

**LOAN AGREEMENT**

by and between

**COPPER RIDGE METROPOLITAN DISTRICT  
(IN THE CITY OF COLORADO SPRINGS)  
EL PASO COUNTY, COLORADO**

as District

and

**NBH BANK**

as Lender

Dated February \_\_, 2021

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## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this “**Agreement**”) is made and entered into on February \_\_, 2021 by and between **COPPER RIDGE METROPOLITAN DISTRICT** (the “**District**”), a quasi-municipal corporation and political subdivision of the State of Colorado, and **NBH BANK**, in its capacity as lender (the “**Lender**”).

### RECITALS

**WHEREAS**, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in Article I hereof); and

**WHEREAS**, the District was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within the District in accordance with Article 1 of the Special District Act; and

**WHEREAS**, pursuant to Section 32-1-1101(1), C.R.S., the District is authorized to incur indebtedness for the acquisition, construction, relocation, installation or completion of improvements and facilities to carry out the purposes of the District; and

**WHEREAS**, the District is governed by a Service Plan for Copper Ridge Metropolitan District approved by the City Council for the City of Colorado Springs, Colorado (the “**City**”) on March 11, 2008 (as it may be amended from time to time referred to herein as the “**Service Plan**”); and

**WHEREAS**, at Election of the eligible electors of the District, duly called and held on November 5, 2019 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of certain ballot questions authorizing the issuance of indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Public Improvements**”); and

**WHEREAS**, prior to the District’s availability of funding therefor, Copper Ridge Development Inc. (the “**Developer**”) funded on behalf of, or advanced to, the District moneys for the purpose of paying the costs of Public Improvements, and the District and the Developer entered into a Reimbursement Agreement dated effective October 29, 2013 (the “**Reimbursement Agreement**”), for the purpose of evidencing the District’s repayment obligations with respect thereto; and

**WHEREAS**, for the purpose of refunding certain indebtedness of the District and providing for the reimbursement of amounts outstanding under the Reimbursement Agreement, or otherwise to directly fund capital costs of Public Improvements, the District and the Lender previously entered into a Loan Agreement dated as of July 15, 2016 as amended by the First Amendment to the Loan Agreement dated September 18, 2017, by the Second Amendment to Loan Agreement dated February 20, 2018 and by the Third Amendment to Loan Agreement dated as of even date herewith (as it may be further amended from time to time, the “**2016 Loan**”); and

**Agreement**”), pursuant to which the Lender advanced to the District a term loan in the principal amount of \$11,250,000 (the “**2016 Loan**”), currently outstanding in the principal amount of \$9,490,000; and

**WHEREAS**, for the purpose of funding additional costs of Public Improvements, the District and the Lender previously entered into a Loan Agreement dated as of February 20, 2018, as amended by the First Amendment to the Loan Agreement dated as of even date herewith (as it may be further amended from time to time, the “**2018 Loan Agreement**”), pursuant to which the Lender advanced to the District a term loan in the principal amount of \$6,000,000 (the “**2018 Loan**”), currently outstanding in the principal amount of \$5,445,000; and

**WHEREAS**, the Board of Directors of the District (the “**Board**”) has determined that it is in the best interests of the District, its inhabitants and taxpayers, to directly fund additional costs of Public Improvements (the “**Project**”) and, for such purpose, the District has requested that the Lender make an additional draw down loan to the District, which shall be secured and payable on a parity basis with the 2016 Loan and the 2018 Loan and any other Parity Debt (as defined herein) of the District; and

**WHEREAS**, the Lender has agreed, subject to the terms and conditions of this Agreement and the other Financing Documents, to make such additional draw down loan to the District in the maximum principal amount of \$6,000,000 (the “**Loan**”) for the purposes of funding: (i) the Project; and (ii) the costs of issuance relating to the incurrence of the Loan; and

**WHEREAS**, the Loan will be evidenced by the issuance of a promissory note in the maximum principal amount of the Loan (the “**Note**”); and

**WHEREAS**, the principal amount of the Loan shall be allocated to the District’s electoral authorization in accordance with the use of net proceeds of the Loan, as indicated in Project Requisitions submitted in accordance with this Loan Agreement (which shall be subject to the limitations of the Election), with that portion of the principal amount of the Bonds that funded the costs of issuance to be allocated to infrastructure categories provided in the Election in accordance with the percentage of total net proceeds allocated to each such category; and

**WHEREAS**, all of the property located within the boundaries of the District is located within the boundaries of an area (the “**Urban Renewal Area**”) that is described by, and subject to, the Copper Ridge at Northgate Urban Renewal Plan approved by the City on May 11, 2010, and recorded on May 19, 2010 at reception number 21004077 of the El Paso County Colorado records (the “**Urban Renewal Plan**”) and, as a result, during the TIF Period (as defined herein), a portion of the Pledged Revenue comprised of the Debt Service Tax Increment Revenue (resulting from the imposition of ad valorem property taxes by the District) are payable to The Colorado Springs Urban Renewal Authority (the “**Authority**”) in accordance with the Urban Renewal Law; and

**WHEREAS**, notwithstanding the foregoing, the District, the Authority, and the Developer have entered into an Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated September 25, 2013, as amended by the First Amendment dated as of February 25, 2015 and the Second Amendment dated as of February 27, 2019 (as further

amended or supplemented from time to time referred to herein as the “**Redevelopment Agreement**”), pursuant to which the Authority has agreed to cause such Debt Service Tax Increment Revenue to be paid to the District, in accordance with the provisions thereof; and

**WHEREAS**, after the TIF Period, all of the moneys generated from the Limited Mill Levy (net of costs of collection) will be remitted to the District; and

**WHEREAS**, in connection with the execution and delivery of this Loan Agreement, and in satisfaction of a condition to the funding by the Lender of the Loan, the District has determined to pledge to the payment of the Loan, on a parity basis with the 2016 Loan and the 2018 Loan and any other Parity Debt, the Pledged Revenue; and

**WHEREAS**, the Loan, evidenced by the Note, shall be incurred by the District pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan, and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Loan and the Note; and

**WHEREAS**, the incurrence of the Loan and the issuance of the Note evidencing the same shall not involve a public offering, and shall be made exclusively with the Lender or other “accredited investors,” as that term is defined under sections 3(b) and 4(2) of the Securities Act of 1933, as amended, by regulation adopted thereunder by the U.S. Securities and Exchange Commission, and as a result the Loan will be exempt from registration under the Colorado Municipal Bond Supervision Act, being Title 11, Article 59, C.R.S.; and

**WHEREAS**, the Loan is being issued only to “financial institutions or institutional investors” as such terms are defined in Section 32-1-103(6.5), C.R.S., and, therefore, the debt represented by the Loan is permitted pursuant to the provisions of Section 32-1-1101(6)(a)(IV), C.R.S.; and

**NOW THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the parties hereto agree as follows.

## **ARTICLE I**

### **DEFINITIONS**

In this Agreement, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below. These definitions shall be equally applicable to both the singular and the plural forms of the terms so defined.

“*2016 Loan*” has the meaning assigned to it in the Recitals.

“*2016 Loan Agreement*” has the meaning assigned to it in the Recitals.

“*2016 Note*” means the Tax-Exempt Promissory Note issued by the District to the Lender

on July 15, 2016, which evidences the 2016 Loan.

“*2016 Reserve Fund*” means the fund by that name established pursuant to the provisions of Section 3.01 of the 2016 Loan Agreement.

“*2018 Loan*” has the meaning assigned to it in the Recitals.

“*2018 Loan Agreement*” has the meaning assigned to it in the Recitals.

“*2018 Note*” means the Copper Ridge Metropolitan District Promissory Note issued by the District to the Lender on February 20, 2018, which evidences the 2016 Loan.

“*2018 Reserve Fund*” means the fund by that name established pursuant to the provisions of Section 3.01 of the 2018 Loan Agreement.

“*2018 Loan*” has the meaning assigned to it in the Recitals.

“*Advance*” means the funding of a portion of the Maximum Advancing Amount pursuant to the terms hereof.

“*Advance Date*” means a date reflected on the Advance Schedule on which an Advance is funded by the Lender.

“*Advance Schedule*” means the schedule attached hereto as Exhibit D showing each Advance Date and the corresponding amount of the Advance.

“*Advance Period*” means the period of time during which Advances may be made hereunder, being the period between (a) the Closing Date, and (b) [insert date] or such later date as may be approved by the Lender which shall not be later than the third anniversary of the Closing Date.

“*Annual Historical Pledged PIF Revenue*” means the total amount of all Pledged PIF Revenue received by or on behalf of the District in the immediately preceding 12 full calendar months.

“*Annual Projected Pledged PIF Revenue*” means, with respect to any Mill Levy Certification Date, the amount of Pledged PIF Revenue projected to be received in the immediately succeeding calendar year for purposes of determining the Limited Mill Levy to be imposed on such Mill Levy Certification Date, as set forth in a certificate of the District executed by the Authorized Person on such date, provided that such amount shall not exceed an amount equal to 85% of the Annual Historical Pledged PIF Revenue for such Mill Levy Certification Date. It is acknowledged that the Annual Projected Pledged PIF Revenue may be less than the amount of Pledged PIF Revenue actually anticipated to be received in such calendar year by the District, and the full amount of Pledged PIF Revenue actually received is pledged hereunder to the payment of the Loan (on parity with the 2016 Loan any other Parity Debt) until released from such lien in accordance with the provisions hereof.

“*Assessed Valuation*” means the preliminary or final certified assessed valuation of all taxable property of the District, as calculated and recorded by the appropriate county assessor on or about August 25 of each calendar year (with respect to the preliminary certified assessed valuation) or December 10 of each calendar year (with respect to the final certified assessed valuation), or on such other date as may be established by law for the annual preliminary or final certification of assessed valuation, as the case may be.

“*Authorized Person*” means the President of the Board or any designee thereof, and also means any other individual authorized by the Board to act as an Authorized Person hereunder, provided that the District has provided specimen signatures for such Authorized Person(s) to the Lender.

“*Authorizing Resolution*” means the resolution adopted by the Board on February [23], 20121, authorizing the District to, among other things, incur the indebtedness of the Loan and execute and deliver the Note and this Agreement.

“*Base Rate*” means an interest rate of \_\_% per annum.

“*Board*” means the Board of Directors of the District.

“*Business Day*” means a day on which the Lender, or banks or trust companies in Denver, Colorado, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“*Certified Public Accountant*” means an independent certified public accountant within the meaning of § 12-2-115, C.R.S. and any amendment thereto, licensed to practice in the State.

“*City*” means the City of Colorado Springs, Colorado.

“*Closing*” means the concurrent execution and delivery of the Note, the Loan Agreement, and the other Financing Documents by the respective parties thereto and the issuance and disbursement of the Loan and application of the proceeds thereof in accordance with Section 2.02(a) hereof.

“*Closing Date*” means the date on which the Closing occurs, February \_\_, 2021.

“*Closing Memorandum*” means the closing memorandum, dated as of the Closing Date, setting forth the disbursement of the proceeds of the Initial Funded Amount, including the application of such funds to payment of a portion of the Project Costs and the costs, expenses and fees incurred in connection with the issuance of the Loan.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“*Community Banks of Colorado*” means Community Banks of Colorado, a division of NBH Bank, a Colorado state-chartered bank.



“*Costs of Issuance Fund*” means the fund by that name established by the provisions of Section 3.01 hereof to be administered and maintained by the District in the manner and for the purposes set forth in Section 3.06 hereof.

“*County*” means El Paso County, Colorado.

“*County Assessor*” means the assessor of El Paso County, Colorado.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*Debt*” means multiple fiscal year obligations of the District secured by a pledge of ad valorem property taxes of the District (including tax increment revenues payable to the District under the Redevelopment Agreement in accordance with the provisions thereof) or any part of the Pledged Revenue.

“*Debt Service Base Property Tax Revenue*” the ad valorem property taxes produced by the Limited Mill Levy required to be imposed by the District in accordance with the provisions hereof upon all taxable property within the District, net of costs of collection, but excluding Debt Service Tax Increment Revenue.

“*Debt Service Tax Increment Revenue*” the ad valorem property taxes produced by the Limited Mill Levy required to be imposed by the District in accordance with the provisions hereof upon that portion of the valuation for assessment of all taxable property of the District which is in excess of the Property Tax Base Amount, net of costs of collection and any administrative fee due to the Authority in accordance with the Redevelopment Agreement.

“*Default*” means an event, act or occurrence which, with the giving of notice or the lapse of time (or both), would become an Event of Default.

“*Default Rate*” means a rate per annum equal to the sum of the applicable Base Rate plus 4.00%.

“*Developer*” means Copper Ridge Development, Inc., and its successors and assigns.

“*District*” means Copper Ridge Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as metropolitan district under the laws of the State of Colorado, and any successor or assign thereof.

“*District Accountant*” means CliftonLarsonAllen or such other firm with recognized expertise in providing accounting services to special metropolitan districts as may be selected by the District, provided that the District has provided written notice to the Lender of selection of a new District Accountant.

“*Election*” means the authorizing debt election held within the District on November 5, 2019.

“*Engineer*” means an engineering firm selected by the District which is qualified and licensed in the State of Colorado and which has experience in the design, construction and certification of public improvements of similar type and function as those authorized to be financed by the District.

“*Event of Default*” has the meaning set forth in Section 7.01 hereof.

“*Excess PIF Revenue*” means that portion of the Pledged PIF Revenue that is not needed to pay principal of and interest on the 2016 Loan, the 2018 Loan and the Loan in any Loan Year and is released from the lien of this Agreement and the Prior Loan Agreements in accordance with the provisions hereof and thereof.

“*Financing Documents*” means this Agreement, the Note, the Authorizing Resolution, the Urban Renewal Plan, the Redevelopment Agreement, the PIF Collection Agreement, and the PIF Covenant.

“*Fiscal Year*” means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of the same calendar year.

“*Initial Funded Amount*” means the amount of \$ \_\_\_\_\_ to be funded on the Closing Date.

“*Lender*” means NBH Bank, in its capacity as lender of the Loan.

“*Limited Mill Levy*” means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount necessary to generate Limited Mill Levy Revenue sufficient, together with amounts then on deposit in the Loan Payment Fund (at the time of certification of the Limited Mill Levy), the Annual Projected Pledged PIF Revenue (with respect to the Mill Levy Certification Date for which the Limited Mill Levy is then being determined) and, to the extent permitted by Section 3.05 hereof, the amounts on deposit in the Reserve Fund, to pay the principal and interest coming due on the Loan Balance and any Parity Debt (including, without limitation, the 2016 Loan and the 2018 Loan) in the immediately succeeding calendar year, but not in excess of 50 mills; provided however, that:

(i) in the event the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed after January 1, 2008, the mill levy maximum provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the District in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and

(ii) notwithstanding anything herein to the contrary, in no event may the Limited Mill Levy be established at a mill levy rate which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the

District's electoral authorization, and if the Limited Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Limited Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

*"Limited Mill Levy Revenue"* means, (a) during the TIF Period, all Debt Service Tax Increment Revenue and all Debt Service Base Property Tax Revenue and (b) after the TIF Period, all moneys derived by the District from the Limited Mill Levy, net of any costs of collection.

*"Loan"* means the loan made by the Lender to the District hereunder in the aggregate principal amount of (i) the Initial Funded Amount, and (ii) Advances funded by the Lender in accordance with the terms and provisions of this Agreement. The maximum principal amount of the Loan is \$6,000,000.

*"Loan Balance"* means, as of any relevant date, the sum of the outstanding principal amount of the Initial Funded Amount and all other Advances funded by the Lender hereunder.

*"Loan Year"* means the period commencing on December 2 of the applicable year through and including December 1 of the immediately succeeding year.

*"Maturity Date"* means December 1, 2038.

*"Maximum Rate"* means 18.00%, the maximum Net Effective Interest Rate permitted by the Election.

*"Mill Levy Certification Date"* means the date each year on which the Limited Mill Levy is required to be certified in accordance with the provisions hereof.

*"Net Effective Interest Rate"* means, as of any Payment Date, the total amount of interest accrued hereunder on the Loan from the Closing Date through such Payment Date, divided by the sum of the products derived by multiplying the principal amount of the Loan outstanding by the number of years from the date of this Agreement to the Payment Date (or the date on which such principal amount was actually paid, if earlier); provided that in the event of a conflict between the above calculations and the calculations of net effective interest rate required by law or by the terms of the District's electoral authorization, the net effective interest rate required by law or by the terms of the District's electoral authorization shall control.

*"Northgate Properties"* means Northgate Properties, LLC, a Colorado limited liability company.

*"Note"* means the Copper Ridge Metropolitan District Promissory Note, evidencing the Loan, issued by the District, as maker, to the Lender, as payee, dated as of the date of issuance, and in substantially the form set forth in Exhibit A attached hereto.

*"Participant"* means one or more commercial banks or other Persons not affiliates of the District.

“*Payment Date*” means June 1 and December 1 of each calendar year, commencing June 1, 2021, and the Maturity Date.

“*Parity Debt*” means obligations of the District secured by all or a portion of the Pledged Revenue on a parity lien basis with the Loan. For purposes of this definition, the 2016 Loan and the 2018 Loan shall constitute the Parity Debt hereunder.

“*PIF*” means the public improvement fee in the amount of 1.00% as set forth in the PIF Covenant.

“*PIF Collection Agreement*” means a PIF Collection Agreement between the District and CliftonLarsonAllen LLP, as collecting agent, dated as of February \_\_\_\_, 2021, as it may be amended or supplemented from time to time.

“*PIF Covenant*” means the Declaration of Covenants Imposing and Implementing Public Improvement Fee recorded September 19, 2012, in the real property records of El Paso County, Colorado at Reception Number 212109234, as supplemented by the Supplement to Declaration of Covenants Imposing and Implementing a Public Improvement Fee recorded April 3, 2018 in the real property records of El Paso County, Colorado at Reception Number 218037636.

“*PIF Eligible Costs*” means any cost or expense permitted to be funded from the PIF, in accordance with the PIF Covenant.

“*Person*” means an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Pledged PIF Revenue*” means all revenues resulting from the PIF, including all late fees and penalties payable in accordance with the PIF Covenant.

“*Pledged Revenue*” means the following:

- (a) the Limited Mill Levy Revenue;
- (b) the portion of the Specific Ownership Taxes allocable to the amount of the Limited Mill Levy;
- (c) all Pledged PIF Revenue; and
- (d) all amounts held in the Loan Payment Fund (including legally available moneys which the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

“*Project Costs*” means the District’s costs properly attributable to the construction, acquisition, or other provision of the Project or any part thereof, including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Loan proceeds, including any intrafund or interfund loan, and amounts due under any reimbursement agreement or other arrangement with third parties pertaining to the Project;
- (e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;
- (f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of incurring the Loan;
- (j) the costs of amending this Agreement, any resolution or other instrument relating to the Loan or the Project;
- (k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (m) the costs of demolition, removal, and relocation; and
- (n) all other lawful costs as determined by the Board.

“*Project Fund*” means the fund by that name established by the provisions of Section 3.01 hereof to be administered and maintained by the Lender in the manner and for the purposes set forth in Section 3.03 hereof.

“*Property Tax Base Amount*” means the amount certified by the Assessor as the valuation for assessment of all taxable property within the Urban Renewal Area last certified by the

Assessor prior to the adoption of the Urban Renewal Plan or any modification thereof (\$1,569,080); and provided, however, that in the event of a general reassessment of taxable property in the Urban Renewal Area, the valuation for assessment of taxable property within the Urban Renewal Area shall be proportionately adjusted in accordance with such general reassessment in the manner required by the Colorado Urban Renewal Law, constituting Sections 31-25-101 *et. seq.* of Colorado Revised Statutes, as amended.

“*Public Deposit Protection Act*” means Article 10.5 of Title 11, Colorado Revised Statutes, as amended from time to time.

“*Public Improvements*” means the public improvements and facilities the debt for which was approved at the Election and are authorized by the Service Plan, including without limitation necessary or appropriate equipment.

“*Redevelopment Agreement*” means the Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated September 25, 2013, among the District, the Authority, and the Developer, as amended by the First Amendment to the Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated February 25, 2015, and the Second Amendment to the Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated as of February 27, 2019, as the same may be further amended or supplemented from time to time.

“*Reserve Fund*” means the fund by that name established by the provisions of Section 3.01 hereof to be administered and maintained by the Lender in the manner and for the purposes set forth in Section 3.05 hereof.

“*Reserve Requirement*” means \$635,000.

“*Special Counsel*” means Ballard Spahr LLP, Denver, Colorado, or such other attorneys selected by the District with nationally recognized expertise in the issuance of tax-exempt debt.

“*Special District Act*” means Title 32, Section 32-1-101 *et seq.* Colorado Revised Statutes, as amended.

“*Specific Ownership Tax*” means the specific ownership tax which is collected by the County and remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute.

“*Supplemental Public Securities Act*” means Title 11, Article 57, C.R.S.

“*TIF Period*” means a period of time during which the Authority is entitled to receive, pursuant to the Urban Renewal Law and the Urban Renewal Plan, the ad valorem property taxes produced by the Limited Mill Levy from that portion of the valuation for assessment of all taxable property of the District which is in excess of the Property Tax Base Amount.

“*Urban Renewal Law*” means Section 31-25-101 *et seq.*, C.R.S.

“*Urban Renewal Plan*” has the meaning assigned to it in the Recitals.

**Section 1.01. Interpretation.** In this Agreement, unless the context otherwise requires:

(a) the terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar term refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of this Agreement, the term “now” means at the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement;

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word “person” or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Agreement, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(e) all exhibits referred to herein are incorporated herein by reference.

## ARTICLE II

### LOAN TERMS, FEES, APPLICATION OF PROCEEDS

**Section 2.01. Loan in General.**

(a) *Agreement to Make a Loan.* Subject to the satisfaction of all conditions precedent set forth in Section 4.01 hereof, the Lender hereby agrees to fund on the Closing Date a portion of the Loan to the District in an amount equal to the Initial Funded Amount. During the Advance Period, the Lender agrees to fund Advances to the District in amounts up to the Maximum Advancing Amount, subject to the satisfaction of the conditions of Section 4.02 hereof. Provided that all conditions precedent set forth in Section 4.02 are satisfied, on each Advance Date the Lender shall be obligated to make the Advance in the amount stated on the Advance Schedule.

(b) *Note.* On the Closing Date, the District shall execute and deliver the Note via physical delivery payable to the Lender in a maximum principal amount equal to \$6,000,000. With respect to each Advance funded by the Lender from time to time hereunder, the Lender shall maintain in accordance with its usual practices an account or accounts evidencing the indebtedness resulting from each such Advance and the principal amount of and interest payable and paid from time to time hereunder on the Loan Balance. In any legal action or proceeding in respect of any Advance or the Loan, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations therein recorded. The Note shall evidence the obligation of the District to pay in accordance with this Agreement the Loan Balance. The Note shall constitute a limited tax special revenue

obligation of the District payable from and secured by the Pledged Revenue and such other funds as provided herein, subject to the limitations set forth herein.

(c) **Application of the Initial Funded Amount.** On the Closing Date, the Lender shall cause the proceeds of the Initial Funded Amount to be deposited and applied as follows:

(i) the amount of \$\_\_\_\_\_ shall be disbursed to the District for credit to the Project Account; and

(ii) the amount of \$\_\_\_\_\_ shall be applied by the Lender to the payment of fees, costs, and expenses incurred in connection with the issuance of the Loan pursuant to subsection (d) below.

(d) **Application of Advances.** Provided that the conditions set forth in Section 4.02 are satisfied, on each scheduled Advance Date, the Lender shall fund the Advance in the amount showed on the Advance Schedule for the corresponding Advance Date as follows: (a) disburse the amount necessary to pay costs, if any, in connection with the funding of the Advance in accordance with written direction of the District, and (b) deposit the balance of the proceeds of such Advance to the Project Fund.

**Section 2.02. Interest Rate; Interest Payments; Principal Payments.**

(a) **Interest Rates.** The Loan Balance will bear interest at the Base Rate unless the Default Rate applies pursuant to the terms of this Section. All interest due and payable under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months. Upon the occurrence of an Event of Default and for so long as such Event of Default continues and remains uncured to the satisfaction of the Lender, at the sole election of the Lender, the Loan Balance shall bear interest at the Default Rate. Any such Default Rate will apply as of the date of the Default, or as of any later date determined by the Lender in the written notice provided by the Lender to the District.

(b) **Interest Payments.** On each Payment Date there shall be due and payable interest accrued on the Loan Balance for the period commencing with the immediately preceding Payment Date (or, if none, the Closing Date) to but not including the next Payment Date, but solely to the extent of the Pledged Revenue available for such purpose in accordance with Article III hereof. Any interest not paid when due (including, without limitation, on the Maturity Date) shall continue to accrue until paid in full, and shall compound semi-annually to the extent not paid on each Payment Date.

(c) **Principal Payments.** Principal payments thereafter shall be made annually on December 1 of each year until the Maturity Date, and on the Maturity Date in accordance with the following schedule. Any principal on the Loan remaining unpaid on the Maturity Date shall continue to remain owing, shall accrue interest at the Default Rate, and shall continue to be payable to the extent of Pledged Revenue until paid in full.



Principal Payment Date	Principal Amount Due
December 1, 2021	
December 1, 2022	
December 1, 2023	
December 1, 2024	
December 1, 2025	
December 1, 2026	
December 1, 2027	
December 1, 2028	
December 1, 2029	
December 1, 2030	
December 1, 2031	
December 1, 2032	
December 1, 2033	
December 1, 2034	
December 1, 2035	
December 1, 2036	
December 1, 2037	
Maturity Date	

(d) **Maximum Interest Rate.** Notwithstanding the foregoing provisions, the maximum Net Effective Interest Rate that the District is authorized to pay with respect to the Loan is the Maximum Rate, and the Loan shall not bear interest at a rate that would cause the Net Effective Interest Rate on the Loan to exceed the Maximum Rate. To the extent amounts due to the Lender have not been fully repaid because of the application of this Maximum Rate provision, the provisions of Section 2.04 hereof shall apply.

(e) **Limitations of Electoral Authorization.** It is acknowledged by the Lender that the obligations of the District under this Agreement are limited by the District’s voted debt authorization and the Service Plan with respect to principal amount, Maximum Rate, maximum repayment cost, and maximum annual tax increases, and that, notwithstanding anything herein to the contrary, the District is not authorized and is not obligating itself with respect to the foregoing obligations in excess of that which is permitted under the terms of the District’s voted debt authorization and the Service Plan. Notwithstanding anything else herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the District’s obligations hereunder, including all payments of principal, interest and all of the District’s obligations hereunder and under the Note will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

**Section 2.03. Application of Maximum Rate to Interest Differential.** If the interest due and payable hereunder is in excess of the amount actually paid by the District as a result of the Maximum Rate provisions of Section 2.03(d) hereof, the difference between what would have been the interest payable had interest accrued at the applicable interest rate, and the actual interest paid by the District on such obligation (the “**Interest Differential**”) shall remain an obligation of the District. If at any time there is an Interest Differential owed to the Lender, any reduction in interest rate that would result from the application of the Maximum Rate to the

applicable interest rate shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Lender as if the applicable interest rate had at all times been utilized.

**Section 2.04. Optional Prepayment.**

(a) ***Optional Prepayment Prior to July 16, 2026.*** The Loan is subject to prepayment on any date prior to July 16, 2026, at the option of the District, in whole or in part, at a prepayment price equal to the principal amount thereof being prepaid, plus a Prepayment Fee (calculated by the Lender pursuant to the definition below), plus accrued interest to the date of prepayment. A “**Prepayment Fee**” shall be due as a condition of any prepayment of the Loan prior to July 16, 2026, which Prepayment Fee shall be equal to present value of the difference between (i) the total amount of interest based on the Original Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred and (ii) the amount of interest based on the Current Interest Rate Swap Rate which would have accrued on the prepaid amount had such event not occurred, both (i) and (ii) discounted at the then “Current Interest Rate Swap Rate”, as determined by the Lender. The “Original Interest Rate Swap Rate” is the quotation in effect at the time of issuance maturing on the stated Maturity Date of this Loan. The “Current Interest Rate Swap Rate” is the quotation in effect at the time of the prepayment maturing on the stated Maturity Date. Should the present value have no value or a negative value, the Loan may be optionally prepaid with no make-whole fee. The make-whole fee shall apply in the event of any prepayment, whether by acceleration, prepayment, or otherwise. All calculations and determinations by the Lender of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error. Any partial prepayment of the Loan shall be applied in inverse order of maturity. Any partial prepayment shall not postpone the due dates of, or relieve the amounts of, any scheduled sinking fund installments described in Section 2.03(c). Any amounts paid hereunder may not be re-borrowed from the Lender. Notwithstanding the foregoing or anything else herein to the contrary, in the event any such Prepayment Fee exceeds the amount permitted by law, the Loan shall be deemed to not be subject to prepayment to that extent.

(b) ***Optional Prepayment On or After July 16, 2026.***

(A) ***Prepayment In Whole.*** The Loan is subject to prepayment, in whole, on any Payment Date after July 16, 2026, at the option of the District, at a prepayment price equal to the outstanding Loan Balance plus accrued interest to the date of prepayment without payment of a premium or the Prepayment Fee.

(B) ***Prepayment in Part or not on Payment Date.*** The Loan is subject to prepayment, in whole or in part in the minimum amount of \$500,000 on any date on or after July 16, 2026 (with the exception of any redemption of the Loan in whole on any Payment Date after July 16, 2026, which is subject to paragraph (A) above), at the option of the District, at a prepayment price equal to the principal amount thereof being prepaid, plus a Prepayment Fee (calculated by the

Lender pursuant paragraph (a) above), plus accrued interest to the date of prepayment. Any partial prepayment of the Loan shall be applied in inverse order of maturity. Any partial prepayment shall not postpone the due dates of, or relieve the amounts of, any scheduled sinking fund installments described in Section 2.03(c). Any amounts paid hereunder may not be re-borrowed from the Lender. Notwithstanding the foregoing or anything else herein to the contrary, in the event any such Prepayment Fee exceeds the amount permitted by law, the portion of the Loan being redeemed shall be deemed to not be subject to redemption to that extent.

(c) The District must provide written notice to the Lender by 8:00 a.m. Denver time at least two Business Days prior to the prepayment of the Loan pursuant to this Section 2.04.

**Section 2.05. Expenses and Attorneys' Fees.** In the event that a claim by the Lender is brought against the District relating to this Agreement or any of the other Financing Documents and the Lender prevails in such claim, the District will reimburse the Lender for all reasonable attorneys' and all other consultants' fees and all other costs, fees and out-of-pocket disbursements incurred by the Lender in connection with the preparation, execution, delivery, administration, defense and enforcement of this Agreement or any of the other Financing Documents, including reasonable attorneys' and all other consultants' fees and all other costs and fees (a) incurred before or after commencement of litigation or at trial, on appeal or in any other proceeding; (b) incurred in any bankruptcy proceeding and (c) related to any waivers or amendments with respect thereto (examples of costs and fees include but are not limited to fees and costs for confirming the priority of the Lender's claim on the Pledged Revenue or the funds and accounts established hereunder). The District will also reimburse the Lender for all costs of collection of the Pledged Revenue, including all reasonable attorneys' and all other consultants' fees, before and after judgment. The Lender hereby acknowledges and agrees that due to the limitations of the District's electoral authorization, amounts payable under this Section shall be paid solely from the Pledged PIF Revenue and any such amounts shall be payable as soon as is feasible given the limitations of the timing of receipt of the Pledged PIF Revenue.

**Section 2.06. Manner of Payments; Presentation of the Note for Payments.** All payments to be made hereunder by or on behalf of the District to the Lender shall be made, and shall not be considered made until received, in lawful money of the United States of America in immediately available funds. The District shall make each payment hereunder in the manner and at the time necessary so that each such payment is received not later than 12:00 p.m., Denver time, on the day when due. Any payment received after 12:00 p.m., Denver time, shall be deemed made on the next succeeding Business Day. Subject to Section 2, all payments made hereunder by or on behalf of the District to the Lender may be applied to amounts due hereunder in such order of priority as the Lender shall elect. Notwithstanding any provisions to the contrary contained herein, the Lender shall not be required to present the Note to the District to receive any principal or interest payments, except in connection with the payment of the final principal payment upon maturity, prepayment or payment in full of the Loan.

**Section 2.07. Pledge.** The Loan as evidenced by the Note shall be a limited tax special revenue obligation of the District and shall be payable from and secured solely by a pledge of the Pledged Revenue and the other sources provided therefor in this Agreement.

The District hereby assigns, transfers, pledges, hypothecates, delivers and grants to the Lender a first priority security interest in and to the Pledged Revenue and moneys on deposit in the Project Fund, the Loan Payment Fund, and the Reserve Fund to secure the payment of the principal of and interest on the Loan; provided that such pledge and security interest with respect to the Pledged Revenue and amounts on deposit in the Loan Payment Fund is on a parity with the lien thereon securing payment of the 2016 Loan, the 2018 Loan and any other Parity Debt. The Loan shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien and such pledge and lien is provided on a parity with the lien thereon securing payment of the 2016 Loan, the 2018 Loan and any other Parity Debt. The Pledged Revenue shall be subject to no other liens, the District shall incur no other Debt (other than the Loan, the 2016 Loan, the 2018 Loan and other Parity Debt incurred in accordance with this Agreement), without the prior written consent of the Lender.

### ARTICLE III

#### PLEGGED REVENUE AND LOAN PAYMENT FUND

**Section 3.01. Acknowledgment of Funds.** There are hereby created and established the following funds, which shall be held and administered by the Lender or the District in accordance with the provisions hereof:

- (a) the Project Fund;
- (b) the Reserve Fund; and
- (c) the Costs of Issuance Fund.

**Section 3.02. Flow of Funds.** The District shall deposit from amounts transferred to the Lender by the District, all amounts comprising the Pledged Revenue as soon as practicable upon receipt thereof to the following funds and in the following order of priority. For purposes of the following, when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other.

FIRST: To the credit of the Loan Payment Fund, the amounts required by the Section hereof entitled “Loan Payment Fund” and to the credit of any similar fund or account created with respect any other Parity Debt (including the 2016 Loan and the 2018 Loan), the amount required pursuant to the documents governing such Parity Debt;

SECOND: To the credit of the Reserve Fund, the amounts required by Section 3.05 hereof, and to the credit of any other similar fund or account created with respect to any Parity Debt, the amount required pursuant to documents governing such Parity Debt; and

THIRD: So long as no Event of Default shall have occurred and be continuing, to the credit of any other fund or account as may be designated by the District, any Pledged Revenue remaining after the payments and accumulations set forth above and upon credit to such fund or account of the District, any Pledged Revenue so credited shall be released from the lien of this Agreement. Such released Pledged Revenue may be used by the District for any lawful purpose, provided that any Excess PIF Revenue shall be used only in accordance with Section 5.15 hereof.

For purposes of accounting the Pledged Revenue and identifying the priority of the application of Pledged Revenue, as well as for purposes of compliance with Section 5.15 hereof, the District shall determine, prior to the transfers described in the “FIRST” clause above, the amount of each type of Pledged Revenue (meaning, the Limited Mill Levy Revenue, the Specific Ownership Taxes and the Pledged PIF Revenue) deposited into the Loan Payment Fund and the Reserve Fund in the applicable Loan Year and shall assume that deposits made during such Loan Year to the Loan Payment Fund, and the Reserve Fund pursuant to clauses “FIRST” and “SECOND” above were made from the following Pledged Revenue in the following order of priority: the Limited Mill Levy Revenue, the Specific Ownership Taxes and the Pledged PIF Revenue.

### **Section 3.03. Project Fund.**

(a) **General.** The Project Fund shall be held and maintained by the Lender in accordance with the provisions hereof; provided that, notwithstanding anything herein to the contrary, the Lender may in its discretion choose to have any moneys to be held by the Lender in the Project Fund held, invested, disbursed, and otherwise administered on behalf of the Lender by Community Banks of Colorado. Upon the receipt by the Lender of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Project Fund shall be credited to the Loan Payment Fund. In addition, upon the District’s determination that the funds in the Project Fund exceed the amount necessary to pay all Project Costs, such excess amount shall be credited to the Loan Payment Fund in the amounts determined by the District and communicated to the Lender in writing. The Project Fund shall terminate when no further moneys remain therein.

(b) **Draws From the Project Fund.** Except as otherwise provided in this Section, amounts in the Project Fund shall be released by the Lender to the District in accordance with requisitions in substantially the form set forth herein set forth herein as Exhibit C, signed by the Authorized Person and the District Accountant. A copy of each requisition shall be submitted to the Lender at its request.

(c) **Insufficiency of Pledged Revenue.** In the event the moneys in the Loan Payment Fund are ever insufficient to pay the principal of or interest on the Loan on any Payment Date and there are moneys in the Project Fund, the Lender shall transfer from the Project Fund such amounts as may be necessary to remedy such insufficiency, or such lesser amount as may be in the Project Fund. Notwithstanding anything herein to the

contrary, any such transfer shall be made before any use of moneys in the 2016 Reserve Fund and the 2018 Reserve Fund.

**Section 3.04. Loan Payment Fund.**

(a) **General.** There was established pursuant to the 2016 Loan Agreement the Loan Payment Fund which is administered by the District, on behalf of the Lender, in accordance with the 2016 Loan Agreement. The Loan Payment Fund shall secure the 2016 Loan, 2018 Loan, the Loan and any future Parity Debt. The District hereby agrees to maintain the Loan Payment Fund for as long as the Loan Balance is outstanding or any other amounts due hereunder remain unpaid. Subject to the receipt of sufficient Pledged Revenue, there shall be credited to the Loan Payment Fund each Loan Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Loan Payment Fund (not including moneys deposited thereto from the Project Fund or the Reserve Fund pursuant to the terms of the 2016 Loan Agreement, the 2018 Loan Agreement or the terms hereof), will be sufficient to pay the principal of and interest on the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt which has or will become due in the Loan Year in which the credit is made. The District shall also credit to the Loan Payment Fund any amount of proceeds of the Loan deposited in the Costs of Issuance Fund in accordance with Section 2.02(a) hereof not applied to costs of issuance as of June 1, 2021.

(b) ***Application of Moneys in Loan Payment Fund.***

Moneys in the Loan Payment Fund (including any interest earnings thereon) shall be used by the District solely to pay principal and interest on the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt, as set forth herein and in the 2016 Loan Agreement and the 2018 Loan Agreement. On or prior to each Payment Date, the District shall transfer amounts on deposit in the Loan Payment Fund as follows:

(i) FIRST, to the Lender, in the amount of all interest due on the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt as of such Payment Date and all previously due and unpaid interest (including, without limitation current interest, accrued and unpaid interest, if any, and compounded interest, if any), or such lesser amount as is then on deposit in the Loan Payment Fund; and

(ii) SECOND, after the payment of all amounts then due in accordance with clause (i), to the Lender, in the amount of all principal due on the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt as of such Payment Date and all previously due and unpaid principal, or such lesser amount as is then on deposit in the Loan Payment Fund.

In the event that available moneys in the Loan Payment Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof and the terms of the 2016 Loan Agreement and the 2018 Loan Agreement) are insufficient for the payment of the principal of, premium if any, and interest due on the Loan, the 2016 Loan,

the 2018 Loan or any other Parity Debt on any due date, the District shall apply such amounts on such due date as follows:

(i) **FIRST:** the District shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each of the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt; and

(ii) **SECOND:** the District shall apply any remaining amounts to the payment of the principal proportionally in accordance with the amount of principal due on each of the Loan, the 2016 Loan, the 2018 Loan and any other Parity Debt.

(c) ***Moneys Held In Loan Payment Fund.*** Moneys to be held in the Loan Payment Fund shall be held in a depository account under the control of the District and satisfying the requirements of the Public Deposit Protection Act and shall not be invested, but shall earn interest at the rate provided by the applicable depository institution.

**Section 3.05. Reserve Fund.**

(a) ***General.*** There were established pursuant to the 2016 Loan Agreement and the 2018 Loan Agreement the 2016 Reserve Fund and the 2018 Reserve Fund which secure the 2016 Loan and the 2018 Loan, respectively. In connection with the Loan, the 2016 Reserve Fund and the 2018 Reserve Fund shall be combined into a single fund which shall be named the “Reserve Fund” and all amounts on deposit in the 2016 Reserve Fund and the 2018 Reserve Fund shall be transferred to the Reserve Fund. The Reserve Fund shall secure the 2016 Loan, the 2018 Loan and the Loan on a parity lien basis. The Lender shall hold, disburse, and administer the Reserve Fund in accordance with the provisions of this Section; provided that, notwithstanding anything herein to the contrary, the Lender may in its discretion choose to have any moneys held by the Lender in the Reserve Fund held, invested, disbursed, and otherwise administered on behalf of the Lender by Community Banks of Colorado.

(b) ***Application of Moneys in the Reserve Fund.*** Moneys in the Reserve Fund shall be used by the Lender, if necessary, only to prevent a default in the payment of the principal of, and interest on, with respect to the 2016 Loan, the 2018 Loan and the Loan, and the Reserve Fund is hereby pledged to the payment of the foregoing in the manner and priority set forth in this Section. For the avoidance of doubt, the Reserve Fund shall not secure any other Parity Debt. Notwithstanding anything herein to the contrary, moneys in the Project Fund shall be used prior to any use of moneys in the Reserve Fund to pay principal and interest on the Loan, but not the 2016 Loan or the 2018 Loan. In the event that by the fifth (5<sup>th</sup>) Business Day prior to any Payment Date the Lender has not received sufficient amounts from the District to pay the principal of and interest on the Loan, the 2016 Loan or the 2018 Loan due on such Payment Date, the Lender shall send a written notice thereof to the Authorized Person and the District Accountant and if the Lender does not receive sufficient funds to make such payments by 12:00 pm (noon) Denver time on the third (3<sup>rd</sup>) Business Day prior to any Payment Date, the Lender shall transfer from the Reserve Fund an amount which, when combined with moneys received

by the Lender on the fifth (5th) day prior to such Payment Date from the District and after application of the amounts on deposit in the Project Fund to the pay principal and interest on the Loan (but not the 2016 Loan or the 2018 Loan), will be sufficient to make such payments on the Loan, the 2016 Loan and the 2018 Loan in full. In the event that moneys received from the District on any Payment Date and the Reserve Fund are together insufficient to make such payments on such Payment Date (after application of moneys in the Project Fund to pay principal and interest on the Loan), the Lender will nonetheless transfer all moneys in the Reserve Fund for the purpose of making partial payments.

(c) ***Maintenance of the Reserve Requirement.*** Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund shall be maintained in the amount of the Reserve Requirement for so long as any of 2016 Loan, the 2018 Loan or the Loan are outstanding. Notwithstanding the foregoing, amounts in the Reserve Fund may be used in whole and not in part to fund the payment or defeasance of the entire 2016 Loan, the 2018 Loan and the Loan on a pro-rata basis, if such defeasance or payment will result in payment in full of all such loans. If at any time the Reserve Fund is drawn upon so that the amount of the Reserve Fund is less than the Reserve Requirement, then the District shall transfer to the Lender for deposit to the Reserve Fund amounts sufficient to bring the amount credited to the Reserve Fund to the Reserve Requirement. Such deposits and payments shall be made at the earliest practicable time, but in accordance with and subject to the limitations of Sections hereof, the 2016 Loan Agreement and 2018 Loan Agreement each entitled “Flow of Funds”, and nothing herein shall be construed as requiring the District to impose an ad valorem mill levy in excess of the Limited Mill Levy. The amount credited to the Reserve Fund shall never exceed the amount of the Reserve Requirement, and at the request of the Authorized Person made not more frequently than semi-annually the Lender shall transfer any such excess moneys to the District for deposit in the Loan Payment Fund.

(d) ***Application of the Reserve Fund on the Maturity Date.*** Provided that the 2016 Loan and the 2018 Loan have been paid in full and are no longer outstanding under the 2016 Loan Agreement and the 2018 Loan Agreement, respectively, on the Maturity Date, amounts on deposit in the Reserve Fund, if any, shall be immediately applied to the payment of the Loan. The availability of such amount, if any, shall be taken into account in calculating the Limited Mill Levy certified in the year prior to the year in which the Maturity Date occurs. If on the Maturity Date, the 2016 Loan and/or the 2018 Loan remain outstanding, then the Lender shall continue to maintain the Reserve Fund in accordance with the provisions set forth in the 2016 Loan Agreement and the 2018 Loan Agreement, respectively.

**Section 3.06. Costs of Issuance Fund.** The Costs of Issuance Fund shall be held and disbursed by the District in accordance with this Section. The District shall disburse or direct the Lender to disburse amounts designated to be deposited in the Costs of Issuance Fund to pay the fees, costs, and expenses incurred in connection with the Loan in accordance with the Closing Memorandum. On June 1, 2021, the District shall transfer all amounts then remaining, if any, in the Costs of Issuance Fund to the Loan Payment Fund, and the Costs of Issuance Fund shall thereupon be terminated.



**Section 3.07. Investments of Funds.**

(a) At the direction of the District the Lender shall invest amounts held by the Lender pursuant to this Agreement only in Permitted Investments. All such investments shall be on deposit with or in the possession of the Lender, provided that the Lender may in its discretion choose to have any moneys to be held by the Lender hereunder held, invested, disbursed, and otherwise administered on behalf of the Lender by Community Banks of Colorado. The Lender shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section. The Lender shall be entitled to assume, absent receipt by the Lender of written notice to the contrary, that any investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

(b) Except as provided hereafter for investments of the Reserve Fund, the interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Lender hereunder shall be credited to the fund or account from which the moneys invested were derived. With respect to the Reserve Fund, so long as the amount of Reserve Fund is equal to the Reserve Requirement, all interest income from the investment or reinvestment of moneys credited to the Reserve Fund shall be remitted to the District and shall be credited to the Loan Payment Fund; provided that if the amount of the Reserve Fund is less than the Reserve Requirement, then such interest income shall be credited to the Reserve Fund.

(c) In computing the amount of any fund or account, Permitted Investments purchased as an investment of moneys therein shall be valued at the then market value of such obligations, excluding any accrued interest, as determined by the District. If the market value of such obligations is not readily available, the District shall determine the value of such obligations in any reasonable manner.

(d) The Lender may make any and all investments permitted by the provisions of this Section through its own investment department or that of its affiliates, including Community Banks of Colorado. As and when any amount invested pursuant to this Section may be needed for disbursement, the Lender may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds.

(e) Unless there shall be delivered to the Lender and the District an opinion of Special Counsel that such deposit shall not cause interest on the Note to be includable in gross income under the Internal Revenue Code of 1986, as amended, amounts held in the Project Fund following the third anniversary of the Closing Date shall not be invested at a yield in excess of the yield on the Loan.

**ARTICLE IV**

**CONDITIONS TO FUNDING THE INITIAL FUNDED AMOUNT AND ADVANCES**

**Section 4.01. Conditions to Funding the Initial Funded Amount.** The funding by the Lender of the Initial Funded Amount is conditioned upon the satisfaction of each of the

following on or prior to the Closing Date. Funding of the Initial Funded Amount by the Lender shall be deemed satisfaction of the conditions set forth in this Section 4.01.

(a) ***The Financing Documents.*** The Financing Documents shall have been duly executed and delivered by each of the respective parties thereto and shall not have been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof have been delivered to the Lender; provided, however, that with respect to the Note, the Lender shall be in receipt of the executed original of the Note.

(b) ***District Proceedings and Certificate.*** The Lender shall have received a certified copy of all resolutions and proceedings taken by the District authorizing the execution, delivery and performance of this Agreement, the Note, and the other Financing Documents to which the District is a party, and the transactions contemplated hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Agreement, the Note, and the other Financing Documents to be delivered by the District hereunder and as to other matters of fact as shall reasonably be requested by the Lender.

(c) ***Representations and Warranties True; No Default.*** The Lender shall be satisfied that on the Closing Date each representation and warranty on the part of the District contained in this Agreement and any other Financing Document to which the District is a party are true and correct in all material respects and no Default or Event of Default has occurred and is continuing hereunder and no Default or Event of Default (as defined in the 2016 Loan Agreement and in the 2018 Loan Agreement has occurred and is continuing thereunder), and the Lender shall be entitled to receive certificates, signed by authorized officers of the District, to such effect.

(d) ***Approval of the City.*** The incurrence of the Loan and execution and delivery of this Agreement by the District has been approved by at least a two-thirds vote of the City Council of the City, as required by the Service Plan.

(e) ***Special Counsel's Legal Opinions.*** The Lender shall have received an opinion of Special Counsel, dated the Closing Date and addressed to the Lender and the District, with respect to such matters as the Lender may require, including opinions to the effect that the obligations of the District under this Agreement constitute a limited tax special revenue obligation of the District, that such obligation is binding and enforceable against the District in accordance with the terms of this Agreement; and otherwise in form and substance satisfactory to the Lender and its counsel.

(f) ***Opinion of General Counsel.*** The Lender shall have received an opinion of counsel to the District dated as of the Closing Date and addressed to the Lender, with respect to such matters as the Lender may require, including opinions as to the validity of the District's organization and existence; to the effect that all governmental approvals, if any, necessary for the District to execute, deliver and perform its obligations under this Agreement and the other Financing Documents to which the District is a party have been duly obtained; that the Authorizing Resolution was duly and properly adopted, is in full

force and effect, and has not been rescinded as of the Closing Date; that neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflicts with or results in a breach, or would result in a breach, of any of the terms, conditions or provisions of any agreement or instrument to which the District is a party or by which it or any of its property are bound; that this Agreement and the other Financing Documents to which the District is a party have been duly authorized, executed, and delivered by the District; and otherwise in form and substance acceptable to the Lender and its counsel.

(g) ***Opinion(s) Concerning PIF Covenant.*** The Lender shall have received an opinion (or opinions) of counsel to Northgate Properties (as the declarant of the PIF Covenant) dated as of the Closing Date and addressed to the Lender, with respect to such matters as the Lender may require relating to the authorization, execution, delivery and enforceability of the PIF Covenant.

(h) ***Certificate of Northgate Properties.*** The Lender shall have received a certificate executed by authorized representatives of Northgate Properties to the effect that the PIF Covenant was duly authorized, executed and recorded against the property contemplated therein, and has not been rescinded, revoked or amended since such recordation and remains in full force and effect, and otherwise in form and substance satisfactory to the Lender and its counsel.

(i) ***Certificate of the Authority.*** The Lender shall have received a certificate executed by authorized representatives of the Authority to the effect that the Redevelopment Agreement was duly authorized and executed and constitutes an enforceable agreement of the Authority and otherwise in form and substance satisfactory to the Lender and its counsel.

(j) ***Opinion of Authority Counsel.*** The Lender shall have received an opinion of counsel to the Authority dated as of the Closing Date and addressed to the Lender, with respect to such matters as the Lender may require, including opinions as to the validity of the Authority's organization and existence; to the effect that all governmental approvals, if any, necessary for the Authority to execute, deliver and perform its obligations under the Redevelopment Agreement have been duly obtained; that the Redevelopment Agreement was duly and properly adopted, is in full force and effect, and has not been rescinded as of the Closing Date, and is a valid and enforceable obligation of the Authority; that neither the execution and delivery of the Redevelopment Agreement, nor the fulfillment of or compliance with the terms and conditions of the Redevelopment Agreement conflicts with or results in a breach, or would result in a breach, of any of the terms, conditions or provisions of any agreement or instrument to which the Authority is a party or by which it or any of its property are bound; that the Redevelopment Agreement has been duly authorized, executed, and delivered by the Authority; and otherwise in form and substance acceptable to the Lender and its counsel.

(k) ***Certificates of the Developer.*** The Lender shall have received a certificate of authorized representatives of the Developer in form and substance satisfactory to the Lender and its counsel.

(l) ***Exclusion of Certain Residential Property from the District.*** [Describe the parcel on which apartments will be built] shall be excluded from the boundaries of the District and the Lender shall have received a copy of the recorded court order regarding the exclusion.

(m) ***No Change in Law.*** No law, regulation, ruling or other action of the United States, the State of Colorado or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the District from fulfilling its obligations under this Agreement.

(n) ***District Due Diligence.*** The Lender and its counsel shall have been provided with the opportunity to review all agreements, documents, and other material information relating to the District, the Pledged Revenue, and the District's ability to perform its obligations under this Agreement and the other Financing Documents to which the District is a party.

(o) ***Approval of Financing Documents.*** The Lender and its counsel shall have had sufficient time to review the Financing Documents and the substantially final versions of such documents shall be in form and content satisfactory to the Lender and its counsel.

(p) ***Other Requirements.*** The Lender shall be in receipt of such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Lender.

(q) ***Other Matters.*** All other legal matters pertaining to the execution and delivery of this Agreement, the Note, and the other Financing Documents, and the issuance of the Loan shall be reasonably satisfactory to the Lender and its counsel.

**Section 4.02. Conditions to Advances.** The funding by the Lender of each Advance is conditioned upon the satisfaction of each of the following, each of which shall be satisfactory in all respects to the Lender:

(a) ***Representations and Warranties True; No Default.*** As of the applicable Advance Date, each representation and warranty on the part of the District contained herein and any other Financing Document to which the District is a party are true and correct in all material respects with the same effect as if then made (except to the extent stated to relate to a specific earlier date, in which case such representation and warranty shall be true and correct as such earlier date) and no Default or Event of Default has occurred and is continuing or will occur as a result of making the Advance, and the Lender shall be entitled to receive certificates, signed by the Authorized Person to such effect.

(b) ***Favorable Opinion of Bond Counsel.*** The Lender shall have received an opinion of Bond Counsel, dated the Advance Date and addressed to the Lender in the form attached as Exhibit E hereto.

## ARTICLE V

### REPRESENTATIONS, WARRANTIES AND COVENANTS OF DISTRICT

While any Loan Balance is outstanding or any obligations hereunder are unpaid or outstanding, the District continuously warrants, covenants and agrees as follows:

**Section 5.01. Accuracy of Information.** All information, certificates or statements given to the Lender by the District pursuant to this Agreement and the other Financing Documents will be true and complete when given.

**Section 5.02. Organization; Litigation.** The District is validly existing and in good standing under the laws of its state of organization, has all requisite power and authority and possesses all licenses, permits and approvals necessary to conduct its business. There is no litigation or administrative proceeding threatened or pending against the District which could, if adversely determined, have a material adverse effect on the District's financial condition.

**Section 5.03. Performance of Covenants, Authority.** The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Authorizing Resolution, this Agreement, the Note, and all proceedings pertaining thereto. The District covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Act, to execute and deliver the Note, this Agreement, and the other Financing Documents to which it is a party, and that all action on its part for the execution and delivery of the Note, this Agreement, and the other Financing Documents to which it is a party have been duly and effectively taken and will be duly taken as provided therein and herein, and that the Loan, the Note, this Agreement, and the other Financing Documents to which the District is a party are and will be valid and enforceable obligations of the District according to the terms thereof and hereof.

**Section 5.04. Laws, Permits and Obligations.** The District will comply in all material respects with all applicable laws, rules, regulations, orders and directions of any governmental authority and all agreements and obligations binding on the District, noncompliance with which would have a material adverse effect on the District, its financial condition, assets or ability to perform its obligations under this Agreement and/or the other Financing Documents to which it is a party; provided that the District may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to the District to the extent that such action would not be likely to have a material adverse effect on the District's ability to perform its obligations hereunder.

**Section 5.05. Proper Books and Records.** The District shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to the District, the Pledged Revenue, and all of the funds and accounts established or maintained pursuant to any of the Financing Documents. The District shall (a) maintain accounting records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; (b) provide the Lender with such information concerning the business affairs and financial condition (including

insurance coverage) of District as the Lender may reasonably request; and (c) without request, provide the Lender with the information set forth in Section 5.06 hereof.

**Section 5.06. Reporting Requirements.** The District will provide the following to the Lender at the times and in the manner provided below:

(i) as soon as available, but not later than the February 28<sup>th</sup> of each year, (A) a copy of the certification of values issued by the County Assessor for the prior Fiscal Year containing the final certified “actual value” and final assessed valuation of the District for that year and (B) a copy of the District’s certification of the Limited Mill Levy for the prior Fiscal Year;

(ii) as soon as available, but not later than the February 28<sup>th</sup> of each year, a copy of the annual budget of the District for such Fiscal Year;

(iii) on the earlier of (A) two weeks following its completion or (B) 270 days after the end of the prior Fiscal Year, a copy of unqualified audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and audited by a firm of independent certified public accountants selected by the District, which financial statements shall include, without limitation, a balance sheet of the District as of the end of the immediately preceding Fiscal Year and the related statements of revenues, expenditures and changes in fund balance for the immediately preceding Fiscal Year (which covenant shall apply notwithstanding any State law audit exemptions that may exist or any different time requirements for the completion of such audit under State law);

(iv) as soon as available, but no later than forty-five (45) days from the end of each calendar quarter, beginning with the calendar quarter ending on March 31, 2021, quarterly unaudited financial statements which shall include statements of revenues, expenditures and changes in fund balances for the relevant quarter;

(v) promptly upon request of the Lender, the District shall furnish to the Lender such other reports or information regarding the Pledged Revenue or the assets, financial condition, business or operations of the District as the Lender may reasonably request, to the extent legally permissible for the District to provide.

**Section 5.07. Inspection of Books and Records.** The Lender shall have the right to examine any of the books and records of the District, but solely to the extent such books and records relate to the Pledged Revenue and/or repayment of the Loan, at any reasonable time and as often as the Lender may reasonably desire. Without limiting the generality of the foregoing, the Lender agrees that it shall use commercially reasonable efforts to maintain as confidential any non-public or proprietary information obtained by the Lender in exercising its rights under this Section 5.08.

**Section 5.08. Instruments of Further Assurance.** The District covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such agreements supplemental hereto and such further acts, instruments, and transfers as the Lender may reasonably require for the better assuring, transferring, and pledging unto the Lender the Pledged Revenue; provided, however, that the District shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

**Section 5.09. Covenant To Impose Limited Mill Levy.** The District hereby covenants as follows:

(a) For the purposes of funding the principal and interest due on the Loan (collectively, the “**Annual Debt Requirements**”), the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2021 to 2037 inclusive (and, to the extent necessary to make up any overdue payments on the Loan, in each year subsequent to 2037) in the amount of the Limited Mill Levy; **provided, however, that in no event may the District impose an ad valorem property tax for the payment of this Loan after December 2053 (for collection in calendar year 2054).** Nothing herein shall be construed to require the District to levy an ad valorem property tax for the aforementioned purposes in excess of the Limited Mill Levy.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the Board of County Commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purposes of paying the principal and interest on the Loan and other amounts due hereunder in accordance with this Agreement.

(c) The amounts necessary to pay all costs and expenses incidental to effecting the transactions contemplated under the Financing Documents and paying the principal and interest on the Loan and other amounts due hereunder in accordance with this Agreement are hereby appropriated for said purposes, and such amounts as appropriated for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Loan has been fully paid, satisfied, and discharged and the Note and this Agreement are no longer in effect.

(d) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Agreement.

(f) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

**Section 5.10. Additional Debt.** The District shall not be permitted to issue any Debt without the written consent of the Lender.

**Section 5.11. Continued Existence.** The District will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Loan.

**Section 5.12. Operation and Management.** The District will continue to operate in accordance with all applicable laws, rules, regulations, and intergovernmental agreements, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

**Section 5.13. No Exclusion of Property.** The District shall take no action nor consent to any action that could have the effect of excluding property from its boundaries if the District determines in good faith that such action or actual exclusion would have a materially adverse effect on the amount of Pledged Revenue that would otherwise be collected by the District.

**Section 5.14. Amendments to Financing Documents Require Prior Lender Consent.** The District shall not terminate, amend or consent (to the extent the District's consent is required) to any termination or amendment to any Financing Document or any provision of the Urban Renewal Plan with respect to Pledged Revenue or waive any provision of any of the foregoing, including but not limited to providing any consent with respect to a change in the amount of the PIF, without the prior written consent of the Lender.

**Section 5.15. Application of Excess PIF Revenue.** Any Excess PIF Revenue released to the District pursuant to clause "THIRD" of Section 3.02 hereof may be applied by the District only to pay due and payable PIF Eligible Cost and any other costs permitted by the PIF Covenant. The District shall retain records of the PIF Eligible Costs and other costs permitted by the PIF Covenant to which any such Excess PIF Revenue are applied.

**Section 5.16. Tax Covenants.**

(a) The District covenants that it will not take any action or omit to take any action with respect to the Loan, any funds of the District, or any facilities financed or refinanced with the proceeds of the Loan, if such action or omission (1) would cause the interest on the Note to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (2) would cause interest on the Note to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (3) would cause interest on the Note to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.



(b) The District covenants to comply with the covenants, provisions, and procedures of the Tax Certificate.

(c) The District further covenants to pay from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Note from time to time. The payment of such rebate amounts as required by this paragraph supersedes all other provisions of this Agreement concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys set aside to pay such rebate amounts pursuant to this paragraph are not subject to any lien created hereunder for the benefit of the Lender. This covenant shall survive the payment in full or the defeasance of the Note.

(d) The District hereby designates the Note as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

(e) The covenants contained in this Section shall remain in full force and effect until the date on which all obligations of the District in fulfilling such covenants under the Code and Colorado law have been met, notwithstanding the payment in full or defeasance of the Note.

**Section 5.17. Indemnification.** The District agrees, to the extent permitted by law, to indemnify and hold harmless the Lender and its agents, employees, officers, directors, and controlling Persons, together with any Participant and its agents, employees, officers, directors, and controlling Persons (hereinafter collectively referred to in this Section as the “**Indemnitees**”) from and against any and all claims, damages, liabilities, settlements, judgments, losses, legal fees, and costs or expenses incurred (including all reasonable fees and disbursements of the Indemnitees’ legal counsel and allocated cost of in house counsel and staff and all of the Indemnitees’ reasonable travel and other out of pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (a) the Loan; or (b) the holding or owning by the Lender, the Participant, or their respective nominees of any Pledged Revenue; or (c) any matters for which neither the Lender nor any Participant has any liability as set forth under the Section hereof entitled “No Liability”; provided however, that the District shall not be required to indemnify the Indemnitees for any claims, damages, losses, liabilities, settlements, judgments, legal fees, or costs or expenses to the extent proven to be caused by the Lender’s willful or negligent failure to make lawful payment under the Loan. Nothing in this Section is intended to limit the District’s obligations contained in Article II hereof.

If any action, lawsuit, or claim shall be brought or asserted against the Indemnitees in respect of which indemnity may be sought by the Indemnitees from the District under this Section, the Indemnitees shall promptly notify the District in writing, and the District shall promptly assume the defense thereof, including, but not limited to, the employment of counsel (the selection of which has been approved by the Indemnitees and such approval shall not be unreasonably withheld), the payment of all legal fees and expenses and the right to negotiate and consent to settlement; provided however, that the District shall not settle any such action which

may adversely affect the Lender without the Lender's written consent, which consent shall not be unreasonably withheld.

In the event that the Indemnitees shall be advised by counsel experienced in matters of banking or securities laws that the Indemnitees have defenses or causes of action separate from those of the District, or that there is otherwise a conflict of interest, the Indemnitees has the right to employ their own counsel ("**Independent Counsel**") to defend the Indemnitees against such action at the expense of the District, who shall pay all legal fees and expenses incurred by such Independent Counsel. The Indemnitees' selection of Independent Counsel shall be approved by the District, and such approval shall not be unreasonably withheld. With respect to claims against the Indemnitees defended by Independent Counsel, the Indemnitees has the right to negotiate settlement of any such claims; provided however, that the District shall not be liable for any such settlement effected by the Indemnitees without the written consent of the District, which consent shall not be unreasonably withheld.

The obligations of the District under this Section shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the payment in full of all amounts owing to the Lender hereunder. If indemnification pursuant to this Section shall be found to be unlawful or invalid for any reason, then the District and each Indemnitee shall, to the extent permitted by law, make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale, and distributions, and statements or omissions in accordance with the respective fault of the District and each Indemnitee.

Nothing in this Section 8.03 shall be considered a waiver, express or implied, to any protections afforded to the District pursuant to Title 24, Article 10, C.R.S., the Colorado Constitution, or under other current law, and the District expresses no opinion or certification as to the validity of this Section 8.03.

Without prejudice to the survival of any other agreement of the District hereunder, the agreements and obligations contained in this Section shall survive the payment in full of all amounts owing to the Lender hereunder or the termination of this Agreement.

## ARTICLE VI

### LENDER'S REPRESENTATIONS

**Section 6.01. Accredited Investor.** The Lender is an organization that qualifies as an "accredited investor," as defined in Section 11-59-110(1)(g), C.R.S., and the Lender will not assign or transfer the Loan, this Agreement or the Note to any person or entity except in compliance with Section 8.02 hereof.

**Section 6.02. Financial Institution or Institutional Investor.** The Lender is an organization that qualifies as a "financial institution or institutional investor" as defined in § 32-1-103(6.5), C.R.S.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**Section 7.01. Events of Default.** The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body); provided that except for Events of Default occurring under (a) or (b) of this Section 7.01, which will be deemed to have occurred as of the date of the Default, no Event of Default will be deemed to have occurred hereunder unless and until the Lender provides written notice of the same to the District:

(a) The District fails or refuses to impose the Limited Mill Levy as required herein; or

(b) The District fails to deposit the Pledged Revenue as required herein or fails to transfer the Pledged Revenue to the Lender as required herein; or

(c) The District defaults in the performance or observance of any other of the material covenants, agreements, or conditions on the part of the District in this Agreement, or the Note, and fails to remedy the same to the satisfaction of the Lender within 45 days after the Lender has provided the District with notice thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in the Financing Documents which are qualified by the phrase “to the extent permitted by law” or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, non-appealable judgment that such covenants, agreements, or conditions are not permitted by law; or

(d) An Event of Default (as defined in the 2016 Loan Agreement) has occurred and is continuing thereunder.

(e) An Event of Default (as defined in the 2018 Loan Agreement) has occurred and is continuing thereunder.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Loan when due shall not, of itself, constitute an Event of Default hereunder.

**It is further acknowledged that the District shall not be required to impose the Limited Mill Levy for payment of the Loan after December 2053 (for collection in calendar year 2054).**

**Section 7.02. Remedies on Occurrence of Event of Default.**

(a) ***Lender's Rights and Remedies.*** Upon the occurrence and continuance of an Event of Default, the Lender shall have the following rights and remedies which may be pursued:

(i) ***Receivership.*** Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Lender hereunder, the Lender shall be entitled as a matter of right to the appointment of a receiver or receivers of the Pledged Revenue, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Lender shall be entitled to the possession and control of any cash, securities, or other instruments constituting Pledged Revenue at the time held by, or payable or deliverable under the provisions of this Loan Agreement to, the Lender.

(ii) ***Suit for Judgment.*** The Lender may proceed to protect and enforce its rights under this Loan Agreement and any provision of law by such suit, action, or special proceedings as the Lender shall deem appropriate.

(iii) ***Mandamus or Other Suit.*** The Lender may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce its rights hereunder.

(b) ***Judgment.*** No recovery of any judgment by the Lender shall in any manner or to any extent affect the lien of this Loan Agreement on the Pledged Revenue or any rights, powers, or remedies of the Lender hereunder, but such lien, rights, powers, and remedies of the Lender shall continue unimpaired as before.

(c) ***Application of Default Rate.*** Upon occurrence and during the continuation of an Event of Default, the Lender may impose the Default Rate in accordance with Section 2.03 hereof.

Upon the District's failure to pay principal of, or interest on, the Loan when due, the Lender may impose the Default Rate on the Loan until the District becomes current on such payments of debt service, provided however, that application of such Default Rate to the Loan shall not make such non-payment, in and of itself, an Event of Default hereunder and the Lender will not exercise any other remedy, that may lie at law or in equity, for such non-payment.

(d) ***No Acceleration.*** Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

**Section 7.03. Notice to Lender of Default.** Notwithstanding any cure period described above, the District will immediately notify the Lender in writing when it obtains knowledge of the occurrence of any Default or Event of Default.

**Section 7.04. Delay or Omission No Waiver.** No delay or omission of the Lender to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

**Section 7.05. No Waiver of One Default to Affect Another; All Remedies Cumulative.** No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Lender provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01. Loan Agreement and Relationship to Other Documents.** The warranties, covenants and other obligations of the District (and the rights and remedies of the Lender) that are outlined in this Agreement and the other Financing Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Financing Documents, all terms will be cumulative so as to give the Lender the most favorable rights set forth in the conflicting documents, except that if there is a direct conflict between any preprinted terms and specifically negotiated terms (whether included in an addendum or otherwise), the specifically negotiated terms will control.

**Section 8.02. Assignment; Participation.**

(a) The Loan and this Agreement shall not be assignable by either party without the prior written consent of the other party hereto. Notwithstanding the foregoing, the Lender's right to receive payments hereunder and the Note may be sold, transferred or conveyed only in whole and not in part and only to "accredited investors" within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, who have executed a lender letter in the form attached as Exhibit B hereto; provided, however, the Lender may sell, transfer or convey its right to receive payments hereunder and the Note only if simultaneously herewith it also sells, transfers or conveys all of its right to receive payments under the 2016 Loan Agreement and the 2016 Note, the 2018 Loan Agreement and the 2018 Note and any other outstanding Parity Debt owned by the Lender. The Lender agrees that any assignment or transfer in violation of the foregoing shall be null and void and of no force or effect, at the election of the District.

(b) The rights, options, powers, and remedies granted in the Financing Documents will extend to the Lender and to its successors and assigns, will be binding upon the District and its successors and assigns, and will be applicable hereto and to all renewals and extensions hereof.

(c) The Lender may collaterally assign and pledge, without the consent of the District, all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided that any payment in respect of such assigned obligations made by the District to the Lender in accordance with the terms of this Agreement shall satisfy the District's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such collateral assignment shall release the Lender from its obligations hereunder.

(d) The Lender may at any time, without the consent of the District, sell to Participants participating interests in its rights and obligations under this Agreement; provided however, that (i) the Lender's obligations hereunder shall remain unchanged, (ii) the Lender shall remain solely responsible for the performance of such obligations, and (iii) the participation of one or more participants shall not reduce or alter the Lender's obligations hereunder or affect in any way the rights or obligations of the District hereunder, and the District has the right to continue to deal solely with the Lender. The Lender will give notice of the sale of such participation and the name of the participant to the District within 30 days of the date of such sale. In the case of any such participation, the participant shall be entitled to the benefit of the Section hereof entitled "Indemnification" as though it were also the Lender hereunder, and if amounts outstanding under this Agreement are due and unpaid, or have been declared or have become due and payable, each participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Lender under this Agreement. Furthermore, any participation of the Loan shall be subject to the limitations set forth in subsection (a) of this Section, including execution of a lender letter by the participant in substantially the form attached as Exhibit B hereto.

**Section 8.03. Notice of Claims Against Lender; Limitation of Certain Damages.** In order to allow the Lender to mitigate any damages to the District from the Lender's alleged breach of its duties under the Financing Documents or any other duty, if any, to the District, the District agree to give the Lender written notice no later than twenty (20) days after the District knows of any claim or defense it has against the Lender, whether in tort or contract, relating to any action or inaction by the Lender under the Financing Documents, or the transactions related thereto, or of any defense to payment of the Obligations for any reason. The requirement of providing timely notice to the Lender represents the parties' agreed-to standard of performance regarding the duty of the Lender to mitigate damages related to claims against the Lender. Notwithstanding any claim that the District may have against the Lender, and regardless of any notice the District may have given the Lender, the Lender will not be liable to the District for consequential and/or special damages arising therefrom, except those damages arising from the Lender's willful misconduct, gross negligence or bad faith. Failure by the District to give notice to the Lender shall not waive any claims of the District but such failure shall relieve the Lender of any duty to mitigate damages prior to receiving notice.

**Section 8.04. Notices.** Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid; (b) received by overnight

delivery service; (c) received by telecopy; (d) received through the internet; or (e) when personally delivered at the following addresses:

If to the District:

Gary Erickson, Secretary  
Copper Ridge Metropolitan District  
13540 Meadowgrass Court, Suite 200  
Colorado Springs, CO 80921  
(719) 531-0101 office  
(719) 491-0249 cell  
Gary@executive-company.com

with copies to:

Peter Susemihl  
Susemihl, McDermott and Cowan LLC  
660 Southpointe Court  
Suite 210  
Colorado Springs, CO 80906  
(719) 579-6501  
PSusemihl@smmclaw.com

To Lender:

Rob Stuart  
NBH Bank  
7800 E. Orchard Rd., Suite 300  
Greenwood Village, CO 80111  
(303) 784-5942  
rob.stuart@nbhbank.com

In lieu of mailed notice to any Person set forth above, the Persons designated above may provide notice by email to any email address set forth above for any other Person designated above, or by facsimile transmission to any facsimile number set forth above for such Person, and any such notices shall be deemed received upon receipt by the sender of an email or facsimile transmission from such Person confirming such receipt, or upon receipt by the sender of such other confirmation of receipt as may be reasonably reliable under the circumstances.

The Persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

**Section 8.05. Applicable Law and Jurisdiction; Interpretation; Severability.** This Agreement will be governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Agreement will not affect any other provision. THE DISTRICT AND THE LENDER HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN EL PASO COUNTY, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTE, OR THE PLEDGED REVENUE OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Agreement will affect the Lender's rights to serve process in any manner permitted by law. This Agreement, the other Financing Documents and any amendments hereto (regardless of when executed) will be deemed effective and accepted only at the Lender's offices, and only upon the Lender's receipt of the executed originals thereof. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

**Section 8.06. Copies; Entire Agreement; Modification.** Each party hereby acknowledges the receipt of a copy of this Agreement and all other Financing Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. THE TERMS OF THIS AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT. THIS NOTICE SHALL ALSO BE EFFECTIVE WITH RESPECT TO ALL OTHER CREDIT AGREEMENTS NOW IN EFFECT BETWEEN THE DISTRICT AND THE LENDER. A MODIFICATION OF ANY OTHER CREDIT AGREEMENT NOW IN EFFECT BETWEEN THE DISTRICT AND THE LENDER, WHICH OCCURS AFTER RECEIPT BY THE DISTRICT OF THIS NOTICE, MAY BE MADE ONLY BY ANOTHER WRITTEN INSTRUMENT. ORAL OR IMPLIED MODIFICATIONS TO ANY SUCH CREDIT AGREEMENT ARE NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

**Section 8.07. Waiver of Jury Trial.** THE DISTRICT AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. EACH OF THE DISTRICT AND THE LENDER REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

**Section 8.08. Attachments.** All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Agreement, are hereby expressly incorporated by reference.



**Section 8.09. No Recourse Against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board of the District, or any officer or agent of the District, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the District and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Loan or the Note. Such recourse shall not be available either directly or indirectly through the Board of the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfers, the Lender and any person purchasing or accepting the transfer of the obligations representing the Loan specifically waives any such recourse.

**Section 8.10. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Loan Agreement is entered into and the Note is issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note and the Loan Agreement after delivery for value.

**Section 8.11. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Note or the Loan Agreement shall be commenced more than 30 days after the authorization of the Note and the Loan Agreement.

**Section 8.12. Pledge of Revenue.** The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note, and the Authorizing Resolution. The amounts pledged to the payment of the Note and the Loan Agreement shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority and be perfected without any additional action required to be taken by the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens. THE LOAN SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE CITY, AND THE FAITH AND CREDIT OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE LOAN.

**Section 8.13. No Third Party Beneficiaries.** The parties intend that there shall be no third party beneficiaries to this Loan Agreement.

**Section 8.14. Payment on Non-Business Days.** Except as provided herein, whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall not in such case be included in the computation of the amount due.

**Section 8.15. Document Imaging.** The parties shall be entitled, in their sole discretion, to image all or any selection of the Financing Documents, other instruments, documents, items

and records governing, arising from or relating to the Loan, and may destroy or archive the paper originals. The parties hereby waive any right to insist that the other party produce paper originals; agrees that such images shall be accorded the same force and effect as the paper originals; and further agrees that the parties are entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or proceedings.

**Section 8.16. Execution in Counterparts.** This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

**Section 8.17. Integration.** This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document, or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

**Section 8.18. Patriot Act Notice.** The Lender hereby notifies the District that pursuant to the requirements of the Patriot Act, it is required to obtain, verify, and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Lender to identify the District in accordance with the Patriot Act. The District hereby agrees that it shall promptly provide such information upon request by the Lender.

**Section 8.19. Termination.** This Agreement shall terminate at such time as no amounts are due and owing to the Lender hereunder.

**Section 8.20. No Registration; No Securities Depository; No CUSIP; No Continuing Disclosure** The District and the Lender hereby agree as follows: (i) the Note is not being registered under the Securities Act of 1933; (ii) the Note is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (iii) the Lender will hold the Note as a debt instrument; (iv) no CUSIP number will be obtained for the Note; (v) no official statement or other offering document has been or will be prepared in connection with the private placement of the Loan with the Lender; (iv) the Loan will not close through the Depository Trust Company or any other securities depository and the Note will not be in book entry form; (v) the Loan is not listed on any stock or other securities exchange; (vi) the Loan shall not be assigned a rating by any rating agency; and (vii) the Loan shall not be subject to the continuing disclosure requirements set forth in Rule 15c2-12 of the Securities and Exchange Commission.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Loan Agreement as of the date set forth above.

**LENDER**

NBH BANK

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Officer

**DISTRICT**

COPPER RIDGE METROPOLITAN DISTRICT

By \_\_\_\_\_  
Donna J. Erickson, President

Attest:

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Assistant Secretary

**EXHIBIT A**  
**FORM OF NOTE**

THIS NOTE MAY BE SOLD, TRANSFERRED OR CONVEYED ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” WITHIN THE MEANING OF RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), “ACCREDITED INVESTORS” WITHIN THE MEANING OF RULE 501(A) OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE 1933 ACT, A SECURITIZATION SPECIAL PURPOSE VEHICLE (“SPV”) THE INTERESTS IN WHICH SPV ARE SOLD ONLY TO QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS, AND WHO IN EACH CASE HAVE EXECUTED A LENDERLETTER IN THE FORM ATTACHED AS EXHIBIT A TO THE LOAN AGREEMENT.

**UNITED STATES OF AMERICA**  
**STATE OF COLORADO**  
**COUNTY OF EL PASO**  
**COPPER RIDGE METROPOLITAN DISTRICT**

**PROMISSORY NOTE**  
**IN THE MAXIMUM PRINCIPAL AMOUNT OF**

US \$6,000,000

\_\_\_\_\_, 2021

FOR VALUE RECEIVED, COPPER RIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as “Maker”), promises to pay to the order of NBH BANK, its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee, or such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal amount due under that certain Loan Agreement dated February \_\_\_, 2021, by and between Maker and Payee (as amended or supplemented from time to time, the “Loan Agreement”), in lawful money of the United States of America, but solely to the extent of Pledged Revenue available therefor in accordance with the Loan Agreement. Unless and until otherwise designated in writing by Payee to Maker, all payments hereunder shall be made to Payee in accordance with the Loan Agreement.

Amounts received by Payee under this Promissory Note (this “Note”) shall be applied in the manner provided by the Loan Agreement. This Note shall bear interest, be payable, mature and be enforceable pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

**BY ACCEPTANCE OF THIS INSTRUMENT, THE OWNER OF THIS NOTE AGREES AND CONSENTS TO ALL LIMITATIONS IN RESPECT OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS LOAN CONTAINED HEREIN, IN THE LOAN AGREEMENT, IN THE RESOLUTION OF THE DISTRICT AUTHORIZING ISSUANCE OF THIS NOTE AND IN THE SERVICE PLAN OF THE DISTRICT.**

**Except as expressly provided in the Loan Agreement, the Loan Agreement and this Note are limited tax special revenue obligations of the District, payable solely from and to the extent of, and secured solely by, the Pledged Revenue on parity with the lien thereon of 2016 Note, the 2018 Note, and any other Parity Debt. Except as expressly provided in the Loan Agreement, no recourse shall be available against the District or any moneys or other property of the District for the payment of the Loan Agreement or Note, except the Pledged Revenue. In no event may the District impose an ad valorem property tax for the payment of this Note after December 2053 (for collection in calendar year 2054).**

This Note is governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Note will not affect any other provision.

Pursuant to Section 11-57-210 of the Colorado Revised Statutes, as amended, this Note is entered into pursuant to certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value.

**SPECIFICALLY, BUT NOT BY WAY OF LIMITATION, THE OWNER OF THIS NOTE REPRESENTS AND AFFIRMS THAT IT IS AN “ACCREDITED INVESTOR” AS THAT TERM IS DEFINED UNDER SECTIONS 3(B) AND (4)(2) OF THE FEDERAL “SECURITIES ACT OF 1933” BY REGULATION ADOPTED THEREUNDER BY THE SECURITIES AND EXCHANGE COMMISSION.**

**THE PROVISIONS OF THIS NOTE MAY BE AMENDED OR REVISED ONLY BY AN INSTRUMENT IN WRITING SIGNED BY MAKER AND PAYEE. THERE ARE NO ORAL AGREEMENTS BETWEEN MAKER AND PAYEE WITH RESPECT TO THE SUBJECT MATTER HEREOF.**

IN WITNESS WHEREOF, an authorized representative of Copper Ridge Metropolitan District, as Maker, has executed this Promissory Note as of the day and year first above written.

COPPER RIDGE METROPOLITAN DISTRICT

By: \_\_\_\_\_

Name: Donna J. Erickson

Title: President

[SEAL]

Attest:

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: Assistant Secretary

**EXHIBIT B**

**FORM OF LENDER LETTER**

(NBH Bank Letterhead)

\_\_\_\_\_, 2021

Copper Ridge Metropolitan District  
13540 Meadowgrass Court, Suite 200  
Colorado Springs, CO 80921

**Re: COPPER RIDGE METROPOLITAN DISTRICT (IN THE CITY OF COLORADO SPRINGS) EL PASO COUNTY, COLORADO PROMISSORY NOTE (THE “NOTE”) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$6,000,000**

The undersigned hereby certifies for and on behalf of NBH Bank (the “Purchaser”):

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt and taxable obligations of a nature similar to the Note to be able to evaluate the risks and merits of the investment represented by the purchase of the Note.
2. The Purchaser is acquiring the Note for its account and not with a view to, or for sale in connection with, any distribution of the Note or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Note or any part thereof, and is not purchasing the Note with a view to distributing the Note; however, the Purchaser reserves the right to resell or redistribute the Note subject to any limitations set forth herein.
3. As a sophisticated investor, and represented by counsel, the Purchaser has made its own credit inquiry and analysis with respect to Copper Ridge Metropolitan District (the “District”) and the Note and the security therefor, and has made an independent credit decision based upon such inquiry and analysis. The District has furnished all the information requested of the District in making the investment decision with respect to the Note, and the Purchaser and its counsel had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the District and the Note. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Note.

4. The Purchaser is acting solely as purchaser for its account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. The Purchaser has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the District with respect to the Note. District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the Note from its financial, legal and other advisors to the extent that District desired to obtain such advice.

5. The Purchaser understands that the Note has not been registered with any federal or state securities agency or commission.

6. The Purchaser acknowledges that the Note is transferable provided that:

- (i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;
- (ii) the transferring holder thereof can transfer the Note only to a transferee who executes and delivers to the District a letter of the transferee substantially to the effect of this letter and only to:
  - (a) a transferee who qualifies as an “accredited investor” within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; or
  - (b) a transferee who qualifies as a “qualified institutional buyer” within the meaning of Rule 144A promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; or
  - (c) a securitization Special Purpose Vehicle (“SPV”) the interests in which SPV are sold only to accredited investors or qualified institutional buyers;
- (iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the District's finances without the prior review and written consent of the District, in the District's sole discretion; and
- (iv) the transferring holder thereof, simultaneously with such transfer, also sells, transfers or conveys all of its right (if any) to receive payments under (i) the 2016 Loan Agreement and the 2016 Note, (ii) the 2018 Loan Agreement and the 2018 Note, and (iii) any Parity Debt owned by the Lender.

[Signature appears on following pages]



IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of NBH Bank,  
as of the \_\_\_\_ day of February, 2021.

NBH BANK:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**

to

**LOAN AGREEMENT**

[Form of Project Fund Requisition]

*Requisition No.* \_\_\_\_

**COPPER RIDGE METROPOLITAN DISTRICT**

**LOAN AGREEMENT**

**DATED FEBRUARY \_\_, 2021**

The undersigned Authorized Officer (capitalized terms used herein shall have the meanings ascribed thereto by the above referenced Loan Agreement) hereby makes a requisition from the Project Fund held by NBH Bank, as lender under the Loan Agreement dated February \_\_, 2021 between the District and NBH Bank and in support thereof states:

1. The amount to be paid or reimbursed pursuant hereto is \$\_\_\_\_\_.
2. The name and address of the person, firm, or corporation to whom payment is due or has been made is as follows:

\_\_\_\_\_  
\_\_\_\_\_

3. Payment is due to the above person for (describe nature of the obligation)  
\_\_\_\_\_.
4. The amount to be paid or reimbursed pursuant hereto shall be transmitted by the Lender as follows (wire transfer or other transmission instructions):

\_\_\_\_\_

5. The above payment obligations have been or will be properly incurred, are or will be a proper charge against the Project Fund.
6. The costs for which the disbursement is requested herein are authorized by the Service Plan, constitute Project Costs and also constitute PIF Eligible Costs.
7. The above payment obligations have not been the basis of any previous withdrawal from the Project Fund.
8. To the extent that the amount to be paid pursuant to this requisition will be used to acquire improvements from the Developer pursuant to an agreement between the District and the Developer, the Engineer has provided to the District a written certificate regarding the reasonableness of the costs of such improvements as required by such agreement and stating that such improvements have been constructed and are authorized under the Service Plan.

9. The disbursement requested herein will be used solely for the payment of Project Costs.
10. No Event of Default has occurred and is continuing under the Loan Agreement.

[Signature appears on following pages]

**IN WITNESS WHEREOF**, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
Authorized Officer

Acknowledged and agreed to with respect to Section 7 above:

\_\_\_\_\_  
District Accountant

Acknowledged and agreed to with respect to Section 8 above:

\_\_\_\_\_  
Engineer

**EXHIBIT D**

**to**

**LOAN AGREEMENT**

**ADVANCE SCHEDULE**

**COPPER RIDGE METROPOLITAN DISTRICT**

**LOAN AGREEMENT**

**DATED FEBRUARY \_\_, 2021**

**EXHIBIT E**

**to**

**LOAN AGREEMENT**

[Form of Favorable Opinion of Bond Counsel]

**COPPER RIDGE METROPOLITAN DISTRICT  
LOAN AGREEMENT  
DATED FEBRUARY \_\_, 2021**