

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



December 12, 2012

Mrs. Deb Daniel, General Manager
Republican River Water Conservation District
410 Main Street, Suite 8
Wray, CO 80758

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Re: Compact Compliance Pipeline Project
Loan Contract Number C150260

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mrs. Daniel:

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 \$3,103,399.47 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 \$59,587,885.95 (\$58,997,906.88 plus \$589,979.07 for the 1% service fee). The first annual loan payment will be due on September 1, 2013, in the amount of \$3,706,097.12 as established in the Promissory Note (attached). Per your request, an adjustment of \$1,012,114.05 was made for funds no longer needed.

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 = \$60,600,000.00
Expended Amount = \$59,587,885.95

cc: Diane Hoppe, CWCB Board Member, South Platte River Basin
CWCB Finance Section Staff

Colorado Water Conservation Board
Project Expenditure Schedule
Compact Compliance Pipeline Project

Sponsor: **Republican River WCD**
Address: 410 Main Street, Suite 8
Wray, CO 80758
Contact: Deb Daniel, General Mgr.
Telephone: 970-332-3552
Fax: 970-332-3553
E-mail: deb.daniel@rwcwb.com
Dawn Webster, Admin
dawn.webster@rwcwb.com

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

Orig. Accounting
C150260
\$60,600,000.00
\$60,600,000.00
\$600,000.00
\$60,600,000.00
2.00%
20-years
Up to 90%
See File

Final Accounting
C150260
\$ 58,997,906.88
\$ 589,979.07
\$ 59,587,885.95

Substantial
Completion
Date:

September 1, 2012

IDC Calculation Date:

9/1/2012

Project Finish:

12/31/12

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$60,600,000.00		
1	12/10/2008	Title Insurance - Land	\$ 1,782.90	\$ 1,782.90	\$ 60,598,217.10	\$ 132.96	\$ 132.96
2	12/23/2008	Engineering	\$ 929,937.97	\$ 931,720.87	\$ 59,668,279.13	\$ 68,688.02	\$ 68,820.98
3	12/24/2008	Engineering	\$ 111,161.25	\$ 1,042,882.12	\$ 59,557,117.88	\$ 8,204.61	\$ 77,025.60
4	12/24/2008	Legal Services	\$ 194,392.95	\$ 1,237,275.07	\$ 59,362,724.93	\$ 14,347.80	\$ 91,373.39
5	12/24/2008	Lobbying/Legal Adv.	\$ 12,644.94	\$ 1,249,920.01	\$ 59,350,079.99	\$ 933.30	\$ 92,306.69
6	12/30/2008	Eng./Legal/Testing/Misc.	\$ 8,447.46	\$ 1,258,367.47	\$ 59,341,632.53	\$ 620.71	\$ 92,927.41
7	1/21/2009	Eng./Legal/Permits/Misc.	\$ 99,051.80	\$ 1,357,419.27	\$ 59,242,580.73	\$ 7,158.87	\$ 100,086.28
8	6/16/2009	Cure Land Water Purchase	\$ 44,263,152.00	\$ 45,620,571.27	\$ 14,979,428.73	\$ 2,844,968.62	\$ 2,945,054.89
9	10/1/2009	Eng./Legal/Misc.	\$ 222,934.13	\$ 45,843,505.40	\$ 14,756,494.60	\$ 13,021.80	\$ 2,958,076.69
10	1/11/2011	Eng./Legal/Misc.	\$ 244,717.37	\$ 46,088,222.77	\$ 14,511,777.23	\$ 8,032.09	\$ 2,966,108.78
11	2/8/2011	Eng./Legal/Misc.	\$ 8,339.51	\$ 46,096,562.28	\$ 14,503,437.72	\$ 260.92	\$ 2,966,369.71
12	3/24/2011	Engineering	\$ 4,651.20	\$ 46,101,213.48	\$ 14,498,786.52	\$ 134.31	\$ 2,966,504.02
13	5/20/2011	Engineering	\$ 26,559.55	\$ 46,127,773.03	\$ 14,472,226.97	\$ 684.00	\$ 2,967,188.02
14	9/8/2011	Engineering	\$ 118,834.74	\$ 46,246,607.77	\$ 14,353,392.23	\$ 2,337.63	\$ 2,969,525.64
15	9/30/2011	Eng/Const	\$ 111,458.83	\$ 46,358,066.60	\$ 14,241,933.40	\$ 2,058.17	\$ 2,971,583.82
16	10/25/2011	Eng/Const	\$ 71,613.04	\$ 46,429,679.64	\$ 14,170,320.36	\$ 1,224.29	\$ 2,972,808.10
17	12/14/2011	Eng/Const	\$ 798,640.42	\$ 47,228,320.06	\$ 13,371,679.94	\$ 11,465.41	\$ 2,984,273.52
18	12/15/2011	Construction	\$ 2,940,253.22	\$ 50,168,573.28	\$ 10,431,428.72	\$ 42,049.65	\$ 3,026,323.17
19	2/21/2012	Construction	\$ 4,383,773.77	\$ 54,552,347.05	\$ 6,047,652.95	\$ 46,359.91	\$ 3,072,683.07
20	3/14/2012	Construction	\$ 1,815,250.12	\$ 56,367,597.17	\$ 4,232,402.83	\$ 17,008.64	\$ 3,089,691.72
21	4/17/2012	Construction	\$ 777,321.89	\$ 57,144,919.06	\$ 3,455,080.94	\$ 5,835.24	\$ 3,095,526.96
22	5/21/2012	Construction	\$ 866,707.09	\$ 58,011,626.15	\$ 2,588,373.85	\$ 4,891.55	\$ 3,100,418.51
23	6/18/2012	Construction	\$ 860,137.97	\$ 58,871,764.12	\$ 1,928,235.88	\$ 2,712.90	\$ 3,103,131.41
24	8/17/2012	Construction	\$ 326,142.76	\$ 59,197,906.88	\$ 1,602,093.12	\$ 268.06	\$ 3,103,399.47
Final	9/1/2012	Loan Service Fee	\$ 589,979.07	\$ 59,587,885.95	\$ 1,012,114.05	\$ -	\$ 3,103,399.47
Final	9/1/2012	Adjustment (PO Mod)	\$ (1,012,114.05)	\$ 59,587,885.95	\$ -	\$ -	\$ 3,103,399.47

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Republican River Water Conservation District Water Activity Enterprise
-----------------	---

FINAL

Loan Contract Number	C150260
Principal	\$60,600,000.00
Interest Rate	2.00%
Frequency	Annual
Term (In Years)	20
First Payment Due	September 1, 2013
Payment Amount	\$3,706,097.12

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 60,600,000.00
Adjustment	1-Sep-12	\$1,012,114.05	\$ 1,012,114.05	\$ -	\$ 59,587,885.95
1	1-Sep-13	\$3,706,097.12	\$ 2,514,339.40	\$ 1,191,757.72	\$ 57,073,546.55
2	1-Sep-14	\$3,706,097.12	\$ 2,564,626.19	\$ 1,141,470.93	\$ 54,508,920.36
3	1-Sep-15	\$3,706,097.12	\$ 2,615,918.71	\$ 1,090,178.41	\$ 51,893,001.65
4	1-Sep-16	\$3,706,097.12	\$ 2,668,237.09	\$ 1,037,860.03	\$ 49,224,764.56
5	1-Sep-17	\$3,706,097.12	\$ 2,721,601.83	\$ 984,495.29	\$ 46,503,162.73
6	1-Sep-18	\$3,706,097.12	\$ 2,776,033.87	\$ 930,063.25	\$ 43,727,128.86
7	1-Sep-19	\$3,706,097.12	\$ 2,831,554.54	\$ 874,542.58	\$ 40,895,574.32
8	1-Sep-20	\$3,706,097.12	\$ 2,888,185.63	\$ 817,911.49	\$ 38,007,388.69
9	1-Sep-21	\$3,706,097.12	\$ 2,945,949.35	\$ 760,147.77	\$ 35,061,439.34
10	1-Sep-22	\$3,706,097.12	\$ 3,004,868.33	\$ 701,228.79	\$ 32,056,571.01
11	1-Sep-23	\$3,706,097.12	\$ 3,064,965.70	\$ 641,131.42	\$ 28,991,605.31
12	1-Sep-24	\$3,706,097.12	\$ 3,126,265.01	\$ 579,832.11	\$ 25,865,340.30
13	1-Sep-25	\$3,706,097.12	\$ 3,188,790.31	\$ 517,306.81	\$ 22,676,549.99
14	1-Sep-26	\$3,706,097.12	\$ 3,252,566.12	\$ 453,531.00	\$ 19,423,983.87
15	1-Sep-27	\$3,706,097.12	\$ 3,317,617.44	\$ 388,479.68	\$ 16,106,366.43
16	1-Sep-28	\$3,706,097.12	\$ 3,383,969.79	\$ 322,127.33	\$ 12,722,396.64
17	1-Sep-29	\$3,706,097.12	\$ 3,451,649.19	\$ 254,447.93	\$ 9,270,747.45
18	1-Sep-30	\$3,706,097.12	\$ 3,520,682.17	\$ 185,414.95	\$ 5,750,065.28
19	1-Sep-31	\$3,706,097.12	\$ 3,591,095.81	\$ 115,001.31	\$ 2,158,969.47
20	1-Sep-32	\$2,202,148.86	\$ 2,158,969.47	\$ 43,179.39	\$ -
TOTALS		\$73,630,108.19	\$60,600,000.00	\$13,030,108.19	\$0.00

PROMISSORY NOTE

Date: November 3, 2008
Borrower: Republican River Water Conservation District, acting by and through its Water Activity Enterprise
Principal Amount: \$60,600,000
Interest Rate: 2.0% per annum
Term of Repayment: 20 years
Loan Contract No.: C150260, dated November 3, 2008
Loan Payment: \$3,706,097.12
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 Deed of Trust ("Security Instruments") of even date

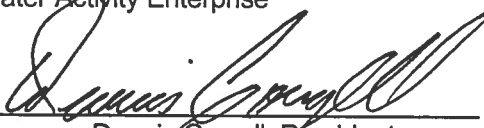
Appendix 2 to Loan Contract C150260

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.

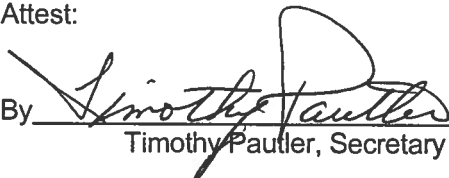
8. The CWCB shall give the BORROWER written notice of any alleged default and an opportunity to cure within thirty (30) days of receipt of such notice before the BORROWER shall be considered in default for purposes of this Promissory Note.
9. The BORROWER and any co-signer or guarantor hereby agree that 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: Republican River Water
Conservation District, acting by and through
its Water Activity Enterprise

(SEAL)

By 
Dennis Coryell, President

Attest:

By 
Timothy Pautler, Secretary