

April 9, 2025

Department of Natural Resources
Colorado Water Conservation Board (“CWCB”)
1313 Sherman St, Room 718
Denver, CO 80203

Re: Loan made by CWCB, pursuant to C.R.S. §§ 37-60-119(2), 37-60-120, and 37-60-121 (“**Lender**”) to Fort Bent Ditch Company, a Colorado nonprofit corporation (“**Borrower**”) in the original principal amount of \$861,000.00 (the “**Loan**”)

Dear Mesdames and Mssrs.:

We have acted as counsel for Borrower, a Colorado nonprofit corporation (“**Guarantor**”) in connection with providing this opinion letter. Capitalized terms used herein and not otherwise defined shall have the meanings given in the Loan Agreement (defined below). Lender is sometimes referred to in this opinion letter as “**you**”.

For purposes of rendering our opinions in this letter, we have reviewed originals or copies, certified or otherwise identified to our satisfaction as being true copies, of the following documents related to Borrower’s authority to execute a Loan Agreement with Lender, and have made no other investigation or inquiry:

1. The Fort Bench Ditch Company Directors Meeting Minutes dated January 8, 2025 (the “**January Director’s Minutes**”).

2. The Annual Stockholders Meeting Minutes dated January 10, 2024 [sic] discussing the meeting taking place on January 8, 2025 (the “**Stockholders Meeting Minutes**”).

3. The Fort Bench Ditch Company Directors Meeting Minutes dated February 5, 2025 (the “**February Director’s Minutes**”).

4. The Fort Bench Ditch Company Directors Meeting Minutes dated March 5, 2025 (the “**March Director’s Minutes**”).

5. The Certificate of Incorporation of the Fort Bent Ditch Company filed with the Colorado Secretary of State on October 30, 1911 (the “**Certificate of Incorporation**”).

6. The Articles of Reinstatement filed with the Colorado Secretary of State on February 9, 2009 (the “**Articles of Reinstatement**”).

7. The Bylaws for the Fort Bent Ditch Company, dated in the most current form (the “**Bylaws**”);

8. The State of Colorado Contract Nongovernmental Loan Contract (the “**Loan Agreement**”);
and

9. A Certificate of Good Standing for Borrower from the Colorado Secretary of State dated April 4, 2025 (the “**Borrower Good Standing**”).

Based upon our examination of the foregoing and subject to the assumptions, qualifications, exclusions and other limitations which are identified in this opinion letter (including the schedule attached to this letter), we advise you, and with respect to each legal issue addressed in this opinion letter, it is our opinion that:

a. The Loan Agreement has been duly executed by officers of the Borrower who are duly elected or appointed and are authorized to execute the Loan Agreement and to bind the Borrower;

b. The resolutions of the Borrower authorizing the execution and delivery of the Loan Agreement were duly adopted by the Borrower

c. There are no provisions in the Borrower’s Certificate of Incorporation, Articles of Reinstatement, or Bylaws, or any state or local law that prevent this Loan Agreement from binding the Borrower known to us which is normally applicable to the Borrower or to transactions of the type contemplated by the Loan Agreement; and

d. The Loan Agreement will be valid and binding against the Borrower if fully executed.

In preparing this letter, we have relied without any independent verification upon the assumptions recited in **Schedule A** hereto and upon (i) factual information represented to be true in the Loan Agreements, and (ii) factual information provided to us in a support certificate signed by an authorized representative of the Borrower (the “**Client Certificate**”). Our opinions are legal opinions and we make no representations of fact.

While we have not conducted any independent investigation to determine facts upon which our opinions are based or to obtain information about which this letter advises you, we confirm that we do not have any actual knowledge which has caused us to conclude that our reliance and assumptions cited in the preceding paragraph, including the Schedules referred to therein, are unwarranted or that any information supplied in this letter is wrong. The terms “**knowledge**”, “**actual knowledge**” and “**aware**” whenever used in this letter with respect to our firm mean the current conscious awareness without investigation at the time this letter is delivered on the date it bears by the following Fennemore Craig, P.C. lawyers who are the only lawyers at Fennemore Craig, P.C. who have had significant involvement with the negotiation or preparation of this opinion letter.

Our advice on every legal issue addressed in this letter is based exclusively on the internal laws of the State of Colorado or the federal law of the United States that we, in the exercise of customary professional diligence, would reasonably recognize as being directly applicable to any or all of the Borrower, Guarantor, or the transaction referred to in this opinion letter. To the extent that issues addressed by this letter may be governed in whole or in part by other laws, we express no opinion as to whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually govern. Our opinions are subject to all applicable qualifications and assumptions set forth in **Schedule A** and do not cover or otherwise address any law or legal issue outside of what has been requested by the Lender under Section 10 of the Loan Agreement.

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Our advice on each legal issue addressed in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the jurisdiction upon whose law our opinion on that issue is based. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case, and this letter is not intended to guarantee the outcome of any legal dispute which may arise in the future.

This opinion letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which we do not have actual knowledge at that time, by reason of any change subsequent to that time in any law covered by any of our opinions, or for any other reason. The attached schedules are an integral part of this letter, and any term defined in this letter or any schedules has that defined meaning wherever it is used in this letter or in any schedule to this letter.

Without our written consent: (i) no person other than you may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document, except as otherwise required by law; (iii) except as otherwise required by law, this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance.

Sincerely,
FENNEMORE CRAIG, P.C.



Kole W. Kelley

SCHEDULE A

Assumptions

For purposes of our letter, we have relied, without investigation, upon each of the following assumptions and qualifications:

1. Our opinions are based upon existing laws, ordinances and regulations in effect as of the date hereof and as they presently apply, and the constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue;

2. Our opinions are strictly limited to those requested in Section 10 of the Loan Agreement. We express no opinion on any legal issue or enforceability outside of what is included in this letter.

3. We have assumed: (i) the competency of all parties signing the Loan Agreement and other documents on behalf of all parties; (ii) the genuineness of all signatures on behalf of all parties; (iii) the authenticity of all documents submitted to us as originals on behalf of all parties; (iv) the conformity to original documents of all documents submitted to us as certified or photostatic copies; (v) the accuracy, authenticity, and completeness of all records made available to us on behalf of all parties, by government authorities and contained in public records; (vi) that all necessary action has been taken, or will be refrained from taken where so forbidden, by all parties (other than Borrower and Guarantor) to the Loan Agreement so as to cause each of them to be bound by the Loan Documents under the terms of their respective governing documents and the laws of their respective jurisdictions of formation (including compliance with any requirement of good faith, fair dealing and conscionability); (vii) and that no party will in the future take any discretionary action (including a decision not to act) permitted under the Loan Documents, as the case may be, that would result in a violation of law or constitute a breach or default under any other agreements or court orders to which such person may be subject.

4. We have assumed that: (i) the Loan Agreement executed by Lender have been duly authorized, executed and delivered by Lender are within Lender's power, are Lender's legal, valid and binding obligations, and that Lender is in compliance with all applicable laws, rules and regulations governing the conduct of Lender's business with respect to this transaction, that Lender has full power and authority to perform all of its obligations under the Loan Agreement and Lender has acted in good faith and without notice of any defense against the enforcement of any rights created by the transactions effected under the Loan Agreement; (ii) the Loan Documents will be enforced in circumstances and in a manner which are commercially reasonable; and (iii) all terms, provisions and conditions relating to the transaction referred to in this opinion letter are correctly and completely reflected in the Loan Agreement and there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course or prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Loan Agreement;

5. Our opinions are qualified to the extent that: (i) the characterization of, and the enforceability of any rights or remedies in, any agreement or instrument may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, equitable subordination, or similar laws and doctrines that affect the rights of creditors in general and general equitable principles; (ii) the availability of specific performance, injunctive relief or any other equitable remedy is subject to the discretion of a court of competent jurisdiction; (iii) the provisions of any document, agreement or instrument that (a) requires indemnification or contribution for liabilities under the provisions of any laws or in respect to the negligent or wrongful conduct of the indemnified party or its representatives or agents, (b) purport to confer, waive or consent to the jurisdiction of any court or the manner of service of process, or (c) waive any right granted by constitutional, common or statutory law, may be unenforceable as against public policy. Our opinions are also qualified to the extent that any provisions of the Loan Agreement granting so-called “self-help” or extrajudicial remedies (other than foreclosure of a deed of trust by the applicable public trustee) may not be enforceable, provided, however, such unenforceable “self-help” or extrajudicial remedies provisions do not prevent the practical realization of the principal benefits of any secured lien intended by the Loan Agreement. We further advise that the award and amount of attorneys’ fees are subject to the discretion of the court before which any proceeding involving the Loan Agreement may be brought;

6. We have assumed that: (i) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence by any party in entering into the Loan Agreement; (ii) the conduct of the parties to the Loan Agreement has complied with any requirement of good faith, fair dealing and conscionability; (iii) all parties to the Loan Agreement will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Loan Agreement; and (iv) Lender is validly existing and in good standing in its jurisdiction of organization;

7. We have assumed that the consummation of the transaction contemplated in the Loan Agreement: (i) does not violate or contravene any agreement or instrument executed by or binding upon Lender; and (ii) is not prohibited or restricted by any regulation, rule, directive or order of any agency having jurisdiction over Lender;