



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

March 16, 2020

Mr. Mike Hill
Bessemer Irrigating Ditch Company
503 North Main Street, Suite 216
Pueblo, CO 81003
Via email: mikehill97@yahoo.com

Re: Bessemer Ditch Company - Landslide Stabilization and Ditch Lining Project
CWCB Loan Contract Number CT2018-2832

NOTICE OF PROJECT SUBSTANTIAL COMPLETION

Dear Mr. Hill:

This letter is to advise you that the Project referenced above will be substantially complete on April 1, 2020. In accordance with the Loan Contract, the Bessemer Ditch Company owes \$19,527.72 for interest accrued during the construction phase of the Project. Please make this "interest only payment" check payable to the Colorado Water Conservation Board and include the Loan Contract Number on the check.

The total amount disbursed under this contract was \$903,602.24 (\$894,655.68 plus \$8,946.56 for the 1% service fee). An adjustment of \$5,397.76 will be made to the contract for the funds no longer needed. Peg Mason, Contracts Manager, will follow up with an executed "Option Letter" reflecting the adjustment amount. The first annual loan payment of \$53,731.55 will be due on April 1, 2021 (see attached Loan Repayment 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 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 = \$909,000.00
Expended Amount = \$903,602.24

cc: Mr. Danny Genova, Director, Bessemer Irrigating Ditch Company
ec: Mr. Greg Felt, CWCB Board Member, Arkansas River Basin



COLORADO WATER CONSERVATION BOARD

LOAN REPAYMENT SCHEDULE

| | | | |
|-----------------------------|-------------------------------|----------------------|-------------------------|
| Borrower | Bessemer Ditch Company | | FINAL RE2020-108 |
| Loan Contract Number | CT2018-2832 | CT2018-2832 | |
| Principal | \$909,000.00 | \$903,602.24 | |
| Interest Rate | 1.65% | 1.65% | |
| Frequency | Annual | Annual | |
| Term (In Years) | 20 | 20 | |
| First Payment Due | | April 1, 2021 | |
| Payment Amount | \$53,731.55 | \$53,731.55 | |

| Loan Payment No. | Annual Payment Due Date | Annual Payment Amount | Principal | Interest | Principal BALANCE |
|------------------------|-------------------------------|--------------------------|---------------------|---------------------|-------------------|
| | | | | | \$909,000.00 |
| | Adj to CT | \$5,397.76 | \$5,397.76 | | \$903,602.24 |
| 1 | 1-Apr-21 | \$53,731.55 | \$38,822.11 | \$ 14,909.44 | \$864,780.13 |
| 2 | 1-Apr-22 | \$53,731.55 | \$39,462.68 | \$ 14,268.87 | \$ 825,317.45 |
| 3 | 1-Apr-23 | \$53,731.55 | \$40,113.81 | \$ 13,617.74 | \$ 785,203.64 |
| 4 | 1-Apr-24 | \$53,731.55 | \$40,775.69 | \$ 12,955.86 | \$ 744,427.95 |
| 5 | 1-Apr-25 | \$53,731.55 | \$41,448.49 | \$ 12,283.06 | \$ 702,979.46 |
| 6 | 1-Apr-26 | \$53,731.55 | \$42,132.39 | \$ 11,599.16 | \$ 660,847.07 |
| 7 | 1-Apr-27 | \$53,731.55 | \$42,827.57 | \$ 10,903.98 | \$ 618,019.50 |
| 8 | 1-Apr-28 | \$53,731.55 | \$43,534.23 | \$ 10,197.32 | \$ 574,485.27 |
| 9 | 1-Apr-29 | \$53,731.55 | \$44,252.54 | \$ 9,479.01 | \$ 530,232.73 |
| 10 | 1-Apr-30 | \$53,731.55 | \$44,982.71 | \$ 8,748.84 | \$ 485,250.02 |
| 11 | 1-Apr-31 | \$53,731.55 | \$45,724.92 | \$ 8,006.63 | \$ 439,525.10 |
| 12 | 1-Apr-32 | \$53,731.55 | \$46,479.39 | \$ 7,252.16 | \$ 393,045.71 |
| 13 | 1-Apr-33 | \$53,731.55 | \$47,246.30 | \$ 6,485.25 | \$ 345,799.41 |
| 14 | 1-Apr-34 | \$53,731.55 | \$48,025.86 | \$ 5,705.69 | \$ 297,773.55 |
| 15 | 1-Apr-35 | \$53,731.55 | \$48,818.29 | \$ 4,913.26 | \$ 248,955.26 |
| 16 | 1-Apr-36 | \$53,731.55 | \$49,623.79 | \$ 4,107.76 | \$ 199,331.47 |
| 17 | 1-Apr-37 | \$53,731.55 | \$50,442.58 | \$ 3,288.97 | \$ 148,888.89 |
| 18 | 1-Apr-38 | \$53,731.55 | \$51,274.88 | \$ 2,456.67 | \$ 97,614.01 |
| 19 | 1-Apr-39 | \$53,731.55 | \$52,120.92 | \$ 1,610.63 | \$ 45,493.09 |
| 20 | 1-Apr-40 | \$46,243.73 | \$45,493.09 | \$ 750.64 | \$ - |
| TOTALS | | \$1,067,143.18 | \$903,602.24 | \$163,540.94 | \$0.00 |

APPENDIX 3, PROMISSORY NOTE

Date: February 20, 2018
Borrower: Bessemer Irrigating Ditch Company
Total Loan Amount: \$909,000.00
Interest Rate: 1.65% per annum
Term of Repayment: 20 years
Loan Contract Number: CT2018-2832
Annual Loan Payment: \$56,731.55
Payment Initiation Date*: April 1, 2020
(To be filled in at Substantial Completion of Project)
Maturity Date*: April 1, 2040
(To be filled in at Substantial Completion of Project)

* 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 Contract and this Promissory Note.
2. Principal and interest shall be payable in annual equal payments as set forth in "Annual Loan Payment" above, with the first payment due and payable one year from the 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 718, 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 60 calendar days of the due date. At the discretion of the CWCB, and if the Borrower requests in writing with sufficient justification, the late fee may be waived by the CWCB. CWCB will review the request from the Borrower, and may, in its sole discretion, choose to waive the late fee.
5. This Promissory 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. This Promissory Note is issued pursuant to the Contract between the CWCB and the Borrower. The 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 the Security Agreement and Deed of Trust ("Security Instruments") of even date and amount herewith and cover the Pledged Revenues and Pledged Property. The Contract and Security Instruments grant additional rights to the CWCB, including the right to accelerate the maturity of this Promissory Note in certain events.
7. If any annual payment is not paid when due or any default under the Contract or the Security Instruments securing this Promissory Note occurs, the CWCB may declare the entire outstanding 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 sixty (60) days of receipt of such notice before the Borrower shall be considered in default for purposes of this Promissory Note.
8. The Borrower hereby agrees 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.
9. This Promissory Note is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State thereunto enabling. Specifically, but not by way of limitation, the Contract and this Promissory Note are authorized pursuant to and under the authority of Title 31, Article 35; Title 37, Article 45.1; and Title 11, Article

57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., and Section 31-35-413, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Promissory Note and the Promissory Note shall be incontestable for any cause whatsoever after its delivery for value.

(SEAL)

Attest:

Sally L. Little

By:

[Signature]

Signature

Name:

MICHAEL S. HILL

Title:

SECRETARY - TREASURER

Date:

FEBRUARY 20, 2018

Borrower: Bessemer Irrigating Ditch Company

By: *[Signature]*
Signature

Name:

DANIEL L. GARDNER

Title:

PRESIDENT

Date:

FEBRUARY 20, 2018

Colorado Water Conservation Board
Project Expenditure Schedule

Landslide Stabilization and Ditch Lining

Bessemer Irrigating Ditch Company
503 North Main Street, Suite 216
Pueblo, CO 81003
c/o Mike Hill

Ph. 719-544-8584
Fax 719-744-0455
MikeHill97@yahoo.com

| | Original | Amended | Final |
|-----------------------|--------------|---------|---------------|
| Loan Contract No.: | CT2018-2832 | | |
| Authorization: | \$909,000.00 | | |
| Contract Amount | \$900,000.00 | | \$ 894,655.68 |
| Loan Service Fee % | 1.00% | | |
| Loan Service Fee | \$9,000.00 | | \$ 8,946.56 |
| Total Loan Amount | \$909,000.00 | | \$ 903,602.24 |
| Interest: | 1.65% | | 1.65% |
| Term (Years): | 20 | | 20 |
| Conditions: | Up to 100% | | Up to 100% |
| IDC Calculation Date: | 4/1/2020 | | |

Substantial Completion Date

4/1/2020

Contract Expires:

3/2/2021

| Pay Req. No. | Date | Description | Amount Disbursed | Cumulative Loan Balance | Balance Available to Loan | Interest | Accrued Interest |
|--------------|-----------|------------------------------|------------------|-------------------------|---------------------------|--------------|------------------|
| | | | | | \$ 909,000.00 | | |
| 1 | 7/6/2018 | Engineering and Construction | \$ 477,536.98 | \$ 477,536.98 | \$ 431,463.02 | \$ 13,707.93 | \$ 13,707.93 |
| 2 | 3/28/2019 | Engineering and Construction | \$ 151,733.00 | \$ 629,269.98 | \$ 279,730.02 | \$ 2,537.89 | \$ 16,245.82 |
| 3 | 6/28/2019 | Engineering and Construction | \$ 260,637.00 | \$ 889,906.98 | \$ 19,093.02 | \$ 3,275.46 | \$ 19,521.28 |
| 4 | 3/2/2020 | Engineering and Construction | \$ 4,748.70 | \$ 894,655.68 | \$ 14,344.32 | \$ 6.44 | \$ 19,527.72 |
| Final | 4/1/2020 | Loan Service Fee @ 1% | \$ 8,946.56 | \$ 903,602.24 | \$ 5,397.76 | - | \$ 19,527.72 |
| CT | 4/1/2020 | Funds Not Needed | (\$ 5,397.76) | \$ 903,602.24 | \$ 0.00 | - | \$ 19,527.72 |