

# 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



April 4, 2013

Mr. Dennis Hoshiko, President  
Ogilvy Augmentation Company  
300 E 16<sup>th</sup> St, Suite 309  
Greeley, CO 80631

John W. Hickenlooper  
Governor

Mike King  
DNR Executive Director

Jennifer L. Gimbel  
CWCB Director

Re: Augmentation Project  
Loan Contract Number C150273

### NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Hoshiko:

This letter is to advise you that the Project referenced was substantially completed on April 1, 2013. In accordance with the loan contract, the Company owes \$3,770.85 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 C150273 on the check.

The total amount disbursed under this contract was \$523,584.00 (\$518,400.00 plus \$5,184.00 for the 1% service fee). The first annual loan payment will be due on April 1, 2014, in the amount of \$25,015.61 as presented in the attached Promissory Note and Amortization Schedule.

#### Contract Requirements:

Per paragraph A.8.d of the loan contract, you placed \$25,015.61 into the Company's Reserve Account in November 2008. The contract requires you to add \$8,338.54 per year to the Account for three years starting in 2014. This Account will ultimately have a cash value of \$50,031.22 in April of 2016. The Company must maintain the Reserve Account until the loan is paid in full.

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

**Collateral:**

The CWCB will take possession of the 6 shares of Greeley Irrigation Company Stock as provided as collateral and evidenced in the Deed of Trust recorded in Weld County, Colorado on 9/9/2010 (GIC Certificate numbers 3321, 3331, 3332 and 3341). These certificates will be securely held by CWCB in the State Treasury. Peg Mason will be in contact with you to amend the Deed of Trust and process the Stock Assignment. Peg will prepare the documents for signature, provide payment, and schedule a meeting with the Greeley Irrigation Company as soon as practical to complete the transaction.

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 positioned above the typed name.

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

Loan Contract Amount = \$523,584.00  
Expended Amount = \$523,584.00

**Attachments**

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

**Colorado Water Conservation Board**  
**Project Expenditure Schedule**  
**Augmentation Project**

Original Accounting      Final Accounting

Sponsor: **Ogilvy Augmentation Co.**  
Address: 300 E. 16th Street, Suite 309  
Greeley, CO 80631-6065  
Contact: Dennis Hoshiko  
Telephone: 970-381-1161  
Fax: 970-353-6611  
E-mail: [dougseely@msn.com](mailto:dougseely@msn.com)

Loan Contract No.: **C150273**  
Authorization: \$523,584.00  
Contract Amount: \$518,400.00  
Loan Service Fee: \$5,184.00  
Total Loan Amount: \$523,584.00  
Interest: 2.50%  
Term: 30-years  
Conditions: Up to 90%  
Tax I.D. No.: See File  
IDC Calculation Date: 4/1/2013

Substantial Completion Date: April 1, 2013  
Contract 1 of 2

**Project Finish: 1-Apr-13**

Loan Disb. No.	Date	Description	Amount Disbursed	Cumulative Loan Balance	Balance Available to Loan	Interest	Accrued Interest
					\$523,584.00		
1	11/28/2008	Engineering/Adm./Appraisal	\$ 103,500.53	\$ 103,500.53	\$ 420,083.47	\$ 11,236.19	\$ 11,236.19
2	1/6/2009	Engineering/Construction	\$ 82,930.00	\$ 186,430.53	\$ 337,153.47	\$ 8,781.49	\$ 20,017.68
3	1/21/2009	Engineering/Water Rights	\$ 230,411.00	\$ 416,841.53	\$ 106,742.47	\$ 24,161.59	\$ 44,179.27
4	3/16/2009	Engineering/Adm./Concrete	\$ 19,730.00	\$ 436,571.53	\$ 87,012.47	\$ 1,995.97	\$ 46,175.24
5	12/9/2009	Engineering/Adm.	\$ 17,169.00	\$ 453,740.53	\$ 69,843.47	\$ 1,421.73	\$ 47,596.98
6	10/1/2010	Engineering/Adm.	\$ 27,096.90	\$ 480,837.43	\$ 42,746.57	\$ 1,694.48	\$ 49,291.46
7	11/29/2010	Engineering/Meters	\$ 18,982.39	\$ 499,819.82	\$ 23,764.18	\$ 1,110.34	\$ 50,401.80
1P	12/19/2011	IDC Payment Received	\$ -	\$ 499,819.82	\$ 23,764.18	\$ (34,756.76)	\$ 15,645.04
2P	12/13/2012	IDC Payment Received	\$ -	\$ 499,819.82	\$ 23,764.18	\$ (11,879.28)	\$ 3,765.76
8	3/28/2013	Engineering/Meters	\$ 18,580.18	\$ 518,400.00	\$ 5,184.00	\$ 5.09	\$ 3,770.85
Final	4/1/2013	Loan Service Fee @ 1%	\$ 5,184.00	\$ 523,584.00	\$ -	\$ -	\$ 3,770.85

# COLORADO WATER CONSERVATION BOARD

## LOAN REPAYMENT SCHEDULE

<b>Borrower</b>	<b>Ogilvy Augmentation Company</b>
-----------------	------------------------------------

**FINAL**

<b>Loan Contract Number</b>	<b>C150273</b>
<b>Principal</b>	<b>\$523,584.00</b>
<b>Interest Rate</b>	<b>2.50%</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>\$25,015.61</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>
					\$ 523,584.00
1	1-Apr-14	\$25,015.61	\$ 11,926.01	\$ 13,089.60	\$ 511,657.99
2	1-Apr-15	\$25,015.61	\$ 12,224.16	\$ 12,791.45	\$ 499,433.83
3	1-Apr-16	\$25,015.61	\$ 12,529.76	\$ 12,485.85	\$ 486,904.07
4	1-Apr-17	\$25,015.61	\$ 12,843.01	\$ 12,172.60	\$ 474,061.06
5	1-Apr-18	\$25,015.61	\$ 13,164.08	\$ 11,851.53	\$ 460,896.98
6	1-Apr-19	\$25,015.61	\$ 13,493.19	\$ 11,522.42	\$ 447,403.79
7	1-Apr-20	\$25,015.61	\$ 13,830.52	\$ 11,185.09	\$ 433,573.27
8	1-Apr-21	\$25,015.61	\$ 14,176.28	\$ 10,839.33	\$ 419,396.99
9	1-Apr-22	\$25,015.61	\$ 14,530.69	\$ 10,484.92	\$ 404,866.30
10	1-Apr-23	\$25,015.61	\$ 14,893.95	\$ 10,121.66	\$ 389,972.35
11	1-Apr-24	\$25,015.61	\$ 15,266.30	\$ 9,749.31	\$ 374,706.05
12	1-Apr-25	\$25,015.61	\$ 15,647.96	\$ 9,367.65	\$ 359,058.09
13	1-Apr-26	\$25,015.61	\$ 16,039.16	\$ 8,976.45	\$ 343,018.93
14	1-Apr-27	\$25,015.61	\$ 16,440.14	\$ 8,575.47	\$ 326,578.79
15	1-Apr-28	\$25,015.61	\$ 16,851.14	\$ 8,164.47	\$ 309,727.65
16	1-Apr-29	\$25,015.61	\$ 17,272.42	\$ 7,743.19	\$ 292,455.23
17	1-Apr-30	\$25,015.61	\$ 17,704.23	\$ 7,311.38	\$ 274,751.00
18	1-Apr-31	\$25,015.61	\$ 18,146.83	\$ 6,868.78	\$ 256,604.17
19	1-Apr-32	\$25,015.61	\$ 18,600.51	\$ 6,415.10	\$ 238,003.66
20	1-Apr-33	\$25,015.61	\$ 19,065.52	\$ 5,950.09	\$ 218,938.14
21	1-Apr-34	\$25,015.61	\$ 19,542.16	\$ 5,473.45	\$ 199,395.98
22	1-Apr-35	\$25,015.61	\$ 20,030.71	\$ 4,984.90	\$ 179,365.27
23	1-Apr-36	\$25,015.61	\$ 20,531.48	\$ 4,484.13	\$ 158,833.79
24	1-Apr-37	\$25,015.61	\$ 21,044.77	\$ 3,970.84	\$ 137,789.02
25	1-Apr-38	\$25,015.61	\$ 21,570.88	\$ 3,444.73	\$ 116,218.14
26	1-Apr-39	\$25,015.61	\$ 22,110.16	\$ 2,905.45	\$ 94,107.98
27	1-Apr-40	\$25,015.61	\$ 22,662.91	\$ 2,352.70	\$ 71,445.07
28	1-Apr-41	\$25,015.61	\$ 23,229.48	\$ 1,786.13	\$ 48,215.59
29	1-Apr-42	\$25,015.61	\$ 23,810.22	\$ 1,205.39	\$ 24,405.37
30	1-Apr-43	\$25,015.50	\$ 24,405.37	\$ 610.13	\$ -
<b>TOTALS</b>		<b>\$750,468.19</b>	<b>\$523,584.00</b>	<b>\$226,884.19</b>	<b>\$0.00</b>

# PROMISSORY NOTE

Date: October 27, 2008  
Borrower: Ogilvy Augmentation Company  
Principal Amount: \$523,584  
Interest Rate: 2.5% per annum  
Term of Repayment: 30 years  
Loan Contract No.: C150273, dated October 27, 2008  
Loan Payment: \$25,015.61  
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 and Deeds of Trust ("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 C150273

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: Ogilvy Augmentation Company, a  
Colorado nonprofit corporation

By   
Dennis Hoshiko, President

Attest:

By   
Stow L. Witwer, Secretary