

LOAN AGREEMENT

BY AND BETWEEN

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 2
EL PASO COUNTY, COLORADO**

AND

**U. S. BANK NATIONAL ASSOCIATION
AS LENDER**

DATED AS OF DECEMBER [__], 2015

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EXHIBIT A: FORM OF NOTE

EXHIBIT B: FORM OF ANNUAL COMPLIANCE CERTIFICATE

EXHIBIT C: FORM OF REFINANCING CERTIFICATE

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Loan Agreement”) is made and entered into as of December [___], 2015, by and between **GOLD HILL MESA METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, in its capacity as lender (the “Bank”).

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, the questions relating thereto being as follows:

Debt for street purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$30,000,000.00, WITH A REPAYMENT COST OF \$220,000,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$34,800,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT’S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE FACILITIES, SIDEWALKS, BRIDGES, PARKING FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL

AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for water purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$5,000,000.00, WITH A REPAYMENT COST OF \$32,500,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$5,800,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION, AND DISTRIBUTION SYSTEM, INCLUDING TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, IRRIGATION FACILITIES, AND STORAGE FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND

WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for sanitation purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$10,000,000.00, WITH A REPAYMENT COST OF \$74,000,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$11,600,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM, INCLUDING COLLECTION MAINS AND LATERALS, TRANSMISSION LINES, TREATMENT FACILITIES, STORM SEWER, FLOOD, AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, AND DETENTION AND RETENTION PONDS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND

EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for safety protection purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,000,000.00, WITH A REPAYMENT COST OF \$7,400,000,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$1,160,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING TRAFFIC SIGNALS, TOGETHER

WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for park and recreation purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$8,000,000.00, WITH A REPAYMENT COST OF \$59,200,000; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$9,280,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATIONAL FACILITIES,

IMPROVEMENTS, AND PROGRAMS, INCLUDING PARKS, BIKE PATHS AND PEDESTRIAN WAYS, OPEN SPACE, LANDSCAPING, CULTURAL ACTIVITIES, COMMUNITY RECREATION CENTERS, WATER BODIES, IRRIGATION FACILITIES, AND OTHER ACTIVE AND PASSIVE RECREATION FACILITIES AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for mosquito control purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000.00, WITH A REPAYMENT COST OF \$3,700,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$580,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR

FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, PROPERTIES, AND EQUIPMENT FOR THE ELIMINATION AND CONTROL OF MOSQUITOS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR IN MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT TO EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for television relay purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$1,000,000.00, WITH A REPAYMENT COST OF \$7,400,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$1,160,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR

FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS, INCLUDING EQUIPMENT, FACILITIES, AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for public transportation purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$500,000.00 WITH A REPAYMENT COST OF \$3,700,000.00; AND SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 TAXES BE INCREASED \$580,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR

INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL, OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, INCLUDING PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS, AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 16% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Debt for refunding purposes:

SHALL GOLD HILL MESA METROPOLITAN DISTRICT NO. 2 DEBT BE INCREASED \$57,000,000.00, WITH A REPAYMENT COST OF \$421,800,000.00; AND SHALL GOLD HILL MESA METROPOLITAN

DISTRICT NO. 2 TAXES BE INCREASED \$66,120,000.00 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S DEBT; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS OR OTHER OBLIGATIONS ISSUED FOR THE PURPOSE OF REFUNDING, PAYING, OR DEFEASING, IN WHOLE OR IN PART, BONDS, NOTES, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT, SUCH DEBT TO BEAR INTEREST AT A RATE TO BE DETERMINED BY THE DISTRICT, WHICH INTEREST MAY BE HIGHER THAN THE INTEREST RATE BORNE BY THE OBLIGATIONS BEING REFUNDED; SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO SOLD IN ONE SERIES OR MORE AT A PRICE ABOVE, BELOW OR EQUAL TO THE PRINCIPAL AMOUNT OF SUCH DEBT AND ON SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF PREMIUM IN AN AMOUNT NOT IN EXCESS OF 5% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OR RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON THE DISTRICT'S DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE PROCEEDS OF SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

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. not less than 30 days prior to the date of this Loan Agreement; and

WHEREAS, pursuant to the 2004 Election, the District has heretofore authorized and issued its:

(a) Promissory Note, Series 2011A, originally issued in the aggregate principal amount of \$2,640,000, and now outstanding in the aggregate principal amount of \$[_____] (the “2011A Note”);

(b) Promissory Note, Series 2011B, originally issued in the aggregate principal amount of \$1,720,000, and now outstanding in the aggregate principal amount of \$[_____] (the “2011B Note”);

(c) Subordinate Tax-Supported Revenue Bonds, Series 2011C, originally issued in the aggregate principal amount of \$2,160,000, and now outstanding in the aggregate principal amount of \$[_____] (the “Subordinate 2011C Bonds”); and

(d) Second Subordinate Tax-Supported Revenue Bonds, Series 2011D, originally issued in the aggregate principal amount of \$3,157,000, and now outstanding in the aggregate principal amount of \$[_____] (the “Subordinate 2011D Bonds”);

WHEREAS, 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 the 2011A Note, the 2011B Note, and a portion of the outstanding Subordinate 2011D Bonds (collectively, the “Refunded Obligations”), the Board can reduce interest costs and effect other economies; and

WHEREAS, the Board has heretofore determined that it is also necessary to pay or reimburse the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved by the 2004 Election (the “Project”) for the District and its inhabitants; 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 Obligations be refunded and that the Project be financed by the incurrence of a debt in the form of a loan, and the District has requested U.S. Bank National Association (the “Bank”) to provide financing for such purposes by making available to the District a loan in the maximum aggregate principal amount of \$[6,360,000] (as more particularly defined herein, the “Loan”); and\

WHEREAS, of the total principal amount of the Loan, the principal amount of \$[_____] shall be issued for the purpose of refunding the Refunded Obligations, and the principal amount of \$[_____] shall be issued for the purpose of paying the costs of the Project; and

WHEREAS, for purposes of Article X, Section 20 of the Colorado Constitution (“TABOR”), the Board hereby makes the following findings and determinations with respect to the use of the debt authorization from the 2004 Election:

(a) The Refunded Obligations bear interest at the following rates:

a. the 2011A Note bears interest at the rate of 3.08% per annum, subject to adjustment upon an event of default or a failed remarketing;

b. the 2011B Note bears interest at the rate of 2.14% per annum plus the product of the one-day LIBOR multiplied by 66.86%, adjusted each Business Day, subject to adjustment upon an event of default or a failed remarketing; and

c. the Subordinate 2011D Bonds bear interest at the rate of 9.50% per annum; and

(b) The “Base Rate” (as defined herein) for the Loan is lower than the interest rate on the 2011A Note and the Subordinate 2011D Bonds, and thus the portion of the Loan allocable to refunding the 2011A Note and the Subordinate 2011D Bonds (\$[_____]) is a refinancing of District bonded debt at a lower interest rate and does not require further electoral authorization under TABOR; and

(c) Notwithstanding the foregoing, in light of the possibility that the Insufficiency, Rate, the Default Rate, or the Post-Maturity-~~Default~~ Rate could apply and cause the interest rate on the Loan to exceed the respective interest rates on the 2011A Note and the Subordinate 2011D Bonds, the District hereby allocates the principal amount of the Loan allocable to the refunding of the 2011A Note and the Subordinate 2011D Bonds (\$[_____]) to the authorized but unissued electoral authorization for refunding purposes from the 2004 Election on a contingent basis, such allocation to be contingent upon whether the final net effective interest rate of the Loan is lower than the net effective interest rate on the 2011A Note and the Subordinate 2011D Bonds; and

(d) The Base Rate for the Loan is higher than the current variable interest rate for the 2011B Note, and thus the portion of the Loan allocable to refunding the 2011B Note (\$[_____]) is not a refinancing of District bonded debt at a lower interest rate and requires further electoral authorization under TABOR, and the District hereby allocates authorized but unissued indebtedness for refunding purposes from the 2004 Election in such amount; and

(e) [The principal amount of the Loan allocable to the refunding of the Refunded Obligations (\$[_____]) exceeds the principal amount of the Refunded Obligations by \$[_____], and the District hereby allocates authorized but unissued indebtedness for refunding purposes from the 2004 Election in such amount; and]

(f) The principal amount of the Loan issued for the purpose of paying the costs of the Project (\$[_____]) is hereby allocated to the authorized but unissued indebtedness from the 2004 Election based upon the anticipated uses of such proceeds in accordance with the following; and

(g) Consequently, after incurrence of the Loan, the District will have the following authorized but unissued indebtedness from the 2004 Election:

| Authorization Used and Remaining from 2004 Election | | | | | | | |
|---|------------------------|--|---|---|-------------------------------|--|----------------------------|
| Purpose | Principal Amount Voted | Principal Amount Used by Senior Loan Agreement | Principal Amount Used by Series 2011C Bonds | Principal Amount Used by Series 2011D Bonds | Principal Amount Used by Loan | Principal Amount Contingently Used by Loan | Principal Amount Remaining |
| Streets | \$30,000,000 | -\$2,069,256 | -\$1,025,136 | -\$1,498,312 | [TBD] | 0 | [TBD] |
| Water | 5,000,000 | -273,372 | -135,432 | -197,944 | [TBD] | 0 | [TBD] |
| Sanitation | 10,000,000 | -2,017,372 | -999,432 | -1,460,744 | [TBD] | 0 | [TBD] |
| Safety protection | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Park and recreation | 8,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mosquito control | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| TV relay | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public transportation | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refunding | 57,000,000 | 0 | 0 | 0 | [TBD] | [TBD] | [TBD] |
| TOTAL | \$113,000,000 | -\$4,360,000 | -\$2,160,000 | -\$3,157,000 | [TBD] | [TBD] | [TBD] |

WHEREAS, the Bank is willing to enter into this Loan Agreement and to make the Loan to the District pursuant to the terms and conditions stated below; and

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

WHEREAS, the Bank 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 shall not involve a public offering, and shall be made exclusively to the Bank 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

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

ARTICLE I

DEFINITIONS

In this Loan 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.

“*2011A Note*” has the meaning set forth in the recitals hereto.

“*2011B Note*” has the meaning set forth in the recitals hereto.

“*Accredited Investor*” means any Person who or 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.

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

“*Authorizing Resolution*” means the resolution adopted by the Board on January __, 2015, authorizing the District to enter into the Loan and execute and deliver the Financing Documents.

“*Annual Compliance Certificate*” means a certificate of the District in substantially the form of Exhibit B attached hereto.

“*Bank*” means U.S. Bank National Association, a national banking association, Denver, Colorado, in its capacity as lender of the Loan.

“*Base Rate*” means the interest rate applicable to the Loan for so long as the Insufficiency Rate, the Default Rate or the Post-Maturity ~~Default~~ Rate do not apply, which shall be [_____] % per annum.

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

“*Bond Counsel*” means Sherman & Howard L.L.C.

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

“*Certified Assessed Valuation*” means the assessed valuation of the taxable property in the District, as such assessed valuation is certified from time to time by the appropriate county assessor, including without limitation certifications based upon preliminary assessed valuations.

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

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

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

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

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

“*Costs of Issuance Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement.

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

“*CSURA*” means the Colorado Springs Urban Renewal Authority.

“*Custodial Agreement*” means the Custodial Agreement, dated of even date hereof, by and between the District and the Custodian, as amended or supplemented from time to time.

“*Custodian*” means U.S. Bank National Association, and its successors and assigns, as custodian under the Custodial Agreement.

“*Debt*” means, without duplication, all of the following obligations of the District for the payment of which the District promises or is required to impose an ad valorem property tax levy or impose fees: (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 obligations issued 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 excess moneys on hand, (ii) such obligations are payable in any Fiscal Year only after the last scheduled payment of principal or interest on the Loan in such Fiscal Year, and (iv) the District makes no promise to impose any tax, fee, or other governmental charge for the payment of such obligations.

“*Debt Service Reserve Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“*Debt Service Reserve Requirement*” means \$190,800.

“*Default Rate*” means the Base Rate plus 5.00%.

“*District Closing Funds*” means all amounts held in the Reserve Fund established under the Custodial Agreement between the District and the Custodian relating to the 2011A Note and the 2011B Note.

~~“*Estimated Debt Requirements*” means, with respect to any calendar year, an amount equal to the sum of the following with respect to such period:~~

- ~~(a) the principal coming due on the Loan; and~~
- ~~(b) the interest coming due on the Loan in such calendar year, which interest shall be computed as follows:~~
 - ~~(i) if the calculation of interest is being made while the Loan bears interest at the Base Rate, the District shall determine the amount of interest expected to be due and payable in the relevant year on such portion of the Loan by using the Base Rate for all of such year;~~
 - ~~(ii) if the calculation of interest is being made while the Loan bears interest at the Default Rate, the District shall determine the amount of interest expected to be due and payable in the relevant year by using the Default Rate for all of such year; provided that if the District reasonably concludes that the Event of Default causing the Default Rate to apply will be cured as of a particular date and the Base Rate will begin to apply as of that date, it can modify the above calculation accordingly, but only if it has given at least ten (10) days written notice to the Bank of such modification and the Bank has not objected thereto in writing; or~~
 - ~~(iii) if the calculation of interest is being made while the Loan bears interest at the Post Maturity Default Rate, the District shall determine the amount of interest expected to be due and payable in the relevant year as the average LIBOR rate for the preceding 12 month period (as determined by the Bank) plus 5.00%.~~

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

“*Financing Documents*” means this Loan Agreement, the Note, the Authorizing Resolution, and the Custodial Agreement, all in form and substance satisfactory to the Bank.

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

“*General Counsel*” means Susemihl McDermott & Cowan, P.C., or any successor General Counsel designated in writing by the District.

[“Insufficiency Event” has the meaning set forth in Section 7.03 hereof.](#)

[“Insufficiency Rate” means the Base Rate plus 5.00%.](#)

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

“*Interest Payment Date*” means June 1 and December 1 of each year, commencing June 1, 2015, and the Maturity Date.

“*Interest Period*” means the six month period from one Interest Payment Date to the next Interest Payment Date.

“*LIBOR*” means the overnight USD LIBOR rate quoted by the Bank from Reuters Screen LIBOR01 Page or any successor thereto, which shall be that overnight USD LIBOR rate in effect and reset each New York Banking Day, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate rounded up to the nearest one-sixteenth percent. The Bank’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

“*Loan*” means the loan made by the Bank to the District hereunder in the aggregate principal amount of \$[6,360,000].

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

“*Loan Payment Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“*Maturity Date*” means [January __, 2023].

“*Maximum Debt Mill Levy Imposition Term*” has the meaning set forth in the Service Plan, as such Service Plan is in effect as of the date hereof.

“*Maximum Rate*” means 16.00%, the maximum Net Effective Interest Rate permitted by the terms of the 2004 Election.

“*Net Effective Interest Rate*” means, as of the end of any Interest Period, the total amount of interest accrued hereunder on the Loan from the Closing Date through the last day of such Interest Period, divided by the sum of the products derived by multiplying the principal amount of the Loan outstanding in each year by the number of years from the date of this Loan Agreement to the last day of such Interest Period (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.

“*New York Banking Day*” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in New York, New York.

“*Note*” means the Gold Hill Mesa Metropolitan District No. 2 Promissory Note, Series 2015, evidencing the Loan, in the aggregate principal amount of \$[6,630,000], from the District, as maker, to the Bank, as payee, and dated as of the Closing Date.

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

“*Permitted Subordinate Debt*” means, collectively, the Subordinate 2011C Bonds, the Subordinate 2011D Bonds, and any additional Debt that may be incurred in the future pursuant to Section 5.11 hereof with a lien on the Pledged Revenues that is subordinate to the lien thereon of the Loan.

“*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 from the following sources, after payment of any costs of collection:

- (a) the Required Mill Levy;
- (b) the Tax Agreement;
- (c) the portion of the Specific Ownership Taxes allocable to the amount of the Required Mill Levy; and
- (d) any other legally available moneys which the Board determines in its sole discretion to apply as Pledged Revenue;

[For the avoidance of doubt, Pledged Revenue does not include any amounts derived by the District from its imposition of the Maximum Operating Mill Levy or any portion thereof, as authorized by, and defined in, the Service Plan.](#)

“*Pledged Revenue Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“*Post-Maturity-~~Default~~ Rate*” means a Variable Rate equal to LIBOR plus 5.00%.

“*Principal Payment Date*” means [December 1] of each year, commencing December 1, 2016, and the Maturity Date.

“*Project*” has the meaning set forth in the Custodial Agreement.

“*Project Fund*” means the fund by that name established by the provisions of the Custodial Agreement to be held and administered by the Custodian pursuant to the provisions of the Custodial Agreement for the purposes set forth therein.

“*Refinancing Certificate*” means a certificate executed by the District and a financial advisor or investment banker in substantially the form set forth as Exhibit C attached hereto.

“*Required Mill Levy*” shall have the following meaning:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient, when combined with moneys held in the Loan Payment Fund and amounts expected to be received under the Tax Agreement, to pay the ~~Estimated Debt Requirements~~principal of, prepayment fee, if any, and interest on the Loan as the same become due and payable and to replenish the Debt Service Reserve Fund to the Debt Service Reserve Requirement (if necessary), but not in excess of 30 mills; provided however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2006, the minimum and maximum mill levies provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

“*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.

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

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

“*Subordinate 2011C Bonds*” has the meaning set forth in the recitals hereto.

“*Subordinate 2011D Bonds*” has the meaning set forth in the recitals hereto.

“*Subordinate Debt Trustee*” means UMB Bank, n.a., or any successor thereof, as trustee under the indentures of trust authorizing the issuance of the Subordinate 2011C Bonds and the Subordinate 2011D Bonds.

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

“*Tax Agreement*” means that certain Intergovernmental Tax Sharing Agreement, dated as of January 20, 2011, between the District and CSURA, including any amendments or supplements made thereto in accordance herewith.

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

“*Urban Renewal Plan*” means the Gold Hill Mesa Urban Renewal Plan approved by the City Council of the City on May 25, 2004.

“*Variable Rate*” means a rate of interest which varies periodically and is not fixed.

ARTICLE II

LOAN

Section 2.01. Term Loan.

(a) ***Agreement to Make Loan.*** The Bank hereby agrees to extend the Loan to the District, subject to the terms and conditions of this Loan Agreement. The Loan shall be evidenced by the Note, which shall be substantially in the form set forth in Exhibit A attached hereto.

(b) ***Application of Loan Proceeds and District Closing Funds.*** On the Closing Date, the Bank will make available the proceeds of the Loan and the District, with the consent of the Bank which is hereby given, will make available the District Closing Funds, and such moneys shall be applied as follows:

(i) the amount of \$[_____] shall be transferred to U.S. Bank National Association and be used to pay the principal of and interest on the 2011A Note and the 2011B Note on the Closing Date;

(ii) the amount of \$[_____] shall be transferred to the Subordinate Debt Trustee and be used to pay \$_____ aggregate principal amount of the Subordinate 2011D Bonds and accrued interest thereon on the Closing Date;

(iii) the amount of \$190,800 shall be credited to the Debt Service Reserve Fund;

(iv) the amount of \$25,000, being the Bank’s fee for entering into this Loan Agreement, shall be paid to the Bank;

(v) the amount of \$[_____] shall be credited to the Costs of Issuance Fund; and

(vi) any remaining proceeds of the Loan or the District Closing Funds shall be credited to the Project Fund.

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

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

(i) *Payment Dates and Computations; Compounding.* 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. Interest not paid when due shall compound on each Interest Payment Date at the then-applicable interest rate. The Bank's internal records of applicable interest rates shall be determinative in the absence of manifest error.

(ii) *Interest Rates.*

(A) Base Rate. Unless the Insufficiency Rate, the Default Rate or the Post-Maturity-~~Default~~ Rate apply, the unpaid principal balance of the Loan will bear interest at the Base Rate.

(B) Default Rate. Immediately upon the occurrence of an Event of Default, the unpaid principal balance of the Loan will bear interest at the Default Rate for so long as such Event of Default continues and remains uncured, to but not including the Maturity Date.

(C) Insufficiency Rate. Immediately upon the occurrence of an Insufficiency Event, the unpaid principal balance of the Loan will bear interest at the Insufficiency Rate for so long as such Insufficiency Event continues and remains uncured, to but not including the Maturity Date.

(D) ~~(C)~~ Post-Maturity-Default Rate. Commencing on the Maturity Date, any unpaid amounts due on the Loan shall bear interest at the Post-Maturity-~~Default~~ Rate.

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

(A) Maximum Rate. Notwithstanding the foregoing provisions, the maximum Net Effective Interest Rate that the Borrower is authorized to pay with respect to the Loan is the Maximum Rate, and the Loan shall not bear interest at a rate in any particular Interest Period that would cause the Net Effective Interest Rate on the Loan, calculated as of the end of such Interest Period, to exceed the Maximum Rate; provided that, to the extent amounts due to the Bank 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 on any obligation hereunder computed at the Insufficiency Rate, the Default Rate, or the Post-Maturity-~~Default~~ Rate 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 on such amounts had they accrued interest at the Insufficiency Rate, the Default Rate, or Post-Maturity-~~Default~~ Rate, as applicable, 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 Bank, any reduction in interest rate that would result from the application of the Maximum Rate to the Insufficiency Rate, the Default Rate, or the Post-Maturity-~~Default~~ Rate, as applicable, shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Bank as if the applicable Insufficiency Rate, Default Rate, or Post-Maturity-~~Default~~ Rate, as applicable, had at all times been utilized.

(b) **Principal Payments.** Repayment of principal amounts owing under the Loan shall occur on each Principal Payment Date as set forth below. On the Maturity Date, the outstanding principal balance of the Loan shall be due and payable in full. The principal payment amounts shall be as set forth below.

| Principal Payment Date | Principal Amount Due |
|-----------------------------------|---------------------------------|
| [December] 1, 2016 | \$140,000 |
| [December] 1, 2017 | 235,000 |
| [December] 1, 2018 | 275,000 |
| [December] 1, 2019 | 290,000 |
| [December] 1, 2020 | 300,000 |
| [December] 1, 2021 | 310,000 |
| [December] 1, 2022 | 320,000 |
| Maturity Date | [_____] |

(c) **Optional Prepayment.** ~~The~~On any date on or after December __, 2020, the District may, at its option, prepay all or any part of the principal of the Loan ~~in whole or in part coming due~~ on any Interest one or more Principal Payment Date~~Dates~~, upon payment to the Bank of the principal amount so prepaid ~~plus~~, accrued interest thereon at the rate then borne by the Loan to the ~~date of such prepayment date, with no prepayment premium or penalty; provided, however, that unless waived by the Bank in writing, the District shall provide the Bank with not less than 30 days nor more than 60 days prior written notice of such intent to prepay.~~without prepayment fees or other premiums. In addition, on any date prior to December __, 2020, the District may, at its option, prepay the Loan, in whole or in part, at a prepayment price equal to the sum of the principal so prepaid together with accrued and unpaid interest thereon to the date of prepayment, plus a prepayment fee computed as follows (“Prepayment Fee”): the Prepayment Fee shall be equal to the greater of zero, or that amount, calculated on any date of prepayment, derived by subtracting: (a) the principal amount of the Loan or principal portion of the Loan to be prepaid on such prepayment date from (b) the net present value of the Loan or principal portion of the Loan to be prepaid on such prepayment date, all as reasonably determined by the Bank; provided that notwithstanding the foregoing, in the event such Prepayment Fee exceeds the amount permitted by law, the Loan shall be deemed non-prepayable to that extent.

(d) **Obligations Unconditional.** The District's obligation to repay the Loan hereunder and all of its other obligations under this Loan 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 Bank, any Participant, or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of the Loan hereunder, and 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 Bank 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 nonperfection of any collateral securing the obligations of the District hereunder 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 Section 8.16 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 Bank is not in default hereunder, the right, if any, to the benefit of, or to direct application of, any security hypothecated to the Bank until all obligations of the District to the Bank hereunder, howsoever arising, has been paid; (C) the right to require the Bank to proceed against the District hereunder, or against any Person under any guaranty or similar arrangement, or under any agreement between the Bank and any Person or to pursue any other remedy in the Bank's power; (D) all statutes of limitation except those pertaining to the validity or enforceability of this Loan Agreement; and (E) any defense arising out of the election by the Bank to foreclose on any security by one or more non judicial or judicial sales; (ii) the Bank 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 Bank 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 Bank) shall not in any way affect the liability of the District hereunder.

(f) **Electoral Limitations.** It is acknowledged by the Bank that all of the obligations of the District under this Loan 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 and interest, and all of the District's obligations hereunder and under the Loan will be deemed defeased and no longer outstanding upon the payment by the District of such amount.

Section 2.03. Costs and Expenses. To the extent permitted by law, the District agrees to pay all reasonable costs and expenses of the Bank in connection with (a) the preparation, execution, and delivery of this Loan Agreement or any other documents, including the other Financing Documents, which may be delivered by any party in connection with this Loan Agreement and the other Financing Documents; (b) the filing, recording, administration (other than normal, routine administration), enforcement, transfer, amendment, maintenance, renewal, or cancellation of this Loan 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 Bank and the allocated cost of in house counsel and legal staff and independent public accountants and other outside experts retained by the Bank in connection with any of the foregoing; and (c) the fees and expenses of the Custodian or any other custodian appointed by the Bank to hold any collateral securing the obligations of the District hereunder. In addition, to the extent permitted by law, the District agrees to pay promptly all reasonable costs and expenses of the Bank, including, without limitation, the fees and expenses of external counsel and the allocated cost of in house counsel, for (i) any and all amounts which the Bank has paid relative to the Bank's curing of any Event of Default under this Loan Agreement or any of the Financing Documents; (ii) the enforcement of this Loan Agreement or any of the Financing Documents; or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Bank from paying any amount hereunder. 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 Bank hereunder.

Section 2.04. Pledge. The principal of and interest on the Loan shall be payable solely from and to the extent of the Pledged Revenue and the funds and accounts held for the payment of the Loan under the Custodial Agreement, and the Pledged Revenue is hereby pledged to the payment of the principal of and interest on the Loan. The Loan shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. Except for the Subordinate 2011C Bonds and the Subordinate 2011D Bonds, the lien of the Bank on the Pledged Revenue shall be subject to no other liens without the prior written consent of the Bank. The District represents and warrants that the Pledged Revenue is not (with the exception of the Subordinate 2011C Bonds and the Subordinate 2011D Bonds) and shall not be subject to any other lien or encumbrance without the prior written consent of the Bank.

Section 2.05. Conditions to Closing. The funding by the Bank of the Loan is conditioned upon the satisfaction of each of the following, except as may be waived by the Bank, and upon Closing, all such conditions shall be deemed satisfied or waived by the Bank:

(a) ***Financing Documents.*** All Financing Documents and other instruments applicable to the Loan are in form and content satisfactory to the Bank and have been duly executed and delivered in form and substance satisfactory to the Bank 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 Bank.

(b) ***Certified Proceedings.*** The Bank has received a certified copy of the Authorizing Resolution of the District, which shall be in form and content satisfactory to the Bank and authorize the District to obtain the Loan and perform all acts contemplated by this

Loan Agreement and all other Financing Documents, and a certified copy of all other ordinances, resolutions, and proceedings taken by the District authorizing the District to obtain the Loan and the execution, delivery, and performance of this Loan Agreement and the other Financing Documents and the transactions contemplated hereunder and thereunder, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Loan Agreement and the other Financing Documents to be delivered by the District hereunder and as to other matters of fact as shall reasonably be requested by the Bank.

(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 this Loan Agreement and in any other Financing Document is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing and no default exists under any other Financing Documents, or under any other agreements by and between the District and the Bank and certifying as to such other matters as the Bank might reasonably request.

(d) ***Bond Counsel Opinion.*** The Bank shall have received the opinion of Bond Counsel dated the Closing Date and in form and substance acceptable to the Bank, stating in substance that the obligation of the District to pay the principal of and interest on the Loan constitutes a special revenue obligation of the District; that this Loan Agreement creates a valid lien on the Pledged Revenue for the purpose of paying the principal of and interest on the Loan; that the Financing Documents are binding and enforceable against the District in accordance with the terms hereof, subject to certain exceptions reasonably satisfactory to the Bank; and that the interest payable on the Loan is exempt from income taxation by the United States of America and the State of Colorado.

(e) ***General Counsel Opinion.*** The Bank shall have received an opinion of General Counsel to the District dated the Closing Date and in form and substance acceptable to the Bank with respect to such matters as the Bank may require, including opinions as to the validity of the District's organization and existence; that all governmental approvals necessary for the District to execute, deliver, and perform its obligations under this Loan Agreement and the other Financing Documents to which the District is a party have been duly obtained; that the Authorizing Resolution was duly and properly adopted, is in full force and effect, and has not been rescinded as of the Closing Date; and that this Loan Agreement and the other Financing Documents to which the District is a party have been duly authorized, executed, and delivered by the District.

(f) ***Opinion of Counsel of CSURA.*** The Bank shall have received an opinion of counsel to CSURA, dated the Closing Date and in form and substance acceptable to the Bank with respect to such matters as the Bank may require, including opinions as to the validity of the CSURA's organization and existence; that the Tax Agreement has been duly authorized, executed, and delivered by CSURA; that the Tax Agreement constitutes the legal, valid, and binding obligation of CSURA, enforceable against CSURA in accordance with its terms; the Urban Renewal Plan has been duly adopted by the governing body of the City, has not been rescinded, revoked, or amended since such adoption and remains in full force and effect; and otherwise in form and substance acceptable to the Bank and its counsel.

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

(h) **Custodian.** The Custodian shall be U.S. Bank National Association.

(i) **Certificate of Custodian.** The Bank shall have received a certificate of an authorized representative of the Custodian certifying as to the authority, incumbency, and specimen signatures of the authorized representatives of the Custodian and certifying as to such other matters as the Bank might reasonably request and an opinion of counsel to the Custodian relating to certain matters standard in similar transactions and reasonably satisfactory to the Bank.

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

(k) **Payment of Costs and Expenses.** All Bank counsel fees and any other fees and expenses due and payable as of the Closing Date in connection with the execution and delivery of this Loan Agreement shall have been paid by the District.

(l) **Due Diligence.** The Bank shall have been provided with the opportunity to review all pertinent financial information regarding the District, agreements, documents, and any other material information relating to the District or the Pledged Revenue or any other component of the collateral securing the obligations of the District hereunder.

(m) **Accuracy and Completeness of Information.** As of the Closing Date, all information provided by the District to the Bank shall be complete and accurate in all material respects.

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

(o) **Due Authorization.** Due authorization and proper execution of the Bank loan documentation detailing the terms and conditions of the Loan, all in form and substance satisfactory to the Bank and its counsel.

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

(q) **Other Legal Matters.** All other legal matters pertaining to the execution and delivery of this Loan Agreement and the other Financing Documents shall be reasonably satisfactory to the Bank.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.01. Acknowledgement of Funds. Pursuant to the Custodial Agreement, the District created and established the following funds and accounts, which shall be held and administered in accordance with the provisions hereof and of the Custodial Agreement:

- (a) the Pledged Revenue Fund;
- (b) the Project Fund;
- (c) the Loan Payment Fund;
- (d) the Debt Service Reserve Fund; and
- (e) the Costs of Issuance Fund.

Section 3.02. Pledged Revenue Fund. The Pledged Revenue Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Pledged Revenue Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.03. Project Fund. The Project Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Project Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.04. Loan Payment Fund. The Loan Payment Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Loan Payment Fund shall be applied by the Custodian only as set forth in the Custodial Agreement, and the Loan Payment Fund is pledged to the payment of the Loan.

Section 3.05. Debt Service Reserve Fund. The Debt Service Reserve Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Debt Service Reserve Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.06. Costs of Issuance Fund. The Costs of Issuance Fund shall be held and administered by the Custodian in accordance with the terms of the Custodial Agreement. Moneys in the Costs of Issuance Fund shall be applied by the Custodian only as set forth in the Custodial Agreement.

Section 3.07. Application of Pledged Revenue. Following issuance of the Loan, the District shall transfer all amounts comprising Pledged Revenue to the Custodian as soon as may be practicable after the receipt thereof for application by the Custodian in accordance with the Custodial Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the District continuously represents and warrants to the Bank 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 this Loan Agreement and the other Financing Documents; and to cause the execution, delivery, and performance of the Financing Documents.

Section 4.03. No Legal Bar. 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 powers referred to in the preceding Section 4.02. The execution, delivery, and performance by the District of this Loan Agreement and of the other Financing Documents (a) will 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) will not violate any provisions of any document constituting, regulating, or otherwise affecting the operations or activities of the District; and (c) will 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 this Loan Agreement or the other 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 this Loan Agreement and the other 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 Loan 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 income taxes.

Section 4.06. Enforceability. This Loan Agreement and the other Financing Documents constitute legal, valid, and binding obligations of the District, enforceable against the District in accordance with their respective terms, except as such enforceability may be limited 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 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 District's power to issue or its ability to pay in full in a timely fashion the obligations of the District under this Loan Agreement or the other Financing Documents.

Section 4.08. Financial Information and Statements. The financial statements and other information previously provided to the Bank or provided to the Bank 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 Bank.

Section 4.09. Accuracy of Information. All information, certificates, or statements given to the Bank pursuant to this Loan Agreement and the other Financing Documents will be true and complete in all material respects when given.

Section 4.10. IRS Listing. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is an issuer of obligations whose arbitrage certifications may not be relied upon.

Section 4.11. Tax Exempt Status. 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 Loan from gross income for federal income tax purposes or the exemption of such interest from State of Colorado personal income taxes.

Section 4.12. 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 4.13. 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 4.14. 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 ability of the District to perform its obligations hereunder or under the other Financing Documents, or which would affect the enforceability hereof or thereof.

Section 4.15. 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 this Loan Agreement or any of the other Financing Documents.

Section 4.16. No Filings. No filings, recordings, registrations, or other actions are necessary to create and perfect the pledges provided for herein and in the Custodial Agreement; all obligations of the District hereunder are secured by the lien and pledge provided for herein and in the Custodial Agreement; and the liens and pledges provided for herein and in the Custodial Agreement constitute valid liens.

Section 4.17. Outstanding Debt. Except for the Subordinate 2011C Bonds and the Subordinate 2011D Bonds, the District has no other Debt outstanding payable from or secured by the Pledged Revenue or any portion thereof or any other component of the collateral securing the obligations of the District hereunder. The District represents and warrants that it will incur additional Debt only in accordance with the provisions of this Loan Agreement.

ARTICLE V

COVENANTS OF THE DISTRICT

While any obligations hereunder or under any of the other 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 Authorizing Resolution, this Loan Agreement, the Note, the other Financing Documents and all its proceedings pertaining thereto as though such covenants, undertakings, stipulations, and provisions were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of the District under this Loan Agreement shall be unpaid or unperformed). 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 Note, this Loan Agreement, and the other Financing Documents, and that all action on its part for the issuance of the Loan and the execution and delivery of the Note, this Loan Agreement, and the other Financing Documents has been duly and effectively taken and will be duly taken as provided herein, and that the Loan, the Note, this Loan Agreement, and the other 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 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 District, its financial condition, assets, or ability to perform its obligations under this Loan Agreement or the other 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 hereunder.

Section 5.03. Tax Covenants.

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

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

(c) The District further covenants to pay from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Loan 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 Bank. This covenant shall survive the payment in full or the defeasance of the Loan.

(d) The District hereby designates the Loan as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The District covenants not to issue any tax-exempt obligations in any calendar year in an amount which may adversely affect the status of the Loan as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code.

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

Section 5.04. 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 in the judgment of the District 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 5.05. 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 5.06. 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 Bank with such information concerning the business affairs and financial condition (including insurance coverage) of District as the Bank may request.

Section 5.07. Reporting Requirements.

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

(a) The District shall notify the Bank promptly of all litigation or administrative proceedings, threatened or pending, against the District which would, if adversely determined, in the District's reasonable opinion, have a material effect on the District's financial condition arising after the date hereof.

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

(i) as soon as available, but not later than 270 days following each Fiscal Year, the District shall furnish to the Bank its audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and certified by a firm of Certified Public Accountants selected by the District and satisfactory to the Bank; provided however, to the extent that the District is exempt under Colorado law from the requirement to prepare audited financial statements, the District may satisfy the requirements of this subsection by delivering to the Bank written certification of its exemption from the audit requirements and a financial statement of the District for such Fiscal Year prepared by an independent third party;

(ii) as soon as available, but in no event later than January 31 of each Fiscal Year, the District shall furnish to the Bank the District's annual budget prepared by a Certified Public Accountant for such Fiscal Year and, as soon as available, shall furnish a copy of any proposed amendments thereto, which budget shall include as separate line items all projected Pledged Revenue expected to be received in such Fiscal Year;

(iii) promptly upon certification of the Required Mill Levy by the District to the county each year but in no event later than January 31 of each Fiscal Year following such certification, the District shall furnish to the Bank a certificate of an authorized officer of the District setting forth the amount of such Required Mill Levy so certified;

(iv) as soon as available, but in no event later than September 30 of each year, the District shall furnish to the Bank the preliminary certified "actual value" and assessed valuation of all property subject to the Required Mill Levy (including taxable property within the District and any excluded property subject to the Required Mill Levy) for such calendar year;

(v) as soon as available, but in no event later than December 31 of each year, the District shall furnish to the Bank the final Certified Assessed Valuation of all property subject to the Required Mill Levy (including taxable property within the District and excluded property subject to the Required Mill Levy), as calculated, recorded, and certified by the county assessor on or before December 10 of such calendar year;

(vi) not later than 270 days following each Fiscal Year, the District shall furnish to the Bank a properly executed Annual Compliance Certificate;

(vii) promptly upon request of the Bank, the District shall furnish to the Bank such other reports or information regarding the collateral securing the obligations of the District hereunder or the assets, financial condition, business, or operations of the District, as the Bank may reasonably request.

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

(d) The District shall immediately notify the Bank of any resignation of the Custodian.

(e) The District shall notify the Bank 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 financial condition of the District or affect the ability of the District to perform its obligations under this Loan Agreement or under any other Financing Documents.

Section 5.08. Visitation and Examination. Unless otherwise prohibited by law, the District will permit any Person designated by the Bank 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 Bank may reasonably request.

Section 5.09. 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 Bank may reasonably require for the better assuring, transferring, and pledging unto the Bank the Pledged Revenue; provided however, that the District shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

Section 5.10. Debt Service Mill Levy Covenants.

(a) For the purpose of paying the principal of and interest on the Loan, 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, such Required Mill Levy to be imposed in each of the years [2015 to 2021], inclusive (for collection in [2016 to 2022], inclusive), and to the extent necessary to repay any unpaid principal or interest due on the Loan, in each year thereafter until the principal of and interest on the Loan is fully paid, satisfied, and discharged but not beyond the Maximum Debt Mill Levy Imposition Term except as may be permitted 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.

(b) The foregoing provisions of this Loan 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 Loan 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 Loan Agreement.

(e) The amounts necessary to pay all costs and expenses incidental to effecting the transactions contemplated under the Financing Documents and paying the Loan 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) On or before the Maturity Date, the District shall apply excess debt service mill levy, if any, previously levied to pay such Estimated Debt Requirements but not applied to the payment of the Loan or other debt issued pursuant to the 2004 Election to the payment of the principal of or interest on the Loan or other debt issued pursuant to the 2004 Election. It is the intent of this paragraph to assure that the amounts levied pursuant to this Loan Agreement will never exceed the amount required to fully pay the principal of and interest on the Loan or any other debt issued pursuant to the 2004 Election.~~

Section 5.11. Additional Debt. On and after the Closing Date, the District shall not issue any additional Debt without the prior written consent of the Bank.

Section 5.12. 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 5.13. 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, the District shall use its best efforts to refinance, refund, or otherwise restructure the Loan so as to avoid such a default.

Section 5.14. 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 5.15. Enforcement and Collection. The District shall diligently collect all Pledged Revenue and shall take all necessary action to enforce such collection.

Section 5.16. Material Adverse Action. The District shall not take any action nor consent to any action that would materially adversely affect any portion of the Pledged Revenue or any other component of the collateral securing the obligations of the District hereunder.

Section 5.17. No Change in Financing Documents. The District shall not cancel, terminate, amend, supplement, modify, or waive any of the provisions of the Financing Documents to which it is party or consent to any such cancellation, termination, amendment, supplement, modification, or waiver, without the prior written consent of the Bank. The District shall take no action, nor shall it cause the Custodian to take any action under any of the Financing Documents to which it is a party inconsistent with the rights of the Bank under this Loan Agreement including, without limitation, its obligations to make payments to the Bank hereunder.

Section 5.18. Removal or Appointment of Agents. The Custodian shall not be removed, and no successor Custodian shall be appointed by the District, without the prior written consent of the Bank.

Section 5.19. References to Bank. The District shall not refer to the Bank in any official statement, offering memorandum, or private placement memorandum without the Bank's prior written consent thereto.

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

Section 5.21. No Exclusion of Property. The District shall take no action that could have the effect of excluding property from the District unless the District determines 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.

Section 5.22. Enforcement of Tax Agreement. The District shall take all necessary and proper steps to enforce promptly the payment of amounts payable by CSURA to the District pursuant to the Tax Agreement.

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 Loan 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 no Event of Default will be deemed to have occurred hereunder unless and until the Bank 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 Loan Agreement;

(b) the District fails to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other Financing Documents, and the District fails to remedy the same within 30 days after the Bank has provided the District with notice thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in this Loan Agreement or the other 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;

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

(d) the occurrence and continuance of an event of default or an event of nonperformance under the Custodial Agreement or any of the other Financing Documents after the expiration of any grace period;

(e) except for payment of the principal of and interest on the Loan and the Permitted Subordinate Debt, default in the payment of principal of or interest when due on any financial obligation of the District and continuance of such default beyond any grace period;

(f) the pledge of the Pledged Revenue or any other security interest created hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;

(g) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$50,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay, or satisfy such judgment or court order for 30 days;

(h) a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the Bank’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 Loan Agreement or its other obligations, and the District fails to cure such condition within the time specified by the Bank in a written notice thereof from the Bank;

(i) (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 (k)(i) 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; or (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;

(j) this Loan Agreement, the Custodial Agreement, or any other 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 hereunder or under the Custodial Agreement fails to be fully enforceable with the priority required hereunder or thereunder;

(k) the District's auditor delivers a qualified opinion with respect to the District's status as a going concern;

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

(m) any determination, decision, or decree is made by the Commissioner of the Internal Revenue Service or any district director of the Internal Revenue Service, or by any court of competent jurisdiction, that the interest payable on the Loan is includable in the gross income for federal income tax purposes of the Bank by virtue of the intentional or reckless failure or refusal by the District to take actions or refrain from taking actions as required by the Section hereof entitled "Tax Covenants", which failure or refusal results in interest payable on the Loan becoming includable in the gross income of the Bank 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.

Due to the limited nature of the Pledged Revenue, an Insufficiency Event shall not, of itself, constitute an Event of Default hereunder.

Section 7.02. Remedies. Upon the occurrence and during the continuance of any Event of Default, the Loan shall bear interest at the Default Rate ~~or Post-Maturity Default Rate, as applicable~~, and the Bank at its option, may do any one or more of the following:

- (a) exercise any and all remedies available under the Custodial Agreement; or
- (b) take any other action or remedy available under the other Financing Documents or any other document, or at law or in equity;

provided however, that notwithstanding the foregoing or anything else herein or in the Custodial Agreement to the contrary: ~~(i) except for the application of the Default Rate or the Post Maturity Default Rate, as applicable, 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 and interest on the Loan when due, it being acknowledged by the Bank that the amount of Pledged Revenue is limited in accordance with the terms hereof;~~ (ii) the only remedy for an Event of Default occurring solely under Section 7.01 (m) hereof shall be an increase in the then-applicable interest rate on the Loan by dividing such otherwise applicable interest rate by [____], and such an Event of Default shall not, in and of itself, result in the application of the Default Rate; and ~~(iii)~~ acceleration shall not be an available remedy for an Event of Default.

Section 7.03. Insufficiency Event; Application of Insufficiency Rate. An Insufficiency Event shall be deemed to have occurred when: (i) the District has imposed the Required Mill Levy; (ii) the District has applied all Pledged Revenue received to the payment of the principal of and interest on the Loan; and, (iii) notwithstanding the preceding clauses (i) and (ii), such Pledged Revenue is insufficient to fully pay the principal of and interest on the Loan when due (collectively, an “Insufficiency Event”). The Bank hereby acknowledges that, due to the limited nature of the Pledged Revenue, an Insufficiency Event shall not, in and of itself, constitute an Event of Default hereunder or entitle the Lender to exercise any remedies. Immediately upon the occurrence of an Insufficiency Event and for so long as such Insufficiency Event continues and remains uncured, the interest rate on Note shall bear interest at the Insufficiency Rate.

Section 7.04. ~~Section 7.03.~~ Notice to Bank of Default. Notwithstanding any cure period described above, the District will immediately notify the Bank in writing when the District obtains knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

Section 7.05. ~~Section 7.04.~~ Additional Bank Rights. Upon the occurrence of an Event of Default the Bank may at any time (a) Setoff (as defined below), and (b) take such other steps to protect or preserve the Bank’s interest in the Pledged Revenue.

Section 7.06. ~~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 Bank 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 Bank, and the right to refuse to allow withdrawals from any account (collectively, “Setoff”). The Bank 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, all without any advance or contemporaneous notice or demand of any kind to the District, such notice and demand being expressly waived.

Section 7.07. ~~Section 7.06.~~ Delay or Omission No Waiver. No delay or omission of the Bank 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 Loan Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 7.08. ~~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 Bank provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Loan Agreement and Relationship to Other Documents. The warranties, covenants, and other obligations of the District (and the rights and remedies of the Bank) that are outlined in this Loan Agreement and the other Financing Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Financing Documents, all terms will be cumulative so as to give the Bank 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 Bank. This Loan Agreement and the Note shall be assignable by the Bank to any entity without the consent of the District, provided that the Bank shall give notice to the District of any such assignment and will not assign or transfer this Loan Agreement or the Note to any Person which is not an Accredited Investor or to any Person or entity which is not a direct affiliate of the Bank (which affiliates shall mean any entity which, by virtue of majority ownership interest, controls, is controlled by, or under common control with the Bank). The Bank 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 Bank 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:

(a) The rights, options, powers, and remedies granted in this Loan Agreement and the other Financing Documents will extend to the Bank and to its successors and assigns, will be binding upon the District and its successors and assigns and will be applicable hereto and to all renewals and extensions hereof.

(b) The Bank 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 Bank in accordance with the terms of this Loan 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 Bank from its obligations hereunder.

(c) The Bank may sell to Participants participating interests in its rights and obligations hereunder or under the other Financing Documents; provided however, that (i) the Bank's obligations hereunder shall remain unchanged, (ii) the Bank 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 Bank'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 Bank. The Bank 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 Section 8.03 (pertaining to litigation and indemnification) hereof as though it were also the Bank hereunder, and if amounts outstanding under this Loan Agreement are due and unpaid, or has been declared or has become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Loan Agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this Loan Agreement.

Section 8.03. Litigation/Indemnification. The District agrees, to the extent permitted by law and as set forth herein, to completely indemnify and hold harmless the Bank 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 8.03 as the "Indemnitees") from and against any and all claims, damages, liabilities, settlements, judgments, losses, legal fees, and costs or expenses incurred (including all reasonable fees and disbursements of the Indemnitees' legal counsel and allocated cost of in house counsel and staff and all of the Indemnitees' reasonable travel and other out of pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (a) the Loan; or (b) the holding or owning by the Bank, the Participant, or their respective nominees of any collateral securing the obligations of the District hereunder; or (c) any matters for which neither the Bank nor any Participant has any liability as set forth under Section 8.16 of this Loan Agreement; provided however, that the District shall not be required to indemnify the Indemnitees pursuant to Section 8.03(c) hereof for any claims, damages, losses, liabilities, settlements, judgments, legal fees, or costs or expenses to the extent proven to be caused by the Bank's willful or negligent failure to make lawful payment under the Loan. Nothing in this Section 8.03 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 8.03, the Indemnitees shall promptly notify the District in writing, and the District shall promptly assume the defense thereof, including, but not limited to, the employment of counsel (the selection of which has been approved by the Indemnitees and such approval shall not be unreasonably withheld), the payment of all legal fees and expenses and the right to negotiate and consent to settlement; provided however, that the District shall not settle any such action which may adversely affect the Bank without the Bank'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, which shall pay all legal fees and expenses incurred by such Independent Counsel. The Indemnitees' selection of Independent Counsel shall be approved by the District, and such approval shall not be unreasonably withheld. With respect to claims against the Indemnitees defended by Independent Counsel, the Indemnitees have 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 8.03 shall be in addition to any rights that any Indemnitee may have at common law or otherwise and shall survive the payment in full of all amounts owing to the Bank hereunder. If indemnification pursuant to this Section 8.03 shall be found to be unlawful or invalid for any reason, then the District and each Indemnitee shall, to the extent permitted by law, make contributions in payment of any liabilities incurred pursuant to the above referenced issuance, sale, and distributions, and statements or omissions in accordance with the respective fault of the District and each Indemnitee.

Section 8.04. Notice of Claims Against Bank; Limitation of Certain Damages. In order to allow the Bank to mitigate any damages to the District from the Bank'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 Bank written notice no later than 10 Business Days after the District knows of any claim or defense it has against the Bank, whether in tort or contract, relating to any action or inaction by the Bank 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 Bank represents the parties' agreed to standard of performance regarding the duty of the Bank to mitigate damages related to claims against the Bank. Notwithstanding any claim that the District may have against the Bank, and regardless of any notice the District may have given the Bank, the Bank will not be liable to the District for indirect, consequential, or special damages arising therefrom, except those damages arising from the Bank's 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 Bank under this Section shall not waive any claims of the District nor constitute an Event of Default hereunder, but such failure shall relieve the Bank 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 Loan 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: Gold Hill Mesa Metropolitan District No. 2
c/o

Attention:
Facsimile:
Email:

with a copy to:

Susemihl, McDermott & Cowan, P.C.
660 Southpointe Court #210
Colorado Springs, Colorado 80906
Attention: Peter M. Susemihl, Esq.
Facsimile: (719) 579-9339
E-mail: psusemihl@smmclaw.com

Bank: U.S. Bank National Association
Commercial Banking
8th Floor
950 17th Street
Denver, Colorado 80202
Attention: Jason Edrington
Facsimile: NONE
E-mail: Jason.edrington@usbank.com

Custodian: U.S. Bank National Association
~~N~~DN-CO-T12CT
950 17th Street, 12th Floor
Denver, Colorado 80202
Attention: {Kathleen Connelly}
Facsimile: (303) 585-6865
E-mail: {kathleen.connelly@usbank.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 Loan 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 Bank to principal, interest and other amounts due under the Note and this Loan Agreement in any order which the Bank elects.

Section 8.07. Applicable Law and Jurisdiction; Interpretation; Severability. This Loan Agreement and all other 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 this Loan Agreement will not affect any other provision. THE DISTRICT AND THE BANK 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 THIS AGREEMENT, THE NOTE, THE PLEDGED REVENUE, ANY OTHER FINANCING DOCUMENT, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Loan Agreement will affect the Bank's rights to serve process in any manner permitted by law. If any section, paragraph, clause, or provision of this Loan 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 Loan 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 this Loan Agreement and all other Financing Documents.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING, EXPRESSING CONSIDERATION AND SIGNED BY THE PARTIES ARE ENFORCEABLE. NO OTHER TERMS OR 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 BANK. A MODIFICATION OF ANY OTHER CREDIT AGREEMENT NOW IN EFFECT BETWEEN THE DISTRICT AND THE BANK, 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 BANK 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 BANK 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 §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 duties as a member, officer, or agent of the Board or the District and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Loan. 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 Bank 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 Loan 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 Loan 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 Loan 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 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 Loan Agreement, in the Authorizing Resolution, or in any other instrument, 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. Reserved.

Section 8.16. No Liability. Any action taken or omitted by the Bank under or in connection with the Financing Documents, if taken or omitted in good faith and without misconduct or negligence, shall be binding upon the District and shall not put the Bank under any resulting liability to the District. The Bank, 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, insufficient, fraudulent, or forged; (b) the general and particular conditions stipulated therein; (c) the good faith acts of any Person whosoever in connection therewith; (d) failure of any Person (other than the Bank, 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, whether or not they be in code; (f) errors in translation or errors in interpretation of technical terms; (g) for any other consequences arising from causes beyond the Bank'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 Bank'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 the Bank 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 Bank at law or in equity or otherwise. No amendment, modification, supplement, termination, or waiver of or to any provision of this Loan Agreement, nor consent to any departure by the District therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Bank. Any amendment, modification, or supplement of or to any provision of this Loan Agreement, and any consent to any departure by the District from the terms of any provision of this Loan 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 the District in any case shall entitle the District to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand. The Bank shall notify the Custodian of each amendment to this Loan Agreement.

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.

Section 8.19. Document Imaging. The Bank shall be entitled, in its 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 District hereby waives any right to insist that the Bank produce paper originals; agrees that such images shall be accorded the same force and effect as the paper originals; and

further agrees that the Bank is 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 Bank such additional assignments, agreements, powers, and instruments as the Bank may reasonably require or deem advisable to carry into effect the purposes of this Loan Agreement or to better assure and confirm unto the Bank its rights, powers, and remedies hereunder and under the Financing Documents.

Section 8.21. Execution in Counterparts. This Loan 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 Loan Agreement.

Section 8.22. Severability. In the event any provision of this Loan 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 Loan Agreement are for convenience of reference only and shall not affect the construction of this Loan Agreement.

Section 8.24. No Rating, DTC, or CUSIP. The Loan shall not 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.

Section 8.25. Integration. This Loan Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Loan 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. Bank Representation. The Bank hereby represents that it is an Accredited Investor, and that it is a "depository institution" and therefore, a "financial institution" within the meaning of §32-1-1101(6)(a)(IV), C.R.S.

Section 8.27. Patriot Act Notice. The Bank 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 Bank 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 Bank.

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

U.S. BANK NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

(S E A L)

Attest:

By: _____

Name: _____

Title: Secretary or Assistant Secretary

**GOLD HILL MESA METROPOLITAN
DISTRICT NO. 2, EL PASO COUNTY,
COLORADO**

By: _____

Name: _____

Title: President or Vice President

EXHIBIT A

to

LOAN AGREEMENT

[Form of 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
GOLD HILL MESA METROPOLITAN DISTRICT NO. 2**

**PROMISSORY NOTE, SERIES 2015
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$6,360,000**

Original Issue Date: January __, 2016

FOR VALUE RECEIVED, GOLD HILL MESA 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 U.S. BANK NATIONAL ASSOCIATION, 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 due under that certain Loan Agreement dated January __, 2016, 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.~~

It is expressly stipulated and agreed to be the intent of Maker and Payee at all times to comply with applicable state law and applicable United States federal law. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under this Note or under the Loan Agreement, or contracted for, charged, taken, reserved, or received with respect to the indebtedness evidenced by this Note, then it is Maker's and Payee's express intent that all excess amounts theretofore collected by Payee be credited on the principal balance of this Note (or, if this Note has been or would thereby be paid in full, refunded to Maker), and the provisions of this Note shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and under the Loan Agreement. All sums paid or agreed to be paid to Payee for the use, forbearance, and detention of the indebtedness evidenced hereby and by the Loan Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the maximum rate permitted under applicable law from time to time in effect and applicable to the indebtedness evidenced hereby for so long as such indebtedness remains outstanding.

In the event of nonpayment of this Note, Payee shall be entitled to all remedies under the Loan Agreement. Notwithstanding the foregoing, Payee acknowledges that, due to the limited nature of the Pledged Revenue, an Insufficiency Event shall not, in and of itself, constitute an Event of Default under the Loan Agreement or entitle Payee to exercise any remedies. Immediately upon the occurrence of an Insufficiency Event and for so long as such Insufficiency Event continues and remains uncured, the interest rate on this Note shall bear interest at the Insufficiency Rate.

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 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 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 (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.

Pursuant to §11-57-210 of the Colorado Revised Statutes, as amended, this Note is entered into pursuant to and under the authority of, *inter alia*, certain provisions of the

Supplemental Public Securities Act, being Title 11, Article 57, Part 2 of the Colorado Revised Statutes, as amended. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Note after delivery for value and shall conclusively impart full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever 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 OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT OR INTERPRETATION THEREOF.

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

(S E A L)

**GOLD HILL MESA METROPOLITAN
DISTRICT NO. 2, EL PASO COUNTY,
COLORADO**

President

ATTEST:

Secretary or Assistant Secretary

EXHIBIT B

to

LOAN AGREEMENT

[Form of Annual Compliance Certificate]

ANNUAL COMPLIANCE CERTIFICATE

The undersigned, as an officer of and on behalf of Gold Hill Mesa Metropolitan District No. 2, El Paso County, Colorado (the "District"), in connection with that certain Loan Agreement (the "Loan Agreement"), dated as of December [__], 2015, between the District and U.S. Bank National Association, hereby certifies as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto by the Loan Agreement):

1. The undersigned is a duly elected or appointed member of the Board of Directors of the District.

2. The District is in material compliance with its covenants in Article V of the Loan Agreement, except as is described below.

[description of noncompliance, if any]

3. As of the date hereof, no Event of Default exists under the Loan Agreement.

[or]

An Event of Default under the Loan Agreement has occurred and is continuing. Such Event of Default and the actions which the District is taking or proposes to take with respect thereto are described below:

[description of Event of Default and remedial actions being taken]

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the ____ day of _____, 20__.

By: _____
Member, Board of Directors

EXHIBIT C

to

LOAN AGREEMENT

[form of Refinancing Certificate]

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 2
EL PASO COUNTY, COLORADO**

REFINANCING CERTIFICATE

The undersigned is an Authorized Officer under that certain Loan Agreement dated as of December [___], 2015 (the “Loan Agreement”) by and between Gold Hill Mesa Metropolitan District No. 2 and U.S. Bank National Association (the “Bank”). All capitalized terms used in this Refinancing Certificate shall have the respective meanings assigned in the Loan Agreement.

1. The final principal payment on the Loan is coming due on the Maturity Date, and pursuant to the Loan Agreement, the District is permitted to assume that the principal coming due on the Maturity Date is \$[_____] so long as the District provides to the Bank a properly completed Refinancing Certificate prior to the imposition of the Required Mill Levy.

2. The District has engaged a financial advisor or investment banker to investigate the District’s options to refinance the Loan on or before the Maturity Date, and such financial advisor or investment banker has provided the District with the certifications attached hereto.

3. Based upon the foregoing and other relevant facts and circumstances, the District reasonably expects that the District will be able to refinance the Loan in its entirety on or before the Maturity Date.

4. The undersigned is authorized by the District and all applicable laws, rules, and regulations to sign and deliver this Refinancing Certificate.

Dated this ___ day of _____, 20__.

**GOLD HILL MESA METROPOLITAN
DISTRICT NO. 2, EL PASO COUNTY,
COLORADO**

Authorized Officer

CERTIFICATION OF FINANCIAL ADVISOR OR INVESTMENT BANKER

1. Gold Hill Mesa Metropolitan District No. 2 (the “District”) and U.S. Bank National Association, or its assignee (the “Bank “), are parties to a Loan Agreement dated as of December [___], 2015 (the “Loan Agreement”). Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto by the Loan Agreement.

2. The undersigned is a financial advisor or investment banker actively engaged in the structuring and issuance of municipal debt. We have been retained by the District to provide it with financial advisory and/or underwriting services. In the course of such retention, we have investigated the market and the potential for the District to issue bonds or other obligations to refinance the Loan.

3. In our opinion, it is reasonable to expect that the Loan can be refinanced in its entirety on or before the Maturity Date; however, this opinion is not a guaranty of performance or execution, and merely expresses our belief that such a market currently exists for the obligation in question. Many future occurrences over which we have no control, including but not limited to changes in the market, could alter the ability of the District to issue such debt in a timely or satisfactory fashion.

4. The undersigned is authorized to sign this certificate and to make the representations contained herein.

Dated this ___ day of _____, 20__.

***[INSERT NAME OF FINANCIAL
ADVISOR OR INVESTMENT BANK]***

Authorized Officer

Document comparison by Workshare Compare on Tuesday, November 17, 2015
9:07:33 AM

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|---------------|--|
| Document 1 ID | interwovenSite://IDenverDMS/PUBFIN/1932079/1 |
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| Document 2 ID | interwovenSite://IDenverDMS/PUBFIN/1932079/2 |
| Description | #1932079v2<PUBFIN> - Gold Hills Mesa Loan Agreement v.2 (11-17-15) |
| Rendering set | standard |

| Legend: | |
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| Insertion | |
| Deletion | |
| Moved from | |
| <u>Moved to</u> | |
| Style change | |
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| Deleted cell | |
| Moved cell | |
| Split/Merged cell | |
| Padding cell | |

| Statistics: | |
|----------------|-------|
| | Count |
| Insertions | 147 |
| Deletions | 148 |
| Moved from | 4 |
| Moved to | 4 |
| Style change | 0 |
| Format changed | 0 |
| Total changes | 303 |