

FIRST AMENDMENT TO LOAN AGREEMENT

**BETWEEN COLORADO WATER RESOURCES AND POWER DEVELOPMENT
AUTHORITY**

AND

NORTHERN WATER HYDROPOWER WATER ACTIVITY ENTERPRISE

**(a government-owned business within the meaning of Article X Section 20(2)(d) of the
Colorado Constitution, organized pursuant to C.R.S. § 37-45.1-101 et seq. and owned by the
Northern Colorado Water Conservancy District)**

This FIRST AMENDMENT to LOAN AGREEMENT is made, entered into, and effective as of the 19th day of December 2014, by and between the COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY (the "Authority"), a body corporate and political subdivision of the State of Colorado, and NORTHERN WATER HYDROPOWER WATER ACTIVITY ENTERPRISE (a government-owned business within the meaning of Article X, Section 20(2)(d) of the Colorado Constitution, organized pursuant to C.R.S. § 37-45.1-101 et seq. and owned by the Northern Colorado Water Conservancy District) (the "Governmental Agency");

WITNESSETH THAT:

WHEREAS, in order to finance a portion of the costs associated with the Carter Lake hydroelectric project, the Authority and Governmental Agency entered into a Loan Agreement dated May 20, 2011;

WHEREAS, pursuant to the Loan Agreement at Section 3.07, the source of repayment for the loan is the Governmental Agency's Pledged Property, as defined in paragraph (3) of Exhibit A to the Loan Agreement;

WHEREAS, in paragraph (3) of Exhibit A to the Loan Agreement it states that Pledged Property consists of Net Revenue of the System;

WHEREAS, System is defined in paragraph (2) of Exhibit A to the Loan Agreement as follows:

"System" shall mean (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture, or other real or personal property, relating to the generation and distribution of hydropower electricity that is owned

operated or controlled by the Governmental Agency, including without limitation, the Project, (ii) any renewal, replacement, addition, modification, or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of the Governmental Agency in the generation, transmission, and distribution of hydroelectricity;

WHEREAS, the Authority and Governmental Agency mutually desire to amend the definition of System within the Loan Agreement to clarify that it is limited to the works for the generation and distribution of hydroelectric power by and from the Carter Lake hydroelectric project, and does not include any works for the generation or distribution of hydroelectric power from any other location or by any other hydroelectric project such as that which is proposed at Granby Dam;

NOW THEREFORE, in consideration of the foregoing recitals and the covenants and agreements set forth in this First Amendment, the sufficiency of which are hereby mutually acknowledged, the Authority and Governmental Agency hereby agree as follows:

1. Amendment. Paragraph (2), Description of System, in Exhibit A to the Loan Agreement is amended to read as follows:

“System” shall mean, (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture, or other real or personal property, relating to the generation and distribution of hydropower electricity by and from the hydroelectric project at Carter Lake that is owned, operated, or controlled by the Governmental Agency, including without limitation, the Project, (ii) any renewal, replacement, addition, modification or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of the Governmental Agency in the generation, transmission, and distribution of hydroelectricity from the Carter Lake Hydroelectric Project. “System” does not include any works associated with any other project or property of the Governmental Agency.

2. Extent of Amendment. Except as otherwise specifically amended herein, the Loan Agreement shall remain unchanged and is in full force and effect.

3. Counterpart/Facsimile Signatures. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS THEREOF, the Authority and the Governmental Agency have caused this FIRST AMENDMENT to the Loan Agreement to be executed, sealed and delivered, as of the date first above written.

**COLORADO WATER RESOURCES AND POWER
DEVELOPMENT AUTHORITY**

BY: Michael Ford

Executive Director

ATTEST:

LSMJD

**NORTHERN WATER HYDROPOWER WATER ACTIVITY
ENTERPRISE** (a government-owned business within the meaning of Article
X, Section 20(2)(d) of the Colorado Constitution, organized pursuant to
C.R.S. § 37-45.1-101 et seq. and owned by the Northern Colorado Water
Conservancy District)

By: Mike Applegate

Name: **MIKE APPLGATE**

Title: **PRESIDENT**

ATTEST: Eric W. Wilson