



COLORADO

Colorado Water Conservation Board

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

January 28, 2026

Delta County Public Trustee
501 Palmer Street, Suite 202
Delta, CO 81416

Subject: Releases of Deeds of Trust - SOA No. 758662
Contract No. C153683

This refers to the attached Requests for Full Release of Deeds of Trust relative to an agreement between the Military Park Reservoir Company and the Colorado Water Conservation Board (CWCB). Also attached for your handling are the original Deeds of Trust along with the Promissory note stamped "PAID IN FULL", fee's are enclosed along with these documents. The original documents along with the contract should be returned to CWCB in the enclosed self-addressed stamped envelope. Should you have any questions, please contact me.

Thank you for your assistance in this matter.

Sincerely,

Jessica Halvorsen
Loan & Grant Program Assistant
Finance Section
jessica.halvorsen@state.co.us

Enclosures



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**

January 21, 2026

Military Park Reservoir Company
PO Box 339
Cedaredge, CO 81413

Check here if current address is unknown

Colorado Water Conservation Board

August 17, 1994

August 9, 1996
497989 SOA No. 758662

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

Delta

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)**

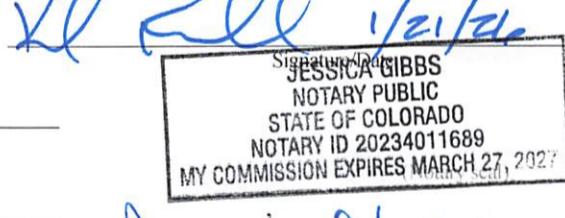
Full Release

State of Colorado, Colorado Water Conservation Board, 1313 Sherman Street, Room 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, Room 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 1-21-20 (date) by*

Kirk Russell

Finance Section Chief

3-21-21

Date Commission Expires

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

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's Seal)

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.)

DEED OF TRUST

THIS INDENTURE, Made this 17th day of August 17, 1994
between **Military Park Reservoir Company**

whose address is **2380 N. Road, Eckert, CO 81418**

hereinafter referred to as grantor, and the Public Trustee of the *County of
Delta, State of Colorado, hereinafter referred to as Public Trustee,
WITNESSETH, THAT, WHEREAS, **Grantor**

has executed a promissory note or notes, hereinafter referred to in the singular, bearing even date herewith, for the principal sum of **Thirty Thousand** ----- Dollars, payable to the order of **State of Colorado for the use and benefit of the Colorado Water Conservation Board**
whose address is **1313 Sherman St., Room 721, Denver, CO 80203**

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

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

NOW, THEREFORE, The grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the **County of Delta**, State of Colorado, to wit:

Water decree for Military Park Reservoir in Case #457, Water Division #4, adjudication dates September 28, 1907 and February 17, 1906, for 121 acre feet.

And water decree for Military Park Reservoir in Case #2395, Water Division #4, adjudication dates December 31, 1974 and December 31, 1973, for 115.6 acre feet.

also known by street and number as

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 of them, or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said note or any of them, 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 herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and elect to advertise said property for sale and demand such sale, then, upon filing notice of such election and demand for sale with the Public Trustee, who shall upon receipt of such notice of election and demand for sale cause a copy of the same to be recorded in the recorder's office of the county in which said real estate 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, his heirs 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, by advertisement, weekly, in some newspaper of general circulation at that time published in said County of **Delta**, 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 real estate 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 or purchasers of such property at such sale, a certificate or certificates in writing describing such property purchased, and the sum or sums paid therefor, and the time when the purchaser or purchasers (or other person entitled thereto) shall be entitled to a deed or deeds therefor, unless the same shall be redeemed as is provided by law; and said Public Trustee shall, upon demand by the person or persons holding the said certificate or certificates 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 or persons a deed or deeds to the said property purchased, which said deed or deeds 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 quietclaim to such person or persons entitled to such deed, the said property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the grantor, his heirs and assigns therein, and shall recite the sum or sums for which the said property was sold and shall refer to the power of sale therein contained, and to the sale or sales made by virtue thereof; and in case of an assignment of such certificate or certificates of purchase, or in case of the redemption of such property, by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed or deeds; but the notice of sale need not be set out in such deed or deeds 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 or the legal holder of said note the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon

at **eight** per cent per annum, rendering the overplus, if any, unto the grantor, his legal representatives or assigns; which sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against the grantor, his heirs and assigns, and all other persons claiming the said property, or any part thereof, by, from, through or under the grantor, or any of them. The holder or holders of said note or notes may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser or purchasers at any such sale to see to the application of the purchase money. If a release deed be required, it is agreed that the grantor, his heirs or assigns, will pay the expense thereof.

*If in Denver, insert "City and."

And the grantor, for himself and his heirs, personal representatives or assigns covenants and agrees to and with the Public Trustee, that at the time of the ensealing of and delivery of these presents he is well seized of the said land and tenements in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements, and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever, except

and the above bargained property in the quiet and peaceable possession of the Public Trustee, his 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 all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of 8% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the grantor. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

AND THAT IN CASE OF ANY DEFAULT, Whereby the right of foreclosure occurs hereunder, the Public Trustee or the holder of said note or certificate of purchase, shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be; and such possession shall at once be delivered to the Public Trustee or the holder of said note or certificate of purchase on request, and on refusal, the delivery of such possession may be enforced by the Public Trustee or the holder of said note or certificate of purchase by any 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 aforesaid, or any of them, or any part thereof, or of a breach or violation of any of the covenants or agreements herein, by the grantor, his 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 of the sum of **two hundred** dollars for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed this day of **August** 19 **94**

Patricia D. Fritchman
 Secretary

Military Park Reservoir Company

Herschel G. Burges
 President

State of Colorado
 County of Delta

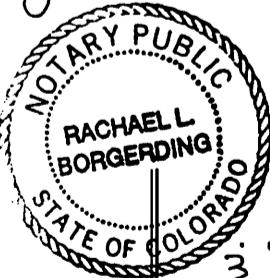
} ss.

The foregoing instrument was acknowledged before me this 17th day of August, 1994, by Herschel G. Burges as President of Military Park Reservoir Company and Patricia D. Fritchman as Secretary of Military Park Reservoir Company.

Witness my hand and seal.

My commission expires June 28, 1997

Rachael L. Borgerding
 Notary Public



BRADFORD PUBLISHING CO.

St. of Colo
 Colo. Water Conservancy Board Gen.
 ATTN: Barbara Jenkins
 1313 Sherman St. Denver 80203

No. _____	DEED OF TRUST	FROM _____	TO _____	THE PUBLIC TRUSTEE FOR THE USE OF	STATE OF COLORADO County of _____	ss.	I hereby certify that this instrument was filed for record in my office at _____ o'clock _____ M., 19 _____, and is duly recorded in book _____ page _____.	Clerk and Recorder.	Deputy.	Fees, \$ _____
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DEPARTMENT OR AGENCY NAME Water Conservation Board
DEPARTMENT OR AGENCY NUMBER PDA
ROUTING NUMBER 950124

\$ 30,000

LOAN CONTRACT

THIS CONTRACT, made this 7 day of Sept 1994, 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 **MILITARY PARK RESERVOIR COMPANY, 280 S.E. Frontier Avenue, Cedaredge, Colorado 81413**, hereinafter referred to as the BORROWER and/or CONTRACTOR.

RECITALS

1. Authority exists in the law, and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 424, Organization YYYY, Appropriation 502, Program WTRC, Object Code 5120, Contract Encumbrance Number C153683; and
2. Required approval, clearance, and coordination have been accomplished from and with appropriate agencies; and
3. Pursuant to the provisions of Sections 37-60-119 and 37-60-120, 15 CRS (1990) the STATE is authorized to loan money for the construction of water projects for the benefit of the people of the STATE provided that the BORROWER assures repayment of that money; and
4. The BORROWER is a duly constituted Colorado reservoir corporation formed pursuant to Section 7-42-101 et. seq. CRS, located in the State of Colorado; and
5. The Military Park Reservoir is located on the W 1/2 of S34, T11S, R94W, 6PM, in Grand Mesa Forest Reserve in Delta County, Colorado; and
6. The BORROWER has applied to the STATE for a loan to be used for the cost of replacing the outlet pipe of the Military Park Reservoir dam, hereinafter referred to as the PROJECT; and
7. At its November 9, 1993, meeting, the CWCB approved a loan to the BORROWER in an amount not to exceed Thirty Thousand Dollars (\$30,000), hereinafter referred to as MAXIMUM LOAN AMOUNT, at an interest rate of four percent (4%) per annum, and for a duration of thirty (30) years; and
8. Pursuant to Section 1 of Senate Bill 94-029 the Colorado General Assembly specifically authorized CWCB to loan to the BORROWER an amount not to exceed Thirty Thousand Dollars (\$30,000) for a term of thirty (30) years for the construction of the PROJECT; and
9. Pursuant to the BORROWER's by-laws, the BORROWER has authority to contract to borrow money provided that a resolution approving said actions has been duly adopted by its stockholders and to levy assessments assuring repayment of the loan to the STATE in accordance with the terms of this contract; and

10. The STATE now desires, by this contract, to loan money to the BORROWER for this PROJECT upon mutually agreeable terms and conditions; and

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

A. The BORROWER agrees as follows:

1. **Construction Fund Program procedures.** The following items are procedures the BORROWER will follow during the construction phase of the PROJECT.

a. **Preparation of plans and specifications.** The BORROWER shall employ an engineering firm, hereinafter referred to as the CONSULTANT, with staff registered in the State of Colorado to prepare PROJECT plans and specifications. The BORROWER/CONSULTANT agreement, and the PROJECT plans and specifications must be approved in writing by the STATE. Plans and specifications for all jurisdictional storage dams and reservoirs must also be approved by the State Engineer's office.

b. **Bidding.** CWCB staff must be notified of bidding for the PROJECT. BORROWER may prepare the notice of award and the notice to proceed with construction; however, both notices must be approved by the CWCB staff before they are issued. The BORROWER shall conduct a pre-construction conference and the CWCB staff will have the opportunity to review and approve the construction schedule.

c. **Performance of work.** The BORROWER shall contract for the construction of the work with responsible and capable firms, hereinafter referred to as CONSTRUCTION FIRMS, which CONSTRUCTION FIRMS shall be selected by the BORROWER and found acceptable by the STATE before work under this contract begins.

d. **Completion.** Upon completion of the PROJECT, the BORROWER will provide as-built drawings of dams and reservoirs to the State Engineer's office for approval and filing. As-built drawings for all other PROJECTS will be provided to the CWCB staff for approval and filing. **PAID IN FULL**

2. **Time for PROJECT completion.** The BORROWER shall commence with construction of the PROJECT as soon as practicable after meeting all preconstruction requirements of this contract to effect completion within two (2) years of the date of this contract. The PROJECT shall be constructed in accordance with the PROJECT plans and specifications and any modification(s) thereof approved by the STATE. The time for completion of the PROJECT may be extended subject to the mutual agreement of the STATE and the BORROWER. To request such an extension, the BORROWER must provide, in writing, documented justification for request of extension sixty (60) days prior to the end of the two (2) year period for completion. The BORROWER further recognizes that time is of the essence in the performance of all of its obligations under this contract.

3. **Indemnification of the STATE.** The BORROWER shall require all CONSTRUCTION FIRMS and their subcontractors to indemnify the STATE and the BORROWER against all liability and loss, and against all claims and actions based upon or arising out of damage or injury, including death to persons or property, caused by any acts or omissions of those parties or sustained in connection with the performance of any contract related to the PROJECT or by conditions created thereby, or based upon any violation of any statute, ordinance, or regulation, and the defense of any such claims or actions.

4. **Liability insurance during construction.** The BORROWER shall require the CONSTRUCTION FIRM and its subcontractors to maintain during the term of their contracts for construction of the PROJECT the following:

a. Workmen's compensation in the required statutory amounts, and employers' liability insurance in the amount of \$200,000.

b. Automobile liability insurance for all vehicles and comprehensive general liability insurance, both in at least the following amounts:

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

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

(iii) For any damage to property, the sum of Five Hundred Thousand Dollars (\$500,000) for each occurrence.

Said general liability insurance shall name the BORROWER and the STATE as additional insured. No payments shall be made to the BORROWER under this contract unless copies of current certificates of all such insurance have been obtained by the BORROWER and filed with the STATE. Such filing of current certificates shall be accomplished before the beginning of construction. Notices of renewals of said policies shall also be filed with the STATE as they occur.

5. **After construction, hold the STATE harmless from any liability, and maintain liability insurance coverage.** The BORROWER shall, without expense or legal liability to the STATE, manage, operate, and maintain the PROJECT continuously in an efficient and economical manner. The BORROWER agrees to indemnify and hold the STATE harmless from any liability incurred by the STATE as a result of the STATE'S interest in the PROJECT facilities and any other property identified in the deed of trust provisions of this contract. Until complete repayment of the loan is made to the STATE, the BORROWER shall maintain comprehensive general liability insurance covering the management, operation, and maintenance of the PROJECT in at least the following amounts:

a. For any injury to one person in any single occurrence, the sum of One Hundred Fifty Thousand Dollars (\$150,000).

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

c. For any damage to property, the sum of Five Hundred Thousand Dollars (\$500,000) for each occurrence.

Said general liability insurance shall name the STATE as additional insured. A copy of a certificate of said liability insurance must be filed with the STATE sixty (60) days prior to the completion of the PROJECT. Such certificate shall be incorporated herein as part of this contract. Evidence of renewal of said liability insurance is to be submitted with the annual payment which is discussed below.

6. **BORROWER'S authority to contract.** The BORROWER shall, pursuant to its articles of incorporation and its by-laws, have its stockholders authorize the President and Secretary to adopt an order or a resolution authorizing the BORROWER to do the following:

a. Contract for this loan with the STATE, and to pay the indebtedness on behalf of the BORROWER, and

b. Execute the deed of trust as security required by the STATE as specified in the deed of trust provisions of this contract, and

- c. Levy annual assessments sufficient to repay the annual amounts due under this contract, and
- d. Place money collected from assessments each year in a special fund separate and apart from other BORROWER revenues to assure repayment of this loan to the STATE, and
- e. Sign a security interest in the revenues pledged herein in favor of the STATE to secure the repayment of this loan to the STATE.

Such resolution shall be attached hereto as **Appendix A** and included herein prior to the STATE'S performance under this contract.

7. Warranties. The BORROWER warrants the following:

- a. By acceptance of the loan money pursuant to the terms of this contract and by the BORROWER'S representation herein, the BORROWER shall be estopped from asserting for any reason that it is not authorized or obligated to repay the loan money to the STATE as required by this contract.
- b. It has 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.
- c. It has not employed or retained any company or person, other than a bona fide employee working solidly for the BORROWER, to solicit or secure this contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employed, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or the making of this contract.

8. Promissory note provisions. The BORROWER understands that this contract is also a promissory note for the repayment of funds loaned according to the terms set forth herein. **PAID IN FULL**

- a. **Principal amount.** The principal amount of the loan shall be the total amount of funds advanced by the STATE to the BORROWER under the terms of this contract, not to exceed the MAXIMUM LOAN AMOUNT of \$30,000.
- b. **Interest rate.** The interest on the principal shall accrue at the rate of four percent (4%) per annum on all funds advanced to BORROWER during PROJECT construction.
- c. **Duration.** The repayment period of this loan shall be thirty (30) years.
- d. **Loan payment.** If the amount borrowed is the MAXIMUM LOAN AMOUNT, payments would be made in thirty (30) annual installments of One Thousand Seven Hundred Thirty-Four Dollars and Ninety Cents (\$1,734.90), which amount includes principal and interest. The first installment shall be due and payable on the first day of the month, one year after the month that the STATE declares that the PROJECT has been substantially completed, and yearly thereafter until the entire principal sum and any accrued interest shall have been paid. Installment payments are to be made payable to the CWCB at the address given below.
- e. **Interest during construction.** The BORROWER shall repay to the STATE interest during construction which will be calculated monthly at an equivalent rate of four percent (4%) per annum on each loan advance disbursed to the BORROWER during construction. Said accumulated interest shall be paid to the STATE as a single lump sum on the first day of the month following the month that the STATE declares that the PROJECT has been substantially completed. The actual interest which will accumulate during construction is unknown and cannot be calculated until the conclusion of construction.

f. **Prepayment conditions.** The BORROWER may prepay all or any of the loan at any time, without penalty. These payments will be applied first to any accrued interest and then to reduce the principal amount.

9. **Deed of trust.** The security provided for this loan and as evidenced by the executed deed of trust as shown in **Appendix B** shall be an undivided one hundred percent (100%) interest in the following:

All of the water rights of Military Park Reservoir, located in the West 1/2 of Section 34, Township 11 South, Range 94 West, Sixth Principal Meridian, Delta County, State of Colorado.

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

- (i) declare the entire principal amount and accrued interest then outstanding immediately due and payable;
- (ii) for the account of the BORROWER, incur and pay reasonable expenses for repair, maintenance, and operation of the PROJECT herein described and such expenses as may be necessary to cure the cause of default;
- (iii) take possession of the PROJECT, repair, maintain, and operate or lease it;
- (iv) act upon the deed of trust, security interest, and promissory note;
- (v) take any other appropriate legal action.

PAID IN FULL

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 BORROWER, through judicial proceedings to require specific performance of this contract, or by such other proceedings in law or equity as may be deemed necessary by the STATE to ensure compliance with provisions of this contract and the laws and regulations under which this contract is entered into.

b. **No sale or conveyance of any collateral until the loan is repaid.** The BORROWER shall not sell, convey, assign, grant, transfer, mortgage, pledge, encumber, or otherwise dispose of the PROJECT or any portion thereof or the assessment revenues pledged to repay the loan herein, so long as any of the principal and any accrued interest required by the promissory note provisions of the contract remain unpaid without the prior written concurrence of the STATE.

c. **This contract controls if there is a conflict.** In the event of conflict between the terms of this contract and conditions as set forth in any of the appendices, provisions of this contract shall control.

10. **Pledge of revenues.** The BORROWER agrees that the specific revenues to be pledged to repay the STATE shall include, but not be limited to, an assessment levied for that purpose as authorized by resolution of the BORROWER.

a. **Revenues for this loan are to be kept separate.** The BORROWER hereby pledges such revenues to repay the STATE loan, agrees that these revenues will be set aside and kept separate from other BORROWER revenues, warrants that these revenues will not be used for any other purpose, and agrees to provide the STATE a perfected security interest such that the STATE has priority over all other competing claims for such secured revenues.

b. **Establish security interest in the revenues.** The BORROWER agrees that, in order to provide a security interest for the STATE irrevocably pledging such revenues on the date of execution of this contract, it will provide a Uniform Commercial Code Security Agreement and a Uniform Commercial Code Financing Statement, both documents completed and properly executed, incorporated herein as **Appendices C and D**, respectively. No monies shall be advanced prior to BORROWER providing these forms.

c. **Renewal of UCC agreements in fourth year.** The BORROWER will, within thirty (30) days prior to the end of the fourth year that this contract is in effect and every five (5) years thereafter, deliver to the STATE a fully and properly executed Continuation Statement (Form UCC-3) of the security interest (UCC Security Agreement and Financing Statement) required by this contract.

d. **Levy charges and fees for repayment of the loan.** The BORROWER shall, pursuant to its statutes, its articles of incorporation and by-laws, and as authorized by its resolution, take all necessary actions consistent therewith to levy assessments sufficient enough to pay this contract loan debt in a timely manner and as required by the terms and conditions herein. In the event the assessments levied by the BORROWER become insufficient to assure repayment to the STATE as required by the terms and conditions herein, then the BORROWER, upon written notice thereof from the STATE, shall immediately take all necessary action consistent with the statutes, its articles of incorporation, by-laws, and resolutions, including but not be limited to adjusting additional assessments to raise sufficient revenue to assure repayment of the loan to the STATE.

e. **Levy assessments for operations, maintenance, reserves, and debt reserves.** The BORROWER shall, pursuant to the statutes, its articles of incorporation, by-laws, and resolutions, levy assessments from time to time as necessary to provide sufficient funds for adequate operation and maintenance, emergency repair services, obsolescence reserves, and debt reserves.

11. **Progress reports.** The BORROWER shall, with the assistance of the CONSULTANT, prepare a progress report which contains a statement of the actual PROJECT construction costs expended for that month and shall forward said statement to the STATE.

12. **Periodic inspections.** The BORROWER shall permit the STATE to make periodic inspections of its 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 and shall not be construed nor interpreted as an approval of the actual design and/or construction of any element of the PROJECT.

13. **Adhere to applicable laws.** The BORROWER shall strictly adhere to all applicable federal, state, and local laws and regulations that have been or may hereafter be established.

B. The STATE agrees as follows:

1. **Agreement to loan money.** The STATE agrees to loan to the BORROWER an amount not to exceed that specified in the promissory note provisions of this contract.

2. **Disbursements.** After receipt of the monthly progress report from the BORROWER, and review and acceptance of the items therein as eligible expenses as described below, the STATE will pay to the BORROWER the amount of the report or such portion that has been approved by the STATE. Such payment shall be made within thirty (30) days from the approval of each monthly progress report.

3. **Release after loan is repaid.** Upon completion of repayment to the STATE of the entire principal and any accrued interest as specified in the promissory note provisions of this contract, the STATE agrees to execute a release of deed of trust to convey to the BORROWER all of the STATE's right, title, and interest in and to the PROJECT and any other property described in **Appendix B**.

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

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

5. **Eligible expenses.** PROJECT construction costs eligible for financing by the STATE shall be limited to the cost of:

a. Preparing final designs and specifications for the PROJECT.

b. Preparing bid and construction contract documents.

c. Preparing environmental assessment or environmental impact statements, and otherwise complying with the Federal National Environmental Policy Act.

d. Complying with all federal, state, and local regulatory requirements, including the obtaining of all required permits.

e. Fish and wildlife mitigation measures required by federal, state, or local laws and regulations.

f. Actual construction as called for in the design documents and in change orders approved by the STATE, the BORROWER, the CONSULTANT and the CONSTRUCTION FIRM.

g. Engineering services for construction management, including design and construction management for STATE-approved change orders.

h. Legal services for reviewing engineering services contracts, reviewing this contract, reviewing construction contract documents, acquiring the land and water rights needed for the PROJECT, and for complying with all federal, state, and local regulatory requirements. Legal services must be approved by the STATE in writing before they are rendered to be eligible for payment by the STATE.

6. **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 BORROWER'S obligations under this contract with or without valuable consideration, upon such terms and conditions as the STATE may determine to be:

a. advisable to further the purposes of this contract or to protect the STATE'S financial interest therein, and

PAID IN FULL

b. consistent with both the statutory purposes of this contract and the limitations of the statutory authority under which it is made.

7. Casualty and eminent domain. If, at any time, during the term of this contract, (a) the BORROWER'S PROJECT facilities which are pledged as collateral for this loan, including buildings or any portion thereof, are damaged or destroyed, in whole or in part, by fire or other casualty, or (b) title to or use of the PROJECT facilities or any part thereof shall be taken under the exercise of the power of eminent domain, the STATE and the BORROWER shall cause the net proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair and restoration of the PROJECT facilities or any portion thereof. Any net proceeds remaining after such work has been completed shall be paid to the BORROWER. If the net proceeds are insufficient to pay the full cost of the replacement, repair and restoration, the BORROWER shall complete the work and pay any cost in excess of the net proceeds (provided, however, that the BORROWER shall be obligated to pay any such cost in excess of net proceeds only to the extent of any moneys available therefor in any funds created under this contract).

8. 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. STATE's approval. This contract requires review and approval of plans, specifications, and various other technical and legal documents. The STATE's review of these documents is only for the purpose of verifying BORROWER'S compliance with this contract and shall not be construed or interpreted as a technical review or approval of the actual design or construction of the PROJECT. Notwithstanding any consents or approvals given the BORROWER by the STATE on any such documents, BORROWER and its CONSULTANT preparing any such documents shall be solely responsible for the accuracy and completeness of any of the construction documents.

10. 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
1313 Sherman Street, Room 721
Denver, CO 80203
Attn: William P. Stanton

PAID IN FULL

For the BORROWER:

Military Park Reservoir Company
2380 N Road
Eckert, CO 81418
Attn: Bud Burgess

D. Special provisions (1993 version)

1. Controller's approval. 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.

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

3. Bond requirement. If this contact 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 CRS 38-26-106.

4. **Indemnification.** 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.

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

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

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

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 contact 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.

6. Colorado labor preference

a. Provisions of CRS 8-17-101 & 102 for preference of Colorado labor are applicable to this contact 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 (CRS 8-19-101 and 102).

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

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

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

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

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

CONTRACTOR:

(Full Legal Name) Military Park Reservoir Co.

By Herschel G. Burgess

Please print name Herschel G. Burgess

Position/Title President

94-1277834

Social Security Number or Federal ID Number



If Corporation:)

Attest (Seal)

By Patricia D. Fitchman

Corporate Secretary or Equivalent, Town/City/County Clerk

State of Colorado
Roy Romer, Governor

By James A. Achelis
For the Executive Director
DEPARTMENT OF NATURAL RESOURCES
COLORADO WATER CONSERVATION BOARD
Daries C. Lile, P.E., Director

ATTORNEY GENERAL GALE A. NORTON
ATTORNEY GENERAL

By DAVID M. KAYE
FIRST ASSISTANT ATTORNEY GENERAL
GENERAL LEGAL SERVICES

APPROVALS

CONTROLLER

By STATE CONTROLLER
CLIFFORD W. HALL
BY: Christa Dujillo

C:\WP51\DOC\CONTRACT\MILITARY.CON

PAID IN FULL



11. LONDON
JAN W. CHOPIN

12. LONDON

RESOLUTION

RESOLUTION OF THE STOCKHOLDERS OF
THE MILITARY PARK RESERVOIR COMPANY
(A NON-PROFIT CORPORATION)

Concerning a loan in the amount of \$30,000.00 from the State of Colorado Water Conservation Board (here after referred to as the State), for the purpose of installing a new outlet pipe on The Military Park Dam; the following resolutions were adopted by the Stockholders of The Military Park Reservoir Company (here after referred to as the Borrower), at a meeting of the Stockholders held July 18, 1994, at Eckert, Colorado.

- a. RESOLVED, that the Stockholders hereby authorize the Borrower to contract for this loan ~~debt~~, and authorize the President and the Secretary to pay the indebtedness on behalf of the Borrower, and
- b. RESOLVED, that the Stockholders hereby authorize the Borrower to execute for deed of trust (with the water rights of the Borrower as collateral for the loan) as security required by the State, as specified in Deed of Trust provisions of this contract, and **PAID IN FULL**
- c. RESOLVED, that the Stockholders hereby authorize the Borrower to make and levy assessments sufficient to pay off this contract loan pursuant to its terms and to discharge this lawful indebtedness, and
- d. RESOLVED, that the Stockholders hereby authorize the Borrower to set aside this assessment revenue in a special fund separate and apart from other Borrower revenues to assure repayment of this revenue to the State, and
- e. RESOLVED, that the Stockholders hereby authorize the Borrower to sign a security interest in such assessment revenues in favor of the State to secure the repayment.

Dated this 18th day of July, 1994

THE MILITARY PARK RESERVOIR COMPANY

By: Herschel M. Burgess
Title: President

ATTEST:

Darlene Fitchman
(Secretary)

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**

January 21, 2026

Military Park Reservoir Company

PO Box 339

Cedaredge, CO 81413



Check here if current address is unknown

Colorado Water Conservation Board

April 1, 1999

August 4, 1999

527328 SOA No. 758662

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

Delta

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, Room 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, Room 718, Denver, CO 80203

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

 1/21/20

State of Colorado, County of Denver

The foregoing Request for Release was acknowledged before
me on 1-21-21 (date) by*

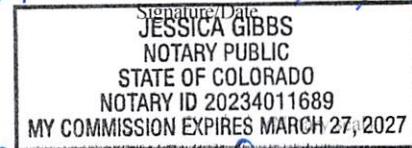
Kirk Russell

Finance Section Chief

1-21-21

Date Commission Expires

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



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's Seal)

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.)



AMENDED DEED OF TRUST

THIS INDENTURE, Made this 1st day of April, 1999, between

Military Park Reservoir Company

whose address is 2380 N. Road, Eckert, CO 81418

hereinafter referred to as grantor, and the Public Trustee of the

*County of

Delta, State of Colorado, hereinafter referred to as Public Trustee,

WITNESSETH, THAT, WHEREAS, Grantor

has executed a promissory note or notes, hereinafter referred to in the singular, dated April 1, 1999

, for the

principal sum of \$29,515.28

Dollars,

payable to the order of

State of Colorado for the use and benefit of the
Colorado Water Conservation Board

whose address is

1313 Sherman St., Rm. 721, Denver, CO 80203

at the rate of four per cent per annum, payable in annual installments of principal and
interest over thirty (30) years.

after the date hereof, with interest thereon from the date thereof

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

NOW THEREFORE, the grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto
the said Public Trustee in trust forever, the following described property, situate in the
County of
Delta, State of Colorado, to wit:

Water decree for Military Park Reservoir in Case #457, Water Division #4,
adjudication dates September 28, 1907 and February 17, 1906, for 121
acre feet.

And water decree for Military Park Reservoir in Case #2395, Water
Division #4, adjudication dates December 31, 1974 and December 31, 1973,
for 115.6 acre feet.

To amend Deed of Trust originally recorded in Delta County, State of
Colorado, on August 9, 1996 (No. 497989, Book 764, Page 903-04), to
reflect a reduced loan amount of \$29,515.28.

also known by street and number as

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 herein contained, the beneficiary hereunder or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause a copy of the same to be recorded in the recorder's office of the county in which said property is situated. The Public Trustee shall then give public notice of the time and place of sale by advertisement to be published for four weeks (once each week for five successive weeks) in some newspaper of general circulation at that time published in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof to the grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best), together with all the right, title and interest of the grantor therein, at public auction at any place as may be specified by statute and designated in the notice of sale. The Public Trustee shall make and give to the purchaser of such property at such sale, a certificate in writing containing: a description of such property purchased; the sum paid therefor; a statement that said purchaser shall be entitled to a deed therefor, unless the same shall be redeemed as is provided by law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The Public Trustee shall, upon demand by the person holding the said certificate of purchase, when said demand is made or upon demand by the person entitled to a deed to and for the property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person a deed to the said property purchased. Said deed shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by the said Public Trustee and shall confirm the foreclosure sale and sell and convey to such person entitled to such deed, the property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the grantor therein. The Public Trustee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the beneficiary hereunder or the legal holder of said note, the principal and interest due on said note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said note for insurance, taxes and assessments, with interest thereon at eight per cent per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said deed so made shall be a perpetual bar, both in law and equity, against the grantor and all other persons claiming the said property, or any part thereof, by, from, through or under the grantor. The holder of said note may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

*If in Denver, insert "City and".



And the grantor covenants and agrees to and with the Public Trustee, that at the time of the sealing of and delivery of these presents he is well seized of the said land and tenements in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements, and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever, except

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2 of 2 R 10.00 D 0.00 Delta Cty, CO Clerk & Rec

and the above bargained property in the quiet and peaceable possession of the Public Trustee, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the grantor shall and will Warrant and Forever Defend.

Until payment in full of the indebtedness, the grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirements of the beneficiary hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the beneficiary as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the beneficiary. At the option of the beneficiary, the original policy or policies of insurance shall be delivered to the beneficiary as further security for the indebtedness. Should the grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the beneficiary may make any such payments or procure any such

insurance, and all monies so paid with interest thereon at the rate of 8% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the grantor. In addition, and at its option, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

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

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

AND, that in case of default in any of said payments of principal or interest, according to the tenor and effect of said promissory note or any part thereof, or of a breach or violation of any of the covenants or agreements herein, by the grantor, then and in that case the whole of said principal sum hereby secured and the interest thereon to the time of the sale may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the Public Trustee, an attorney's fee of the sum of 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 of this deed of trust is required, the grantor will pay the expense thereof; that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Executed this

day of

, 1999

ATTEST:

Lila G. Nelson

Herschel G. Burgess

(SEAL)

State of Colorado

County of *Delta*

} ss.

The foregoing instrument was acknowledged before me this

by *Lila G. Nelson + Herschel G. Burgess*

21st

day of

May

, 1999

Witness my hand and seal.

My commission expires: *June 3, 2000*

Brandy Davis

Notary Public

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

No. _____
DEED OF TRUST

FROM

TO
THE PUBLIC TRUSTEE
FOR THE USE OF

STATE OF COLORADO
County of _____ } ss.

I hereby certify that this instrument was filed for record in my office at _____ o'clock _____ M.,

, 19____, and is duly recorded in book _____ page _____

Film No. _____ Reception No. _____

Clerk and Recorder _____
Deputy _____

Fees, \$ _____

BRADFORD PUBLISHING CO.

STATE OF COLORADO
Colo. WATER CONSERVATION BOARDS
ATTN: CONSTRUCTION FUNDS SECTION
1313 SHEEMAN STREET STE #21
DENVER, CO 80203

PROMISSORY NOTE

Principal Amount: \$29,515.28
Term: 30 Years
Loan Contract: No. C153683

Interest Rate: 4%
Loan Payment: \$1,706.87
Date: April 1, 1999

1. **FOR VALUE RECEIVED**, Military Park Reservoir Company, ("BORROWER") promises to pay the State of Colorado Water Conservation Board ("STATE"), the principal sum of \$29,515.28 with annual payments of \$1,706.87 based on the interest rate of 4% per annum on the outstanding principal balance for a term of 30 years, or until paid in full, pursuant to Loan Contract No. C153683 ("LOAN CONTRACT").
2. The first payment shall be due and payable on December 13, 1996, and annually thereafter until the entire principal sum and any accrued interest shall have been paid in full.
3. All payments received shall be applied first to accrued interest and then to the retirement of the principal. Payments shall be made payable to the Colorado Water Conservation Board and mailed to 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. This Note may be prepaid in whole or in part at any time without premium or penalty, with prepayments applied first to any accrued interest and then to reduce the principal amount. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
5. 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 which may become due hereunder. The security interests, evidenced by a security agreement and by a deed of trust covers certain revenues and property of the BORROWER. The LOAN CONTRACT, security agreement and deed of trust grant additional rights to the STATE, including the right to accelerate the maturity of this Note in certain events.
6. If any payment of principal or interest is not paid promptly 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, and all accrued interest, immediately due and payable. The STATE shall give written notice to the Borrower 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.
7. The BORROWER, any guarantor, and any successor of the BORROWER who 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.
8. This Note shall be governed in all respects by the laws of the State of Colorado.

BORROWER: Military Park Reservoir Company

By Benck S. Burgess
President

Attest:

By Lila G. Nelson
Corporate Secretary

BOOK TAKING

1. The book is to be taken from the shelf by the student. The student is to take the book from the shelf and place it on the table.

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AGENCY NAME: WATER CONSERVATION BOARD

AGENCY NUMBER: PDA

ROUTING NUMBER:

99 PDA 00058

CONTRACT AMENDMENT No. 1

THIS AMENDMENT, made this 1st day of April 1999, 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 MILITARY PARK RESERVOIR COMPANY, hereinafter referred to as the 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, Appropriation Code 502, Contract Encumbrance Number C153683; and
- B. Required approval, clearance, and coordination has been accomplished from and with appropriate agencies; and
- C. The STATE and the CONTRACTOR entered into a contract dated September 7, 1994, Contract Encumbrance Number C153683, hereinafter referred to as ORIGINAL CONTRACT, incorporated herein by reference, wherein the STATE agreed to loan money in the total amount of \$30,000, and the CONTRACTOR agreed to repay the loan in accordance with the terms of the ORIGINAL CONTRACT; and
- D. The Contractor borrowed only \$29,515.28 out of the \$30,000 authorization.
- E. The project was substantially complete as of December 13, 1995.
- F. The parties agree to amend the contract to reflect the actual loan amount and the annual payment due date.

NOW THEREFORE, it is hereby agreed that

- 1. Consideration for this Amendment to the ORIGINAL CONTRACT consists of the payments which shall be made pursuant to this Amendment and ORIGINAL CONTRACT and the promises and agreements herein set forth.
- 2. It is expressly agreed by the parties that this Amendment is supplemental to the ORIGINAL CONTRACT, and all terms, conditions, and provisions thereof, unless specifically modified herein, apply to this Amendment as though they were expressly rewritten, incorporated and included herein.
- 3. It is agreed the ORIGINAL CONTRACT is and shall be modified, altered, and changed in the following respects only:
 - a. Paragraph B.8, Promissory Note Provisions, is replaced by a separate Promissory Note, attached as **Attachment A** and incorporated herein.
 - b. Paragraph A.9 Deed of trust: the deed of trust, attached to the Original Contract as Appendix B, is replaced by an Amended Deed of Trust, attached hereto as **Attachment B** and incorporated herein.
 - c. Paragraph A.10.b, Pledge of Revenue: the Security Agreement and Financing Statement, attached to the ORIGINAL CONTRACT as Appendix C and D, is replaced by an Amended Security Agreement, attached as **Attachment C** and incorporated herein. The parties acknowledge that the State shall file a UCC Financing Statement with the Secretary of State to perfect its security interest in the revenues pledged.
 - d. Paragraph A.10.c regarding the renewal of the UCC agreements in the fourth year is deleted from the contract. It is the State's responsibility to continue the recording with the Secretary of State.

PAID IN FULL

e. The Special Provisions are amended by the addition of the following:

11. 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

4. The effective date of this Amendment is the date first written above.

5. Except for the SPECIAL PROVISIONS, in the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the ORIGINAL CONTRACT, the provisions of this Amendment shall in all respects supersede, govern, and control. The SPECIAL PROVISIONS shall always be controlling over other provisions in the contract or amendments. The representations in the SPECIAL PROVISIONS concerning the absence of bribery or corrupt influences and personal interest of STATE employees are presently reaffirmed.

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

7. This amendment shall not be deemed valid or effective until it shall have been approved by the controller of the State of Colorado or such assistant as he may designate.

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

CONTRACTOR: Military Park Reservoir Co.

By Herschel A. Burgess
President

Federal ID Number: 84-1277834

Attest (Seal)

By Jila G. Nelson
Corporate Secretary

State of Colorado
Bill Owens, Governor

By Peter H. Evans
For the Executive Director
Department Of Natural Resources
Colorado Water Conservation Board
Peter H. Evans, Director

ATTORNEY GENERAL James E. Martin
By James E. Martin
Assistant Attorney General
State Services Section

APPROVALS

STATE CONTROLLER

By APPROVALS:

STATE CONTROLLER ARTHUR L. BARNHART
By Arthur L. Barnhart

AMENDED SECURITY AGREEMENT

DEBTOR: Military Park Reservoir Company
2380 N Road
Eckert, CO 81418

FEDERAL TAX NUMBER: 84-1277834

COUNTY: DELTA (CODE: 18)

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

COLLATERAL: Contract Rights (Code: 030)

DEBTOR, for consideration, hereby grants to SECURED PARTY a security interest in the following property and any and all additions, accessions and substitutions thereto or therefor, hereinafter called the COLLATERAL: All revenues derived from assessments on stock to repay indebtedness on Military Park Reservoir as approved by the stockholders pursuant to 7-42-104 CRS, as described in pledge of property provisions in Loan Contract No. C153683.

To secure payment of the indebtedness evidenced by certain Promissory Note between the above named parties herewith, in the amount of \$29,515.28 at an interest rate of 4% per annum for a term of 30 years, payable by DEBTOR to the SECURED PARTY until all principal and interest are paid in full in accordance with said Promissory Note. The Parties are amending this security agreement as part of Amendment No. 1 to the Loan Contract to reduce the loan amount to \$29,515.28.

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest grant 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.
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.

UNLESS IT DEFAULTS DEBTOR may have possession of the COLLATERAL, provided that DEBTOR keeps all revenues derived from membership assessments in the amount of the annual loan payments due under the contract, as amended, in an account separate from other revenues of DEBTOR and does not use said revenues for any purpose not permitted by the CONTRACT. If

PAID IN FULL

Attachment C to Loan Contract No. C153683 Amendment 1

DEBTOR defaults, 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:

- 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 or 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.

PAID IN FULL

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 21 day of May.

DEBTOR: Military Park Reservoir Company

S E A L

By:

Joseph P. Burgess
President

ATTEST:

By: Lila G. Nelson
Corporate Secretary