
LOAN AGREEMENT

BY AND BETWEEN

**WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2
CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO**

AND

**BBVA MORTGAGE CORPORATION
AS LENDER**

DATED AS OF OCTOBER __, 2020

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EXHIBIT A: FORM OF NOTE

EXHIBIT B: DEBT BALLOT QUESTIONS FROM 2004 Election

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of October __, 2020, by and between **WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and **BBVA MORTGAGE CORPORATION**, an Alabama corporation, in its capacity as lender (the "Lender").

WITNESSETH:

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; and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, November 2, 2004 (the "2004 Election"), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2004 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities and refunding debt for the same, the questions relating thereto being as set forth in Exhibit B attached hereto; and

WHEREAS, the returns of the 2004 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2004 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S. within forty-five days after the election [**confirm**]; and

WHEREAS, as required by the District's Service Plan (as defined herein), the City of Colorado Springs, Colorado, has approved an "Approved Development Plan", as such term is defined in the Service Plan; and

WHEREAS, pursuant to the Service Plan, Woodmen Heights Metropolitan District No. 1 ("District No. 1") was expected to issue bonds to finance improvements for the District and Woodmen Heights Metropolitan District No. 3 ("District No. 3") (collectively, the District and District No. 3 are also referred to herein as the "Financing Districts"), and the Financing Districts were expected to impose taxes on their respective assessed valuations and to impose various other fees and charges for the purpose of paying such bonds; and

WHEREAS, in accordance with the Service Plan and the collective financing plan of the Districts, District No. 1 issued, *inter alia*, its: (i) Woodmen Heights Metropolitan District No. 1 (in the City of Colorado Springs, Colorado) Tax-Supported Revenue Refunding Bonds, Series 2012A in the aggregate principal amount of \$6,700,000, and currently outstanding in the amount of \$6,075,000 (the "District No. 1 Series 2012A Bonds") and its Subordinate Convertible Capital Appreciation Tax-Supported Revenue Refunding Bonds, Series 2012B in the aggregate principal

amount of \$24,007,680, and currently outstanding in the amount of \$21,229,457.92 (the “District No. 1 Series 2012B Bonds” and, together with the District No. 1 Series 2012A Bonds, the “District No. 1 Series 2012 Bonds”) pursuant to a Trust Indenture dated as of March 15, 2012 between the District No. 1 and Wells Fargo Bank, n.a., as trustee (the “Series 2012 Indenture”); and (ii) Taxable Second Subordinate Tax-Supported Revenue Bonds, Series C in the aggregate principal amount of \$5,597,215, and currently outstanding in the amount of \$5,616,216 (the “District No. 1 Series 2015C Bonds”) pursuant to an Authorizing Resolution of District No. 1 dated as of June 11, 2015 (the “Series 2015 Resolution” and, together with the Series 2012 Indenture, the “Refunded Bond Documents”); and

WHEREAS, in connection with the issuance of the District No. 1 Series 2012 Bonds and the District No. 1 Series 2015C Bonds, the Districts have heretofore authorized, executed, and delivered that certain Amended and Restated Joint Funding Agreement, dated as of March 15, 2012 (the “2012 Joint Funding Agreement”), between and among each of the Districts and Wells Fargo Bank, National Association, in its capacity as trustee for the District No. 1 Series 2012 Bonds, and as paying agent and registrar for the District No. 1 Series 2015C Bonds, pursuant to which each of the Financing Districts incurred a limited tax obligation in the principal amount of the District No. 1 Series 2012 Bonds and the District No. 1 Series 2015C Bonds, and further agreed, *inter alia*, to impose a limited mill levy and other charges specified therein for the payment of the District No. 1 Series 2012 Bonds and the District No. 1 Series 2015C Bonds; and

WHEREAS, after extended discussions and consultation, it has been determined by the Board of Directors of the District (the “Board”) that by entering into and completing a refunding program with respect to all of the District No. 1 Series 2012A Bonds and the District No. 1 Series 2012B Bonds in the outstanding principal amount of \$25,223,000 (the “Refunded Bonds”), the Board can (i) reduce interest costs; (ii) effect other economies by extending the maturity of the debt represented by the refunded obligations which should permit the District to lower its annual debt service mill levy; (iii) modify or eliminate restrictive contractual limitations relating to the incurring of additional indebtedness or to any system or facility, or improvement thereto; or any combination of the foregoing purposes; and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Refunded Bonds be refunded, and that for such purpose there shall be issued and delivered a note or notes of the District in the total principal amount of \$35,115,000 (as more particularly defined hereafter, the “Note”); and

WHEREAS, the Lender is willing to make a loan in the aggregate principal amount of \$35,115,000 (as more particularly defined herein, the “Loan”), for the purpose of paying the costs of refunding the Refunded Bonds, all as is more specifically set forth herein; and

WHEREAS, in connection with the issuance of the Loan, the Districts have heretofore authorized, executed, and delivered that certain Series 2020 Joint Funding Agreement, dated as of even date herewith (the “2020 Joint Funding Agreement”), between and among each of the Districts and UMB Bank, National Association, in its capacity as trustee for the Loan, and in its capacity as trustee for the Series 2020B-1 Bonds (as further defined herein) and Series 2020B-2 Bonds (as further defined herein), which are anticipated to be issued as of an even date herewith in connection with the refunding of the remainder of the District No. 1 Series 2012 Bonds and the

District No. 1 Series 2015C Bonds, pursuant to which each of the Districts agreed to incur a limited tax obligation in the principal amount of the Loan, the Series 2020B-1 Bonds, and the Series 2020B-2 Bonds (collectively, the Loan, the Series 2020B-1 Bonds, and the Series 2020B-2 Bonds are referred to herein as the “Series 2020 Obligations”), and further agreed, *inter alia*, to impose a limited mill levy and other charges specified therein for the payment of the Series 2020 Obligations; and

WHEREAS, the Loan shall be incurred pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., and all other laws thereunto enabling; and

WHEREAS, for purposes of federal taxation laws and the exemption from taxation of interest on the Loan, the Loan will be evidenced by the issuance of a Taxable/Tax-Exempt Promissory Note, the interest on which is initially included in gross income for federal income tax purposes, and which interest will be excluded from gross income for federal income tax purposes only upon the occurrence of the “Tax-Exempt Reissuance Date” (as defined herein); and

WHEREAS, the interest rate on the Loan will be (i) the Taxable Fixed Rate (as defined herein) prior to the Tax-Exempt Reissuance Date, and (ii) the Tax-Exempt Fixed Rate (as defined herein) on and after the Tax-Exempt Reissuance Date; and

WHEREAS, the District hereby allocates the aggregate principal amount of the Loan to the 2004 Election as follows:

(i) the amount of \$[3,817,000], being the principal amount of the portion of the Loan used to refund the Refunded Bonds which is in excess of the outstanding principal amount of the respective Refunded Bonds, shall be allocated to the authorized but unissued electoral authorization for refunding purposes; and

(ii) the amount of \$[6,075,000], shall be allocated to the authorized but unissued electoral authorization for refunding purposes, but such allocation shall be contingent upon whether the final net effective interest rate of the Loan is lower than the net effective interest rate on the Series 2012A Bonds being refunded.

WHEREAS, in accordance with the foregoing and with the use of the proceeds of the Refunded Bonds, which usage the District hereby reaffirms, after incurrence of the Loan the District will have the following authorized but unissued indebtedness from the 2004 Election:

[Remainder of page intentionally left blank]

Authorization from 2004 Election After Issuance of Series 2020 Loan								
Purpose	Principal Amount Voted	Principal Amount Used by Series 2005 Bonds	Principal Amount Used by Series 2012A Senior Bonds	Principal Amount Used by Series 2012B Subordinate Bonds	Principal Amount Used by Series 2015C Subordinate Bonds	Principal Amount Used by Series 2020 Loan	Principal Amount Used Contingently by Series 2020 Loan	Principal Amount Remaining
Streets	\$ 60,000,000	(\$17,272,554)	(\$0)	(\$0)	(\$0)			\$42,727,446
Safety protection	60,000,000	(7,040,624)	(0)	(0)	(0)			52,959,376
Water	60,000,000	(5,506,822)	(0)	(0)	(0)			54,493,178
Sanitation	60,000,000	(0)	(0)	(0)	(0)			60,000,000
Park and recreation	60,000,000	(0)	(0)	(0)	(0)			60,000,000
Mosquito control	60,000,000	(0)	(0)	(0)	(0)			60,000,000
Operations	2,000,000	(0)	(0)	(0)	(0)			2,000,000
Refunding	60,000,000	(0)	(6,700,000)	(24,007,680)	(0)	(3,817,000)	(6,075,000)	29,292,320
IGA debt	62,000,000	(0)	(0)	(0)	(0)			62,000,000
TOTAL	\$484,000,000	\$-29,820,000	\$-6,700,000	\$-24,007,680	\$ 0			\$423,472,320

WHEREAS, the Lender is willing to enter into this Agreement and to make the Loan to the District pursuant to the terms and conditions of this Agreement; and

WHEREAS, the Lender is a financial institution or institutional investor within the meaning of §32-1-103, C.R.S., and the debt represented by the Loan is permitted pursuant to §32-1-1101 (6)(a)(IV), C.R.S.; and

WHEREAS, the incurrence of the Loan and the issuance of the Note shall not involve a public offering, and shall be made exclusively to the Lender as 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, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the Loan shall be payable from and secured by the Collateral (as defined herein);

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

ARTICLE I

DEFINITIONS

Section 1.01. 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.

“*2004 Election*” means the authorizing debt election held within the District on November 2, 2004.

“*2020 Joint Funding Agreement*” means that certain Joint Funding Agreement, dated as of _____, 2020, between and among the District, District No. 1, and District No. 3, and the Trustee, and any supplements or amendments made thereto in accordance with the terms hereof.

“*Accredited Investor*” means any Person which 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.

“*Agreement*” means this Loan Agreement and any amendments or supplements made hereto in accordance with the terms herewith.

“*Authorized Officer*” means any member of the Board.

“*Authorizing Resolution*” means the resolution adopted by the Board on _____, 2020, authorizing the District to enter into the Loan and execute and deliver the Financing Documents.

“*BBVA*” means BBVA USA, an Alabama banking corporation.

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

“*Bond Counsel*” means Sherman & Howard L.L.C., or such other firm of nationally recognized municipal bond counsel acceptable to the Lender.

“*Business Day*” means any day of the week on which the Lender is conducting banking operations nationally and on which day the Lender’s offices are open for business in Denver, Colorado.

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

“*Closing*” means the concurrent execution and delivery of the Financing Documents by the respective parties thereto and the disbursement of the proceeds of the Loan in accordance with the provisions hereof.

“*Closing Date*” means the date on which the Closing occurs.

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

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Collateral*” means (a) the Pledged Revenue; and (b) all amounts from time to time credited to the Revenue Fund, the Reserve Fund, and the Surplus Fund, including all accounts within such funds and investment earnings thereon.

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

“*Debt*” means, without duplication, all of the following obligations of the District incurred after the Closing Date for the payment of which the District promises or is required to impose an ad valorem property tax levy and/or impose fees or pledge any part of the Collateral: (a) borrowed money of any kind; (b) obligations evidenced by bonds, debentures, notes, or similar instruments; (c) obligations upon which interest charges are customarily paid; (d) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the District; (e) obligations issued or assumed as the deferred purchase price of property or services; (f) obligations in connection with indebtedness of others secured by (or which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or other encumbrance on property owned or acquired by the District, whether or not the obligations secured thereby have been assumed (only to the extent of the fair market value of such asset if such indebtedness has not been assumed by the District); (g) obligations arising from guarantees made by the District; (h) obligations evidenced by capital leases; (i) obligations as an account party in respect of letters of credit and bankers’ acceptances or similar obligations issued in respect of the District; and (j) obligations evidenced by any interest rate exchange agreement; provided that notwithstanding

the foregoing, the term “Debt” does not include: (i) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under State law; or (ii) obligations issued for: the provision of operation and maintenance services to the District’s taxpayers and service users; or for any purpose, the repayment of which is contingent upon the District’s annual determination to appropriate moneys therefor, other than capital leases as set forth in (h) above, so long as: (i) such obligations are payable only to the extent the District has moneys on hand; and (ii) the District makes no promise to impose any tax, fee, or other governmental charge for the payment of such obligations.

“*Debt Requirements*” means, with respect to any Fiscal Year, an amount equal to the sum of the following with respect to such Fiscal Year:

(a) the principal coming due on the Loan in such Fiscal Year in accordance with Section 2.02(b) hereof;

(b) the interest coming due on the Loan during such Fiscal Year, which interest shall be computed at the Taxable Fixed Rate or the Tax-Exempt Fixed Rate, as applicable; provided however, that if at the time of computation: (i) a Noticed Event of Default has occurred and is continuing, the District shall compute the interest due and payable in the relevant year at the Default Rate; or (ii) a Notice of Taxable Rate Increase has occurred and is continuing, the District shall compute the interest due and payable in the relevant year at the Taxable Fixed Rate;

(c) the amounts (if any) necessary to replenish the Reserve Fund to the Reserve Requirement;

(d) the amounts necessary to fund the Surplus Fund to the Maximum Surplus Amount; and

(e) the amount of any fees, costs and expenses or other amounts then owed, including amounts unpaid in prior years due to insufficient funds being available for such purposes, or to become due and payable to the Lender in accordance with this Agreement in such Fiscal Year.

For the avoidance of doubt, the Debt Requirements for the Loan for the period commencing on the Maturity Date (if the Loan has not been paid in full on the Maturity Date) shall be equal to all amounts due and payable hereunder.

“*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: (1) the Taxable Fixed Rate or the Tax-Exempt Fixed Rate, whichever is in effect at the time of the occurrence of the Noticed Event of Default; plus (2) 4.00%, but, notwithstanding anything herein to the contrary, the Default Rate shall not exceed [__%].

“*Determination of Taxability*” means, on and after the Tax-Exempt Reissuance Date, any determination, decision, or decree made by the commissioner or any district director of the Internal

Revenue Service, or by any court of competent jurisdiction, which results in interest payable on the Note becoming includable, in whole or in part, in the gross income of the recipient pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder, if and so long as such determination, decision, or decree is not being appealed or otherwise contested in good faith by the District. It is understood and agreed that a Determination of Taxability may result from the occurrence of any event, including without limitation any change in the Constitution or laws of the United States of America or the State of Colorado or interpretation thereof.

“District” means Woodmen Heights Metropolitan District No. 2, in the City of Colorado Springs, El Paso County, Colorado.

“District Closing Funds” means the moneys held by or on behalf of the District as of the Closing Date which are pledged to the payment of the Refunded Bonds, being moneys in the amount of \$[9,696,000].

“District No.1 Series 2012 Bonds” means, collectively, the District No. 1 Series 2012A Bonds and the District No. 1 Series 2012B Bonds.

“District No. 1 Series 2012A Bonds” means the Woodmen Heights Metropolitan District No. 1 (in the City of Colorado Springs, Colorado) Tax-Supported Revenue Refunding Bonds, Series 2012A, originally issued in the aggregate principal amount of \$6,700,000, and currently outstanding in the amount of \$6,075,000.

“District No. 1 Series 2012B Bonds” means the Woodmen Heights Metropolitan District No. 1 (in the City of Colorado Springs, Colorado) Subordinate Convertible Capital Appreciation Tax-Supported Revenue Refunding Bonds, Series 2012B, originally issued in the aggregate principal amount of \$24,007,680, and currently outstanding in the amount of \$21,229,457.92.

“Escrow Account” means that certain Woodmen Heights Metropolitan District No. 2 Refunding Escrow Account, 2020, created by the terms of the Escrow Agreement.

“Escrow Agent” means UMB Bank, n.a., in its role as escrow agent under the Escrow Agreement.

“Escrow Agreement” means that certain Refunding Escrow Agreement, dated of even date herewith, between the District and the Escrow Agent, pursuant to which the Series 2012 Bonds are defeased and paid.

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

“Financing Documents” means this Agreement, the Note evidencing the Loan, the 2020 Joint Funding Agreement, and the Authorizing Resolution, all in form and substance satisfactory to the Lender.

“Fiscal Year” means the 12 months commencing January 1 of any year and ending December 31 of such year.

“*General Counsel*” means White Bear Ankele Tanaka & Waldron P.C., or any successor General Counsel designated in writing by the District.

“*Interest Differential*” has the meaning set forth in Section 2.02(a)(iii)(B) hereof.

“*Interest Payment Date*” means June 1 and December 1 of each year, commencing on [December] 1, 2020, and the Maturity Date and during the Post-Maturity Default Period, if applicable, each June 1 and December 1.

“*Interest Period*” means with respect to the Post-Maturity Default Rate (in the event that any interest is due and unpaid on and after the Maturity Date), (i) the period from and including the Maturity Date to but not including the first Interest Payment Date next succeeding the Maturity Date; and (ii) thereafter, each six-month period from and including one Interest Payment Date to, but not including, the next Interest Payment Date, provided that with respect to any six-month period during which the Loan has been paid in full, the Interest Period for such period shall be the period from and including the immediately preceding Interest Payment Date to and including the date upon which the Loan has been paid in full.

“*Interest Reset Date*” has the meaning set forth in Section 2.02(a)(ii)(C)(1) hereof.

“*Lender*” means BBVA Mortgage Corporation, an Alabama corporation, in its capacity as lender of the Loan.

“*Loan*” means the loan made by the Lender to the District hereunder in the aggregate principal amount of \$35,115,000.

“*Loan Balance*” means, as of any relevant date, the sum of the Loan less any payments of principal received by the Lender for application to the Loan as of such date.

“*Loan Year*” means the period commencing (i) on December 2 of any calendar year, and (ii) ending on December 1 of the following calendar year.

“*Maturity Date*” means December 1, 2045.

“*Maximum Rate*” means 18.00%, the maximum Net Effective Interest Rate permitted by the 2004 Election.

“*Maximum Surplus Amount*” means the amount of \$[____], which is the maximum amount of the Surplus Fund.

“*Net Effective Interest Rate*” means, as of any Interest Payment Date, the total amount of interest accrued hereunder on the Loan from the Closing Date through such Interest 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 Interest 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.

“*Note*” means the Woodmen Heights Metropolitan District No. 2 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.

“*Notice of Taxable Rate Increase*” means a written notice of the Lender to the District stating that, as a result of the occurrence of a Determination of Taxability, the Lender is exercising its right to invoke the Taxable Rate Increase.

“*Noticed Event of Default*” means an Event of Default which has occurred and is continuing for which the Lender has provided written notice to the District that (a) identifies such Event of Default as a “Noticed Event of Default” and (b) states the effective date that such Event of Default became a Noticed Event of Default, which date shall not be earlier than the date such notice is received by the District, subject to the provisions of Section 7.01(c) relating to a Cure Period Notice.

“*Parity Debt*” means the Loan and any additional Debt having a lien upon the Pledged Revenue or any part thereof, excluding Permitted Subordinate Debt. For purposes of this definition, additional Debt payable in whole or in part from, or having a lien upon, the District’s ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part thereof.

“*Parity Debt to Assessed Ratio*” means the ratio derived by dividing the then-outstanding principal amount of the Note and all other outstanding Parity Debt of the District (including without limitation the Loan) by the assessed valuation of the taxable property of the District, as such assessed valuation is certified from time to time by the appropriate county assessor. The foregoing calculation shall exclude the principal amount of any Subordinate Debt or any obligation other than Parity Bonds.

“*Participants*” means one or more commercial banks or other Persons not affiliates of the District, which Participants shall be Accredited Investors.

“*Payment Date*” means an Interest Payment Date or a Principal Payment Date, as the context requires.

“*Permitted Investments*” means any investment or deposit permissible for the District under then applicable law.

“*Permitted Subordinate Debt*” means additional Debt issued by the District after the Closing Date which meets all of the following criteria:

(a) at the time of issuance, no Event of Default or Noticed Event of Default hereunder shall have occurred and be continuing;

(b) such additional Debt shall be payable as to principal and interest only once per year on December 15th, and only after all amounts to be paid or accumulated in connection with the Loan in such year have been paid or accumulated, and shall be payable only if no Default, Event of Default or Noticed Event of Default has occurred and is then continuing hereunder, if any;

(c) the debt service mill levy which may be pledged to the payment of such additional Debt shall not exceed 30 mills subject to a Gallagher Adjustment, after deduction of the Required Mill Levy as defined in the 2020 Joint Funding Agreement, unless a higher mill levy is consented to by the Lender in writing;

(d) the Reserve Fund has been funded to the Reserve Requirement;

(e) acceleration of such additional Debt shall not be an available remedy or right under any circumstance, including without limitation a default under such additional Debt;

(f) the owner(s) of such additional Debt shall have no prior consent rights to any amendments to this Agreement or the other Financing Documents, nor the right to impair or affect the issuance of additional debt having a lien on the Pledged Revenue or any part thereof on a parity with the Loan;

(g) the maturity date of such additional Debt shall not be earlier than the Maturity Date of the Loan;

(h) the dollar amount of principal due on such additional Debt in any particular calendar year shall not exceed the dollar amount of the principal due on the Loan in such calendar year;

(i) the documentation pursuant to which such additional Debt is authorized and incurred shall contain provisions to the effect that the payment thereof is fully subordinate and junior to the payment of the Loan; and

(j) prior to issuance of any such additional Debt, the Lender shall have received the final documentation pursuant to which such additional Debt is proposed to be issued, and such documentation shall be subject to the satisfactory review by the Lender and its counsel for compliance with the terms of provisions (a) through (i) of this definition; provided, however, that notice of the Lender's approval thereof (or notice of disapproval and the reason or reasons therefor) shall be provided to the District by the Lender within ten (10) Business Days of receipt of such documentation, and failure by the Lender to respond to the District in writing within such period shall be deemed approval by the Lender of such documentation.

"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 an agency or instrumentality thereof.

"Pledged Revenue" means the moneys derived by the District or the Trustee from the following sources, after payment of any costs of collection:

(a) the Funding Agreement;

(b) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy as defined in the 2020 Joint Funding Agreement;

(c) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue.

“*Post-Conversion Taxable Date*” means the date on which interest on the Loan is first includable in gross income of the Lender or a Participant (including, without limitation, any previous Lender or previous Participant) as a result of a Determination of Taxability.

“*Post-Conversion Taxable Period*” has the meaning assigned to it in Section 2.03(b) hereof.

“*Post-Maturity Default*” means the failure of the District to pay the outstanding Loan Balance, plus any accrued and unpaid interest thereon, and any other amounts due hereunder in full on the Maturity Date.

“*Post-Maturity Default Period*” means, upon the occurrence of a Post-Maturity Default, the period of time commencing on the Maturity Date and continuing to, but not including, the date upon which the principal of and interest on the Loan, and all other amounts due hereunder, have been paid in full.

“*Post-Maturity Default Rate*” means a variable rate equal to the Wall Street Prime Rate plus 2.00%, as reset from time to time as provided in Section 2.02(a)(ii)(C) hereof, but, notwithstanding anything herein to the contrary, the Post-Maturity Default Rate shall not exceed [__%].

“*Post-Maturity Rate Effective Date*” means the Maturity Date and any Interest Reset Date.

“*Prepayment Fee*” means, on and after the five (5) year anniversary [**confirm**] of the Closing Date, subject to the provisions of Section 2.02(c) hereof, if a prepayment of the Loan Balance occurs prior to the ten (10) year anniversary of the Closing Date, an amount, if any, equal to the Annual Yield Differential multiplied by the Percent Being Prepaid, multiplied by the Average Remaining Outstanding Principal Amount, multiplied by the number of days from the date Lender received the prepayment (the “Prepayment Date”) through the Maturity Date, divided by 360. The Yield Maintenance Fee shall only be applicable to any prepayment made that is in addition to the scheduled principal payments on the Loan. For purposes of the foregoing calculation only, the following capitalized terms shall have the meanings assigned below:

1. “Annual Yield Differential” means the difference (but not less than zero) between: (i) the U.S. Treasury constant maturity yield, as reported in the H.15 Report, for the Closing Date, for a maturity that is the same as the Maturity Date as of the Closing Date (rounded to the nearest whole number of months) or, if no such maturity is reported, an interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than, the Maturity Date as of the Closing Date, and (ii) the U.S. Treasury constant maturity yield, as reported in the H.15 Report, daily updates, for the Prepayment Date for a maturity that is the same as the remaining term of the Loan at the Prepayment Date (rounded to the nearest whole number of months) or, if no such maturity is reported, then the interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than, the remaining term of the Loan on the Prepayment Date. If the H.15 Report is not

available for any day, then the H.15 Report for the immediately preceding day on which yields were last reported will be used.

2. “Average Remaining Outstanding Principal Amount” means the simple average of (i) the outstanding principal balance of Loan plus any accrued and unpaid fees or other sums owed in connection with the Loan as of the Prepayment Date (prior to any prepayment being applied), and (ii) the scheduled principal amount of the Loan as of the Maturity Date (taking into account any prior prepayments, but not the prepayment being then made).
3. “Percent Being Prepaid” means the amount determined by dividing the principal amount of the Loan being prepaid by the unpaid principal balance of the Loan as of the Prepayment Date.

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

“*Refunded Bond Documents*” has the meaning set forth in the recitals hereof.

“*Required Mill Levy*” has the meaning set forth in the 2020 Joint Funding Agreement.

“*Reserve Fund*” means the fund by that name established by the provisions of this Agreement to be held and administered pursuant to the provisions hereof.

“*Reserve Requirement*” means the amount of \$1,142,000.

“*Revenue Fund*” means the fund by that name established by the provisions of this Agreement to be held and administered pursuant to the provisions hereof.

“*Service Plan*” means the service plan for the District, as approved pursuant to Title 32, Article 1, C.R.S., including any amendments or supplements made thereto in accordance with law.

“*Series 2020B-1 Subordinate Bonds*” means the District's Subordinate General Obligation Limited Tax Bonds, Series 2020B-1, in the maximum aggregate principal amount of \$7,740,000, to be issued by the District on or about the date of execution and delivery of the Loan.

“*Series 2020B-2 Subordinate Bonds*” means the District's Subordinate General Obligation Limited Tax Bonds, Series 2020B-2, in the maximum aggregate principal amount of \$6,719,000, to be issued by the District on or about the date of execution and delivery of the Loan.

“*Special District Act*” means Title 32, Article 1, C.R.S.

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

“*Supplemental Public Securities Act*” means Title 11, Article 57, Part 2, C.R.S.

“*Surplus Fund*” means the fund by that name established by the provisions of this Agreement to be held and administered pursuant to the provisions hereof.

“*Taxable Fixed Rate*” means a rate per annum of 3.48%.

“*Taxable Interest*” means the interest borne by the Note which is not excluded from the gross income of the recipients for federal income tax purposes.

“*Taxable Rate Increase*” has the meaning assigned to it in Section 2.02(A)(ii)(D).

“*Tax Certificate*” means the tax compliance certificate to be signed by the District in connection with the issuance of a Tax-Exempt Reissuance Opinion with respect to the Note, in a form acceptable to Bond Counsel, relating to the requirements of Sections 103 and 141-150 of the Code.

“*Tax-Exempt Fixed Rate*” means a rate per annum of 2.75%.

“*Tax-Exempt Interest*” means the interest to be borne by the Note on and after the Tax-Exempt Reissuance Date, which interest is excluded from gross income for the recipients for federal income tax purposes.

“*Tax-Exempt Reissuance Date*” means the date on which the Note is reissued for federal income tax purposes for an obligation bearing Tax-Exempt Interest.

“*Tax-Exempt Reissuance Opinion*” means an opinion of Bond Counsel to the effect that, on and after the Tax-Exempt Reissuance Date the interest on the Note reissued after such date will be excluded from the gross income of the recipients for federal income tax purposes.

“*Trustee*” means UMB Bank, n.a. in Denver, Colorado, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and registrar under the provisions of this Agreement.

“*Wall Street Prime Rate*” means the rate per annum published in the New York edition of The Wall Street Journal from time to time as the “Prime Rate”. If The Wall Street Journal ceases to publish the “Prime Rate,” the Lender shall select an alternate publication that publishes such “Prime Rate”. The Prime Rate is a non-managed rate based upon prevailing prime rates quoted in The Wall Street Journal. If multiple prime rates are quoted in the table, then the highest prime rate will be the Prime Rate. Prime Rate is a reference rate and does not necessarily represent the lowest or best rate being charged to any customer. Any change in the interest rate payable on the Loan resulting from a change in the Prime Rate shall become effective on the effective date of such change in the Prime Rate.

Section 1.02. 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

Section 2.01. Loan Terms.

(a) ***Agreement To Make Loan.*** The Lender hereby agrees to extend the Loan to the District in the aggregate principal amount of \$35,115,000 on the terms and conditions of this Agreement. The Loan shall be evidenced by the Note, which shall be issued to the Lender on the Closing Date.

(b) ***Application of Loan Proceeds and District Closing Funds.*** On the Closing Date, the Lender will make available the proceeds of the Loan and such moneys shall be applied as follows and in accordance with the Closing Memorandum:

(i) the amount of \$33,337,198.14 shall be transferred to the Escrow Agent for credit to the Escrow Account, which together with the District Closing Funds (being a total amount of \$9,696,000.00), will be sufficient to fund the Escrow Account in accordance with the report of a Certified Public Accountant;

(ii) the amount of the Reserve Requirement (\$1,142,000) shall be credited to the Reserve Fund;

(iii) the amount of \$425,575.00 shall be transferred to the District for payment of the fees, costs and expenses incurred in connection with the issuance and delivery of the Loan.

Section 2.02. Interest Rates; Loan Payments; Fees and Expenses.

(a) ***Interest Payments.***

(i) *Payment Dates and Computations.* Interest payments on the Loan shall be due on each Interest Payment Date. All interest due and payable hereunder shall be calculated on the basis of a 360-day year and actual number of days elapsed in the applicable period.¹ Interest not paid when due shall remain due and owing, but shall not compound or bear additional interest. In the event that any interest is due but unpaid on and after the Maturity Date, interest shall thereafter be payable, in whole or in part, on each June 1 and December 1; provided that the District shall have the right to pay all principal and interest on the Loan in full on any date after the Maturity Date.

(ii) *Interest Rates.*

(A) Fixed Rates.

(1) Subject to the provisions of subsection (B) of this Section 2.02(ii), commencing on the Closing Date, through but not including any Tax-Exempt Reissuance Date, if such Tax-Exempt Reissuance Date occurs (and if the Tax-Exempt Reissuance Date never occurs, through and including the Maturity Date), the Loan shall bear interest at the Taxable Fixed Rate.

(2) Subject to the provisions of subsections (B) and (D) of this Section 2.02(ii), commencing on the Tax-Exempt Reissuance Date, if such Tax-Exempt Reissuance Date occurs, through and including the Maturity Date, the Loan shall bear interest at the Tax-Exempt Fixed Rate

(B) Default Rate. Upon the occurrence of a Noticed Event of Default and for so long as such Event of Default continues and remains uncured to the satisfaction of the Lender, the Loan Balance shall bear interest at the Default Rate, to but not including the Maturity Date. Any such Default Rate will apply as of the date of the Noticed Event of Default, or as of any later date determined by the Lender in the notice provided by the Lender to the District pursuant to Section 7.01 hereof entitled “Events of Default”.

(C) Post-Maturity Default Rate. Subject to the provisions of subsection (D) below, upon a Noticed Event of Default arising out of a Post-Maturity Default, any Loan Balance remaining unpaid shall bear interest at the Post-Maturity Default Rate commencing on the Maturity Date to and including the date upon which the Loan has been paid in full. The Post-Maturity Default Rate shall be determined as follows:

1. The Post-Maturity Default Rate shall be reset each time there is a change in the Wall Street Prime Rate (each, an “Interest Reset Date”) and, following each reset, shall be the rate of interest used to determine interest payable

¹ For payments due on non-Business Days, see Section 8.18 hereof.

on the Loan during each applicable Interest Period, or portion thereof, during the Post-Maturity Default Period.

2. On the Maturity Date and on any Interest Reset Date thereafter, the Lender shall determine the Wall Street Prime Rate as of the Maturity Date or any Interest Reset Date, as applicable, and shall compute the Post-Maturity Default Rate to take effect on each corresponding Post-Maturity Rate Effective Date (which in the case of the Maturity Date, is the Maturity Date itself) and remain in effect from and including the applicable Post-Maturity Rate Effective Date to but not including any subsequent Interest Reset Date. In the absence of manifest error, the Lender's computation of the Post-Maturity Default Rate shall be determinative.

3. If requested by the District, the Lender shall notify the District in writing of the new Post-Maturity Default Rate in effect for the applicable Interest Period within five (5) Business Days following any such request of the District. In addition, not later than two (2) Business Days preceding each Interest Payment Date, the Lender shall notify the District in writing of the interest due and owing on such Interest Payment Date. For purposes of such notice, e-mail transmission shall be deemed written notice provided that the sender of the notice receives confirmation from the District of the receipt thereof. The District agrees to promptly provide such e-mail confirmation as soon as practical after the receipt thereof.

(D) Taxable Rate Increase. The Tax-Exempt Fixed Rate, the Default Rate or the Post-Maturity Default Rate, as applicable, shall be increased on the Post-Conversion Taxable Date, by dividing the otherwise applicable interest rate then in effect on the Loan by 79% (the "Taxable Rate Increase"); provided that any Taxable Rate Increase shall be deemed to have occurred hereunder only if a Notice of Taxable Rate Increase is given by the Lender to the District.

(iii) *Maximum Interest Rate; Interest Rate Differential.*

(A) Maximum 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 as of any Interest Payment Date 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 2.02(a)(iii)(B) hereof shall apply.

(B) Interest Rate 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 2.02(a)(iii)(A) 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. It is acknowledged by the Lender that the obligations of the District hereunder are limited by the District’s voted debt authorization and 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. 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, Prepayment Fee if any, and 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.

(b) **Principal Payments.** Repayment of principal amounts of the Note shall come due on the dates and in the amounts set forth below:

Principal Payment Date	Principal Amount Due
December 1, 2021	\$ 620,000
December 1, 2022	910,000
December 1, 2023	940,000
December 1, 2024	1,000,000
December 1, 2025	1,025,000
December 1, 2026	1,090,000
December 1, 2027	1,120,000
December 1, 2028	1,185,000
December 1, 2029	1,220,000
December 1, 2030	1,290,000
December 1, 2031	1,325,000
December 1, 2032	1,400,000
December 1, 2033	1,435,000
December 1, 2034	1,515,000
December 1, 2035	1,415,000
December 1, 2036	1,235,000
December 1, 2037	1,300,000
December 1, 2038	1,405,000
December 1, 2039	1,475,000
December 1, 2040	1,590,000
December 1, 2041	1,670,000
December 1, 2042	1,790,000
December 1, 2043	1,880,000
December 1, 2044	2,020,000
December 1, 2045 (Maturity Date)	All remaining unpaid principal

(c) **Optional Prepayment.** Subject to the proviso below, the District may, at its option, prepay the Loan in whole, or, with consent of the Lender, in part, on any Interest Payment Date occurring on or after five (5) years from the Closing Date upon payment to the Lender of the

principal amount so prepaid, accrued interest thereon at the rate then borne by the Loan to date the Lender receives such prepayment, plus any Prepayment Fee; provided that if the amount of the Prepayment Fee on any proposed prepayment date exceeds the maximum Prepayment Fee permitted by then-applicable law, then the Loan shall be considered non-prepayable to that extent. Notwithstanding anything herein to the contrary, no Prepayment Fee shall be due for any prepayment of any portion of the Loan which occurs on or after a date which is ten years from the Closing Date. All optional prepayments shall be applied first against the principal payment due on the Maturity Date, and then in inverse order of maturity.

(d) ***Obligations Unconditional.*** The District's obligation to repay the Loan hereunder and all of its other obligations under this Agreement shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim, or defense to payment which the District may have against the Lender, any Participant, or any other Person, irrespective of the legality, validity, regularity, or enforceability of all or any of the Financing Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Lender explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, all or any of the Financing Documents or any exchange, release, or non-perfection of any Collateral, and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing; provided however, that nothing contained in this Section shall abrogate or otherwise affect the rights of the District pursuant to the other terms hereof.

(e) ***Waivers, Etc.*** To the extent permitted by law: (i) the District hereby waives (A) presentment, demand, notice of demand, protest, notice of protest, notice of dishonor, and notice of nonpayment; (B) to the extent the Lender is not in default hereunder, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Lender until all obligations of the District to the Lender hereunder, howsoever arising, have been paid; and (C) any defense arising out of the election by the Lender to foreclose on any security by one or more non-judicial or judicial sales; (ii) the Lender may exercise any other right or remedy, even though any such election operates to impair or extinguish the District's right to repayment from, or any other right or remedy it may have against, any Person, or any security; and (iii) the District agrees that the Lender may proceed against the District or any Person directly and independently of any other, and that any forbearance, change of rate of interest, or acceptance, release, or substitution of any security, guaranty, or loan or change of any term or condition thereunder or under any Financing Document (other than by mutual agreement between the District and the Lender) shall not in any way affect the liability of the District hereunder.

(f) ***Electoral Limitations.*** 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, Prepayment Fee, if any, interest, if any, 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. Costs and Expenses.

(a) To the extent permitted by law, the District agrees to pay all reasonable costs and expenses of the Lender in connection with (a) the preparation, execution, and delivery of the Financing Documents, which may be delivered by any party in connection with the Financing Documents; and (b) the filing, recording, administration (other than normal, routine administration), enforcement, transfer, amendment, maintenance, renewal, or cancellation of this Agreement and all amendments or modifications thereto (or supplements hereto), including, without limitation, the reasonable fees and out of pocket expenses of counsel for the Lender and the reasonable allocated cost of in house counsel and legal staff and independent public accountants and other outside experts retained by the Lender in connection with any of the foregoing. In addition, to the extent permitted by law and subject to the District's electoral authorization and the calculation of the Maximum Rate, the District agrees to pay promptly all reasonable costs and expenses of the Lender, including, without limitation, the fees and expenses of external counsel and the reasonable allocated cost of in house counsel, for (i) any and all amounts which the Lender has paid relative to the Lender's curing of any Event of Default under this Agreement or any of the Financing Documents; (ii) the enforcement of this Agreement or any of the Financing Documents by the Lender; or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Lender from paying any amount hereunder.

(b) In the event a Determination of Taxability occurs, the District hereby agrees to pay to the Lender or Participant, upon written demand therefor but subject to subsection (a) of this Section, an amount equal to the difference between (1) the amount of interest on the Loan that would have been paid to the Lender or a Participant during the period for which interest on the Loan is included in the gross income of the Lender or the Participant if the applicable interest rate on the Loan had been adjusted for the Taxable Rate Increase, beginning on the Post-Conversion Taxable Date (the "Post-Conversion Taxable Period"), and (2) the amount of interest actually paid to the Lender or the Participant during the Post-Conversion Taxable Period, and (B) an amount equal to any interest, penalties or charges owed by the Lender or the Participant as a result of interest on the Loan becoming included in the gross income of the Lender or the Participant, together with any and all attorneys' fees, court costs, or other out of pocket costs incurred by the Lender in connection therewith. If the District does not have sufficient funds to make the foregoing payments in the same Fiscal Year in which the demand is made, to the extent permitted by law, the Board shall include such amount in the annual Debt Requirements for the Loan for the following Fiscal Year and shall certify ad valorem property taxes sufficient to make such payment in the next following Fiscal Year. Notwithstanding anything herein to the contrary, in no event may the ad valorem property taxes be established at a mill levy which would cause the District to derive property tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization and Service Plan.

Section 2.04. Manner of 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 noon, Denver time, on the day when due. Any payment received after 12:00 noon, Denver time, shall be deemed made on the

next succeeding Business Day. 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.

Section 2.05. Pledge. 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 the Collateral to secure the payment of the principal of, Prepayment Fee, if any, and interest (including Interest Differential) on the Loan and all other amounts due and owing to the Lender hereunder and under the Note. The Loan shall constitute an irrevocable lien upon the Pledged Revenue and the Collateral, but not necessarily an exclusive such lien. The lien of the Lender on the Pledged Revenue and the Collateral shall be subject to no other liens, except the Permitted Subordinate Debt, without the prior written consent of the Lender.

Section 2.06. Conditions to Closing. The funding by the Lender of the Loan is conditioned upon the satisfaction of each of the following, except as may be waived by the Lender, and upon Closing, all such conditions shall be deemed satisfied or waived by the Lender:

(a) ***Financing Documents.*** All Financing Documents and other instruments applicable to the Loan are in form and content satisfactory to the Lender and have been duly executed and delivered in form and substance satisfactory to the Lender and shall have not 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 shall have been delivered to the Lender.

(b) ***Certified Proceedings.*** The Lender has received a certified copy of the Authorizing Resolution of the District, which shall be in form and content satisfactory to the Lender and authorize the District to obtain the Loan and perform all acts contemplated by the Financing Documents, and a certified copy of all other resolutions and proceedings taken by the District authorizing the District to obtain the Loan and the execution, delivery, and performance of the Financing Documents and the transactions contemplated thereunder, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign the 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) ***District Certificate.*** The District has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the District contained in the Financing Documents is true and correct and no Default or Event of Default, or event which would, with the passage of time or the giving of notice, constitute a Default or an Event of Default, has occurred and is continuing, and no default exists under any Financing Document or under any other agreements by and between the District and the Lender, and certifying as to such other matters as the Lender might reasonably request.

(d) ***Bond Counsel Opinion.*** The Lender shall have received the opinion of Bond Counsel dated the Closing Date and addressed to the Lender stating in substance that this Agreement and the Note issued as of the Closing Date constitute valid and binding obligations of the District, legally enforceable against the District in accordance with their respective terms,

subject to certain exceptions reasonably satisfactory to the Lender; that the Loan Agreement creates a valid lien on the Pledged Revenue and the Collateral subject to the provisions, conditions, and limitations contained in the Loan Agreement; that all of the taxable property of the District is subject to the levy of an ad valorem tax in the amount of the Required Mill Levy (as defined in the 2020 Joint Funding Agreement), for the purpose of paying the principal of and interest on the Loan; and that the Series 2016 Bonds have been legally defeased, all of the foregoing to be in form and substance acceptable to the Lender.

(e) ***Defeasance Opinion of Bond Counsel.*** The Lender shall have received an opinion of Bond Counsel dated as of the Closing Date and addressed to the Lender, stating in substance that (i) the Series 2016 Bonds have been defeased and are no longer deemed to be outstanding within the meaning of the Refunded Bond Documents, and (ii) the Escrow Agreement has been duly authorized, executed and delivered by the District, and assuming due authorization, execution and delivery by the Escrow Agent, constitutes a valid and binding obligation of the District enforceable according to its terms.

(f) ***General Counsel Opinion.*** The Lender shall have received an opinion of General Counsel to the District dated the Closing Date and addressed to the Lender, with respect to such matters as the Lender may require, in form and substance satisfactory to the Lender and its counsel, including opinions as to the validity of the District's organization and existence; to the effect that all governmental approvals necessary for the District to execute, deliver, and perform its obligations under the Financing Documents 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 the Financing Documents have been duly authorized, executed, and delivered by the District; that the Financing Documents do not conflict with any other contract, indenture, or other agreement entered into by the District and in effect on the Closing Date; and otherwise in form and substance acceptable to the Lender.

(g) ***Other Proceedings.*** All proceedings taken in connection with the transactions contemplated by this Agreement, and all instruments, authorizations, and other documents applicable thereto, are satisfactory to the Lender and its counsel.

(h) ***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 the Financing Documents.

(i) ***Payment of Costs and Expenses.*** All Lender counsel fees and any other fees and expenses due and payable in connection with the execution and delivery of the Financing Documents shall have been paid by the District.

(j) ***No Material Adverse Change.*** No material adverse change has, in the sole opinion of the Lender based on its business expertise, occurred with respect to the Collateral or the District's business operations, financial condition, or performance, as reflected in the most recent financial statements provided to the Lender or as otherwise known by the Lender.

(k) **No Adverse Financial or Other Information.** The District shall certify to the Lender, either verbally or in writing, as required by the Lender, that there has been no adverse financial or other information pertaining to any portion of the Collateral or the District from the date of the financial and other information provided to the Lender prior to the Closing Date.

(l) **Reserve Fund.** The Reserve Fund shall be funded on the Closing Date in the amount of the Reserve Requirement.

(m) **Due Diligence.** The Lender shall have been provided with the opportunity to review all pertinent financial information regarding the District, including without limitation all agreements, documents, and any other material information relating to the District, the Pledged Revenue, or the Collateral.

(n) **Accuracy and Completeness of Information.** All information provided by the District to the Lender shall be, as of the Closing Date, complete and accurate in all material respects.

(o) **No Breach or Other Violation.** The District is not in violation or breach of any other agreement with the Lender or with any third party of any type or nature in excess of \$10,000.

(p) **Due Authorization.** Due authorization and proper execution of the documentation detailing the terms and conditions of the Loan, all in form and substance satisfactory to the Lender and its internal and external counsel.

(q) **Other Certificates and Approvals.** The Lender shall have received such other certificates, approvals, filings, opinions, and documents as shall be reasonably requested by the Lender.

(r) **Other Legal Matters.** All other legal matters pertaining to the execution and delivery of the Financing Documents shall be reasonably satisfactory to the Lender.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Acknowledgement of Funds. There are hereby created and established the following funds and accounts, which shall be held and administered 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 hereunder held, invested, disbursed, and otherwise administered on behalf of the Lender by BBVA:

- (a) the Revenue Fund;

- (b) the Reserve Fund; and
- (c) the Surplus Fund.

Section 3.02. Revenue Fund.

(a) The Revenue Fund shall be maintained by the Lender for so long as the Loan is outstanding. During each Fiscal Year, the District shall, upon receipt thereof, transfer or cause to be transferred to the Revenue Fund all Pledged Revenue until the amount on deposit therein is equal to the accumulations required by “FIRST” through “FOURTH” pursuant to subsection (b) below. Such transfers to the Revenue Fund shall be made via wire transfer pursuant to the following instructions:

	BBVA
ABA #:	107005319
Account #:	6778906447
Ref:	Woodmen Heights Metropolitan District No. 2 - Revenue
	Fund
Attn:	Sandra Rangel
Phone:	303-217-2278

The Revenue Fund shall secure the payment of principal of and interest on the Loan and any other amounts due and owing to the Lender hereunder.

(b) The Lender shall, in each Fiscal Year, disburse, transfer, credit and apply all Pledged Revenue received in such Fiscal Year and credited to the Revenue Fund pursuant to paragraph (a) above to the following purposes and in the following order of disbursement priority:

FIRST: To the payment of debt service due on the Loan in the following order of priority:

- (i) to pay current accrued but unpaid interest on the Loan;
- (ii) to pay past due interest on the Loan; and
- (iii) to pay principal due on the Loan as provided in Section 2.02(b) hereof.

SECOND: To the credit of the Reserve Fund, the amount, if any, required to replenish the Reserve Fund to the Reserve Requirement, as required by the Section herein entitled “Reserve Fund”;

THIRD: To the Lender, all fees, costs, expenses and any other amounts due and owing under this Agreement during such Fiscal Year (whether or not known at the time of certification of the Required Mill Levy for collection in such Fiscal Year), (including amounts that would have been, if known at the time of calculation, included in the computation of Debt Requirements, including,

without limitation, interest accruing at the Default Rate or Taxable Rate Increase by reason of events occurring after the date of certification of the Required Mill Levy) pursuant to an invoice provided by the Lender to the District;

FOURTH: For so long as the Surplus Fund is less than the Maximum Surplus Amount, to the credit of the Surplus Fund, the amounts required by the Section hereof entitled "Surplus Fund"; and

FIFTH: Amounts remaining, if any, shall, at the written direction of the District to the Lender, be transferred by the Lender for the credit of any other fund or account as may be designated by the District to the Lender, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth above. Unless otherwise agreed to between the District and the Lender, transfers of Pledged Revenue to such fund or account designated by the District pursuant to this FIFTH shall be made no later than 10 Business Days after the District determines that Pledged Revenue is available under this FIFTH and notifies the Lender of the same. For the avoidance of doubt, any amounts transferred pursuant to this FIFTH shall not be considered to be included within the Revenue Fund or Collateral.

(c) If, on the day which is ten (10) Business Days prior to any Payment Date the amount then on deposit in the Revenue Fund (without regard to any amounts available to be transferred thereto from the Surplus Fund or the Reserve Fund), is insufficient to pay the interest and/or principal due on such Payment Date and other amounts then due and owing to the Lender, the Lender shall notify the District in writing of such shortfall indicating the amount of such deficiency. If, on or before such Payment Date, the District provides legally available moneys to the Lender to make up any or all of such deficiency, then the Lender shall accept and deposit such funds into the Revenue Fund for credit to the amounts due and owing on such Payment Date. To the extent of an insufficiency on any Payment Date to fully pay the amounts then due, then notwithstanding the provisions of subsection (a) above, the Lender shall disburse amounts in the Revenue Fund in such order of priority as it determines in its sole discretion.

(d) To the extent that moneys in the Revenue Fund (including any amounts deposited therein pursuant to the provision of Section 3.02(c) above and investments earnings credited thereto) are insufficient to pay the interest and/or principal due and owing on each Payment Date and other amounts then due and owing to the Lender, the Lender shall transfer moneys to cover such shortfall (or as much of such shortfall as can be paid with available funds) first from the Surplus Fund and then to the extent necessary, from the Reserve Fund.

Section 3.03. Reserve Fund.

(a) The Lender shall hold, disburse, and administer the Reserve Fund so long as the Loan is outstanding in whole or in part in accordance with the provisions of this Section.

(b) Moneys in the Reserve Fund shall be used by the Lender, if necessary, to pay interest and/or principal due on the Loan on any Payment Date and other amounts due and owing to the Lender hereunder on the date when such amounts are due to the extent amounts on deposit

in the Revenue Fund are insufficient to make such payment in full on such Payment Date and/or due date. The Reserve Fund is hereby pledged to the payment of the foregoing in the manner and priority set forth in this Section. Notwithstanding anything herein to the contrary, moneys in the Surplus Fund, shall be used prior to any use of moneys in the Reserve Fund.

(c) In the event the amounts credited to the Revenue Fund (including amounts transferred therein from the Surplus Fund as provided herein) are insufficient to pay the principal of and interest due on the Loan on any Payment Date and other amounts due and owing to the Lender hereunder on the date when such amounts are due, the Lender shall transfer from the Reserve Fund to the Revenue Fund an amount which, when combined with moneys then on deposit in the Revenue Fund (including amounts transferred therein from the Surplus Fund), will be sufficient to make such payments when due. In the event that moneys in the Revenue Fund (including amounts transferred therein from the Surplus Fund) together with amounts available in the Reserve Fund are insufficient to make such payments when due, the Lender will nonetheless transfer all moneys in the Reserve Fund to the Revenue Fund for the purpose of making partial payments. Moneys in the Surplus Fund shall be used prior to any use of moneys in the Reserve Fund.

(d) 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 the Loan is outstanding, provided that the foregoing shall not prevent the amounts in the Reserve Fund from being used in whole or in part to fund the payment or defeasance of the entire Loan. 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 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 Section 3.02(b) hereof, and nothing herein shall be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding the Reserve Fund in excess of the Required Mill Levy. The amount credited to the Reserve Fund shall never exceed the amount of the Reserve Requirement, and any such excess moneys shall, at the written direction of the District to the Lender, be transferred to the Revenue Fund.

(e) So long as any Loan Balance remains unpaid as of the Maturity Date, amounts on deposit in the Reserve Fund on the Maturity Date, if any, shall, at the sole discretion of the Lender, be applied to the payment of the Loan.

Section 3.04. Surplus Fund.

(a) The Lender shall hold, disburse, and administer the Surplus Fund in accordance with the provisions of this Section.

(b) Subject to the receipt of sufficient Pledged Revenue, the Surplus Fund shall be funded and maintained in an amount up to the Maximum Surplus Amount. The Surplus Fund shall not be funded with Loan proceeds, but shall be funded solely from deposits of Pledged Revenue as provided in Section 3.02(b) hereof, up to the Maximum Surplus Amount, and except to the extent Pledged Revenue is available under such Section, the District has no obligation to fund the Surplus Fund in any amount. In the event that the amounts credited to the Revenue Fund

are ever insufficient to pay the principal of or interest due on the Loan on any Payment Date and other amounts due and owing to the Lender hereunder on the date when such amounts are due, the Lender shall transfer from the Surplus Fund to the Revenue Fund an amount which, when combined with moneys in the Revenue Fund, will be sufficient to make such payments when due; and in the event the amounts in the Revenue Fund and the Surplus Fund are insufficient to make all such payments on any due date, the Lender shall nonetheless transfer all of the moneys in the Surplus Fund to the Revenue Fund. Amounts in the Surplus Fund (i) shall be used before any use of moneys in the Reserve Fund, and (ii) shall not be used to prepay less than all of the Loan pursuant to any optional prepayment provisions hereof without the prior written consent of the Lender.

(c) Nothing herein shall be deemed to prevent the amounts in the Surplus Fund from being used in whole or in part to fund the payment or defeasance of the entire Loan, including pursuant to any optional prepayment provisions hereof. So long as any Loan Balance remains unpaid as of the Maturity Date, amounts on deposit in the Surplus Fund on the Maturity Date, if any, shall, at the sole discretion of the Lender, be applied to the payment of the Loan.

Section 3.05. Investments of Funds.

(a) At the direction of the District the Lender shall invest amounts held by it pursuant to this Agreement only in Permitted Investments. All such investments shall be on deposit with or in the possession of BBVA. Neither the Lender nor BBVA shall have any 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 from the District 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 and the Surplus 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 the Reserve Fund is equal to the Reserve Requirement, all interest income from the investment or reinvestment of moneys credited to the Reserve Fund shall at the written direction of the District by December 1st of each year to the Lender be credited to the Revenue 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. With respect to the Surplus Fund, so long as the amount of the Surplus Fund is equal to the Maximum Surplus Amount, all interest income from the investment or reinvestment of moneys credited to the Surplus Fund shall at the written direction of the District by December 1st of each year to the Lender be credited to the Revenue Fund; provided that if the amount of the Surplus Fund is less than the Maximum Surplus Amount, then such interest income shall be credited to the Surplus 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.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

While any obligations under the Financing Documents are unpaid or outstanding, the District continuously represents and warrants to the Lender as follows:

Section 4.01. Due Organization. The District is a public or quasi-municipal subdivision of the State of Colorado and a body corporate duly organized and validly existing under the laws of the State of Colorado.

Section 4.02. Power and Authorization. The District has all requisite power and authority to own and convey its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents; to execute, deliver, and to perform its obligations under the Financing Documents; and to cause the execution, delivery, and performance of the Financing Documents.

Section 4.03. No Legal Bar. To the best of the District's knowledge, the District is not in violation of any of the provisions of the laws of the State of Colorado or the United States of America or any of the provisions of any order of any court of the State of Colorado or the United States of America which would affect its existence or its legal ability to perform its obligations under the Financing Documents. The execution, delivery, and performance by the District of the Financing Documents (a) to the best of the District's knowledge, do not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority; (b) to the best of the District's knowledge, do not violate any provisions of any document constituting, regulating, or otherwise affecting the operations or activities of the District; and (c) do not violate any provision of, constitute a default under, or result in the creation, imposition, or foreclosure of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind (other than liens created or imposed by the Financing Documents) on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business, or operations of the District, on the District's power to cause the Financing Documents to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under the Financing Documents.

Section 4.04. Consents. The District has obtained all consents, permits, licenses, and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the District of the Financing Documents.

Section 4.05. Litigation. There is no action, suit, inquiry, investigation, or other proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the District, threatened in connection with any of the transactions contemplated by this Agreement or against or affecting the assets of the District, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling, or finding (a) would adversely affect the validity or enforceability of, or the authority

or ability of the District to perform its obligations under, the Financing Documents; (b) would, in the reasonable opinion of the District, have a materially adverse effect on the ability of the District to conduct its business as presently conducted or as proposed or contemplated to be conducted; or (c) would adversely affect the exclusion of interest on the Loan from gross income for federal income tax purposes or the exemption of such interest from State of Colorado personal income taxes.

Section 4.06. Enforceability. The Financing Documents constitute legal, valid, and binding obligations of the District, enforceable against the District in accordance with their terms, provided that such enforceability may be limited by the terms of the Financing Documents, bankruptcy, moratorium, or other similar laws affecting creditors' rights generally, and provided that the application of equitable remedies is subject to the application of equitable principles.

Section 4.07. Changes in Law. To the best knowledge of the District, there is no pending change of any law which, if enacted or adopted could have a material adverse effect on the assets, financial condition, business, or operations of the District, on the Collateral, or on the District's power to issue or its ability to pay in full in a timely fashion the obligations of the District under the Financing Documents.

Section 4.08. Financial Information and Statements. The financial statements and other information previously provided to the Lender or provided to the Lender in the future are or will be complete and accurate and prepared in accordance with generally accepted accounting principles. There has been no material adverse change in the District's financial condition since such information was provided to the Lender.

Section 4.09. Accuracy of Information. All information, certificates, or statements given to the Lender pursuant to the Financing Documents will be true and complete in all material respects when given. There are no facts that the District has failed to disclose to the Lender that, individually or in the aggregate, could have a material adverse effect on the Collateral or the assets, financial condition, business, or operations of the District, or the District's ability to perform its obligations under the Financing Documents.

Section 4.10. Tax Exempt Status. Based on the Code and the regulations promulgated thereunder and in effect as of the date hereof, the District has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Note on and after the Tax-Exempt Reissuance Date from gross income for federal income tax purposes or the exemption of such interest from State of Colorado personal income taxes.

Section 4.11. Financing Documents. The District's representations and warranties contained in the Financing Documents are true and correct in all material respects as of the Closing Date.

Section 4.12. Regulations U and X. The District is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the

meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of the Loan will be or have been used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 4.13. Default, Etc. The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any Financing Document or other resolution, agreement, or instrument to which it is a party which would have a material adverse effect on the Collateral or the ability of the District to perform its obligations under the Financing Documents, or which would affect the enforceability thereof.

Section 4.14. Sovereign Immunity. Except for actions that lie or would lie in tort, the District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under the Financing Documents.

Section 4.15. No Filings. No filings, recordings, registrations, or other actions are necessary to create and perfect the pledges provided for in the Financing Documents.

Section 4.16. Outstanding Debt. With the exception of the Loan, upon issuance of the Loan, the Series 2020B-1 Bonds, and the Series 2020B-2 Bonds, the District will have no Debt outstanding.

Section 4.17. Insurance. The District currently has insurance and bonds meeting the requirements of the Section hereof entitled “Bonding and Insurance”.

Section 4.18. No Liens. The District represents and warrants that it will incur additional Debt after the Closing Date only in accordance with the provisions of this Agreement.

Section 4.19. No Rating, Etc. Neither the Loan nor the Note shall be: (i) assigned a separate rating by any rating agency, (ii) registered with the Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor’s CUSIP Service.

ARTICLE V

COVENANTS OF THE DISTRICT

While any obligations under the Financing Documents are unpaid or outstanding, the District continuously warrants and agrees as follows:

Section 5.01. 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 Financing Documents and all its proceedings pertaining thereto as though such covenants, undertakings, stipulations, and provisions were set forth in full herein. The District covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Special District Act, to incur the Loan and to issue, execute, and deliver the

Financing Documents, and that all action on its part for the issuance of the Loan and the execution and delivery of the Financing Documents has been duly and effectively taken and will be duly taken as provided herein, and that the Financing Documents are and will be valid and enforceable obligations of the District according to the terms hereof and thereof, except as such enforceability may be limited by the terms of the Financing Documents and by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally, and provided that the application of equitable remedies is subject to the application of equitable principles.

Section 5.02. 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 Collateral or the District, or on its financial condition, assets, or ability to perform its obligations under the Financing Documents; 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 under the Financing Documents.

Section 5.03. Tax-Exempt Reissuance of Taxable/Tax-Exempt Note. It is understood and agreed that the Note shall be initially issued bearing Taxable Interest, which interest is included in the gross income of the recipient for federal income tax purposes. On and after the Tax-Exempt Reissuance Date, if any, the Note shall be deemed reissued bearing Tax-Exempt Interest. The issuance of a Tax-Exempt Reissuance Opinion is a condition precedent to the occurrence of any Tax-Exempt Reissuance Date. The District covenants to request that Bond Counsel deliver a Tax-Exempt Reissuance Opinion between period of September 1, 2021 through and including October 1, 2021 and to take such other actions and deliver such other documents as are necessary in order for the Note to be deemed reissued and bearing Tax-Exempt Interest on the Tax-Exempt Reissuance Date. If such condition precedent is not satisfied, there will be no Tax-Exempt Reissuance Date, the Note will continue to bear Taxable Interest, and the interest thereon will be included in the gross income of the recipients thereof for federal income tax purposes. To the extent permitted by law, the District's breach of the foregoing covenant resulting in the failure by the Bond Counsel to deliver the Tax-Exempt Reissuance Opinion shall be an Event of Default under Section 7.01(c) hereof and interest on the Loan will continue to be includable in the gross income for federal income tax purposes of the Lender. The Lender may, in its discretion, impose the Default Rate on the Loan commencing on October 1, 2021 by providing a written notice thereof to the District.

Section 5.04. Tax Covenants.

- (a) The provisions of this Section will be applicable to the Note only if and as of the date a Tax-Exempt Reissuance Opinion is issued.
- (b) 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, 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.

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

(d) 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.

(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 5.05. Bonding and Insurance. The District shall carry general liability coverage, workers' compensation, public liability, and such other forms of insurance on insurable District property upon the terms and conditions, and issued by recognized insurance companies, as would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations. In addition, each District official or other Person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

Section 5.06. Other Liabilities. The District shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Section 5.07. 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; and (b) provide the Lender with such information concerning the business affairs and financial condition (including insurance coverage) of District as the Lender may request.

Section 5.08. Reporting Requirements.

The District will provide the Lender with the following information, and it shall not be necessary for the Lender to request the same.

(a) The District shall notify the Lender promptly of all litigation or administrative proceedings, threatened or pending, against the District which if adversely determined would, in District's reasonable opinion, have a material effect on the Collateral, on the District's financial condition, or its ability to perform its obligations under the Financing Documents.

(b) The District shall notify the Lender promptly of any Determination of Taxability or of any investigation or other proceeding which may, in the reasonable judgment of the District, result in any Determination of Taxability.

(c) The District shall provide the following to the Lender at the times and in the manner provided below:

(i) as soon as available, but not later than October 1 of each Fiscal Year, the District shall furnish to the Lender audited financial statements of the District for the prior Fiscal Year prepared by a Certified Public Accountant;

(ii) as soon as available, but in no event later than February 1 of each Fiscal Year, the District shall furnish to the Lender the District's annual budget for such Fiscal Year which budget shall include a certificate of an authorized officer of the District setting forth the Required Mill Levy certified in December of the immediately preceding year for payment of the Loan in the then current fiscal year, and, as soon as available, shall furnish a copy of any subsequent amendments made thereto;

(iii) by October 1 of each year commencing October 1, 2020, a certification of valuation containing the preliminary certified actual value and assessed valuation of the District for such calendar year;

(iv) by February 1 of each year commencing February 1, 2020, a certification of valuation containing the final certified actual value and assessed valuation of the District for the immediately preceding calendar year;

(v) promptly upon request of the Lender, the District shall furnish to the Lender such other reports or information regarding the Pledged Revenue, the Collateral, or the assets, financial condition, business, or operations of the District, as the Lender may reasonably request;

(d) The District shall promptly notify the Lender of any Default or Event of Default of which the District has knowledge, setting forth the details of such Default or Event of Default and any action which the District proposes to take with respect thereto.

(e) The District shall notify the Lender as soon as possible after the District acquires knowledge of the occurrence of any event which, in the reasonable judgment of the District, is likely to have a material adverse effect on the Collateral, the financial condition of the District, or affect the ability of the District to perform its obligations under the Financing Documents.

(f) The District shall notify the Lender as soon as possible after the District acquires knowledge of any audit or examination of the Note on and after the Tax-Exempt Reissuance Date by the Internal Revenue Service or any allegation made by the Internal Revenue Service that the interest payable on the Note on and after the Tax-Exempt Reissuance Date is includable in the gross income for federal income tax purposes of the Lender or any Participant or the effective tax benefit of such interest to the Lender is reduced by virtue of the occurrence of any event, including any change in the Constitution or laws of the United States of America or the State of Colorado, which results in interest payable on the Note on and after the Tax-Exempt Reissuance Date becoming includable in the gross income of the Lender or any Participant pursuant to Section 103(b) of the Internal Revenue Code.

(g) The District shall provide as soon as available prior written notice of any proposed cancellation, termination, amendment, supplement, modification, or waiver of any of the provisions of the Financing Documents and the nature thereof, and copies of all actual amendments, supplements, modifications, or waivers thereof.

Section 5.09. Visitation and Examination. Unless otherwise prohibited by law, the District will permit any Person designated by the Lender to visit any of its offices to examine the District's books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances, and accounts with its principal officers, all at such reasonable times and as often as the Lender may reasonably request.

Section 5.10. Further Assurances. The District shall do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such documents 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 and the Collateral; provided however, that the District shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

Section 5.11. Debt Service Mill Levy Covenants.

(a) For the purpose of funding the Revenue Fund and the Surplus Fund and paying the annual Debt Requirements (including, if necessary, to replenish the Reserve Fund up to the Reserve Requirement), there shall be levied on all taxable property of the District, in addition to all other taxes, direct annual taxes in the amount of the Required Mill Levy (as defined in the 2020 Joint Funding Agreement), such Required Mill Levy to be imposed in each of the years 2020 to 2044, inclusive (for collection in 2021 to 2045, inclusive), and to the extent necessary to repay any unpaid principal or interest due on the Loan and any other amounts due and owing to the Lender hereunder, in each year thereafter until the principal of and interest on the Loan and such other amounts due and owing to the Lender hereunder have been fully paid, satisfied, and discharged, but not beyond the Maximum Debt Mill Levy Imposition Term to the extent limited by the Service Plan. Nothing herein shall be construed to require the District to levy an ad valorem property tax in excess of the Required Mill Levy. [*To be discussed – this really belongs only in the JFA*]

(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 the provisions of this Agreement.

(c) 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.

(d) 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.

(e) To the extent permitted by law, the amounts necessary to pay all costs and expenses incidental to effecting the transactions contemplated under the Financing Documents and paying the Loan and all other amounts due and payable to the Lender hereunder are hereby appropriated for said purposes, and such amounts as appropriate 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.

(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.

(g) The District acknowledges that, in determining the Required Mill Levy, it is permitted to take into account moneys held in the Revenue Fund only if such moneys are not required to be applied to the payment of the Loan in the then-current calendar year.

Section 5.12. Additional Debt. Without the prior written consent of the Lender, the District shall not issue or incur any additional Debt, and shall not create or allow to be created any liens or encumbrances upon the Collateral. The District may issue Permitted Subordinate Debt, including, but not limited to, the Series 2020B-1 Bonds and the Series 2020B-2 Bonds, at such time or times and on such terms and conditions as may be determined by the District without compliance with any of the other terms and conditions of this Section.

Section 5.13. Continued Existence. The District shall 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, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules and regulations.

Section 5.14. Restructuring. In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of and interest on the Loan when due, at the request of the Lender the District shall use its reasonable best efforts to refinance, refund, or otherwise restructure the Loan so as to avoid or remedy such insufficiency.

Section 5.15. District Operations. The District shall manage its finances and day to day operations in an economical and efficient manner and in accordance with all applicable laws, rules, and regulations.

Section 5.16. Enforcement and Collection. The District shall diligently collect all Pledged Revenue and shall take all necessary action to enforce such collection.

Section 5.17. Material Adverse Action. The District shall not take any action or consent to any action that would materially adversely affect any portion of the Pledged Revenue or any other component of the Collateral.

Section 5.18. No Change in Financing Documents or Inconsistent Actions. The District shall not cancel, terminate, amend, supplement, modify, or waive any of the provisions of the Financing Documents or consent to any such cancellation, termination, amendment, supplement, modification, or waiver, without the prior written consent of the Lender. The District shall take no action inconsistent with the rights of the Lender under this Agreement including, without limitation, its obligations to make payments to the Lender hereunder.

Section 5.19. References to Lender. The District shall not refer to the Lender in any official statement, offering memorandum, or private placement memorandum relating to the Loan or other securities issued by the District without the Lender's prior written consent thereto. Subject to the review and written consent of the Lender within ten business days of the receipt thereof, the Lender hereby consents to references made thereto in any official statement, offering memorandum, or private placement memorandum relating to the issuance of Permitted Subordinate Debt.

Section 5.20. Termination of Agreement. So long as the District's obligations hereunder remain unpaid or unperformed, the District shall not terminate this Agreement.

Section 5.21. Limitation Upon Exclusion of Property. The District shall take no action that could have the effect of excluding property from the District unless the District determinates in good faith that such action would not have a materially adverse effect upon the amount of Pledged Revenue that would otherwise be collected by the District.

ARTICLE VI

RESERVED

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 Required Mill Levy or to apply the Pledged Revenue as required by this Agreement;

(b) moneys in the Revenue Fund, when combined with moneys applied first from the Surplus Fund and then to the extent necessary, from the Reserve Fund, are insufficient to pay the interest and/or principal on the Loan, or any other amount payable to the Lender hereunder, when due;

(c) the District fails to observe or perform any of the material covenants, agreements, duties, or conditions on the part of the District in this Agreement or the other Financing Documents to which it is a party, and the District fails to remedy the same to the satisfaction of the Lender within 30 days after the District receives written notice from the Lender of the occurrence of such failure (the "Cure Period Notice") (except for an Event of Default pursuant to (a) above, which shall not be subject to any cure period or Cure Period Notice) and such Cure Period Notice may also constitute the notice required under the definition of "Noticed Event of Default" contained in Article I hereof provided that the elements stated in such definition are contained therein and the effective date thereof is not earlier than thirty-one days following the date 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;

(d) any representation or warranty made by the District in any Financing Document or any certificate, instrument, financial, or other statement furnished by the District to the Lender, proves to have been untrue or incomplete in any material respect when made or deemed made;

(e) the pledge of the Pledged Revenue, the Collateral, or any other security interest created hereunder fails to be fully enforceable with the priority required hereunder or thereunder;

(f) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$100,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest (including, without limitation, an appeal), pay, or satisfy

such judgment or court order for 30 days (until which point that such order has been vacated or satisfied);

(g) a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the Lender's reasonable judgment, will have a materially adverse impact on the ability of the District to generate Pledged Revenue sufficient to satisfy the District's obligations under this Agreement or its other obligations, and the District fails to cure such condition within the time specified by the Lender in a written notice thereof from the Lender;

(h) (i) the District shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts; or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding, or other action of a nature referred to in Section 7.01 (f) hereof and the same shall remain undismissed; or (iii) there shall be commenced against the District any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal, within 30 days from the entry thereof; (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the District shall generally not or shall be unable to, or shall admit in writing its inability to pay its debts when due;

(i) any Financing Document or any material provision hereof or thereof, (i) ceases to be valid and binding on the District or is declared null and void, or the validity or enforceability thereof is contested by the District (unless being contested by the District in good faith), or the District denies it has any or further liability under any such document to which it is a party; or (ii) any pledge or security interest created under the Financing Documents fails to be fully enforceable with the priority required hereunder or thereunder;

(j) the District shall initiate, acquiesce, or consent to any proceedings to dissolve itself or to consolidate itself with other similar entities into a single entity, or the District shall otherwise cease to exist; and

(k) any funds or investments on deposit in, or otherwise to the credit of, any of the funds or accounts established hereunder shall become subject to any writ, judgment, warrant, attachment, execution, or similar process.

Section 7.02. Remedies. In addition to the application of the Default Rate or the Post-Maturity Default Rate, upon the occurrence and during the continuance of any Event of Default, the Lender, at its option, may do any one or more of the following:

(a) exercise any and all remedies available hereunder;

(b) apply all amounts constituting Collateral to the amounts due hereunder, in any order of priority determined by the Lender;

(c) proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Lender; and

(d) take any other action or exercise any other remedy available under the Financing Documents, at law or in equity;

provided however, that notwithstanding the foregoing or anything else herein to the contrary: (i) except for the application of the Default Rate and, if applicable, the Post-Maturity Default Rate, no remedy will lie at law or in equity for any Event of Default consisting solely of the failure of the District to pay the principal of, interest on the Loan when due, or to replenish the Reserve Fund to the amount of the Reserve Requirement, it being acknowledged by the Lender that the amount of Pledged Revenue is limited in accordance with the terms hereof; and (ii) 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 the District obtains knowledge of the occurrence of any Default or Event of Default.

Section 7.04. Additional Lender Rights. Upon the occurrence of an Event of Default the Lender may at any time (a) Setoff (as defined below), and/or (b) take such other steps as it deems necessary or appropriate to protect or preserve the Lender's interest in the Collateral.

Section 7.05. Credit Balances; Setoff. As additional security for the payment of the obligations described in the Financing Documents (collectively, the "Obligations"), the District hereby grants to the Lender a security interest in, a lien on, and an express contractual right to set off against all depository account balances, cash, and any other property of the District now or hereafter in the possession of the Lender or BBVA, and the right to refuse to allow withdrawals from any account (collectively, "Setoff"). The Lender may, at any time upon the occurrence of an Event of Default hereunder, Setoff against the Obligations whether or not the Obligations (including future payments to be made) are then due. In the event of such a Setoff, the Lender shall provide an advance or contemporaneous notice thereof to the District.

Section 7.06. 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 by the Lender.

Section 7.07. No Waiver of One Default To Affect Another; 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, and the Lender may exercise all such rights and remedies as and when they are available.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Financing Document Inconsistencies. The warranties, covenants, and other obligations of the District and the rights and remedies of the Lender that are set forth in the 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. Assignments, Participations, etc. by the Lender. This Agreement and the Note shall be assignable by the Lender to any entity without the consent of the District, provided that the Lender shall not assign or transfer this Agreement or the Note to any Person who or which is not an Accredited Investor, or to any Person or entity which is not a direct affiliate of the Lender (which affiliates shall mean any entity which, by virtue of majority ownership interest, controls, is controlled by, or under common control with 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. In connection with any such assignment or participation, the Lender may disclose to any proposed assignee or participant any information without the District's consent. Any such assignment or participation is also subject to the following conditions, with written notice provided by the Lender to the District:

(a) 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 upon written notice provided by the Lender to the District and/or its successors and assigns, and will be applicable hereto and to all renewals and extensions hereof.

(b) 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.

(c) 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 "Litigation/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.

Section 8.03. Litigation/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 reasonable allocated cost of in house counsel and staff and all of the Indemnitees' reasonable travel and other reasonable 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 Collateral; 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, to the extent permitted by law, 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 have the right to employ their own counsel ("Independent Counsel") to defend the Indemnitees against such action at the expense of the District, who shall, to the extent permitted by law, 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 Indemnatee 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 Indemnatee 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 Indemnatee.

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.

Section 8.04. 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 agrees to give the Lender written notice no later than 30 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 of the District hereunder 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 one party may have against the other, and regardless of any notice either party may have given the other, neither party will be liable to the other for indirect, consequential, or special damages arising therefrom, except those damages arising from such party's willful misconduct, negligence, or bad faith. Notwithstanding the foregoing, it is agreed and understood by the parties that failure by the District to give notice to the Lender under this Section shall not waive any claims of the District nor constitute an Event of Default hereunder, but such failure shall relieve the Lender of any duty to mitigate damages prior to receiving notice.

Section 8.05. Notices.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the Persons set forth below pursuant to any provision of this Agreement shall be in writing, shall be given either in person or by certified or

registered mail, and if mailed, shall be deemed received three (3) days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District: Woodmen Heights Metropolitan District No. 2
c/o White Bear Ankele Tanaka & Waldron, P.C.
2154 E. Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attn: Sean Allen, Esq.
Facsimile: NONE
Email: sallen@wbapc.com

With a copy to:
Walker School District Managers
614 N. Tejon Street
Colorado Springs, Colorado 80903

Lender: BBVA Mortgage Corporation
999 18th Street, Suite 2800
Denver, Colorado 80202
Attention: Denver Public Finance Group
Shane Miner or Sandra Rangel
Email 1: shane.miner@bbva.com
Email 2: sandra.rangel@bbva.com

With a copy to:

BBVA USA
Attention: LD&FC Public Finance
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Email: LDFCPublicFinance.us@bbva.com

(b) 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.

(c) 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.

(d) 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 8.06. Payments. Payments due on the Loan shall be made in lawful money of the United States. All payments may be applied by the Lender to principal, interest, and other amounts due under the Note and this Agreement in any order which the Lender elects, subject to the Section hereof entitled “Revenue Fund” so long as no Event of Default has occurred or is continuing hereunder.

Section 8.07. Applicable Law and Jurisdiction; Interpretation; Severability. The Financing Documents 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 any Financing Document 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 DENVER, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES, OR PROCEEDINGS RELATING TO THE FINANCING DOCUMENTS OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Agreement will affect the Parties’ rights to serve process in any manner permitted by law. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 8.08. Copies; Entire Agreement; Modification. The District hereby acknowledges the receipt of a copy of the 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 ORAL 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 IS NOT ENFORCEABLE AND SHOULD NOT BE RELIED UPON.

Section 8.09. Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE DISTRICT AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE 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. THE

DISTRICT AND THE LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY GIVEN.

Section 8.10. Exhibits. All exhibits referred to herein are hereby expressly incorporated by reference.

Section 8.11. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board, or any officer or agent of the District, acts in good faith in the performance of his or her duties as a member, officer, or agent of the Board or the District, no civil recourse shall be available against such member, officer or agent for payment of the principal of, interest on, or prior redemption premiums on the Loan. Such recourse shall not be available either directly or indirectly through the Board or 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 transfer, the Lender and any Person purchasing or accepting the transfer of the obligation representing the Loan specifically waives any such recourse.

Section 8.12. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Public Securities Act, this Agreement is entered into 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 this Agreement after delivery for value.

Section 8.13. Limitation of Actions. Pursuant to §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 Loan shall be commenced more than 30 days after the authorization of the Loan.

Section 8.14. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by §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 Loan shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge and the obligation to perform the contractual provisions hereof shall have priority over any and all other obligations and liabilities of the District, except as may be otherwise provided in the Supplemental Public Securities Act, in this Agreement, or in the Authorizing Resolution, but subject to any prior pledges and liens. 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.

Section 8.15. No Advisory or Fiduciary Relationship. In connection with any aspect of the transactions contemplated by this Agreement (including in connection with any amendment, waiver, or other modification hereof or of any Financing Document), the District acknowledges and agrees that (i) the transactions contemplated hereby are arm's-length commercial transactions between the District and the Lender, (ii) the Lender is and has been acting solely as a principal and has not been, is not, and will not be acting as an

advisor, agent, or a fiduciary for the District or any other Person, (iii) the Lender has not assumed a fiduciary responsibility in favor of the District or any other Person with respect to the Loan or the Note or the process leading to the parties' entering into this Agreement and that the Lender has no any other obligation to the District except the obligations expressly set forth in this Agreement, (iv) the Lender does not provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or undertaken a solicitation of a municipal entity, within the meaning of Section 975 of the Dodd–Frank Wall Street Reform and Consumer Protection Act, and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the transactions contemplated herein.

Section 8.16. No Liability. Any action taken or omitted by the Lender under or in connection with the Financing Documents, if taken or omitted in good faith and without willful misconduct or negligence, shall be binding upon the District and shall not put the Lender under any resulting liability to the District. The Lender, including its agents, employees, officers, directors, and controlling Persons, shall not have any liability to the District, and the District assumes all risk, responsibility, and liability for (a) the form, sufficiency, correctness, validity, genuineness, falsification, and legal effect of any demands and other documents, instruments, and other papers relating to the Loan even if such documents, should prove to be in any or all respects invalid, or insufficient; (b) the general and particular conditions stipulated therein; (c) the good faith acts of any Person whatsoever in connection therewith; (d) failure of any Person (other than the Lender, subject to the terms and conditions hereof) to comply with the terms of the Loan; (e) errors, omissions, interruptions, or delays in transmission or delivery of any messages, by mail, cable, telex, telegraph, wireless, or otherwise; (f) errors in translation or errors in interpretation of technical terms; (g) for any other consequences arising from causes beyond the Lender's control; or (h) any use of which may be made of the proceeds of the Loan, except to the extent of any direct, as opposed to indirect, consequential, or special damages suffered by the District which direct damages are proven by the District to be caused by the Lender's willful or grossly negligent failure to make lawful payment under the Loan.

Section 8.17. No Waiver; Modifications in Writing. No failure or delay on the part of any party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other right, power, or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the parties at law or in equity or otherwise. No amendment, modification, supplement, termination, or waiver of or to any provision of this Agreement, nor consent to any departure therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of both parties. Any amendment, modification, or supplement of or to any provision of this Agreement, and any consent to any departure by a party from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on a party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the party to any other or further action in any circumstances without notice or demand.

Section 8.18. Payment on Non-Business Days. 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 in such case be included in the computation of the amount due. This Section shall have no effect upon the calculation of the days required hereunder for notices; provided that notices which are due on non-Business Days can be given on the next day which is a Business Day.

Section 8.19. 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 8.20. Further Assurances. The District agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers, and instruments as the Lender may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Lender its rights, powers, and remedies hereunder and under the Financing Documents.

Section 8.21. 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 8.22. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 8.23. Headings. Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 8.24. Lender Consent. By execution of this Agreement, the Lender hereby consents to (i) the issuance of the Note, and (ii) the execution and delivery of such other documents or amendments as may be deemed reasonably necessary by the parties in connection with the foregoing.

Section 8.25. 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 8.26. Lender Representation. The Lender hereby represents that it is a “financial institution or institutional investor” within the meaning of §32-1-1101(6)(a)(IV),

C.R.S. and an accredited investor within the meaning of the Colorado Municipal Bond Supervision Act.

Section 8.27. 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.

(the remainder of this page is left blank intentionally)

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

BBVA MORTGAGE CORPORATION

By: _____

Matthew J. Chorske, Senior Vice President

(S E A L)

Attest:

**WOODMEN HEIGHTS
METROPOLITAN DISTRICT NO. 2, EL
PASO COUNTY, COLORADO**

By: _____

Name: _____

Title: Secretary or Assistant Secretary

By: _____

Name: _____

Title: President or Vice President

EXHIBIT A

to

LOAN AGREEMENT

[Form of Taxable Note]

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT TO 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.

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF EL PASO
WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2**

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

US \$35,115,000

October __, 2020

FOR VALUE RECEIVED, WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2, 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 BBVA MORTGAGE CORPORATION, an Alabama corporation, and its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee at such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal amount set forth above, or such lesser amount as may be due, as the same becomes due and payable under that certain Loan Agreement dated October __, 2020, by and between Maker and Payee (the “Loan Agreement”), in lawful money of the United States of America.

This Note shall be in the principal amount, bear interest, be payable, and mature pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

Amounts received by Payee under this Note shall be applied in the manner provided by the Loan Agreement. All amounts due under this Note shall be payable without setoff, counterclaim, or any other deduction whatsoever by Maker.

Unless payments are made in the required amount in immediately available funds in accordance with the provisions of the Loan Agreement, remittances in payment of all or any part of the amounts due and payable hereunder shall not, regardless of any receipt or credit issued

therefor, constitute payment until the required amount is actually received by Payee in funds immediately available at the place where this Note is payable (or any other place as Payee, in Payee's sole discretion, may have established by delivery of written notice thereof to Maker) and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Payee of any payment in an amount less than the amount then due shall be deemed an acceptance on account only and any unpaid amounts shall remain due hereunder, all as more particularly provided in the Loan Agreement.

In the event of nonpayment of this Note, Payee shall be entitled to all remedies under the Loan Agreement.

Pursuant to the terms of the Loan Agreement and notwithstanding anything therein or herein to the contrary, the Maker is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Maker's obligations hereunder, including all payments of principal, Prepayment Fee, if any, and interest, and all of the Maker's obligations under the Loan Agreement and this Note will be deemed defeased and no longer outstanding upon the payment by the Maker of such amount.

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

Maker and any endorsers, sureties, or guarantors hereof jointly and severally waive presentment and demand for payment, protest, and notice of protest and nonpayment, all applicable exemption rights, valuation, and appraisal, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder or in proceeding against any of the rights and collateral securing payment hereof. Maker and any surety, endorser, or guarantor hereof agree (a) that the time for any payments hereunder may be extended from time to time without notice and consent; (b) to the acceptance of further collateral; (c) to the release of any existing collateral for the payment of this Note; (d) to any and all renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note; and/or (e) that additional makers, endorsers, guarantors, or sureties may become parties hereto all without notice to them and without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note shall affect the liability of Maker under this Note or any endorser or guarantor hereof even though Maker or such endorser or guarantor is not a party to such agreement.

Failure of Payee to exercise any of the options granted herein to Payee upon the happening of one or more of the events giving rise to such options shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other event. The acceptance by Payee of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the options granted herein or in the Loan Agreement to Payee at that time or at any subsequent time or nullify any prior exercise of any such option without the express written acknowledgment of Payee.

Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority, and legal right to execute, deliver, and perform its obligations pursuant to this Note and this Note constitutes the legal, valid, and binding obligation of Maker.

All notices or other communications required or permitted to be given hereunder shall be given in the manner and be effective as specified in the Loan Agreement, directed to the parties at their respective addresses as provided therein.

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.

This Note is entered into pursuant to and under the authority of certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended. Pursuant to §11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN DENVER, COLORADO, AND WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES, OR PROCEEDINGS RELATING TO THIS NOTE, THE LOAN AGREEMENT, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE LOAN AGREEMENT, OR ANY OF THE OTHER FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. MAKER REPRESENTS TO PAYEE THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY GIVEN.

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 Woodmen Heights Metropolitan District No. 2, as Maker, has executed this Note as of the day and year first above written.

(S E A L)

**WOODMEN HEIGHTS
METROPOLITAN DISTRICT NO. 2, EL
PASO COUNTY, COLORADO**

Authorized Officer

ATTEST:

Secretary or Assistant Secretary

[End of form of Taxable Note]

[Form of Tax-Exempt Note]

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT TO 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.

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF EL PASO
WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2**

**TAX-EXEMPT PROMISSORY NOTE
IN THE PRINCIPAL AMOUNT OF**

US \$35,115,000

October __, 2020

FOR VALUE RECEIVED, WOODMEN HEIGHTS METROPOLITAN DISTRICT NO. 2, 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 BBVA MORTGAGE CORPORATION, an Alabama corporation, and its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee at such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal amount set forth above, or such lesser amount as may be due, as the same becomes due and payable under that certain Loan Agreement dated October __, 2020, by and between Maker and Payee (the “Loan Agreement”), in lawful money of the United States of America.

This Note shall be in the principal amount, bear interest, be payable, and mature pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

Amounts received by Payee under this Note shall be applied in the manner provided by the Loan Agreement. All amounts due under this Note shall be payable without setoff, counterclaim, or any other deduction whatsoever by Maker.

Unless payments are made in the required amount in immediately available funds in accordance with the provisions of the Loan Agreement, remittances in payment of all or any part of the amounts due and payable hereunder shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Payee in funds immediately available at the place where this Note is payable (or any other place as Payee, in Payee’s sole discretion, may have established by delivery of written notice thereof to Maker) and shall be made and accepted subject to the condition that any check or draft may be handled for

collection in accordance with the practice of the collecting bank or banks. Acceptance by Payee of any payment in an amount less than the amount then due shall be deemed an acceptance on account only and any unpaid amounts shall remain due hereunder, all as more particularly provided in the Loan Agreement.

In the event of nonpayment of this Note, Payee shall be entitled to all remedies under the Loan Agreement.

Pursuant to the terms of the Loan Agreement and notwithstanding anything therein or herein to the contrary, the Maker is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Maker's obligations hereunder, including all payments of principal, Prepayment Fee, if any, and interest, and all of the Maker's obligations under the Loan Agreement and this Note will be deemed defeased and no longer outstanding upon the payment by the Maker of such amount.

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

Maker and any endorsers, sureties, or guarantors hereof jointly and severally waive presentment and demand for payment, protest, and notice of protest and nonpayment, all applicable exemption rights, valuation, and appraisalment, notice of demand, and all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note and the bringing of suit and diligence in taking any action to collect any sums owing hereunder or in proceeding against any of the rights and collateral securing payment hereof. Maker and any surety, endorser, or guarantor hereof agree (a) that the time for any payments hereunder may be extended from time to time without notice and consent; (b) to the acceptance of further collateral; (c) to the release of any existing collateral for the payment of this Note; (d) to any and all renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note; and/or (e) that additional makers, endorsers, guarantors, or sureties may become parties hereto all without notice to them and without in any manner affecting their liability under or with respect to this Note. No extension of time for the payment of this Note shall affect the liability of Maker under this Note or any endorser or guarantor hereof even though Maker or such endorser or guarantor is not a party to such agreement.

Failure of Payee to exercise any of the options granted herein to Payee upon the happening of one or more of the events giving rise to such options shall not constitute a waiver of the right to exercise the same or any other option at any subsequent time in respect to the same or any other event. The acceptance by Payee of any payment hereunder that is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to

exercise any of the options granted herein or in the Loan Agreement to Payee at that time or at any subsequent time or nullify any prior exercise of any such option without the express written acknowledgment of Payee.

Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority, and legal right to execute, deliver, and perform its obligations pursuant to this Note and this Note constitutes the legal, valid, and binding obligation of Maker.

All notices or other communications required or permitted to be given hereunder shall be given in the manner and be effective as specified in the Loan Agreement, directed to the parties at their respective addresses as provided therein.

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.

This Note is entered into pursuant to and under the authority of certain provisions of the Supplemental Public Securities Act, being Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended. Pursuant to §11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN DENVER, COLORADO, AND WAIVES ANY OBJECTION BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES, OR PROCEEDINGS RELATING TO THIS NOTE, THE LOAN AGREEMENT, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE LOAN AGREEMENT, OR ANY OF THE OTHER FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. MAKER REPRESENTS TO PAYEE THAT THIS WAIVER IS KNOWINGLY, WILLINGLY, AND VOLUNTARILY GIVEN.

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 Woodmen Heights Metropolitan District No. 2, as Maker, has executed this Note as of the day and year first above written.

(S E A L)

**WOODMEN HEIGHTS
METROPOLITAN DISTRICT NO. 2, EL
PASO COUNTY, COLORADO**

Authorized Officer

ATTEST:

Secretary or Assistant Secretary

[End of form of Tax-Exempt Note]

EXHIBIT B

to

LOAN AGREEMENT

(Debt Ballot Questions approved by District Nos. 1-3 from 2004 Election)