

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



February 1, 2013

Mr. Glenn Christensen, BEMA President
Big Elk Meadows Association
P.O. Box 440
Lyons, CO 80540

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Re: Raw Water Improvements Project
Loan Contract Number C150327

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Christensen:

This letter is to advise you that the Project referenced above was substantially completed on February 1, 2013. In accordance with the Loan Contract, the Company owes \$4,607.81 for interest accrued during the construction phase of the Project (see attached Project Expenditure Schedule). Please make this "interest only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number C150327 on the check.

The total amount disbursed under this contract was \$272,700 (\$270,000.00 plus \$2,700.00 for the 1% service fee). The first annual loan payment will be due on February 1, 2014, in the amount of \$16,741.47 as presented in the attached Amortization Schedule.

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

Loan Contract Amount = \$272,700.00
Expended Amount = \$272,700.00

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

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Big Elk Meadows Association
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Loan Contract Number	C150327
Principal	\$272,700.00
Interest Rate	4.50%
Frequency	Annual
Term (In Years)	30
First Payment Due	February 1, 2014
Payment Amount	\$16,741.47

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 272,700.00
1	1-Feb-14	\$16,741.47	\$ 4,469.97	\$ 12,271.50	\$ 268,230.03
2	1-Feb-15	\$16,741.47	\$ 4,671.12	\$ 12,070.35	\$ 263,558.91
3	1-Feb-16	\$16,741.47	\$ 4,881.32	\$ 11,860.15	\$ 258,677.59
4	1-Feb-17	\$16,741.47	\$ 5,100.98	\$ 11,640.49	\$ 253,576.61
5	1-Feb-18	\$16,741.47	\$ 5,330.52	\$ 11,410.95	\$ 248,246.09
6	1-Feb-19	\$16,741.47	\$ 5,570.40	\$ 11,171.07	\$ 242,675.69
7	1-Feb-20	\$16,741.47	\$ 5,821.06	\$ 10,920.41	\$ 236,854.63
8	1-Feb-21	\$16,741.47	\$ 6,083.01	\$ 10,658.46	\$ 230,771.62
9	1-Feb-22	\$16,741.47	\$ 6,356.75	\$ 10,384.72	\$ 224,414.87
10	1-Feb-23	\$16,741.47	\$ 6,642.80	\$ 10,098.67	\$ 217,772.07
11	1-Feb-24	\$16,741.47	\$ 6,941.73	\$ 9,799.74	\$ 210,830.34
12	1-Feb-25	\$16,741.47	\$ 7,254.10	\$ 9,487.37	\$ 203,576.24
13	1-Feb-26	\$16,741.47	\$ 7,580.54	\$ 9,160.93	\$ 195,995.70
14	1-Feb-27	\$16,741.47	\$ 7,921.66	\$ 8,819.81	\$ 188,074.04
15	1-Feb-28	\$16,741.47	\$ 8,278.14	\$ 8,463.33	\$ 179,795.90
16	1-Feb-29	\$16,741.47	\$ 8,650.65	\$ 8,090.82	\$ 171,145.25
17	1-Feb-30	\$16,741.47	\$ 9,039.93	\$ 7,701.54	\$ 162,105.32
18	1-Feb-31	\$16,741.47	\$ 9,446.73	\$ 7,294.74	\$ 152,658.59
19	1-Feb-32	\$16,741.47	\$ 9,871.83	\$ 6,869.64	\$ 142,786.76
20	1-Feb-33	\$16,741.47	\$ 10,316.07	\$ 6,425.40	\$ 132,470.69
21	1-Feb-34	\$16,741.47	\$ 10,780.29	\$ 5,961.18	\$ 121,690.40
22	1-Feb-35	\$16,741.47	\$ 11,265.40	\$ 5,476.07	\$ 110,425.00
23	1-Feb-36	\$16,741.47	\$ 11,772.34	\$ 4,969.13	\$ 98,652.66
24	1-Feb-37	\$16,741.47	\$ 12,302.10	\$ 4,439.37	\$ 86,350.56
25	1-Feb-38	\$16,741.47	\$ 12,855.69	\$ 3,885.78	\$ 73,494.87
26	1-Feb-39	\$16,741.47	\$ 13,434.20	\$ 3,307.27	\$ 60,060.67
27	1-Feb-40	\$16,741.47	\$ 14,038.74	\$ 2,702.73	\$ 46,021.93
28	1-Feb-41	\$16,741.47	\$ 14,670.48	\$ 2,070.99	\$ 31,351.45
29	1-Feb-42	\$16,741.47	\$ 15,330.65	\$ 1,410.82	\$ 16,020.80
30	1-Feb-43	\$16,741.74	\$ 16,020.80	\$ 720.94	\$ -

TOTALS	\$502,244.37	\$272,700.00	\$229,544.37	\$0.00
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PROMISSORY NOTE

Date: January 14, 2012
Borrower: Big Elk Meadows Association
Principal Amount: \$272,700
Interest Rate: 4.50% per annum
Term of Repayment: 30 years
Loan Contract No.: C150327, dated January 14, 2012
Loan Payment: \$16,741.47
Payment Initiation Date*: February 1, 2013
Maturity Date*: February 1, 2043

* 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(s), Deed(s) of Trust, 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, 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

Appendix 2 to Loan Contract C150327

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: Big Elk Meadows Association, a Colorado nonprofit corporation

By 
Kevin Sweeney, President

Attest:

By 
Roy McCutchen, Secretary

