

# 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



March 25, 2013

Ms. Geneva Sandusky, Treasurer  
Farmers Reservoir and Irrigation Company  
80 South 27<sup>th</sup> Ave  
Brighton, CO 80601

John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

Re: Milton Spillway/Outlet Works Rehab. and Barr Lake Improvements  
Loan Contract Number C150297

### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Ms. Sandusky:

This letter is to advise you that the Project referenced above will be substantially completed on April 1, 2013. In accordance with the Loan Contract, the Company owes \$112,836.46 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 C150297 on the check.

The total amount disbursed under this contract was \$3,516,603.47 (\$3,481,785.61 plus \$34,817.86 for the 1% service fee). The first annual loan payment will be due on April 1, 2014, in the amount of \$197,048.87 as presented in the attached Promissory Note and Amortization Schedule. An adjustment in the amount of \$18,396.53 was made for funds not disbursed.

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 and a Reserve Account must be maintained during the entire repayment period.

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 = \$3,535,000.00  
Expended Amount = \$3,516,603.47

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

Interstate Compact Compliance • Watershed Protection • Flood Planning & Mitigation • Stream & Lake Protection  
Water Project Loans & Grants • Water Modeling • Conservation & Drought Planning • Water Supply Planning

## Colorado Water Conservation Board

### Project Expenditure Schedule

#### Milton Spillway/Outlet Works Rehabilitation and Barr Lake Improvements

##### Farmers Reservoir and

##### Irrigation Company

80 South 27th Avenue

Brighton, CO 80601

Geneva Sandusky

303-659-7373

Loan Contract No.:

Authorization:

Contract Amount

Loan Service Fee

Total Loan Amount

Interest:

Term:

Conditions:

Tax I.D. No.:

Sponsor:

Address:

Contact:

Telephone:

Fax:

E-mail:

Substantial

Completion

Date:

April 1, 2013

IDC Calculation Date:

4/1/2013

Project Finish:

1-Feb-14

Final Accounting

Orig. Accounting

C150297

\$3,535,000.00

\$3,500,000.00

\$35,000.00

\$3,535,000.00

3.70%

30-years

Up to 90%

See File

C150297

\$3,481,785.61

\$34,817.86

\$3,516,603.47

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$3,535,000.00		
1	4/27/2010	Engineering/Construction	\$ 959,435.87	\$ 959,435.87	\$ 2,575,564.13	\$ 104,065.93	\$ 104,065.93
2	4/27/2010	Engineering/Construction	\$ 92,616.88	\$ 1,052,052.75	\$ 2,482,947.25	\$ 10,045.76	\$ 114,111.69
3	4/27/2010	Engineering/Construction	\$ 93,802.37	\$ 1,145,855.12	\$ 2,389,144.88	\$ 10,174.34	\$ 124,286.04
4	12/10/2010	Engineering/Construction	\$ 338,091.70	\$ 1,483,946.82	\$ 2,051,053.18	\$ 28,891.56	\$ 153,177.60
5	12/21/2010	Engineering/Construction	\$ 594,026.33	\$ 2,077,973.15	\$ 1,457,026.85	\$ 50,100.02	\$ 203,277.61
6	1/31/2011	Engineering/Construction	\$ 405,514.00	\$ 2,483,487.15	\$ 1,051,512.85	\$ 32,515.56	\$ 235,793.17
7	3/24/2011	Engineering/Construction	\$ 290,578.78	\$ 2,774,065.93	\$ 760,934.07	\$ 21,767.93	\$ 257,561.10
8	8/30/2011	Engineering/Construction	\$ 153,513.78	\$ 2,927,579.71	\$ 607,420.29	\$ 9,025.77	\$ 266,586.87
9	12/22/2011	Engineering/Construction	\$ 81,413.15	\$ 3,008,992.86	\$ 526,007.14	\$ 3,845.82	\$ 270,432.70
1P	3/12/2012	IDC Payment Received	\$ -	\$ 3,008,992.86	\$ 526,007.14	\$ (159,099.96)	\$ 111,332.74
10	12/28/2012	Engineering	\$ 88,267.26	\$ 3,097,260.12	\$ 437,739.88	\$ 841.08	\$ 112,173.81
11	3/15/2013	Eng/Const (Last Request)	\$ 384,525.49	\$ 3,481,785.61	\$ 53,214.39	\$ 662.65	\$ 112,836.46
Final	4/1/2013	Service Fee @ 1%	\$ 34,817.86	\$ 3,516,603.47	\$ 18,396.53	\$ -	\$ 112,836.46
Final	4/1/2013	Adjustment (PO Mod)	\$ (18,396.53)	\$ 3,516,603.47	\$ -	\$ -	\$ 112,836.46

# COLORADO WATER CONSERVATION BOARD

## LOAN REPAYMENT SCHEDULE

<b>Borrower</b>	<b>Farmers Reservoir and Irrigation Company</b>	<b>FINAL</b>
<b>Loan Contract Number</b>	<b>C150297</b>	
<b>Principal</b>	<b>\$3,535,000.00</b>	
<b>Interest Rate</b>	<b>3.70%</b>	
<b>Frequency</b>	<b>Annual</b>	
<b>Term (In Years)</b>	<b>30</b>	
<b>First Payment Due</b>	<b>April 1, 2014</b>	
<b>Payment Amount</b>	<b>\$197,048.87</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>
					\$ 3,535,000.00
Adjustment	1-Apr-13	\$18,396.53	\$ 18,396.53	\$ -	\$ 3,516,603.47
1	1-Apr-14	\$197,048.87	\$ 66,934.54	\$ 130,114.33	\$ 3,449,668.93
2	1-Apr-15	\$197,048.87	\$ 69,411.12	\$ 127,637.75	\$ 3,380,257.81
3	1-Apr-16	\$197,048.87	\$ 71,979.33	\$ 125,069.54	\$ 3,308,278.48
4	1-Apr-17	\$197,048.87	\$ 74,642.57	\$ 122,406.30	\$ 3,233,635.91
5	1-Apr-18	\$197,048.87	\$ 77,404.34	\$ 119,644.53	\$ 3,156,231.57
6	1-Apr-19	\$197,048.87	\$ 80,268.30	\$ 116,780.57	\$ 3,075,963.27
7	1-Apr-20	\$197,048.87	\$ 83,238.23	\$ 113,810.64	\$ 2,992,725.04
8	1-Apr-21	\$197,048.87	\$ 86,318.04	\$ 110,730.83	\$ 2,906,407.00
9	1-Apr-22	\$197,048.87	\$ 89,511.81	\$ 107,537.06	\$ 2,816,895.19
10	1-Apr-23	\$197,048.87	\$ 92,823.75	\$ 104,225.12	\$ 2,724,071.44
11	1-Apr-24	\$197,048.87	\$ 96,258.23	\$ 100,790.64	\$ 2,627,813.21
12	1-Apr-25	\$197,048.87	\$ 99,819.78	\$ 97,229.09	\$ 2,527,993.43
13	1-Apr-26	\$197,048.87	\$ 103,513.11	\$ 93,535.76	\$ 2,424,480.32
14	1-Apr-27	\$197,048.87	\$ 107,343.10	\$ 89,705.77	\$ 2,317,137.22
15	1-Apr-28	\$197,048.87	\$ 111,314.79	\$ 85,734.08	\$ 2,205,822.43
16	1-Apr-29	\$197,048.87	\$ 115,433.44	\$ 81,615.43	\$ 2,090,388.99
17	1-Apr-30	\$197,048.87	\$ 119,704.48	\$ 77,344.39	\$ 1,970,684.51
18	1-Apr-31	\$197,048.87	\$ 124,133.54	\$ 72,915.33	\$ 1,846,550.97
19	1-Apr-32	\$197,048.87	\$ 128,726.48	\$ 68,322.39	\$ 1,717,824.49
20	1-Apr-33	\$197,048.87	\$ 133,489.36	\$ 63,559.51	\$ 1,584,335.13
21	1-Apr-34	\$197,048.87	\$ 138,428.47	\$ 58,620.40	\$ 1,445,906.66
22	1-Apr-35	\$197,048.87	\$ 143,550.32	\$ 53,498.55	\$ 1,302,356.34
23	1-Apr-36	\$197,048.87	\$ 148,861.69	\$ 48,187.18	\$ 1,153,494.65
24	1-Apr-37	\$197,048.87	\$ 154,369.57	\$ 42,679.30	\$ 999,125.08
25	1-Apr-38	\$197,048.87	\$ 160,081.24	\$ 36,967.63	\$ 839,043.84
26	1-Apr-39	\$197,048.87	\$ 166,004.25	\$ 31,044.62	\$ 673,039.59
27	1-Apr-40	\$197,048.87	\$ 172,146.41	\$ 24,902.46	\$ 500,893.18
28	1-Apr-41	\$197,048.87	\$ 178,515.82	\$ 18,533.05	\$ 322,377.36
29	1-Apr-42	\$197,048.87	\$ 185,120.91	\$ 11,927.96	\$ 137,256.45
30	1-Apr-43	\$142,334.94	\$ 137,256.45	\$ 5,078.49	\$ -
<b>TOTALS</b>		<b>\$5,875,148.70</b>	<b>\$3,535,000.00</b>	<b>\$2,340,148.70</b>	<b>\$0.00</b>

# PROMISSORY NOTE

Date: February 5, 2010  
Borrower: Farmers reservoir and Irrigation Company  
Principal Amount: \$3,535,000  
Interest Rate: 3.70% per annum  
Term of Repayment: 30 years  
Loan Contract No.: C150297, dated February 5, 2010  
Loan Payment: \$197,048.87  
Payment Initiation Date\*: April 1, 2013  
Maturity Date\*: April 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 ("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 C150297

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: Farmers reservoir and Irrigation Company

(SEAL)

Attest:

By

Mary Hanssen  
Mary Hanssen, Secretary



By

Alvin Dechant, Jr.  
Alvin Dechant, Jr., President