

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 866-4474
www.cwcb.state.co.us



September 28, 2012

Mr. Kit Hamby, Manager
Snowmass Water & Sanitation District
PO Box 5700
Snowmass Village, CO 881615

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Re: Ziegler Reservoir Water Management System Project
Loan Contract Number C150294

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Hamby:

This letter is to advise you that the Project referenced above was substantially completed on September 1, 2012. In accordance with the Loan Contract, the District owes \$96,530.22 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). Please make your "interest only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number on the check.

The total amount disbursed under this contract was \$1,952,805.00 (\$1,933,470.00 plus \$19,335.00 for the 1% service fee). The first annual loan payment will be due on September 1, 2013, in the amount of \$146,889.67 as established in the Promissory Note (attached).

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

It has been a pleasure working with you on the successful completion of this project. Please don't hesitate to call if you have any questions regarding this matter.

Sincerely,

Kirk Russell, P.E., Chief
CWCB Finance Section

Current Contract Amount = \$1,952,805.00
Expended Amount = \$1,952,805.00

cc: Russ George, CWCB Board Member, Colorado River Basin
CWCB Finance Section Staff

Colorado Water Conservation Board
Project Expenditure Schedule

Ziegler Reservoir Water Management System Project

Snowmass Water & Sanitation District
0177 Clubhouse Dr. or PO Box 5700
Snowmass Village, CO 881615
c/o Kit Hamby, Dist. Manager

Ph. (970) 923-2056
Fax (920) 923-2056
khamby@swwsd.org

Loan Contract No.: C150294
Authorization: \$1,952,805.00
Contract Amount \$1,933,470.00
Loan Service Fee \$19,335.00
Total Loan Amount \$1,952,805.00
Interest: 4.25%
Term: 20-years
Conditions: Up to 90%
IDC Calculation Date: 9/1/2012

Original

Final

Substantial Completion Date: September 1, 2012

Project Finish 13-Oct-13

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$1,952,805.00		
1	3/1/2011	Const (9/09-12/09)	\$ 741,886.29	\$ 741,886.29	\$ 1,210,918.71	\$ 47,511.21	\$ 47,511.21
2	8/31/2011	Const (1/2010-1/2011)	\$ 979,578.53	\$ 1,721,464.82	\$ 231,340.18	\$ 41,860.21	\$ 89,371.42
3	11/16/2011	Engineering, Controls, Landscape	\$ 212,005.18	\$ 1,933,470.00	\$ 19,335.00	\$ 7,158.81	\$ 96,530.22
FINAL	9/1/2012	Service Fee @ 1%	\$ 19,335.00	\$ 1,952,805.00	\$ -	\$ -	\$ 96,530.22

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Snowmass Water and Sanitation District
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Loan Contract Number	C150294
Principal	\$1,952,805.00
Interest Rate	4.25%
Frequency	Annual
Term (In Years)	20
First Payment Due	September 1, 2013
Payment Amount	\$146,889.67

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 1,952,805.00
1	1-Sep-13	\$146,889.67	\$ 63,895.46	\$ 82,994.21	\$ 1,888,909.54
2	1-Sep-14	\$146,889.67	\$ 66,611.01	\$ 80,278.66	\$ 1,822,298.53
3	1-Sep-15	\$146,889.67	\$ 69,441.98	\$ 77,447.69	\$ 1,752,856.55
4	1-Sep-16	\$146,889.67	\$ 72,393.27	\$ 74,496.40	\$ 1,680,463.28
5	1-Sep-17	\$146,889.67	\$ 75,469.98	\$ 71,419.69	\$ 1,604,993.30
6	1-Sep-18	\$146,889.67	\$ 78,677.45	\$ 68,212.22	\$ 1,526,315.85
7	1-Sep-19	\$146,889.67	\$ 82,021.25	\$ 64,868.42	\$ 1,444,294.60
8	1-Sep-20	\$146,889.67	\$ 85,507.15	\$ 61,382.52	\$ 1,358,787.45
9	1-Sep-21	\$146,889.67	\$ 89,141.20	\$ 57,748.47	\$ 1,269,646.25
10	1-Sep-22	\$146,889.67	\$ 92,929.70	\$ 53,959.97	\$ 1,176,716.55
11	1-Sep-23	\$146,889.67	\$ 96,879.22	\$ 50,010.45	\$ 1,079,837.33
12	1-Sep-24	\$146,889.67	\$ 100,996.58	\$ 45,893.09	\$ 978,840.75
13	1-Sep-25	\$146,889.67	\$ 105,288.94	\$ 41,600.73	\$ 873,551.81
14	1-Sep-26	\$146,889.67	\$ 109,763.72	\$ 37,125.95	\$ 763,788.09
15	1-Sep-27	\$146,889.67	\$ 114,428.68	\$ 32,460.99	\$ 649,359.41
16	1-Sep-28	\$146,889.67	\$ 119,291.90	\$ 27,597.77	\$ 530,067.51
17	1-Sep-29	\$146,889.67	\$ 124,361.80	\$ 22,527.87	\$ 405,705.71
18	1-Sep-30	\$146,889.67	\$ 129,647.18	\$ 17,242.49	\$ 276,058.53
19	1-Sep-31	\$146,889.67	\$ 135,157.18	\$ 11,732.49	\$ 140,901.35
20	1-Sep-32	\$146,889.66	\$ 140,901.35	\$ 5,988.31	\$ -
TOTALS		\$2,937,793.39	\$1,952,805.00	\$984,988.39	\$0.00

PROMISSORY NOTE

Date: September 1, 2009

Borrower: Snowmass Water & Sanitation District, acting by and through its Water Activity Enterprise

Principal Amount: \$1,952,805

Interest Rate: 4.25% per annum

Term of Repayment: 20 years

Loan Contract No.: C150195, dated September 1, 2009

Loan Payment: \$146,889.67

Payment Initiation Date*: September 1, 2012

Maturity Date*: September 1, 2032

* 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/or Assignment(s) ("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.


8. 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: Snowmass Water & Sanitation
District, acting by and through its Water
Activity Enterprise

(S E A L)

By 
David Spence, President

Attest:

By 
Joseph W. Farrell, III, Secretary