

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

Mrs. Elizabeth McVicker, CCWCD President
Center of Colorado Water Conservancy District
P.O. Box 1747
Fairplay, CO 80440-1747

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Re: Smelter Pipeline Reservoir Enlargement Project
Loan Contract Number C150335

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mrs. McVicker:

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 \$1,534.25 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 C150335 on the check.

The total amount disbursed under this contract was \$404,000 (\$400,000.00 plus \$4,000.00 for the 1% service fee). The first annual loan payment will be due on February 1, 2014, in the amount of \$46,160.54 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,

A handwritten signature in blue ink, appearing to read "Kirk Russell", is written over a light blue circular stamp.

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

Loan Contract Amount = \$404,000.00

Expended Amount = \$404,000.00

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

Colorado Water Conservation Board
Project Expenditure Schedule

Smelter Pipeline Reservoir Enlargement Project

Center of Colorado Water Conservancy
District
P.O. Box 1747
548 Front Street
Fairplay, CO 80440
c/o Dan Drucker

Ph. (970) 838.0302

Original
C150335
Loan Contract No.: \$404,000.00
Authorization: \$400,000.00
Contract Amount \$4,000.00
Loan Service Fee \$404,000.00
Total Loan Amount 2.50%
Interest: 10-year
Term: Up to 90%
Conditions: 2/1/2013
IDC Calculation Date:

Final

\$400,000.00
 \$4,000.00
 \$404,000.00

Contract Expires: 27-Nov-16

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$404,000.00		
1	12/7/2012	Construction	\$ 400,000.00	\$ 400,000.00	\$ 4,000.00	\$ 1,534.25	\$ 1,534.25
FINAL	2/1/2013	Loan Service Fee	\$ 4,000.00	\$ 404,000.00	\$ -	\$ -	\$ 1,534.25

COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

Borrower	Center of Colorado Water Conservancy District
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Loan Contract Number	C150335
Principal	\$404,000.00
Interest Rate	2.50%
Frequency	Annual
Term (In Years)	10
First Payment Due	February 1, 2014
Payment Amount	\$46,160.54

Loan Payment No.	Annual Payment Due Date	Annual Payment Amount	Principal	Interest	Principal BALANCE
					\$ 404,000.00
1	1-Feb-14	\$46,160.54	\$ 36,060.54	\$ 10,100.00	\$ 367,939.46
2	1-Feb-15	\$46,160.54	\$ 36,962.05	\$ 9,198.49	\$ 330,977.41
3	1-Feb-16	\$46,160.54	\$ 37,886.10	\$ 8,274.44	\$ 293,091.31
4	1-Feb-17	\$46,160.54	\$ 38,833.26	\$ 7,327.28	\$ 254,258.05
5	1-Feb-18	\$46,160.54	\$ 39,804.09	\$ 6,356.45	\$ 214,453.96
6	1-Feb-19	\$46,160.54	\$ 40,799.19	\$ 5,361.35	\$ 173,654.77
7	1-Feb-20	\$46,160.54	\$ 41,819.17	\$ 4,341.37	\$ 131,835.60
8	1-Feb-21	\$46,160.54	\$ 42,864.65	\$ 3,295.89	\$ 88,970.95
9	1-Feb-22	\$46,160.54	\$ 43,936.27	\$ 2,224.27	\$ 45,034.68
10	1-Feb-23	\$46,160.55	\$ 45,034.68	\$ 1,125.87	\$ -
TOTALS		\$461,605.41	\$404,000.00	\$57,605.41	\$0.00

PROMISSORY NOTE

Date: November 1, 2012
Borrower: Center of Colorado Water Conservancy District
Principal Amount: \$404,000
Interest Rate: 2.50% per annum
Term of Repayment: 10 years
Loan Contract No.: C150335, dated August 20, 2012
Loan Payment: \$46,160.54
Payment Initiation Date*: February 1, 2013
Maturity Date*: February 1, 2023

* 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, ("Security Instrument") of even date and amount and cover certain revenues, real property, water rights and/or accounts of the BORROWER. The LOAN CONTRACT and Security Instrument grant additional rights to the CWCB.

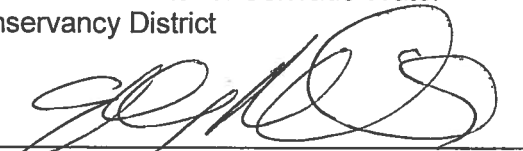
Appendix 2 to Loan Contract C150335

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: Center of Colorado Water
Conservancy District


(S E A L)

By


Elizabeth McVicker, President

Attest:

By


Geri Salsig, Secretary