

# STATE OF COLORADO

## Colorado Water Conservation Board

### Department of Natural Resources

1580 Logan Street, Suite 600  
Denver, Colorado 80203  
Phone: (303) 866-3441  
Fax: (303) 894-2578  
www.cwcb.state.co.us



John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

April 29, 2011

Mr. Steve Bruntz, President  
Orphan Wells of Wiggins, LLC  
P.O. Box 132  
Wiggins, CO 80654

Re: South Platte Recharge Project  
Loan Contract Number C150159

#### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Bruntz:

This letter is to advise you that the Project referenced above was substantially completed on March 1, 2011. In accordance with the Loan Contract, the Orphan Wells of Wiggins (Company) owes \$152,611.72 for interest accrued during and after the construction (IDC) phase of the Project. Based on previous conversations, it is our understanding that the Company wants to draw on the remaining loan balance (\$95,205.56) to cover a portion of the IDC amount (please see attached Project Expenditure Schedule). The remaining IDC balance of \$57,406.16 is due by May 22, 2011. Please make your payment to the Colorado Water Conservation Board and include Loan Contract No. C150159 on the check.

The total amount disbursed for this project was \$1,048,077.00, which includes \$942,494.44 in design and construction fees, \$95,205.56 for IDC, and \$10,377.00 for the 1% loan service fee. The first annual loan payment of \$50,074.65 will be due on March 1, 2012.

Please note, in accordance with the Borrower's Liability Insurance Provision of the Loan Contract, a renewed insurance certificate needs to be submitted to the CWCB annually.

It has been a pleasure working with you on this project. Please do not hesitate to call if you have any questions.

Sincerely,

Tim Feehan, P.E., Chief  
CWCB Finance Section

Current Contract Amount = \$1,048,077.00  
Expended Amount = \$1,048,077.00

cc: Eric Wilkinson, CWCB Board Member, South Platte Basin

**Colorado Water Conservation Board  
Project Expenditure Schedule  
S. Platte River Augmentation Project**

Sponsor:  
Address:  
Contact:  
Telephone:  
Fax:  
E-mail:

**Orphan Wells of Wiggins, LLC**  
P.O. Box 132  
Wiggins, CO 80654  
Alan Axton, Treasurer  
970-352-1115  
970-330-1115

Loan Contract No.:  
Authorization:  
Contract Amount  
Loan Service Fee  
Total Loan Amount  
Interest:  
Term:  
Conditions:  
Tax I.D. No.:  
Substantial

Original Accounting  
C150159

\$1,048,077.00  
\$1,037,700.00  
\$10,377.00  
\$1,048,077.00  
2.50%  
30-years  
Up to 90%  
20-0285922

Final Accounting  
C150159

\$1,037,700.00  
\$10,377.00  
\$1,048,077.00

Contract Expired: 18-Mar-06

Completion Date: 3/1/2011

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$1,048,077.00		
1	3/29/2004	Construction	\$ 239,850.00	\$ 239,850.00	\$ 808,227.00	\$ 41,530.19	\$ 41,530.19
2	4/9/2004	Construction/Easements	\$ 169,155.00	\$ 409,005.00	\$ 639,072.00	\$ 29,161.86	\$ 70,692.05
3	4/16/2004	Construction/Water Rights	\$ 57,094.78	\$ 466,099.78	\$ 581,977.22	\$ 9,815.61	\$ 80,507.66
4	5/18/2004	Const./Water/Easements	\$ 143,836.00	\$ 609,935.78	\$ 438,141.22	\$ 24,412.71	\$ 104,920.37
5	5/26/2004	Const./Water/Easements	\$ 70,951.50	\$ 680,887.28	\$ 367,189.72	\$ 12,003.44	\$ 116,923.81
6	11/22/2004	Const./Water/Easements	\$ 25,038.68	\$ 705,925.96	\$ 342,151.04	\$ 3,927.30	\$ 120,851.11
7	11/22/2004	Const./Water/Easements	\$ 63,196.49	\$ 769,122.45	\$ 278,954.55	\$ 9,912.33	\$ 130,763.44
8	4/5/2005	Construction	\$ 33,156.00	\$ 802,278.45	\$ 245,798.55	\$ 4,896.19	\$ 135,659.62
9	10/20/2005	Const./Water Rights	\$ 54,865.65	\$ 857,144.10	\$ 190,932.90	\$ 7,358.01	\$ 143,017.63
10	6/15/2006	Headgate/Water/Fencing	\$ 31,945.67	\$ 889,089.77	\$ 158,987.23	\$ 3,763.46	\$ 146,781.10
11	10/19/2006	Hookup/Pump/Test Hole	\$ 53,404.67	\$ 942,494.44	\$ 105,582.56	\$ 5,830.62	\$ 152,611.72
Final	3/1/2011	Transfer IDC to Principal	\$ 95,205.56	\$ 1,037,700.00	\$ 10,377.00	\$ (95,205.56)	\$ 57,406.16
Final	3/1/2011	1% Loan Service Fee	\$ 10,377.00	\$ 1,048,077.00	\$ -	\$ -	\$ 57,406.16

# COLORADO WATER CONSERVATION BOARD

## LOAN REPAYMENT SCHEDULE

<b>Borrower</b>	<b>Orphan Wells of Wiggins</b>
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<b>Loan Contract Number</b>	<b>C150159</b>
<b>Principal</b>	<b>\$1,048,077.00</b>
<b>Interest Rate</b>	<b>2.50%</b>
<b>Frequency</b>	<b>Annual</b>
<b>Term (In Years)</b>	<b>30</b>
<b>First Payment Due</b>	<b>March 1, 2012</b>
<b>Payment Amount</b>	<b>\$50,074.65</b>

<b>Loan Payment No.</b>	<b>Annual Payment Due Date</b>	<b>Annual Payment Amount</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal BALANCE</b>
					\$ 1,048,077.00
1	1-Mar-12	\$50,074.65	\$ 23,872.72	\$ 26,201.93	\$ 1,024,204.28
2	1-Mar-13	\$50,074.65	\$ 24,469.54	\$ 25,605.11	\$ 999,734.74
3	1-Mar-14	\$50,074.65	\$ 25,081.28	\$ 24,993.37	\$ 974,653.46
4	1-Mar-15	\$50,074.65	\$ 25,708.31	\$ 24,366.34	\$ 948,945.15
5	1-Mar-16	\$50,074.65	\$ 26,351.02	\$ 23,723.63	\$ 922,594.13
6	1-Mar-17	\$50,074.65	\$ 27,009.80	\$ 23,064.85	\$ 895,584.33
7	1-Mar-18	\$50,074.65	\$ 27,685.04	\$ 22,389.61	\$ 867,899.29
8	1-Mar-19	\$50,074.65	\$ 28,377.17	\$ 21,697.48	\$ 839,522.12
9	1-Mar-20	\$50,074.65	\$ 29,086.60	\$ 20,988.05	\$ 810,435.52
10	1-Mar-21	\$50,074.65	\$ 29,813.76	\$ 20,260.89	\$ 780,621.76
11	1-Mar-22	\$50,074.65	\$ 30,559.11	\$ 19,515.54	\$ 750,062.65
12	1-Mar-23	\$50,074.65	\$ 31,323.08	\$ 18,751.57	\$ 718,739.57
13	1-Mar-24	\$50,074.65	\$ 32,106.16	\$ 17,968.49	\$ 686,633.41
14	1-Mar-25	\$50,074.65	\$ 32,908.81	\$ 17,165.84	\$ 653,724.60
15	1-Mar-26	\$50,074.65	\$ 33,731.53	\$ 16,343.12	\$ 619,993.07
16	1-Mar-27	\$50,074.65	\$ 34,574.82	\$ 15,499.83	\$ 585,418.25
17	1-Mar-28	\$50,074.65	\$ 35,439.19	\$ 14,635.46	\$ 549,979.06
18	1-Mar-29	\$50,074.65	\$ 36,325.17	\$ 13,749.48	\$ 513,653.89
19	1-Mar-30	\$50,074.65	\$ 37,233.30	\$ 12,841.35	\$ 476,420.59
20	1-Mar-31	\$50,074.65	\$ 38,164.14	\$ 11,910.51	\$ 438,256.45
21	1-Mar-32	\$50,074.65	\$ 39,118.24	\$ 10,956.41	\$ 399,138.21
22	1-Mar-33	\$50,074.65	\$ 40,096.19	\$ 9,978.46	\$ 359,042.02
23	1-Mar-34	\$50,074.65	\$ 41,098.60	\$ 8,976.05	\$ 317,943.42
24	1-Mar-35	\$50,074.65	\$ 42,126.06	\$ 7,948.59	\$ 275,817.36
25	1-Mar-36	\$50,074.65	\$ 43,179.22	\$ 6,895.43	\$ 232,638.14
26	1-Mar-37	\$50,074.65	\$ 44,258.70	\$ 5,815.95	\$ 188,379.44
27	1-Mar-38	\$50,074.65	\$ 45,365.16	\$ 4,709.49	\$ 143,014.28
28	1-Mar-39	\$50,074.65	\$ 46,499.29	\$ 3,575.36	\$ 96,514.99
29	1-Mar-40	\$50,074.65	\$ 47,661.78	\$ 2,412.87	\$ 48,853.21
30	1-Mar-41	\$50,074.54	\$ 48,853.21	\$ 1,221.33	\$ -

**TOTALS**

\$1,502,239.39	\$1,048,077.00	\$454,162.39	\$0.00
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## PROMISSORY NOTE

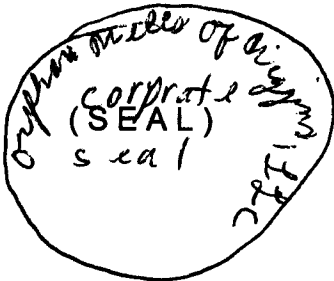
Date: February 1, 2004  
Borrower: Orphan Wells of Wiggins, L.L.C  
Principal Amount: \$1,048,077.00  
Interest Rate: 2.5% per annum  
Term of Repayment: 30 years  
Loan Contract No.: C150159, dated February 1, 2004  
Loan Payment: \$50,074.65  
Payment Initiation Date\*: March 1, 2011  
Maturity Date\*: March 1, 2041

\* Payment Initiation Date and Maturity Date fields are filled in after the project has been substantially completed.

1. FOR VALUE RECEIVED, the BORROWER promises to pay the Colorado Water Conservation Board ("CWCB"), the Principal Amount plus Interest for the Term of Repayment, pursuant to the LOAN CONTRACT and this promissory note.
2. Principal and interest shall be payable in equal Loan Payments, with the first payment due and payable one year from Payment Initiation Date (the date the CWCB determines that the project is substantially complete), and annually thereafter. All principal, interest, and late charges, if any, then remaining unpaid shall be due and payable on or before the Maturity Date.
3. Payments shall be made to the Colorado Water Conservation Board at 1313 Sherman Street, Room 721, Denver, Colorado 80203.
4. The CWCB may impose a late charge in the amount of 5% of the annual payment if the CWCB does not receive the annual payment within 15 calendar days of the due date.
5. This Note may be prepaid in whole or in part at any time without premium or penalty. Any partial prepayment shall not postpone the due date of any subsequent payments or change the amount of such payments.
6. All payments received shall be applied first to late charges, if any, next to accrued interest and then to reduce the principal amount.
7. This Note is issued pursuant to the LOAN CONTRACT between the CWCB and the BORROWER. The LOAN CONTRACT creates security interests in favor of the CWCB to secure the prompt payment of all amounts that may become due hereunder. Said security interests are evidenced by: a Security Agreement and Deed of Trust ("Security Instruments") of even date and amount and cover certain revenues, real property, water

rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Note in certain events.

8. If any annual payment is not paid when due or any default under the LOAN CONTRACT or the Security Instruments securing this Note occurs, the CWCB may declare the entire outstanding principal balance of the Note, all accrued interest, and any outstanding late charges immediately due and payable, and the indebtedness shall bear interest at the rate of 7% per annum from the date of default. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
9. The BORROWER and any co-signer or guarantor hereby agree that if this Note or interest thereon is not paid when due or if suit is brought, then it shall pay all reasonable costs of collection, including reasonable attorney fees. In the event of any bankruptcy or similar proceedings, costs of collection shall include all costs and attorney fees incurred in connection with such proceedings, including the fees of counsel for attendance at meetings of creditors' committees or other committees.
10. This Note shall be governed in all respects by the laws of the State of Colorado.



BORROWER: Orphan Wells of Wiggins,  
L.L.C., a Colorado limited liability company

By Steve Bruntz  
Steve Bruntz, President

Attest

By Chris D. Methers  
Chris Methers, Secretary