



COLORADO

Colorado Water Conservation Board

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

August 8, 2023

Montezuma County Public Trustee
140 W. Main St. #1
Cortez, CO 81321

Subject: CWCB Loan Contract C153666 - Release of Deed of Trust

This refers to the attached Request for Full Release of Deed of Trust relative to an agreement between Summit Reservoir and Irrigation Company and the Colorado Water Conservation Board (CWCB). Also attached is 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

Enclosures





MONTEZUMA COUNTY PUBLIC TRUSTEE

Ellen Black - Public Trustee

140 West Main, Suite 2,
Cortez, CO 81321
(970) 565-7550

Amy —

All corrected
Thanks for
your help!!

Jess Haworser

REJECTED RELEASE NOTICE

October 2, 2023

CWCB
1313 SHERMAN STREET, ROOM 718
DENVER, CO 80203

Re: Release of Deed of Trust

I am unable to process this Release of Deed of Trust for the following reasons:

- a. The loan contract does not completely match the Deed of Trust, we suggest using the release form "without production of evidence", which you can do as a government entity and you do not have to present a promissory note. I have included the form with your documentation.
- b. Please be sure the Original Beneficiary matched the Deed of Trust "The Summit Reservoir & Irrigation"

Thank you,

Montezuma County Public Trustee's Office
(970) 565-7550

***Montezuma County Public Trustee accepts release requests on
Simplifile and CSC.***

Original Note and Deed of Trust Returned to:
WHEN RECORDED RETURN TO:
Prepared/Received by:

REQUEST FOR FULL ☒ / PARTIAL ☐

RELEASE OF DEED OF TRUST AND RELEASE BY HOLDER OF THE EVIDENCE OF DEBT WITH PRODUCTION OF EVIDENCE OF DEBT PURSUANT TO § 38-39-102 (1) (a), COLORADO REVISED STATUTES

October 25, 2023	Date
The Summit Reservoir & Irrigation Co	Original Grantor (Borrower)
PO Box 127 Dolores CO 81323	Current Address of Original Grantor, Assuming Party, or Current Owner
<input type="checkbox"/> Check here if current address is unknown	
Colorado Water Conservation Board	Original Beneficiary (Lender)
January 13, 1994	Date of Deed of Trust
August 8, 1996	Date of Recording and/or Re-Recording of Deed of Trust
457567	Recording Information
County Rpt. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.	

TO THE PUBLIC TRUSTEE OF Montezuma COUNTY (The County of the Public Trustee who is the appropriate grantee to whom the above Deed of Trust should grant an interest in the property described in the Deed of Trust.)

PLEASE EXECUTE AND RECORD A RELEASE OF THE DEED OF TRUST DESCRIBED ABOVE. The indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied in regard to the property encumbered by the Deed of Trust as described therein as to a full release or, in the event of a partial release, only that portion of the real property described as: (IF NO LEGAL DESCRIPTION IS LISTED THIS WILL BE DEEMED A FULL RELEASE)

State of Colorado

Colorado Water Conservation Board, 1313 Sherman Ste 718 Denver , CO 80203

Name and Address of Current Holder of the Evidence of Debt Secured by Deed of Trust (Lender)

Kirk Russell, Finance Section Chief , CWCB 1313 Sherman Ste. 718 Denver CO . 80203

Name, Title and Address of Officer, Agent, or Attorney of Current Holder

Signature _____

Signature [Signature] 10/25/23

State of Colorado _____, County of Denver

The foregoing Request for Release was acknowledged before me on October 25, 2023 (date) by*

March 27, 2027 Date Commission Expires

*If applicable, insert title of officer and name of current holder

JESSICA GIBBS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234011689
MY COMMISSION EXPIRES MARCH 27, 2027

[Signature]
Notary Public

Witness my hand and official seal

RELEASE OF DEED OF TRUST

WHEREAS, the Grantor(s) named above, by Deed of Trust, granted certain real property described in the Deed of Trust to the Public Trustee of the County referenced above, in the State of Colorado, to be held in trust to secure the payment of the indebtedness referred to therein; and

WHEREAS, the indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied according to the written request of the current holder of the evidence of debt;

NOW THEREFORE, in consideration of the premises and the payment of the statutory sum, receipt of which is hereby acknowledged, I, as the Public Trustee in the County named above, do hereby fully and absolutely release, cancel and forever discharge the Deed of Trust or that portion of the real property described above in the Deed of Trust, together with all privileges and appurtenances thereto belonging.

Public Trustee	Date
Deputy Public Trustee	Date

(If applicable, Notary Seal)

(If applicable, Name and Address of Person Creating New Legal Description as Required by § 38-35-106.5, Colorado Revised Statutes.)

DEED OF TRUST

THIS INDENTURE, Made this 13th day of JANUARY 1994, between
THE SUMMIT RESERVOIR & IRRIGATION CO.
whose address is Box 127, Dolores, Colorado

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hereinafter referred to as grantor, and the Public Trustee of the
Montezuma, State of Colorado, hereinafter referred to as Public Trustee,
WITNESSETH, THAT, WHEREAS, THE SUMMIT RESERVOIR & IRRIGATION CO.

has executed a promissory note or notes, hereinafter referred to in the singular, dated JANUARY 13, 1993 1994, for the
principal sum of THIRTY THREE THOUSAND (\$33,000.00) Dollars,
payable to the order of State of Colorado for the use and benefit of the Colorado Water
Conservancy Board
whose address is 1313 Sherman St. Rm. 721, Denver, CO

after the date hereof, with interest thereon from the date thereof
at the rate of four (4) per cent per annum, payable in annual installments of principal and
interest over 30 years.

AND WHEREAS, the grantor is desirous of securing payment of the principal and interest of said promissory note in whose hands soever the said
note may be.

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, the following described property, situate in the County of
Montezuma, State of Colorado, to wit:

The Southwest Quarter of the Northeast Quarter (SW/4NE4) and the South Half of
the Northwest Quarter (S/2NW/4) of Section thirty-four (34), Township Thirty-
Seven (37) North, Range Fourteen (14) West of the New Mexico Principal Meridian
and the Northeast Quarter Southwest Quarter (NE/4SW/4) of Section Thirty-four
(34), Township Thirty-seven (37) North, Range Fourteen (14) West of the New
Mexico Principal Meridian, with all appurtenances.

NOTE Part of this property is subject to a perpetual lease for a campground
in favor of the Colorado Division of Wildlife.

also known by street and number as n/a

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 of violation or breach of any of the terms,
conditions, covenants or agreements herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a
violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of 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. The Public Trustee shall then give public notice of the time and place of sale
by advertisement to be published for four weeks (once each week for five successive weeks) in some newspaper of general circulation at that time published
in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof
to the grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the
recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the
highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best),
together with all the right, title and interest of the grantor therein, at public auction at any place as may be specified by statute and designated in the notice of
sale. The Public Trustee shall make and give to the purchaser of such property at such sale, a certificate in writing containing: a description of such property
purchased; the sum paid therefor; a statement that said purchaser shall be entitled to a deed therefor, unless the same shall be redeemed as is provided by
law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The 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 said property purchased. 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 confirm the foreclosure sale and sell and
convey 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 therein. 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 or the legal holder of said note, 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 4 per cent per
annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said deed so made shall be a perpetual bar, both in
law and equity, against the grantor and all other persons claiming the said property, or any part thereof, by, from, through or under the grantor. The holder of
said note may purchase said 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.

*If in Denver, insert "City and".

And the grantor covenants and agrees to and with the Public Trustee, that at the time of the ensembling of and delivery of these presents he is well seized of the said land and tenements 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 he may have in or to said lands, tenements, and 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 are free and clear of all liens and encumbrances whatever, except

and the above bargained property in the quiet and peaceable possession of the Public Trustee, 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 all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the grantor fail to insure and deliver the policies 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 4 % 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 of the payments required by this paragraph.

If all or any part of the property or an interest therein is sold or transferred by the grantor without beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, beneficiary may, at beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, beneficiary and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to beneficiary and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as beneficiary shall request.

AND THAT IN CASE OF ANY DEFAULT whereby the right of foreclosure occurs hereunder, the holder of said note or 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 holder of said note or certificate of purchase on request, and on refusal, the delivery of such possession may be enforced by the holder of said note or certificate of purchase by any appropriate civil suit or proceeding, and 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 herein, by the grantor, 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 of the sum of _____ dollars 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 of this deed of trust is required, the grantor will pay the expense thereof; that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, personal representatives, successors and 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 this 13th day of JANUARY, 1994.
ATTEST: David V. Sanford Secretary-Treasurer
Summit Reservoir & Irrigation Co.
State of Colorado } ss.
County of Montezuma

The foregoing instrument was acknowledged before me this 14th day of January, 1994, by David V. Sanford as Secretary-Treasurer of the Summit Reservoir & Irrigation Co.

Witness my hand and seal.
My commission expires: 12-23-94
Notary Public

Name and Address of Person Creating Newly Created Legal Description (§ 38-35-106.5, C.R.S.)

No. _____	DEED OF TRUST	FROM _____	TO _____	THE PUBLIC TRUSTEE FOR THE USE OF _____	STATE OF COLORADO } ss. _____	I hereby certify that this instrument was filed for record in my office at _____ o'clock _____ M., _____, 19____, and is duly recorded in book _____ page _____	Film No. _____ Reception No. _____	Clerk and Recorder _____ Deputy _____	Fees, \$ _____	BRADFORD PUBLISHING CO.
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DEPARTMENT OR AGENCY NAME Water Conservation Board
DEPARTMENT OR AGENCY NUMBER PDA
ROUTING NUMBER 940389

\$ 33,000

LOAN CONTRACT

THIS CONTRACT, made this 23rd day of February 1994, by and between the State of Colorado for the use and benefit of the Department of NATURAL RESOURCES

(COLORADO WATER CONSERVATION BOARD),

hereinafter referred to as the State, and THE SUMMIT RESERVOIR AND IRRIGATION COMPANY,

P.O. BOX 127, DOLORES, CO 81321

hereinafter referred to as the contractor/Contractor or Borrower.

1. 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 424, Organization YYYY, Appropriation EIA, Program WTRC, Object Code 5180, Contract Encumbrance Number; C153666; and

2. WHEREAS, required approval, clearance and coordination have been accomplished from and with appropriate agencies; and

3. WHEREAS, pursuant to the provisions of Sections 37-60-119 and 37-60-120, 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 provided that the Borrower assures repayment of that money; and

4. WHEREAS, in accordance with Section 37-60-122.6 C.R.S. , the State is authorized to loan money from the Emergency Account for projects which it determines are necessary to avoid unreasonable risk of injury or damage to human health or well being or to property or crops when the Colorado Water Conservation Board determines that the emergency condition is not the result of negligence in the operation or maintenance of the infrastructure; and

5. WHEREAS, in May of 1993, a slide developed on the dam of the Summit Reservoir which seriously threatened the safety of the dam, and the Lost Canyon Ditch became blocked by a landslide which also threatened to destroy a portion of the ditch; and

6. WHEREAS, the Colorado Water Conservation Board determined at their July 22, 1993 meeting that the conditions at the Summit Reservoir and at the Lost Canyon Ditch (both of which are infrastructure owed by the Summit Reservoir Company) did constitute an emergency condition qualifying for a loan from the Emergency Account; and

LOAN CONTRACT
Summit Reservoir and Irrigation Co.
Emergency Loan

7. WHEREAS, the Colorado Water Conservation Board approved at their July 22, 1993 meeting, an emergency loan to the Summit Reservoir Company in a maximum amount of \$60,000 (Sixty Thousand Dollars), at an interest rate of 4%, and for a duration of 30 years, subject to the execution of a formal contract; and

8. WHEREAS, the Borrower is a duly constituted Colorado non-profit Corporation formed under (Section 7-20-101) C.R.S., in the State of Colorado and it has made emergency repairs to the Summit Reservoir Dam and the Lost Canyon Ditch at a cost of approximately Fifty Thousand Dollars (\$50,000) in order to be able to store and divert its decreed amount of water; and

9. WHEREAS, the Borrower has provided an accounting to the Colorado Water Conservation Board indicating that the Borrower's total project construction costs totaled approximately \$50,000, which total has been found by the Colorado Water Conservation Board to be an accurate accounting and does represent eligible project construction costs for the purpose of the approved loan; and

10. WHEREAS, the Borrower has already paid all but Thirty Three Thousand Dollars (\$33,000) of the eligible project construction costs, and seeks a loan for this remaining amount, and

11. WHEREAS, the emergency repairs to the Summit Reservoir Dam were completed in accordance with plans and specifications approved by the Colorado Office of the State Engineer, the emergency work has been certified as complete by the Summit Reservoir Company's consulting engineer, and also accepted as complete by the Colorado Office of the State Engineer; and

12. WHEREAS, the emergency repairs to the Lost Canyon Ditch were completed under the supervision of the Summit Reservoir Company's consulting engineer, and certified as complete by that same engineer; and

13. WHEREAS, the State now desires, by this contract, to loan money to the Summit Reservoir and Irrigation Company to cover the remaining costs of this emergency construction project upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose; and

14. WHEREAS, pursuant to the Borrower's Articles of Incorporation, the Borrower has authority to contract to borrow money provided that a Resolution has been duly passed by the Board of Directors and to levy assessments assuring repayment of the State according to the terms of the contract; and

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

That 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 here in.

A. The Borrower understands that this Contract is also a promissory note for the repayment of funds loaned to the Borrower according to the terms set forth herein.

The Borrower agrees that it has or shall:

1. **(Contracted with a responsible and capable construction firm):** Contracted for the construction of the emergency work to a responsible and capable firm or firms (hereinafter referred to as Construction Firm or Firms), which Construction Firms were selected by the Borrower and found acceptable before work under this emergency contract began.

2. **(Required construction firm and subcontractors to indemnify the State):** Required all Construction Firms and their subcontractors to indemnify the State and the Borrower against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death, to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the project or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

3. **(Hold the State harmless from any liability, and maintain liability insurance coverage):** 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 incurred by the State as a result of the State's interest in the project facilities and any other property identified in the Deed of Trust Provisions of this contract. The Borrower shall maintain comprehensive 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 One Hundred Fifty Thousand Dollars (\$150,000).

b. For any injury to two or more persons in any single occurrence, the sum of Four Hundred Thousand Dollars (\$400,000).

c. For any damage to property, the sum of Four Hundred Thousand Dollars (\$400,000) for each occurrence.

Said general liability insurance shall name the State as a co-insured. A copy of a certificate of said liability insurance must be filed with the State. Such certificate shall be incorporated herein as part of this contract.

4. **(Make the services of said project available without discrimination):** Make the services of said project available within its capacity to all qualified 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 By-laws, as may be modified from time to time. The initial rate schedule must be approved in writing by the State before any such charges are initially assessed. 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, including repayment of the State, as long as the rate schedule remains reasonable and non-discriminatory.

5. **(Adopt a resolution authorizing Borrower to contract for this loan and to provide security for its repayment):** Pursuant to its Articles of Incorporation and to its By-laws, have its Board of Directors adopt an order or a resolution:

a. Authorizing the Borrower to contract for this loan debt, and authorizing the President and the Secretary to pay the indebtedness on behalf of the Borrower, and

b. Authorizing the Borrower to execute the deed of trust as security required by the State, as specified in the Deed of Trust provisions of this contract, and

c. Authorizing the Borrower to make and levy assessment(s) sufficient to pay off this contract loan pursuant to its terms and to discharge this lawful indebtedness, and

d. Authorizing the Borrower to set aside this assessment revenue in a special fund separate and apart from other Borrower revenues to assure repayment of this revenue to the State, and

e. Authorizing the Borrower to sign a security interest in such assessment revenues in favor of the State to secure the repayment.

PAID IN FULL

Such order or resolution shall be attached hereto as Exhibit A and included herein prior to the State performance under this contract.

6. (PROMISSORY NOTE PROVISIONS):

6a. Repay to the State the total principal sum of Thirty Three Thousand Dollars and no Cents (\$33,000.00), which is the project loan amount. Said repayment shall include the principal sum with interest at the rate of four percent (4%) per annum, and shall be made in constant annual installments of One Thousand, Nine Hundred, and Eight Dollars and Thirty-Nine Cents (\$1,908.39) each, for thirty (30) years, as shown in Exhibit B, attached hereto and incorporated by reference herein, which first installment shall be due and payable on the first day of March 1995, and yearly thereafter until the entire principal sum and any accrued interest shall have been paid. Said installment payments shall be made payable to the Colorado Water Conservation Board, payable at the offices of said Board in Denver, Colorado.

6b. Prepay the loan in full at any time, at the Borrower's option, for which there shall be no prepayment penalty.

6c. Make advanced payments on this loan at any time, at the Borrower's option, provided that these payments will be applied first to any accrued interest and then to reduce the principal amount. If advanced payments are made, the Borrower shall be allowed to substitute one such payment for one future regularly scheduled payment, and this promissory note will not be considered in default until such time as all advanced payments are consumed and a regularly scheduled payment has become delinquent.

6d. Not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the project or any portion thereof or the assessment revenues pledged to repay the loan herein, so long as any of the principal and any accrued interest required by the Promissory Note of the contract remain unpaid, without the prior written concurrence of the State.

7. (DEED OF TRUST PROVISIONS):

7a. As security for the loan to be made to it by the State, executed a deed of trust as shown in Exhibit C. The security provided shall be an undivided one hundred percent (100%) interest in the following:

The SW 1/4 of the NE 1/4 and the S 1/2 of the NW 1/4 of Section 34; and the NE 1/4 of the SW 1/4 of Section 34, all in T 37 N, R 14 W of the New Mexico Principal Meridian, with all appurtenances.

7b. 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 Exhibit D); (e) take action to enforce paragraphs A.6 and A.8. ; and/or (f) take any other appropriate legal action. 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 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 ensure compliance with provisions of this contract and the laws and regulations under which this contract is entered into.

7c. The Borrower warrants that in the event of a default by the Borrower in the repayment to the State, and upon written notice thereof from the State, the Borrower shall, pursuant to its By-laws, immediately take all necessary actions to levy an additional assessment and to pledge additional revenues in a sufficient amount and in a timely manner to cure the default and to repay the State as required by the contract. Such additional revenues shall be deemed covered by the existing security interest.

7d. Upon completion of repayment to the State of the entire principal and any accrued interest, as specified in the Promissory Note of this contract, the State agrees to execute a release of deed of trust 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 Exhibit D.

7e. In the event of conflict between the terms and conditions as set forth in this paragraph 7 (DEED OF TRUST PROVISIONS), and Exhibit D (The actual Deed of Trust) , provisions of this contract shall control.

8. **(Levy assessments for repayment of the loan):** Pursuant to its Articles of Incorporation and to its By-laws, take all necessary actions consistent therewith to levy assessments to raise sufficient funds to pay this contract loan debt in a timely manner and as required by the terms and conditions herein to assure repayment of the project loan to the State. In the event that the assessment(s) levied by the Borrower, or the

revenues resulting therefrom, are or become insufficient to assure repayment to the State as required by the terms and conditions herein, then the Borrower, upon written notice thereof from the State, shall immediately take all necessary action consistent with its By-laws, including but not limited to additional assessments, to raise sufficient revenue to assure repayment of the project loan to the State.

9. (SECURITY INTEREST PROVISIONS):

9a. The Borrower agrees that the specific revenues to be pledged to repay the State shall include, without being limited to, an assessment levied for that purpose as authorized by Resolution of the Borrower.

9b. The Borrower hereby pledges such assessment revenues to repay the State loan, agrees that these revenues will be set aside and kept separate from other Borrower revenues, warrants that these revenues will not be used for any other purpose, and agrees to provide the State a perfected security interest such that the State has priority over all other competing claims for such secured revenues.

9c. Such security interest shall be in the form provided by the State irrevocably pledging such revenues on the date of execution of this contract. Copies of such security interest (Uniform Commercial Code--Security Agreement and Uniform Commercial Code--Financing Statement) shall be attached hereto and incorporated herein as Exhibits D and E, respectively. The security interest of the Borrower is a condition precedent to State performance on this contract.

10. (Levy assessments as necessary for operations, maintenance, reserves, and debt reserves): Pursuant to its By-laws, adjust its operating costs and service charges and levy assessments from time to time as necessary to provide sufficient funds for adequate operation and maintenance, emergency repair services, obsolescence reserves, and debt reserves.

11. (Provide reports and allow periodic inspections): 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.

12. (Adhere to applicable laws): Shall strictly adhere to all applicable Federal, State, and local laws and regulations that have been or may hereafter be established.

C. The State agrees that it has or shall:

1. **(Agreed to loan money to the Borrower to cover eligible project construction costs):** Agreed to loan to the Borrower an amount not to exceed that specified in the Promissory Note of this contract. Said amount shall be made available to the Borrower in accordance with the following terms and conditions:

1a. The Borrower shall prepare a statement of the costs of project construction and shall forward said statement to the State.

1b. Upon receipt and approval by the State of such statement, the State will, within ten (20) days from the approval of such statement, pay over to the Borrower the amount of the statement or such portion thereof as has been approved by the State.

1c. Project construction costs eligible for financing by the State shall be limited to the cost of:

- (1) Preparing final designs and specifications for the project.
- (2) Preparing bid and construction contract documents.
- (3) Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.
- (4) Complying with all Federal, State, and local regulatory requirements, including the obtaining of all required permits.
- (5) Land and water rights acquisitions needed for the project, including the necessary appraisals and evaluations.
- (6) Fish and wildlife mitigation measures required by Federal, State, or local laws and regulations.
- (7) Actual construction as called for in the design documents and in Change Orders approved by the Consultant, the Borrower, the Construction Firm, and the State.
- (8) Engineering services for construction management, including design and construction management for State-approved Change Orders.

(9) Legal services for reviewing engineering services contracts, reviewing this contract, reviewing construction contract documents, acquiring the land and water rights needed for the project, and for complying with all Federal, State, and local regulatory requirements. Legal services must be approved by the State in writing before they are rendered to be eligible for payment by the State.

2. **(Adhere to applicable laws):** Shall strictly adhere to all applicable Federal, State, and local laws and regulations that have been or may hereafter be established.

D. Other Provisions

1. **(The Colorado Water Conservation Board is designated agent of the State):** The Colorado Water Conservation Board, its agents and employees, is hereby designated as the agent of the State for the purpose of this contract.

2. **(Contract is not assignable):** This contract is not assignable by the Borrower except with the prior written approval of the State.

3. **(Contract relationship is that of lender-borrower):** 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.

4. **(Contract is a 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 notation, 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.

5. **(State may release contract at its option):** In its sole discretion, the State may at any time and in writing 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.

6. **(The Borrower further Warrants):** The Borrower warrants that by acceptance of the loan money pursuant to the terms of this contract and by the Borrower's representation herein, the Borrower shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan money to the State as required by this contract.

7. **(Casualty and Imminent Domain):** If, at any time, during the term of this Contract, (a) the Summit Reservoir and Irrigation Company 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 State and 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. Any net proceeds remaining after such work has been completed shall be paid to the Borrower. If the net 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 (provided, however, that the Borrower shall be obligated to pay any such cost in excess of net proceeds only to the extent of any moneys available therefor in any funds created under this Contract).

8. **(Addresses for mailing):** All notices, correspondence, or other documents required by this contract shall be delivered or mailed to the following addresses:

For the State:

Director

Colorado Water Conservation Board
721 State Centennial Building
1313 Sherman Street
Denver, CO 80203
Attn: Bill Stanton

For the Borrower:

The Summit Reservoir and
Irrigation Company
P.O. Box 127
Dolores, CO 81321
Attn: David V. Sanford
Secretary-Treasurer

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

BOND REQUIREMENT

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

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

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

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

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

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

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

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

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

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

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

COLORADO LABOR PREFERENCE

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

b. When 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 extent necessary to prevent denial of the moneys or to eliminate the inconsistency with Federal requirements (CRS 8-19-101 and 102)

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

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

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

Contractor: SUMMIT RESERVOIR & IRRIGATION
COMPANY

(Full Legal Name)

Stanley McLe President

Position (Title)

84-0331430

Social Security Number or Federal I.D. Number

If Corporation:)

Attest (Seal)

By

David V Sanford
Corporate Secretary, or Equivalent, Town/City/County Clerk
Secretary

ATTORNEY GENERAL

By

STATE OF COLORADO

ROY ROMER, GOVERNOR

By

David C. Lile
For the Executive Director
DEPARTMENT OF NATURAL RESOURCES
(COLO. WATER CONSERVATION BOARD
DARIES C. LILE, P.E., DIRECTOR)

APPROVALS

CONTROLLER

By

CLIFFORD W. HALL
Philip Holtmann