



COLORADO

Colorado Water Conservation Board

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

September 15, 2023

Town of Georgetown
PO Box 426
Georgetown, CO 80444

Loan Compliance Confirmation - C153738

Attached for your records are the original documents relative to the agreement between the Town of Georgetown, and the Colorado Water Conservation Board (CWCB), Loan Contract No. C153738. The documents have been stamped "PAID IN FULL" denoting that the Town has satisfied the terms of the agreement in full.

Should you have any questions, please email me at mimi.winter@state.co.us. If we can be of any further assistance to you in the near future, please let us know.

Sincerely,

Mimi Winter, Finance Manager
Finance Section

Attachments

cc: CWCB Files



CAPITAL STOCK \$ 110,000.

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

NUMBER

5784

SHARES

1.5

FARMERS

HIGH LINE

CANAL AND RESERVOIR COMPANY.

1100 SHARES.

SHARES, \$ 100 EACH.

This is to Certify that

THE TOWN OF GEORGETOWN, ACTING AS THE TOWN OF
GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE WITH THE
STATE OF COLORADO, WATER CONSERVATION BOARD AS LIEN HOLDER
is

one and one-half (1.50)

the owner of
Shares of the Capital Stock of

The Farmers High Line Canal & Reservoir Co. FULL PAID AND ASSESSABLE, transferable only on the Books
of the Company in person or by Attorney on surrender of this Certificate.

No. Original Certificate,	No. Original Shares,
5412	1.00
5774	.50

Denver, Colorado,

February 4 1999

Cynda Ellis

Secretary

John H. Ehler President.

6
6

NOTE.

The holder of this Stock takes the same subject to all the provisions of the by-laws, rules and regulations of the Company which have already been or may hereafter be adopted, and to any and every change, alteration, or modification thereof.

For Value Received, _____ hereby sell,
assign and transfer to _____

*Shares of the within mentioned Stock, and do hereby
constitute and appoint* _____

Attorney irrevocable for _____ *and in*
_____ name to transfer the same on the Books
of the Company with full power of substitution in
the premises.

Witness _____ *hand and seal this*
_____ *day of* _____ *A. D. 19* ____.

(Seal)

Witness present, _____



Original Note and Deed of Trust Returned to:

WHEN RECORDED RETURN TO:

CWCB

1313 Sherman Street, Room 718

Denver, CO 80203

Prepared/Received by: Jessica Halvorsen

REQUEST FOR FULL ☒ / PARTIAL ☐

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

June 7, 2023

Town of Georgetown Water and Sewer Activity Enterprise

PO Box 426

Georgetown, CO 80444

☐ Check here if current address is unknown

Colorado Water Conservation Board

November 4, 1998

March 25, 1999

194174

County Rept. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.

Date

Original Grantor (Borrower)

Current Address of Original Grantor,
Assuming Party, or Current Owner

Original Beneficiary (Lender)

Date of Deed of Trust

Date of Recording and/or Re-Recording of Deed
of Trust

Recording Information

TO THE PUBLIC TRUSTEE OF

Clear Creek

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)**

Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Ste. 718 Denver, CO 80203

Name and Address of Current Owner, Holder of the Indebtedness and Successor in Interest from the Department of Natural Resources, Secured by Deed of Trust

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

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

State of Colorado, County of Denver

The foregoing Request for Release was acknowledged before
me on June 7, 2023 (date) by*

Kirk Russell

Finance Section Chief

March 27, 2027

Date Commission Expires

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

Signature/Date

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

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 owner and holder of the indebtedness;

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 use only; use appropriate label)



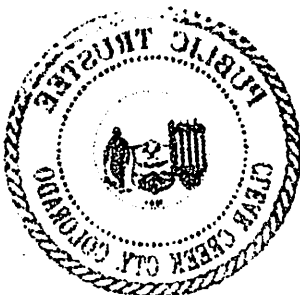
Public Trustee

Deputy Public Trustee

(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.)

MA COMMISSION EXPIRES MARCH 23, 2021
NOTARY ID 30524011000
STATE OF COLORADO
NOTARY PUBLIC
JESSICA GIBBS



PUBLIC TRUSTEE
CANCELLED

DATE: 08-29-2023
CLEAR CREEK COUNTY
COLORADO

AMENDED DEED OF TRUST

TO AMEND DEED OF TRUST ORIGINALLY RECORDED IN CLEAR CREEK COUNTY,
STATE OF COLORADO, ON JANUARY 8, 1999 (192964, B576 P735 DT)

This indenture, made this 4th of November 1998, between the Town of Georgetown Water and Sewer Activity Enterprise, whose address is P.O. Box 426, Georgetown, Colorado 80444, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Clear Creek, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE, is hereby amended to correct the date made and to identify the certificate number of the stock granted herein,

Witnesseth, that whereas, GRANTOR has executed a Promissory Note, which is a part of Contract No. C153738 (the Contract) for a loan in the principal sum of \$190,000 to be repaid to the STATE OF COLORADO or 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 5.25% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until the 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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Certificate No. 5784. The shares represent the Grantor's pro rata interest in the water rights shown on Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and County of Denver, (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

APR 20 1999

Colorado Water
Conservation Board



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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



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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.

Town of Georgetown Water and Sewer
Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

ATTEST

By

Megan Wagers
Megan Wagers, Secretary

State of Colorado)

) ss.

County of Clear Creek)

The foregoing instrument was acknowledged before me this 4 day of March 1999, by Janet Hill Claus as Police Judge and Megan Wagers as Secretary of the Town of Georgetown Water and Sewer Activity Enterprise. Witness my hand and official seal.


My commission expires: 041899

ETAN Notary Public

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RECEIVED**MAR 10 1999****Farmers Highline Canal and Reservoir Company Water Rights** Colorado Water Conservation Board

CLEAR CREEK PRIORITY NO.	APPROPRIATION DATE	AMOUNT (c.f.s.)
1	February 25, 1860	0.276
3	May 16, 1860	1.00
5	May 31, 1860	3.281
9	July 1, 1860	39.80
30	May 28, 1863	1.61
32	June 20, 1863	2.75
42	April 23, 1865	2.89
48	November 2, 1865	0.808
54	May 24, 1870	0.333
57	April 1, 1872	154.00
68	April 1, 1886	191.00
69	April 23, 1895	335.86


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Attachment A

Original Note and Deed of Trust Returned to:

WHEN RECORDED RETURN TO:

CWCB

1313 Sherman Street, Room 718

Denver, CO 80203

Prepared/Received by: Jessica Halvorsen

REQUEST FOR FULL ☒ / PARTIAL ☐

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

June 7, 2023

Town of Georgetown Water and Sewer Activity Enterprise

PO Box 426

Georgetown, CO 80444

☐ Check here if current address is unknown

Colorado Water Conservation Board

January 4, 1999

January 8, 1999

192964

County Rept. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.

Date

Original Grantor (Borrower)

Current Address of Original Grantor,
Assuming Party, or Current Owner

Original Beneficiary (Lender)

Date of Deed of Trust

Date of Recording and/or Re-Recording of Deed
of Trust

Recording Information

TO THE PUBLIC TRUSTEE OF

Clear Creek

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)**

Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Ste. 718 Denver, CO 80203

Name and Address of Current Owner, Holder of the Indebtedness and Successor in Interest from the Department of Natural Resources, Secured by Deed of Trust

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

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

Signature/Date

State of Colorado, County of Denver

The foregoing Request for Release was acknowledged before
me on June 7, 2023 (date) by*

Kirk Russell

Finance Section Chief

March 27, 2027

Date Commission Expires

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

JESSICA GIBBS
NOTARY PUBLIC
STATE OF COLORADO (my seal)

NOTARY ID 20234011689

MY COMMISSION EXPIRES MARCH 27, 2027

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 owner and holder of the indebtedness;

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 use only; use appropriate label)



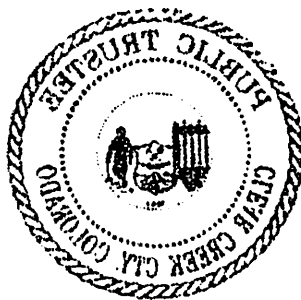
Public Trustee

Deputy Public Trustee

(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.)

MY COMMISSION EXPIRES MARCH 27, 2025
NOTARY ID 50534011889
STATE OF COLORADO
NOTARY PUBLIC
JESSICA GIBBS



PROMISSORY NOTE

Date December 8, 1998

Date of Substantial Completion DECEMBER 28, 1998

This Evidence of Debt is no longer secured by a Deed of Trust dated Nov. 04, 1999 and recorded in the Office of the Clear Creek County Clerk and Recorder on JAN. 08, 1999 at Reception 192964. Said Deed of Trust is fully released on 08-29-2023 at the request of the legal holder(s) of the indebtedness.

Carol Lee
Clear Creek County Public Trustee

ED, the Town of Georgetown Water and Sewer Activity Enterprise s to pay the State of Colorado Water Conservation Board ("STATE"), the hundred Ninety Thousand Dollars (\$190,000) plus interest at the rate of percent (5.25%) per annum for a term of thirty (30) years, pursuant to Loan ("LOAN CONTRACT").

2,714.22 shall be due one year from the date that the State determines antially complete, and annually thereafter until the entire principal sum, all l late charges, if any, shall have been paid in full.

le payable to the Colorado Water Conservation Board and mailed to 1313 721, Denver, Colorado 80203.

ceive the annual payment within 15 calendar days of the due date, the e charge in the amount of 5% of the annual payment.

aid in whole or in part at any time without premium or penalty. Any partial osthpone the due date of any subsequent payments or change the amount

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 Security Agreements and a Deed of Trust, cover certain revenues, accounts and shares of stock evidencing water rights of the BORROWER. The LOAN CONTRACT, Security Agreements 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 Agreements 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, without notice or demand, and the indebtedness shall bear interest at the rate of 15% 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.

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 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.

Attest (SEAL)

BORROWER: Town of Georgetown Water and Sewer Activity Enterprise

By

[Signature]
Secretary

By

[Signature]
Janet Hill Claus, Police Judge

699-820-1111

The following information was obtained from the files of the Department of the Interior, Bureau of Land Management, regarding the land owned by the United States in the State of California.

The land is located in the County of San Diego, State of California, and is known as the [illegible] land.

The land is situated in the [illegible] area, and is bounded by [illegible] on the north, [illegible] on the south, [illegible] on the east, and [illegible] on the west.

The land is owned by the United States, and is held in trust for the benefit of the [illegible] people.

The land is subject to the provisions of the [illegible] Act, and is to be managed in accordance with the [illegible] policy of the Department of the Interior.

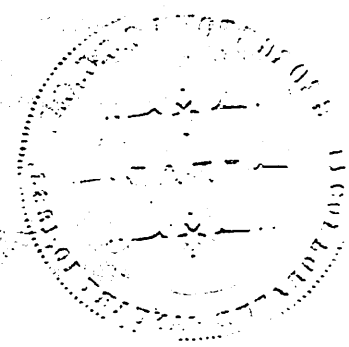
The land is to be used for [illegible] purposes, and is to be managed in a manner that will preserve the [illegible] values of the land.

The land is to be managed in a manner that will provide for the [illegible] needs of the present and future generations.

The land is to be managed in a manner that will provide for the [illegible] needs of the [illegible] people.

The land is to be managed in a manner that will provide for the [illegible] needs of the [illegible] people.

The land is to be managed in a manner that will provide for the [illegible] needs of the [illegible] people.



PUBLIC TRUSTEE
CANCELLED
DATE: 08-29-2023
CLEAR CREEK COUNTY
COLORADO

192964 01/08/1999 11:17A B576 P735 DT
1 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

Deed of Trust

This indenture, made this 4th day of NOVEMBER 1999, between the Town of Georgetown Water and Sewer Activity Enterprise, whose address is P.O. Box 426, Georgetown, Colorado 80444, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Clear Creek, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

Witnesseth, that whereas, GRANTOR has executed a Promissory Note, which is a part of Contract No. C153738 (the Contract) for a loan in the principal sum of \$190,000 to be repaid to the STATE OF COLORADO or 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 5.25% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until the 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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Certificate No. _____. The shares represent the Grantor's pro rata interest in the water rights shown on Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and county of Denver, (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

Appendix 4(a) to Loan Contract No. C153738

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




192964 01/08/1999 11:17A B576 P736 DT
2 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

Notary Public

Farmers Highline Canal and Reservoir Company Water Rights

CLEAR CREEK PRIORITY NO.	APPROPRIATION DATE	AMOUNT (c.f.s.)
1	February 25, 1860	0.276
3	May 16, 1860	1.00
5	May 31, 1860	3.281
9	July 1, 1860	39.80
30	May 28, 1863	1.61
32	June 20, 1863	2.75
42	April 23, 1865	2.89
48	November 2, 1865	0.808
54	May 24, 1870	0.333
57	April 1, 1872	154.00
68	April 1, 1886	191.00
69	April 23, 1895	335.86


192964 01/08/1999 11:17A B576 P738 DT
4 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

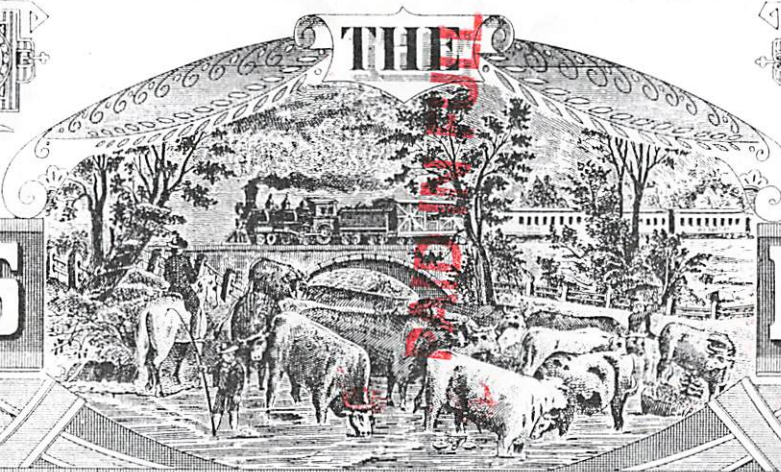
Attachment A

CAPITAL STOCK \$110,000.

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO



FARMERS



HIGH LINE

CANAL AND RESERVOIR COMPANY.

100 SHARES.

SHARES, \$100 EACH.

This is to Certify that

THE TOWN OF GEORGETOWN, ACTING AS THE TOWN OF
GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE WITH THE
STATE OF COLORADO, WATER CONSERVATION BOARD AS LIEN HOLDER

is
-----one and one-half-----(1.50)-----

the owner of

Shares of the Capital Stock of

The Farmers High Line Canal & Reservoir Co. FULL PAID AND ASSESSABLE, transferable only on the Books of the Company in person or by Attorney on surrender of this Certificate.

No. Original Certificate.	No. Original Shares.
5412	1.00
5774	.50

Denver, Colorado.

February 4 1999

Cynda Ellis

Secretary

John H. Ekler

President.

ACKNOWLEDGEMENT AND CONSENT

I, Tim Feehan, an authorized representative of the Colorado Water Conservation Board, do hereby acknowledge receipt of the attached certificate, and consent to the execution and delivery by the Town of Georgetown, Colorado, acting by and through its Georgetown Water and Sewer Activity Enterprise, of a loan agreement to be dated on or about May 19, 2011 in the principal amount of \$900,000, with the Colorado Water Resources and Power Development Authority, which loan is to be repaid with the proceeds of its water revenue on a parity with the 1998 Loan between the Town and the Colorado Water Conservation Board.

Dated as of 5-11, 2011.

COLORADO WATER CONSERVATION BOARD



Tim Feehan
Section Chief, Finance Section


PAID IN FULL

STATE OF COLORADO)
)
CLEAR CREEK COUNTY) ss. COVERAGE CERTIFICATE
)
TOWN OF GEORGETOWN)

The undersigned, as Independent Accountants, in connection with the execution and delivery by the Town, acting by and through its Georgetown Water and Sewer Activity Enterprise (the "Enterprise") of that certain Loan Agreement dated on or about May 19, 2011 with the Colorado Water Resources and Power Development Authority (the "Loan Agreement") and the Governmental Agency Bond representing the financial obligation of the Enterprise under the Loan Agreement in the maximum principal amount of \$900,000 (the "2011 Loan"), hereby certifies as follows:

1. We have reviewed certain provisions of the Loan Agreement (the "1998 Loan Agreement") dated as of December 10, 1998, between the Town of Georgetown, Colorado (the "Town") the Georgetown Water and Sewer Activity Enterprise (the "Borrower") and the Colorado Water Conservation Board ("CWCB") and Resolution No. 98-25 of the Board of Selectmen of the Town acting as the governing body of the Borrower and Resolution No. 98-26 of the Town, both approved and adopted on December 8, 1998 authorizing the Town and the Borrower to execute and deliver the 1998 Loan Agreement. Capitalized terms used herein and not otherwise defined shall have the same meanings as provided in the 1998 Loan Agreement.

2. Section 8(e) of the 1998 Loan Agreement allows for the issuance of Additional Debt or Bonds provided Borrower obtain prior written approval of the State (acting through the CWCB) and provided that the Borrower obtain a certificate of an independent certified public accountant certifying that, based on an analysis of the Borrower's revenues, excluding tap and connection fees, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt (here, on or about May 19, 2011), the Borrower's revenues are sufficient to pay the annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the pledged revenues, the annual debt service on the proposed indebtedness, and all required deposits to any reserve funds. Such analysis shall be based on the Borrower's current rate structure.

3. In addition to the 1998 Loan Agreement, the Borrower has a loan agreement with the Colorado Water Resources and Power Development Authority dated September 22, 2009 (the "2009 Loan Agreement") and issued its governmental agency bond pursuant thereto, in the original principal amount of \$1,340,000 bearing interest at 0% with annual payments of \$67,000 for 20 years.

4. On or about May 19, 2011, the Town is expected to execute and deliver a 2011 Loan Agreement between the Town and the Colorado Water Resources and Power Development Authority (the "2011 Loan") and a governmental agency bond (the "Bond") in the principal amount of \$900,000. The Bond will bear interest at the rate of 2%. The annual payment is expected to be \$54,820.08. The combined maximum annual debt service requirements of the 1998 Loan, the 2009 loan and the 2011 Loan are \$134,534.30. Operating and maintenance expenses, excluding depreciation expense, for the 12 month period ended December 31, 2010 are \$322,770.

5. We hereby certify that such net pledged revenue (including water service fees, late charges, and other miscellaneous charges and fees) for the 12 consecutive months from January 1, 2010 through December 31, 2010 (12 consecutive months out of the last 18 months prior to the issuance of the obligation) is \$470,329, which amount is sufficient to cover the annual repayment of the outstanding obligations (\$134,534) and annual operations and maintenance (\$322,770).

IN WITNESS WHEREOF, I have hereunder subscribed my name this 5th day of May, 2011.

John L. Luth

PAID IN FULL

SECURITY AGREEMENT

Debtor: Town of Georgetown Water and Sewer Activity Enterprise
P.O. Box 426
Georgetown, Colorado 80444

FEDERAL ID NUMBER: 84-6000671

COUNTY: Clear Creek (CODE: 51)

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

COLLATERAL: All Water Rights and Ditch Shares (Code: 560)

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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and County of Denver.

To secure payment of the indebtedness evidenced by the Promissory Note which is a part of the Loan Contract No. C153738 between the above named parties herewith, payable to the SECURED PARTY, the loan amount of \$190,000 with interest at a rate of 5.25% per annum, payable in 30 annual installments or until all principal, interest, and late charges, if any, are paid in full, in accordance with said Promissory Note.

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.

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. In addition, upon default, SECURED PARTY shall have the right to transfer the COLLATERAL to and register the COLLATERAL in the name of the SECURED PARTY, and, whether or not so transferred and registered, to receive the income, dividends and other distributions thereon and apply them to repayment of the loan. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses.

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. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and DEBTOR consents to venue and personal jurisdiction in said Court.

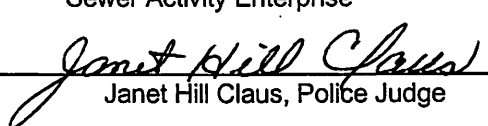
All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of DEBTOR shall bind its heirs, executors or administrators or its successors or assigns. If there be more than one DEBTOR, their liabilities hereunder shall be joint and several.

Dated this 4th day of JANUARY, 1999.

Attest: (S E A L)

By 
Megan, Wagers, Secretary

BORROWER: Town of Georgetown Water and
Sewer Activity Enterprise

By 
Janet Hill Claus, Police Judge

STOCK ASSIGNMENT

FOR VALUE RECEIVED, the Town of Georgetown Water and Sewer Activity Enterprise hereby sells, assigns and transfers one and one-half shares of the capital stock of the Farmers High Line Canal and Reservoir Company unto the Colorado Water Conservation Board, which stock is standing in the name of the undersigned on the books and records of the Company represented by the Certificate No. 5784 and does hereby irrevocably constitute and appoint _____ as attorney-in-fact to transfer the said stock on the books of the Company with full power of substitution in the premises. This Stock Assignment shall be effective solely in the event of a default by the Town of Georgetown and/or the Town of Georgetown Water and Sewer Activity Enterprise under Loan Contract No. C153738 with the Colorado Water Conservation Board.

DATED 4 JANUARY 99

(SEAL)

Town of Georgetown Water and Sewer
Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

ATTEST:

By Megan Wagers
Megan Wagers, Secretary

PAID IN FULL

AGENCY NAME: Water Conservation Board
AGENCY NUMBER: PDA
ROUTING NUMBER: 99 PDA 00018

\$190,000

LOAN CONTRACT

THIS CONTRACT, made this 10th day of DECEMBER 1998, by and between the State of Colorado for the use and benefit of the Department of Natural Resources, Colorado Water Conservation Board ("CWCB"), hereinafter referred to as the STATE, and the **TOWN OF GEORGETOWN** hereinafter referred to as the TOWN and the **TOWN OF GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE, P.O. Box 426, Georgetown, Colorado 80444**, hereinafter referred to as the BORROWER and/or CONTRACTOR.

FACTUAL RECITALS

- A. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 424, Organization YYYY, Appropriation A01 GBL GEOR, Program WTRC, Object Code 5110, Reporting Category 3738, **Contract Encumbrance Number C153738**.
- B. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies.
- C. Pursuant to the provisions of §§ 37-60-119 and 37-60-120, C.R.S. (1998), the STATE is authorized to loan money for water projects for the benefit of the people of the State of Colorado provided that the borrower assures repayment of that money.
- D. The Town of Georgetown is a territorial charter town pursuant to COLO. CONST. art. XIV, § 13, located in Clear Creek County in the State of Colorado.
- E. The BORROWER is an enterprise within the meaning of § 37-45.1-101 et seq., C.R.S. (1998) and Article X, Section 20 of the Colorado Constitution, and was established by Ordinance No. 492 (Series of 1998) of the Board of Selectmen of the TOWN dated December 8, 1998, which is incorporated herein by reference.
- F. Pursuant to §§ 37-45.1-101 et seq. C.R.S. (1998), the BORROWER is authorized to contract to borrow money provided that a resolution has been duly adopted by the governing body of the BORROWER authorizing repayment of the loan to the STATE according to the terms of the contract.
- G. The TOWN applied to the STATE for a loan to be used for the purchase of one and one-half shares in the Farmers' High Line Canal and Reservoir Company ("FHL Shares"), hereinafter referred to as the PROJECT, for use in an augmentation plan and exchange that will replace out-of-priority depletions to Clear Creek caused by the Town's municipal water use. After purchasing the FHL Shares, the Town will apply to water court for such changes of use and plan for augmentation as deemed appropriate in order to utilize the FHL Shares.
- H. The STATE has reviewed a feasibility report compiled by McLaughlin Water Engineers, Ltd., which is incorporated herein by this reference, and, based upon the feasibility report, the STATE

determined the PROJECT to be technically and financially feasible.

- I. At its January 24-25, 1996 meeting, the CWCB approved a loan to the TOWN and the BORROWER in the amount of Two Hundred Six Thousand Two Hundred Fifty Dollars (\$206,250), which amount shall not exceed 75% of actual total PROJECT costs, at an interest rate of 5.25% per annum for a term of thirty (30) years, to finance PROJECT costs.
- J. Pursuant to 1996 Colo. Sess. Laws, Ch. 195, Section 1(1)(f), the Colorado General Assembly authorized CWCB to loan to the TOWN and the BORROWER Two Hundred Six Thousand Two Hundred Fifty Dollars (\$206,250) for a term of thirty (30) years for financing PROJECT costs.
- K. The TOWN has entered into an Agreement dated November 5, 1998, as modified by written amendments dated November 23, 1998 and November 25, 1998, which are incorporated herein by reference, for the purchase of the FHL Shares.
- L. The STATE understands that the repayment of the funds loaned, including interest thereon, will come from revenues pledged for the repayment thereof from water system revenues and that this obligation does not constitute a debt of the TOWN within the meaning of any constitutional or statutory limitations.
- M. The STATE now desires, by this contract, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions, subject to the availability of funding for that purpose.

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

A. The TOWN and the BORROWER agree as follows:

1. **Time for PROJECT completion.** 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 its purchase of the FHL Shares within one (1) year of the date of this contract. The time for completion of the PROJECT may be extended subject to the approval of the STATE. The BORROWER must provide, in writing, documented justification for any request for an extension within sixty (60) days prior to the end of the period for completion.
2. **BORROWER's liability insurance.** To the extent permitted by law, 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 property identified in the Collateral Provisions of this contract. Upon execution of this contract and continuing until complete repayment of the loan is made to the STATE, the BORROWER shall maintain commercial general liability insurance with a company that is satisfactory to the STATE 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.

The Borrower shall provide evidence of current insurance coverage as renewals occur. No loan funds shall be advanced by the STATE without evidence of said current coverage. Throughout the life of this contract, the STATE reserves the right to increase the above amount of insurance so that said amounts at a minimum correspond to the amounts established by the Colorado Governmental Immunity Act, now and as hereafter amended.

If the TOWN and/or the BORROWER is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq., as amended ("Act"), the TOWN and/or the BORROWER shall at all times maintain such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the Act. The TOWN and/or the BORROWER shall provide proof of such insurance prior to the advance of any loan funds.

3. **TOWN's and BORROWER's authority to contract.** The TOWN and the BORROWER warrant that both the Board of Selectmen of the TOWN and the governing body of the BORROWER have complied with all statutory and other requirements and duly passed resolutions, which shall be irrevocable for the term of this loan contract, authorizing:
- a. The TOWN and the BORROWER to enter into and comply with the terms of this contract with the STATE;
 - b. The TOWN to establish and collect water user charges, rates and fees in amounts sufficient to repay the loan made under this contract;
 - c. The BORROWER to make annual loan payments in accordance with the promissory note;
 - d. The BORROWER to pledge revenues from water user charges, rates and fees ("water system revenues") to repay this loan and to execute a Security Agreement to convey a security interest to the STATE in the pledged water system revenues;
 - e. The TOWN and the Borrower to set aside sufficient water system revenues each year to pay the annual installment in a special account, separate and apart from other revenues of the TOWN and the BORROWER, in accordance with the Pledge of Revenues provisions of this contract;
 - f. The BORROWER to establish a reserve debt service fund by making an annual deposit equivalent to one-tenth of an annual payment every year for 10 years, and to replenish that fund anytime it is depleted;
 - g. The BORROWER to execute a deed of trust, security agreement and stock assignment to convey a security interest to the STATE in the FHL Shares as security for the loan, as described in the Collateral Provisions of this contract;
 - h. The BORROWER to execute a security agreement to convey a security interest to the STATE in the water system revenues pledged herein; and
4. Said resolutions are attached hereto as **Appendix 1** and incorporated herein. The actions of the TOWN and the BORROWER adopting said resolutions and executing the necessary documents to convey the security interests required by this contract are conditions precedent to performance by the STATE under this contract.
5. **Attorney's opinion letter.** Prior to the execution of this contract by the STATE, the TOWN and the BORROWER shall submit to the STATE an opinion from the Town's counsel that the contract will be duly executed by officers of the TOWN and the BORROWER who are duly elected or appointed and are authorized to execute the contract and to bind the TOWN and the BORROWER; that the ordinances of the TOWN and the BORROWER authorizing the execution and delivery of the contract were duly adopted by the Board of Selectmen of the TOWN and the governing body of the BORROWER; that there are no provisions in the Colorado Constitution or any other state or local law that prevent this contract from binding the TOWN and the BORROWER; and that the contract will be valid and binding against the TOWN and the BORROWER if entered into by the STATE.
6. **Promissory Note Provisions.** The Promissory Note setting forth the terms of repayment and evidencing this debt in the amount of up to \$190,000 at an interest rate of 5.25% per annum for a term of 30 years is attached as **Appendix 2** and incorporated herein.
- a. **Interest During Project Completion.** As the loan funds are disbursed by the STATE to the BORROWER during PROJECT completion, interest shall accrue at the rate of 5.25%. The

amount of the interest accrued during PROJECT completion shall be calculated by the STATE and the BORROWER shall repay that amount to the STATE either within ten (10) days after the date the STATE determines that the PROJECT has been substantially completed, or, at the STATE'S discretion, the amount shall be deducted from the final disbursement of loan funds that the STATE makes to the BORROWER.

- b. **Final loan amount.** In the event that the final loan amount is less than the authorized loan amount, the STATE shall apply the remaining loan funds to prepayment of the loan if the remaining funds equal less than 10% of the authorized loan amount. If the remaining loan funds equal more than 10% of the authorized loan amount, the STATE may apply those funds to prepayment of the loan with the BORROWER'S consent, or the parties may execute a REVISION LETTER as described below to document the final loan amount. When applying any remaining loan funds to prepayment of the loan, the STATE shall reamortize the actual amount disbursed over a reduced term, with the annual payment amount remaining unchanged.

7. Warranties. The TOWN and the BORROWER warrant the following:

- a. By the Borrower's acceptance of the loan money pursuant to the terms of this contract and by their representations herein, the TOWN and the BORROWER shall be estopped from asserting for any reason that the BORROWER is not authorized or obligated to repay the loan money to the STATE as required by this contract.
 - b. Both the BORROWER and the TOWN have full power and authority to enter into this contract. The execution and delivery of this contract and the performance and observation of its terms, conditions and obligations have been duly authorized by all necessary actions of the BORROWER and the TOWN.
 - c. The BORROWER and the TOWN have not employed or retained any company or person, other than a bona fide employee working solely for the BORROWER and/or the TOWN, to solicit or secure this contract. The BORROWER and the TOWN have 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.
 - d. The Town of Georgetown Water and Sanitation Enterprise Fund is an enterprise legally created and maintained in compliance with § 37-45.1-101, et seq., C.R.S., and Article X, Section 20 of the Colorado Constitution, and has authority to enter into this contract with the STATE. The BORROWER and/or the TOWN shall immediately notify the STATE in writing if the circumstances which formulate the basis of this warranty change.
 - e. The BORROWER and the TOWN agree not to terminate or dissolve the BORROWER, nor adversely withdraw or deplete its assets, nor otherwise adversely affect the BORROWER'S ability to perform during the term of this contract. The collateral identified in the Collateral Provisions of this contract is not encumbered by any other liens or in any other manner.
 - f. The specific revenues to be pledged to repay the STATE under this contract shall be water user charges and fees, the establishment of which have been authorized by ordinance of the TOWN. The BORROWER hereby pledges sufficient annual revenues to pay the annual installment amount pursuant to the Promissory Note provisions of this contract, and hereby agree to establish a separate account into which all such moneys shall be deposited.
- 8. Pledge of revenues.** The BORROWER hereby irrevocably pledges to the STATE, for purposes of repayment of this loan, water system revenues levied for that purpose as authorized by resolution or ordinance of the TOWN. Further, the TOWN and the BORROWER agree to:

- a. **Keep pledged revenues separate.** The TOWN and the BORROWER shall set aside and keep the pledged revenues in an account separate from other BORROWER revenues, and warrant that these revenues will not be used for any other purpose .
- b. **Security interest in pledged revenues.** To provide a security interest to the STATE in the pledged revenues so that the STATE shall have priority over all other competing claims for said revenues, the BORROWER has duly executed a Security Agreement, attached hereto as **Appendix 3** and incorporated herein.
- c. **Rate Covenant.** Pursuant to their respective statutory authority, and as authorized by their ordinances, the TOWN and/or the BORROWER shall take all necessary actions consistent therewith during the term of this contract to establish, levy and collect water rates, charges and fees in amounts sufficient to pay this loan as required by this contract and the promissory note, to cover all expenditures for operation and maintenance and emergency repair services, and to maintain adequate debt service reserves.
- d. **Debt Service Reserve Account.** BORROWER shall deposit an amount equal to one-tenth of an annual payment into its debt service reserve account on an annual basis for the first ten years of this loan.
- e. **Additional Debts or Bonds.** The BORROWER shall not issue any indebtedness payable from the pledged revenues and having a lien thereon which is superior to the lien of this loan. The BORROWER may issue parity debt only with the prior written approval of the STATE, provided that:
 - i. The BORROWER is currently and at the time of the issuance of the parity debt in substantial compliance with all of the obligations of this contract, including, but not limited to, being current on the annual payments due under this contract and in the accumulation of all amounts then required to be accumulated in the BORROWER's debt service reserve fund;
 - ii. The BORROWER provides to the STATE a Parity Certificate from an independent certified public accountant certifying that, based on an analysis of the BORROWER's revenues, excluding tap and connection fees, for 12 consecutive months out of the 18 months immediately preceding the date of issuance of such parity debt, the BORROWER's revenues are sufficient to pay the annual operating and maintenance expenses, annual debt service on all outstanding indebtedness having a lien on the pledged revenues, including this loan, the annual debt service on the proposed indebtedness to be issued, and all required deposits to any reserve funds required by this contract or by the lender(s) of any indebtedness having a lien on the pledged revenues. The analysis of revenues shall be based on the BORROWER's current rate structure.

The BORROWER acknowledges and understands that any request for approval of the issuance of parity debt must be reviewed and approved by the CWCB Executive Director prior to the issuance of any parity debt.

9. **Collateral.** Part of the security provided for this loan, shall be an undivided one hundred percent (100%) interest in the following, hereinafter referred to as COLLATERAL: One and one-half shares of capital stock in the Farmers' High Line Canal and Reservoir Company. Contemporaneously with closing on the purchase of said shares, the BORROWER shall execute a Deed of Trust, Security Agreement and Stock Assignment, in the forms attached hereto as **Appendix 4** and incorporated herein, to convey a security interest in the shares to the STATE. To protect the STATE'S, the TOWN'S and the BORROWER'S interests in the COLLATERAL, the BORROWER shall

meet the following conditions:

- a. The BORROWER shall request the Farmers' High Line Canal and Reservoir Company to identify the CWCB on the stock certificate(s) as a lienholder, and shall give physical custody of the stock certificates to the CWCB, which shall deposit the certificates at the State Treasurer's Office for safekeeping.
- b. The BORROWER shall retain both the responsibility for paying assessments on and the privilege of voting said shares.
- c. The BORROWER shall record the Deed of Trust contemporaneously with the BORROWER's deeds as it acquires the shares, and shall execute and deliver to the STATE the Security Agreement and Stock Assignment upon closing on the purchase of the shares.

10. Application for change of water rights. Within a reasonable time following the closing on its purchase of the FHL Shares, the TOWN and/or BORROWER shall apply to the water court for a change in the use of the FHL Shares and an augmentation plan and exchange, as deemed appropriate by the Town's water counsel, and shall diligently prosecute said application.

11. Collateral during repayment. Except as otherwise provided herein, the TOWN and the BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of any collateral for this loan, including the revenues pledged to repay the loan herein, so long as any of the principal and any accrued interest or late charges, if any, as required by the promissory note remain unpaid, without the prior written concurrence of the STATE. In the event of any such sale, transfer or encumbrance without the STATE'S written concurrence, the STATE may at any time thereafter declare all outstanding principal and interest on this loan immediately due and payable.

12. Remedies for default. Upon default in the payments herein set forth to be made by the BORROWER, or default in the performance by the TOWN and/or the BORROWER of any covenant or agreement contained herein, the STATE, at its option, may:

- a. declare the entire principal amount and accrued interest then outstanding immediately due and payable;
- b. exercise its rights under the Promissory Note, Deed of Trust, Security Agreement, and/or Stock Assignment; and/or
- c. take any other appropriate 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 of previous defaults by the TOWN and/or 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 executed. The STATE'S exercise of any or all of the remedies described herein shall not relieve the TOWN and the BORROWER of any of their duties and obligations under this contract.

13. In event of a conflict. In the event of conflict between the terms and conditions as set forth in the any of the appendices, the provisions of this contract shall control.

14. Periodic inspections. The TOWN and the BORROWER shall permit the STATE to make periodic inspections of their operations and accounts by a designated representative of the STATE. Any

such inspections by the STATE are solely for the purpose of verifying compliance with the terms and conditions of the contract.

15. Adhere to applicable laws. The TOWN and 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.

16. No Discrimination Of Services. The Borrower's services shall be made available within its capacity and in accordance with all pertinent statutes, rules and regulations, and operational guidelines to all persons in the BORROWER'S service area without discrimination as to race, color, religion, or national origin at reasonable charges (including assessments or fees), whether for one or more classes of service, in accordance with a schedule of such charges formally adopted by the Town, as may be modified from time to time.

B. The STATE agrees as follows:

1. Agreement to loan money. The STATE agrees to loan to the BORROWER the principal amount of up to \$190,000 at an interest rate of 5.25% per annum for a term of 30 years, as specified in the attached Promissory Note.

2. Disbursements. The BORROWER should request in writing the amount of loan funds needed for the purchase of the FHL Shares and for the reimbursement of engineering and/or legal costs at least two weeks before the funds are needed. The STATE shall disburse the requested amount to the BORROWER within ten days of its receipt of the written request.

3. Release after loan is repaid. Upon completion of repayment to the STATE of the entire principal and any accrued interest or late charges, if any, as specified in the attached Promissory Note, the STATE agrees to execute releases of the Security Agreement and Deed of Trust to terminate all of the STATE'S rights in and to the revenues pledged to repay this loan and to the COLLATERAL and to execute the necessary documents to delete CWCB's name from the stock certificates and return possession of the certificates to the Town.

C. The STATE, the TOWN, and the BORROWER mutually agree as follows:

1. Designated agent of the STATE. The CWCB, which includes 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 TOWN and/or the BORROWER except with the prior written approval of the STATE.

3. Contract relationship. 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 TOWN/BORROWER shall be, or shall be deemed to be, an employee, agent, or servant of the STATE. The TOWN and the BORROWER will be solely and entirely responsible for their acts and the acts of their agents, employees, servants, engineering firms, construction firms, and subcontractors during the performance of this contract.

4. 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.

5. **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.
6. **Eligible expenses.** PROJECT costs eligible for financing by the STATE shall be limited to 75% of the cost of:
 - a. the purchase price of the FHL Shares,
 - b. legal services for reviewing engineering services contracts and this contract, and
 - c. engineering associated with the feasibility report prepared as a requirement for this loan and associated with evaluating the suitability of the FHL Shares for purchase by the Borrower.
7. **STATE may release contract at its option.** In its sole discretion, the STATE may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the TOWN'S and/or the BORROWER'S obligations under this contract, with 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
 - b. therein, and
 - c. consistent with both the statutory purposes of this contract and the limitations of the statutory authority under which it is made.
8. **Captions.** 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 herein.
9. **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:

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

For the Town and the BORROWER:

Town of Georgetown and Town of Georgetown
Water and Sewer Activity Enterprise
Attn: Town Administrator
P.O. Box 426
Georgetown, CO 80444

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

Controller's Approval

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

FUND AVAILABILITY

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

BOND REQUIREMENT

3. If this contract involves the payment of more than fifty thousand dollars for the construction, erection, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, excavation or other public work for this STATE, the CONTRACTOR shall, before entering upon the performance of any such

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

INDEMNIFICATION

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

DISCRIMINATION AND AFFIRMATIVE ACTION

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

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

- a. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, martial status, religion, ancestry, mental or physical handicap, or age. The CONTRACTOR will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to the above mentioned characteristics. Such action shall include, but not be limited to the following: employment upgrading, demotion, or transfer, recruitment or recruitment advertisings; lay-offs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth provisions of this non-discrimination clause.
- b. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, national origin, sex, martial status, religion, ancestry, mental or physical handicap, or age.
- c. The CONTRACTOR will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice to be provided by the contracting officer, advising the labor union or workers' representative of the CONTRACTOR's commitment under the Executive Order, Equal Opportunity and Affirmative Action, dated April 16, 1975, and of the rules, regulations, and relevant Orders of the Governor.
- d. The CONTRACTOR and labor unions will furnish all information and reports required by Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, and by the rules, regulations and Orders of the Governor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the office of the Governor or his designee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

- e. A labor organization will not exclude any individual otherwise qualified from full membership rights in such labor organization, or expel any such individual from membership in such labor organization or discriminate against any of its members in the full enjoyment of work opportunity because of race, creed, color, sex, national origin, or ancestry.
- f. A labor organization, or the employees or members thereof will not aid, abet, incite, compel or coerce the doing of any act defined in this contract to be discriminatory or obstruct or prevent any person from complying with the provisions of this contract or any order issued thereunder; or attempt, either directly or indirectly, to commit any act defined in this contract to be discriminatory.
- g. In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the CONTRACTOR may be declared ineligible for further STATE contracts in accordance with procedures, authorized in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975 and the rules, regulations, or orders promulgated in accordance therewith, and such other sanctions as may be imposed and remedies as may be invoked as provided in Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, or by rules, regulations, or orders promulgated in accordance therewith, or as otherwise provided by law.
- h. The CONTRACTOR will include the provisions of paragraphs (a) through (h) in every sub-contract and subcontractor purchase order unless exempted by rules, regulations, or orders issued pursuant to Executive Order, Equal Opportunity and Affirmative Action of April 16, 1975, so that such provisions will be binding upon each subcontractor or vendor. The CONTRACTOR will take such action with respect to any sub-contracting or purchase order as the contracting agency may direct, as a means of enforcing such provisions, including sanctions for non-compliance; provided, however, that in the event the CONTRACTOR becomes involved in, or is threatened with, litigation, with the subcontractor or vendor as a result of such direction by the contracting agency, the CONTRACTOR may request the State of Colorado to enter into such litigation to protect the interest of the State of Colorado.

COLORADO LABOR PREFERENCE

- 6. a. Provisions of C.R.S. 8-17-101 & 102 for preference of Colorado labor are applicable to this contract if public works within the State are undertaken hereunder and are financed in whole or in part by State funds.
- b. When construction contract for a public project is to be awarded to a bidder, a resident bidder shall be allowed a preference against a non-resident bidder from a state or foreign country equal to the preference given or required by the state or foreign country in which the non-resident bidder is a resident. If it is determined by the officer responsible for awarding the bid that compliance with this subsection .06 may cause denial of federal funds which would otherwise be available or would otherwise be inconsistent with requirements of federal law, this subsection shall be suspended, but only to the extent necessary to prevent denial of the moneys or to eliminate the inconsistency with federal requirements (C.R.S. 8-19-101 and 102).

GENERAL

- 7. The laws of the State of Colorado and rules and regulations adopted pursuant thereto shall be applied in the interpretation, execution, and enforcement of this contract. Any provision of this contract whether or not incorporated herein by reference which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, 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. Pursuant to CRS 24-30-202.4 (as amended), the state controller may withhold debts owed to state agencies under the vendor offset intercept system for: (a) unpaid child support debt or child support arrearages; (b) unpaid balance of tax, accrued interest, or other charges specified in Article 22, Title 39, CRS; (c) unpaid loans due to the student loan division of the department of higher education; (d) owed amounts required to be paid to the unemployment compensation fund; and (e) other unpaid debts owing to the state or any agency thereof, the amount of which is found to be owing as a result of final agency determination or reduced to judgment as certified by the controller.
10. The signatories aver that they are familiar with C.R.S. 18-8-301, et seq., (Bribery and Corrupt Influences) and 18-8-401, et seq., (Abuse of Public Office), and that no violation of such provisions is present.
11. The signatories aver that to their knowledge, no state employee has any personal or beneficial interest whatsoever in the service or property described herein.

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

CONTRACTOR: Town of Georgetown Water and Sewer Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

Federal ID Number: 84-6000671

Attest (Seal)

By Megan Wagers
Megan Wagers, Secretary

 Town of Georgetown

By Janet Hill Claus
Janet Hill Claus, Police Judge

Federal ID Number: 84-6000671

Attest (Seal)

By Megan Wagers
Megan Wagers, Town Clerk

State of Colorado
Roy Romer, Governor

By Peter H. Evans
For the Executive Director
Department of Natural Resources
COLORADO WATER CONSERVATION BOARD
Peter H. Evans, Acting Director

APPROVALS
Gale A. Norton
ATTORNEY GENERAL
By C. Richard Pennington
Assistant Attorney General
State Services Section

STATE CONTROLLER
APPROVALS:
By ARTHUR L. BARNHART
BY: Chris A. Stapleton

SECRET
The following information was obtained from a confidential source who has provided reliable information in the past.

On 10/10/64, the source advised that the following information was obtained from a confidential source who has provided reliable information in the past.

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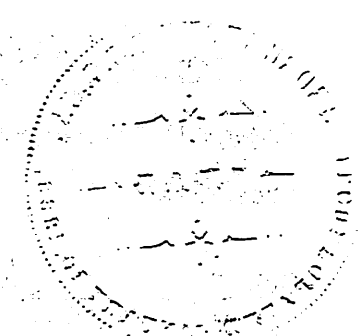
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RESOLUTION NO. 98-25
(Series of 1998)

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF GEORGETOWN, COLORADO, ACTING AS THE GOVERNING BOARD FOR THE GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE, AUTHORIZING AND APPROVING A LOAN BETWEEN THE ENTERPRISE AND THE COLORADO WATER CONSERVATION BOARD FOR THE PURCHASE OF WATER RIGHTS; AND PLEDGING AND DIRECTING THE SEGREGATION OF SUFFICIENT WATER SYSTEM REVENUES EACH YEAR TO REPAY THE LOAN AMOUNT AND ESTABLISH A RESERVE DEBT SERVICE FUND.

WHEREAS, the Town of Georgetown has established the Georgetown Water and Sewer Activity Enterprise (the "Enterprise") as authorized and referenced in Section 37-45.1-101, *et seq.*, of the Colorado Revised Statutes (1997), and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Colorado Water Conservation Board (hereinafter the "CWCB") has agreed to extend a loan of \$190,000.00 to the Enterprise to help finance the purchase of water rights to augment the municipal water supply system; and

WHEREAS, the Enterprise is authorized and empowered by local ordinance and Section 37-45.1-104, C.R.S. (1997) to incur indebtedness in the performance of its operations; and

WHEREAS, the loan to the Enterprise will not constitute a debt of the Town within the meaning of any constitutional or statutory provision or limitation; and

WHEREAS, the loan is to be repaid exclusively from revenues generated and collected from water system service fees, rates and charges; and

WHEREAS, the Town, through the operation of the Enterprise, is to maintain separate and distinct records and funds respective to Enterprise expenditures and revenues; and

WHEREAS, the Enterprise desires to approve the CWCB loan and undertake those commitments and actions necessary to effectuate and implement same.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SELECTMEN FOR GEORGETOWN, COLORADO, ACTING AS THE GOVERNING BOARD FOR THE GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE, as follows:

Section One

The Loan Contract (Loan Contract No. C153738) between the Colorado Water Conservation Board (the "CWCB"), the Town of Georgetown (the "Town") and the Town of Georgetown Water

Appendix 1(a) – Loan Contract C153738

and Sewer Activity Enterprise (the "Enterprise"), a copy of which is attached and incorporated herein as Exhibit A, and which provides for a loan by the CWCB to the Enterprise of one hundred and ninety thousand dollars (\$190,000.00) for the purchase of one and one-half shares of stock in the Farmers' High Line Canal and Reservoir Company (the "Loan"), is hereby authorized and approved.

Section Two

Pursuant to the terms of the Loan Contract, and consistent with the authority set forth in Section 37-45.1-104, C.R.S. (1997) and Section 13.40.040 of the Georgetown Municipal Code, the Enterprise does hereby irrevocably pledge the revenues from water user charges, rates and fees in such amount or amounts as sufficient to timely and fully pay each and every annual loan installment, and to annually deposit into a reserve debt service fund an amount not less than one-tenth (1/10) of an annual installment payment for the first ten (10) years of the Loan.

Section Three

The Enterprise shall take all necessary actions within its authority and power during the term of the Loan Contract to establish, levy and collect water rates, charges and fees in amounts sufficient to timely and fully pay the Loan, and to cover all expenditures for the operation, maintenance and repair of the water system.

Section Four

The Enterprise shall, in conjunction with the Town, establish and maintain distinct and separate accounts into which shall be deposited pledged revenues for the payment of the Loan and for a debt service reserve.

Section Five

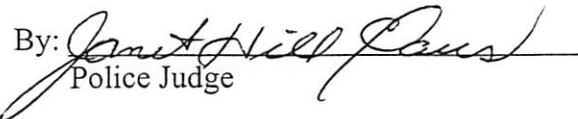
The Enterprise shall pledge its interest in the one and one-half (1½) shares of stock in the Farmers' High Line Canal and Reservoir Company to the CWCB as collateral securing the Loan Contract and Loan.

Section Six

The Police Judge and/or Town Administrator are hereby authorized to execute such documents as appropriate and necessary to implement the closing on the Loan Contract, inclusive of a deed of trust, security agreement and stock assignment so as to convey a security interest to the CWCB in the pledged revenues and stock as identified hereinabove, and to effectuate the terms of this resolution.

RESOLVED, APPROVED and ADOPTED this 8TH day of DECEMBER, 1998.

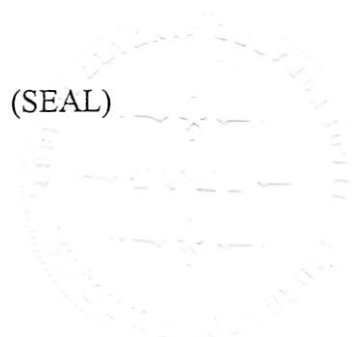
TOWN OF GEORGETOWN
WATER AND SEWER
ACTIVITY ENTERPRISE

By: 
Police Judge

ATTEST:

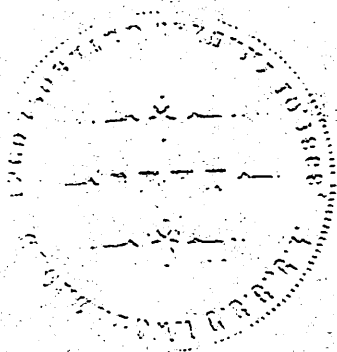

Town Clerk

(SEAL)



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RESOLUTION NO. 98-26
(Series of 1998)

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF GEORGETOWN, COLORADO AUTHORIZING AND ENDORSING A LOAN BETWEEN THE TOWN OF GEORGETOWN WATER AND SEWER ACTIVITY ENTERPRISE AND THE COLORADO WATER CONSERVATION BOARD FOR THE PURCHASE OF WATER RIGHTS; AND DIRECTING THE SEGREGATION OF SUFFICIENT WATER SYSTEM REVENUES EACH YEAR TO REPAY THE LOAN AMOUNT AND ESTABLISH A RESERVE DEBT SERVICE FUND.

WHEREAS, the Town has established the Town of Georgetown Water and Sewer Activity Enterprise (the "Enterprise") as authorized and referenced in Section 37-45.1-101, *et seq.*, of the Colorado Revised Statutes (1997), and Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Colorado Water Conservation Board (hereinafter the "CWCB") has agreed to extend a loan of \$190,000.00 to the Enterprise to help finance the purchase of water rights to augment the municipal water supply system; and

WHEREAS, the Enterprise is authorized and empowered by local ordinance and Section 37-45.1-104, C.R.S. (1997) to incur indebtedness in the performance of its operations; and

WHEREAS, the loan as extended to the Enterprise will not constitute a debt of the Town within the meaning of any constitutional or statutory provision or limitation; and

WHEREAS, the loan is to be repaid exclusively from revenues generated and collected from water system service fees, rates and charges; and

WHEREAS, water system service fees, rates and charges are established by ordinance; and

WHEREAS, the Town, through the operation of the Enterprise, is to maintain separate and distinct records and funds respective to Enterprise expenditures and revenues; and

WHEREAS, the Board of Selectmen desires to endorse the CWCB loan and undertake those commitments and actions necessary to effectuate and implement same.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SELECTMEN FOR GEORGETOWN, COLORADO, as follows.

Section One

The Loan Contract (Loan Contract No. C153738) between the Colorado Water Conservation Board (the "CWCB"), the Town of Georgetown (the "Town") and the Town of Georgetown Water and Sewer Activity Enterprise (the "Enterprise"), a copy of which is attached and incorporated

herein as Exhibit A, and which provides for a loan by the CWCB to the Enterprise in an amount of one hundred ninety thousand dollars (\$190,000.00) for the purchase of one and one-half shares of stock in the Farmers' High Line Canal and Reservoir Company (the "Loan"), is hereby endorsed, authorized and approved.

Section Two

Consistent with the terms of the Loan Contract, the Town shall set, maintain and collect on behalf of the Enterprise water user rates, fees and charges in amounts sufficient to allow the Enterprise to repay the Loan in a full and timely fashion.

Section Three

Consistent with town ordinance and the Loan Contract, the Town shall establish and maintain on behalf of the Enterprise a separate and distinct account into which revenues from water user rates, fees and charges shall be deposited in sufficient amounts to pay the annual loan installments as called for under the Loan; and shall, additionally, establish and maintain a separate and distinct reserve debt service fund into which shall be annually deposited an amount not less than one-tenth (1/10) of the annual loan payment for the first ten (10) years of the Loan.

Section Four

The Town endorses the pledging of revenues by the Enterprise derived from water user rates, fees and charges to repay the CWCB loan, and the execution by the Enterprise of instruments and documents vesting in the CWCB a security interest in the pledged revenues and the Farmers' High Line Canal and Reservoir Company stock to be purchased with the CWCB loan proceeds.

Section Five

Consistent with the terms of the Loan Contract, the Town shall not endeavor to terminate or dissolve the Enterprise, nor adversely withdraw or deplete its assets, nor otherwise adversely affect the ability of the Enterprise to perform the terms of the Loan Contract during the term of the contract.

Section Six

The Police Judge and/or the Town Administrator are hereby authorized to execute such documents as appropriate and necessary to implement the closing on the Loan Contract and effectuate the terms of this resolution.

RESOLVED, APPROVED and ADOPTED this 8 day of DECEMBER 1998.

TOWN OF GEORGETOWN

By: *Janet Hill Claus*
Police Judge

ATTEST:

[Signature]
Town Clerk

(SEAL)

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SECURITY AGREEMENT

DEBTOR: Town of Georgetown Water and Sewer Activity Enterprise
P.O. Box 426
Georgetown, Colorado 80444

FEDERAL ID No: 84-6000671

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

COLLATERAL: CONTRACT RIGHTS (Code: 030)

COUNTY: Clear Creek (Code: 51)

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: Water system revenues pledged to repay the amount loaned to Debtor by Secured Party, as described in the Pledge of Revenues Provisions contained in Loan Contract No. C153738 (CONTRACT).

To secure payment of the indebtedness evidenced by certain Promissory Note which is a part of CONTRACT between the above named parties herewith, payable to the SECURED PARTY as follows: the loan amount of \$190,000 with interest at a rate of 5.25% per annum, payable in 30 annual installments or until all principal, interest, and late charges, if any, are paid in full, in accordance with said Promissory Note.

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.

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

Appendix 3 to Loan Contract No. C153738

- 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. death, 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.

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.

Executed this 8th day of December 1998.

Attest (SEAL)

By


Megan Wagers, Secretary

BORROWER: Town of Georgetown Water and ~~Sanitary~~ ^{Sewer}

ACTIVITY Enterprise ~~Sanitary~~

By


Janet Hill Claus, Police Judge

AMENDED DEED OF TRUST

TO AMEND DEED OF TRUST ORIGINALLY RECORDED IN CLEAR CREEK COUNTY,
STATE OF COLORADO, ON JANUARY 8, 1999 (192964, B576 P735 DT)

This indenture, made this 4th of November 1998, between the Town of Georgetown Water and Sewer Activity Enterprise, whose address is P.O. Box 426, Georgetown, Colorado 80444, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Clear Creek, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE, is hereby amended to correct the date made and to identify the certificate number of the stock granted herein,

Witnesseth, that whereas, GRANTOR has executed a Promissory Note, which is a part of Contract No. C153738 (the Contract) for a loan in the principal sum of \$190,000 to be repaid to the STATE OF COLORADO or 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 5.25% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until the 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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Certificate No. 5784. The shares represent the Grantor's pro rata interest in the water rights shown on Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and County of Denver, (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

APR 20 1999

Colorado Water
Conservation Board



194174 03/25/1999 10:32A B579 P855 AMENDDT

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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.

Town of Georgetown Water and Sewer
Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

ATTEST

By Megan Wagers
Megan Wagers, Secretary

State of Colorado)
County of Clear Creek) ss.

The foregoing instrument was acknowledged before me this 4 day of March 1999, by Janet Hill Claus as Police Judge and Megan Wagers as Secretary of the Town of Georgetown Water and Sewer Activity Enterprise. Witness my hand and official seal.

My commission expires: 041899

[Signature] Notary Public



194174 03/25/1999 10:32A B579 P857 AMENDDT
3 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

RECEIVED

MAR 10 1999

Farmers Highline Canal and Reservoir Company Water Rights

Colorado Water
Conservation Board

CLEAR CREEK PRIORITY NO.	APPROPRIATION DATE	AMOUNT (c.f.s.)
1	February 25, 1860	0.276
3	May 16, 1860	1.00
5	May 31, 1860	3.281
9	July 1, 1860	39.80
30	May 28, 1863	1.61
32	June 20, 1863	2.75
42	April 23, 1865	2.89
48	November 2, 1865	0.808
54	May 24, 1870	0.333
57	April 1, 1872	154.00
68	April 1, 1886	191.00
69	April 23, 1895	335.86

PAID IN FULL


194174 03/25/1999 10:32A B579 P858 AMENDDT
4 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

Attachment A

Deed of Trust

This indenture, made this 4TH day of NOVEMBER 1999, between the Town of Georgetown Water and Sewer Activity Enterprise, whose address is P.O. Box 426, Georgetown, Colorado 80444, hereinafter referred to as GRANTOR, and the Public Trustee of the County of Clear Creek, State of Colorado, hereinafter referred to as PUBLIC TRUSTEE,

Witnesseth, that whereas, GRANTOR has executed a Promissory Note, which is a part of Contract No. C153738 (the Contract) for a loan in the principal sum of \$190,000 to be repaid to the STATE OF COLORADO or 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 5.25% per annum, payable in 30 annual installments, in accordance with the terms of the Promissory Note, or until the 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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Certificate No. _____. The shares represent the Grantor's pro rata interest in the water rights shown on Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and county of Denver, (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

Appendix 4(a) to Loan Contract No. C153738

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



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2 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

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.

Town of Georgetown Water and Sewer
Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

ATTEST

By Megan Wagers
Megan Wagers, Secretary

192964 01/08/1999 11:17A B576 P737 DT
3 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

State of Colorado)
County of Clear Creek) SS

The foregoing instrument was acknowledged before me this 4 day of Jan, 1999, by Janet Hill Claus as Police Judge and Megan Wagers as Secretary of the Town of Georgetown Water and Sewer Activity Enterprise. Witness my hand and official seal.

My commission expires: 041899 Notary Public

Farmers Highline Canal and Reservoir Company Water Rights

CLEAR CREEK PRIORITY NO.	APPROPRIATION DATE	AMOUNT (c.f.s.)
1	February 25, 1860	0.276
3	May 16, 1860	1.00
5	May 31, 1860	3.281
9	July 1, 1860	39.80
30	May 28, 1863	1.61
32	June 20, 1863	2.75
42	April 23, 1865	2.89
48	November 2, 1865	0.808
54	May 24, 1870	0.333
57	April 1, 1872	154.00
68	April 1, 1886	191.00
69	April 23, 1895	335.86

PAID IN FULL



192964 01/08/1999 11:17A B576 P738 DT
4 of 4 R 21.00 D 0.00 N 0.00 Clr Crk Cnty, Co

Attachment A

SECURITY AGREEMENT

Debtor: Town of Georgetown Water and Sewer Activity Enterprise
P.O. Box 426
Georgetown, Colorado 80444

FEDERAL ID NUMBER: 84-6000671

COUNTY: Clear Creek (CODE: 51)

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

COLLATERAL: All Water Rights and Ditch Shares (Code: 560)

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: One and one-half shares of stock of the Farmers High Line Canal and Reservoir Company, evidenced by Attachment A, which is incorporated herein, (except priorities 1 and 48 which are wholly owned by the City of Westminster), that were decreed for irrigation purposes by decrees dated October 4, 1884 and October 9, 1895, entered by the District Court, Arapahoe County, and by decree dated May 13, 1936, entered by the District Court, City and County of Denver.

To secure payment of the indebtedness evidenced by the Promissory Note which is a part of the Loan Contract No. C153738 between the above named parties herewith, payable to the SECURED PARTY, the loan amount of \$190,000 with interest at a rate of 5.25% per annum, payable in 30 annual installments or until all principal, interest, and late charges, if any, are paid in full, in accordance with said Promissory Note.

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.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following

Appendix 4(b) to Loan Contract No. C153738

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. In addition, upon default, SECURED PARTY shall have the right to transfer the COLLATERAL to and register the COLLATERAL in the name of the SECURED PARTY, and, whether or not so transferred and registered, to receive the income, dividends and other distributions thereon and apply them to repayment of the loan. Expenses of retaking, holding, preparing for sale, selling or the like shall include SECURED PARTY'S reasonable attorney's fees and legal expenses.

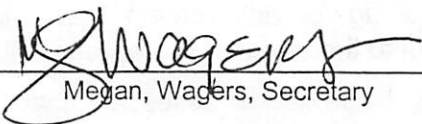
No default shall be waived by SECURED PARTY except in writing, and no waiver by SECURED PARTY of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this security agreement shall not waive or impair any other security said SECURED PARTY 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. In the event court action is deemed necessary to enforce the terms and conditions set forth herein, said action shall only be brought in the District Court for the City and County of Denver, State of Colorado, and DEBTOR consents to venue and personal jurisdiction in said Court.

All rights of SECURED PARTY hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of DEBTOR shall bind its 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 4th day of JANUARY, 1999.

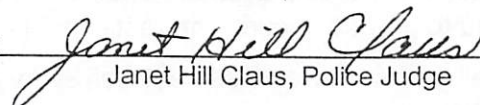
Attest: (S E A L)

By


Megan, Wagers, Secretary

BORROWER: Town of Georgetown Water and
Sewer Activity Enterprise

By


Janet Hill Claus, Police Judge

STOCK ASSIGNMENT

FOR VALUE RECEIVED, the Town of Georgetown Water and Sewer Activity Enterprise hereby sells, assigns and transfers one and one-half shares of the capital stock of the Farmers High Line Canal and Reservoir Company unto the Colorado Water Conservation Board, which stock is standing in the name of the undersigned on the books and records of the Company represented by the Certificate No. 5784 and does hereby irrevocably constitute and appoint _____ as attorney-in-fact to transfer the said stock on the books of the Company with full power of substitution in the premises. This Stock Assignment shall be effective solely in the event of a default by the Town of Georgetown and/or the Town of Georgetown Water and Sewer Activity Enterprise under Loan Contract No. C153738 with the Colorado Water Conservation Board.

DATED 4 JANUARY 99

(SEAL)

Town of Georgetown Water and Sewer
Activity Enterprise

By Janet Hill Claus
Janet Hill Claus, Police Judge

ATTEST:

By Megan Wagers
Megan Wagers, Secretary

PAID IN FULL