw.

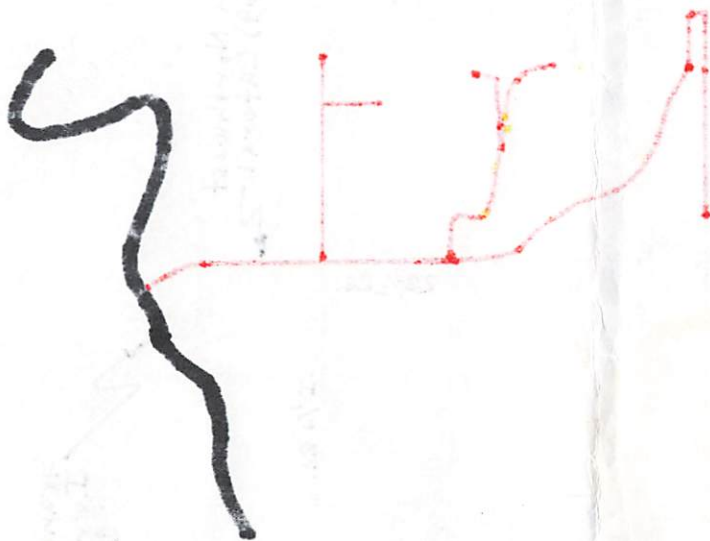
25<sup>00</sup>

Colorado Water Conservation Board

Attn: S.S. Biondo, CCO

1313 Sherman St., Rm 721

Denver, CO 80203



# UCC Financing Statement Amendment

## Initial Financing Statement

File #: 20192018613

File Date: 03/06/2019 11:32:39 AM

Filing office: Secretary of State

This amendment is a termination.

## Optional Information

### Optional filer reference data/miscellaneous information:

Loan paid in full

# UCC Financing Statement

**Colorado Secretary of State**

Date and Time: 03/06/2019 11:32:39 AM

Master ID: 20192018613

Validation Number: 20192018613

Amount: \$8.00

## Debtor: (Organization)

Name: APPLETON NORTHWEST (ML 369) LATERAL &  
DRAINAGE CORPORATION

Address1: 906 22 1/2 Road

Address2:

City: GRAND JUNCTION

State: CO

ZIP/Postal Code: 81505

Province:

Country: United States

## Secured Party: (Organization)

Name: STATE OF COLORADO - COLORADO WATER CONSERVATION BOARD

Address1: 1313 SHERMAN ST ROOM 718

Address2:

City: DENVER

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

## Collateral

### Description:

SECURED PARTY'S REVENUE PLEDGED TO REPAY LOAN OF 100,000 IN ACCORDANCE WITH LOAN  
CONTRACT NO. C150088 AND PROMISSORY NOTE DATED APRIL 1, 2002.

## Optional Information

### Optional filer reference data/miscellaneous information:

RENEWAL OF LAPSED FILING #20142010241



# UCC Financing Statement

**Colorado Secretary of State**

Date and Time: 02/04/2014 11:53:20 AM

Master ID: 20142010241

Validation Number: 20142010241

Amount: \$8.00

## **Debtor: (Organization)**

Name: APPLETON NORTHWEST (ML 369) LATERAL &  
DRAINAGE CORPORATION

Address1: 906 22 1/2 Road

Address2:

City: GRAND JUNCTION

State: CO

ZIP/Postal Code: 81505

Province:

Country: United States

## **Secured Party: (Organization)**

Name: STATE OF COLORADO- COLORADO STATE WATER CONSERVATION BOARD

Address1: 1313 SHERMAN STREE

Address2: ROOM 721

City: DENVER

State: CO

ZIP/Postal Code: 80203

Province:

Country: United States

## **Collateral**

### **Description:**

SECURED PARTY'S REVENUE PLEDGED TO REPAY LOAN OF 100,000 IN ACCORDANCE WITH LOAN  
CONTRACT NO. C150088 AND PROMISSORY NOTE DATED APRIL 1, 2002.

# UCC FINANCING STATEMENT AMENDMENT

Filing Fee: \$18

Follow Instructions Carefully

A. NAME & PHONE OF CONTACT (optional)
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div>[ Colorado Water Conservation Board ] Attn: Water Supply Planning &amp; Finance 1580 Logan Street, Suite 750 Denver, CO 80203</div> <div>[ ]</div>

20092005544 C  
\$ 18.00  
SECRETARY OF STATE  
01-20-2009 13:39:15

ABOVE SPACE FOR FILING OFFICE USE ONLY

## 1. Initial Financing Statement Information (Required)

1a. Original Filing Number: 20042007589 C 1b. Original Filing Date: 01/22/04 1c. If filed prior to January 1, 2000, indicate Original Filing Office:

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

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

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

5. Amendment (Party Information): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.

☐ DELETE name: Give record name to be deleted in 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable)

## 6. CURRENT RECORD INFORMATION:

OR	6a. ORGANIZATION'S NAME APPLETON NORTHWEST (ML 369) LATERAL & DRAINAGE CORPORATION			
	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

## 7. CHANGED (NEW) OR ADDED INFORMATION:

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

7c. MAILING ADDRESS  
903 22 1/2 ROAD CITY GRAND JUNCTION STATE CO POSTAL CODE 81505 COUNTRY USA

ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION DNC	7f. JURISDICTION OF ORGANIZATION CO	7g. ORGANIZATION ID#, if any CO20001085428 <input type="checkbox"/> NONE
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## 8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned

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

OR	9a. ORGANIZATION'S NAME State of Colorado - Colorado Water Conservation Board			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA  
Loan Contract No. C150088

# COLORADO UCC FINANCING STATEMENT

Filing Fee: \$15

Follow Instructions (front and back) Carefully

A. NAME & PHONE OF CONTACT (optional) Steve Biondo 303-866-3495	
B. SEND ACKNOWLEDGMENT TO: (Name and Address)  [ COLORADO WATER CONSERVATION BOARD ATTN: WATER SUPPLY PLANNING AND FINANCE 1313 SHERMAN STREET, ROOM 721 DENVER, COLORADO 80203 ]	

20042007589 C  
\$ 15.00  
SECRETARY OF STATE  
01-22-2004 15:26:13

ABOVE SPACE FOR FILING OFFICE USE ONLY

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

OR	1a. ORGANIZATION'S NAME APPLETON NORTHWEST (ML 369) LATERAL & DRAINAGE CORPORATION				
	1b. INDIVIDUAL'S LAST NAME				
1c. MAILING ADDRESS 878 22 ROAD		CITY GRAND JUNCTION	STATE CO	POSTAL CODE 81505	COUNTRY USA
ADD'L INFO RE ORGANIZATION DEBTOR		1e. TYPE OF ORGANIZATION DNC	1f. JURISDICTION OF ORGANIZATION CO		1g. ORGANIZATIONAL ID#, if any CO20001085428 <input type="checkbox"/> NONE

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

OR	2a. ORGANIZATION'S NAME				
	2b. INDIVIDUAL'S LAST NAME				
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
ADD'L INFO RE ORGANIZATION DEBTOR		2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

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

OR	3a. ORGANIZATION'S NAME STATE OF COLORADO - COLORADO WATER CONSERVATION BOARD				
	3b. INDIVIDUAL'S LAST NAME				
3c. MAILING ADDRESS 1313 SHERMAN STREET, ROOM 721		CITY DENVER	STATE CO	POSTAL CODE 80203	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

SECURED PARTY'S REVENUES PLEDGED TO REPAY LOAN OF \$100,000.00 IN ACCORDANCE WITH LOAN CONTRACT NO. C150088 AND PROMISSORY NOTE DATED APRIL 1, 2002.

5. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> LESSEE/LESSOR <input type="checkbox"/> CONSIGNEE/CONSIGNOR <input type="checkbox"/> BAILEE/BAILOB <input type="checkbox"/> SELLER/BUYER <input type="checkbox"/> AG LIEN <input type="checkbox"/> NON-UCC FILING	
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) in the REAL ESTATE RECORDS	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (Optional) <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA LOAN CONTRACT NO. C150088	