

LOAN AGREEMENT

by and between

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

as District

and

NBH BANK

as Lender

Dated _____, 2016

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “**Agreement**”) is made and entered into on _____, 2016 by and between **COPPER RIDGE METROPOLITAN DISTRICT** (the “**District**”), a quasi-municipal corporation and political subdivision of the State of Colorado, and **NBH BANK**, in its capacity as lender (the “**Lender**”).

RECITALS

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

WHEREAS, the District was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within the District in accordance with Title 32, Article 1, C.R.S.; and

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

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

WHEREAS, at an election of the eligible electors of the District, duly called and held on May 6, 2008 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of certain ballot questions authorizing the issuance of indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Public Improvements**”); and

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

WHEREAS, for the purpose of reimbursing amounts outstanding under the Reimbursement Agreement to the extent relating to capital costs of the Public Improvements (including the costs of formation of the District), the District and Integrity Bank & Trust (the “**Prior Lender**”) have previously entered into (i) a Loan Agreement dated December 4, 2013 (as amended by a First Amendment to Loan Agreement dated as of July 14, 2014, the “**2013 Loan Agreement**”) pursuant to which the Prior Lender advanced to the District a loan in the principal amount of \$1,850,000 (the “**2013 Loan**”), currently outstanding in the principal amount of

[\$1,770,000 please confirm] and (ii) a Loan Agreement dated as of July 14, 2014 (the “**2014 Loan Agreement**”) pursuant to which the Prior Lender advanced to the District a loan in the principal amount of up to \$3,000,000 (the “**2014 Loan**” and collectively with the 2013 Loan, the “**Prior Loans**”), currently outstanding in the principal amount of [\$2,644,000 –please confirm]; and

WHEREAS, the Board of Directors of the District (the “**Board**”) has determined that it is in the best interests of the District, its inhabitants and taxpayers, to refund the Prior Loans in full (the “**Refunding Project**”) and to provide for the reimbursement of additional amounts outstanding under the Reimbursement Agreement or anticipated to become outstanding thereunder, or otherwise to directly fund capital costs of Public Improvements which also constitute PIF Eligible Costs (as more particularly defined herein, the “**Project**”) and, for such purpose, the District has requested that the Lender make a loan to the District; and

WHEREAS, in addition, the Board has determined and hereby determines that by undertaking the Refunding Project, the District can reduce interest costs and effect other economies; and

WHEREAS, the Lender has agreed, subject to the terms and conditions of this Agreement and the other Financing Documents, to make a term loan in the principal amount of \$_____ (the “**Loan**”) for the purposes of funding (i) the Refunding Project; (ii) the Project, such purposes, (iii) the Reserve Fund; and (iv) the costs of issuance relating to the Refunding Project and the incurrence of the Loan; and

WHEREAS, for purposes of federal taxation laws and the exemption from taxation of interest on the Loan, the Loan will be evidenced by the issuance of two separate promissory notes as follows:

(i) the Taxable/Tax-Exempt Promissory Note (the “**Taxable/Tax-Exempt Note**”) issued in the principal amount of \$[1,250,000], the interest on which is initially included in gross income for federal income tax purposes, and which interest will be excluded from gross income for federal income tax purposes only upon the occurrence of the “Tax-Exempt Reissuance Date” (as defined herein); and

(ii) the Tax-Exempt Promissory Note (the “**Tax-Exempt Note**”) issued in the principal amount of \$10,000,000, the interest on which will be exempt from federal and state income taxation from the date of issuance; and

WHEREAS, the Board has determined to allocate the principal amount of the Loan to the Election as follows:

(i) based upon the application of the proceeds of the Loan, it is determined that the principal amount of \$_____ is the portion of the Loan used to pay the costs of the Refunding Project, and the remaining amount of \$_____ is the portion of the Loan used to pay the costs of the Project; and

(ii) the amount of \$_____, being the principal amount of the portion of the Loan used to pay the costs of the Project, shall be allocated to the Election in accordance with the

following table; provided that such allocation is based upon the Board’s estimates of the use of proceeds at the time of incurrence of the Loan, that actual uses of proceeds may vary from this estimate within the limitations of the Election, and that such variance shall not require an amendment to this Agreement or notice to or consent of any person; and

(iii) the amount of \$_____, being the principal amount of the portion of the Loan used to pay the costs of the Refunding Project shall be allocated to the authorized but unissued electoral authorization for refunding purposes:

Authorization Used and Remaining From the Election						
Purpose	Principal Amount of Authorization Available	Principal Amount of Authorization Used by the 2013 Loan	Principal Amount of Authorization Used by the 2014 Loan	Principal Amount of Authorization Used by the Loan	Amount of Authorization Contingently Used by Loan	Principal Amount of Authorization Remaining

[the rest of the table to come]

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

WHEREAS, notwithstanding the foregoing, the District, the Authority, and the Developer have entered into an Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated September 25, 2013 (as amended or supplemented from time to time referred to herein as the “**Redevelopment Agreement**”), pursuant to which the Authority has agreed to cause such Debt Service Tax Increment Revenue to be paid to the District, in accordance with the provisions thereof; and

WHEREAS, in connection with the execution and delivery of this Loan Agreement, and in satisfaction of a condition to the funding by the Lender of the Loan, the District has determined to pledge to the payment of the Loan, the proceeds of a public improvement fee imposed in accordance with, and payable to the District pursuant to, the PIF Covenant; and

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

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

WHEREAS, the incurrence of the Loan and the issuance of the Note evidencing the same shall not involve a public offering, and shall be made exclusively with the Lender or other “accredited investors,” as that term is defined under sections 3(b) and 4(2) of the Securities Act of 1933, as amended, by regulation adopted thereunder by the U.S. Securities and Exchange

Commission, and as a result the Loan will be exempt from registration under the Colorado Municipal Bond Supervision Act, being Title 11, Article 59, C.R.S.; and

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

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

ARTICLE I

DEFINITIONS

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

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

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

“*Authorizing Resolution*” means the resolution adopted by the Board on ____, 2016, authorizing the District to, among other things, incur the indebtedness of the Loan and execute and deliver the Note and this Agreement.

“*Base Rate*” means:

(a) with respect to the portion of the Loan represented by the Taxable/Tax-Exempt Note (i) from the date of issuance to the day prior to the Tax-Exempt Reissuance Date, an interest rate of _____% per annum; and (ii) on and after the Tax-Exempt Reissuance Date, an interest rate of _____% per annum; and

(b) with respect to the portion of the Loan represented by the Tax-Exempt Note, an interest rate of ____% per annum.

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

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

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

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

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

“*Closing Date*” means the date on which the Closing occurs, _____, 2016.

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

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

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

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

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

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

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

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

“*Developer*” means Copper Ridge Development, Inc.

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

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

“*Excess PIF Revenue*” means that portion of the Pledged PIF Revenue that is not needed to pay principal of and interest on the Loan in any Loan Year and is released from such lien in accordance with the provisions hereof.

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

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

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

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

“*Limited Mill Levy*” means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount necessary to generate Debt Service Tax Increment Revenue and Debt Service Base Property Tax Revenue sufficient, together with amounts then on deposit in the Loan Payment Fund (at the time of certification of the Limited Mill Levy), the Annual Projected Pledged PIF Revenue (with respect to the Mill Levy Certification Date for which the Limited Mill Levy is then being determined) and, to the extent permitted by subsection (d) of the Section entitled “Reserve Fund”, the amounts on deposit in the Reserve Fund, to pay the principal and interest coming due on the Loan Balance and any Parity Debt in the immediately succeeding calendar year, but not in excess of 50 mills; provided however, that:

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

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

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

"*Loan*" means the loan made by the Lender to the District hereunder in the principal amount of \$[11,250,000].

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

"*Loan Payment Fund*" means the fund by that name established by the provisions of Section 3.02 hereof to be administered and maintained by the District in the manner and for the purposes set forth in Section 3.02 hereof.

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

"*Maturity Date*" means _____, 2036.

"*Maximum Rate*" means 16.00%, the maximum Net Effective Interest Rate permitted by the Election.

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

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

"*Northgate Properties*" means Northgate Properties, LLC.

"*Notes*" means, collectively, the Taxable/Tax-Exempt Note and the Tax-Exempt Note.

"*Participant*" has the meaning set forth in Section 7.01(c) hereof.

"*Payment Date*" means June 1 and December 1 of each calendar year, commencing December 1, 2016, and the Maturity Date.

"*Parity Debt*" means obligations of the District secured by the Pledged Revenue on a parity with the Loan.

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

“*PIF Covenant*” means the Declaration of Covenants Imposing and Implementing Public Improvement Fee recorded September 19, 2012, in the real property records of El Paso County, Colorado at Reception Number 212109234.

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

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

“*Pledged Revenue*” means the following:

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

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

- (a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Loan proceeds, including any intrafund or interfund loan, and amounts due under any reimbursement agreement or other arrangement with third parties pertaining to the Project;
- (e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;
- (f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;

- (g) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of incurring the Loan;
- (j) the costs of amending any resolution or other instrument relating to the Loan or the Project;
- (k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (m) the costs of demolition, removal, and relocation; and
- (n) all other lawful costs as determined by the Board.

“*Project Fund*” means the fund by that name established by the provisions of Section 3.0__ hereof to be administered and maintained by the Lender in the manner and for the purposes set forth in Section 3.0__ hereof.

“*Property Tax Base Amount*” means the amount certified by the Assessor as the valuation for assessment of all taxable property within the Urban Renewal Area last certified by the Assessor prior to the adoption of the Urban Renewal Plan or any modification thereof (\$1,710,360); and provided, however, that in the event of a general reassessment of taxable property in the Urban Renewal Area, the valuation for assessment of taxable property within the Urban Renewal Area shall be proportionately adjusted in accordance with such general reassessment in the manner required by the Act.

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

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

“*Redevelopment Agreement*” means the Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated September 25, 2013, among the District, the Authority, and the Developer.

“*Reserve Fund*” means the fund by that name established pursuant to the provisions of Section 3.0__ hereof to be administered and maintained by the Lender in the manner and for the purposes described therein.

“*Reserve Requirement*” means the amount of \$350,000.

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

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

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

“*Taxable/Tax-Exempt Note*” means the Copper Ridge Metropolitan District Taxable/Tax-Exempt Promissory Note evidencing \$[1,250,000] of the Loan, issued by the District, as maker, to the Lender, as payee, dated as of the date of issuance, and in substantially the form set forth in Exhibit A attached hereto.

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

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

“*Tax-Exempt Note*” means the Castle Oaks Metropolitan District Tax-Exempt Promissory Note, evidencing \$10,000,000 of the Loan, issued by the District, as maker, to the Lender, as payee, dated as of the date of issuance, and in substantially the form set forth in Exhibit A attached hereto.

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

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

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

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

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

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

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

(d) references herein to interest on the Loan or the Notes shall not include Contingent Interest unless otherwise specified or required by the context;

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

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

ARTICLE II

LOAN TERMS, FEES, APPLICATION OF PROCEEDS

Section 2.01. Agreement to Make Loan. The Lender hereby agrees to extend the Loan to the District in the aggregate original principal amount of \$[11,250,000] subject to the terms and conditions of this Agreement. The Loan shall be evidenced by the Notes, which shall be issued to the Lender on the Closing Date.

Section 2.02. Application of Loan Proceeds. On the Closing Date, the Lender will make available the proceeds of the Loan and such moneys shall be applied as follows:

(i) the amount of \$_____ shall be transferred to the Prior Lender to pay the 2013 Loan in full;

(ii) the amount of \$_____ shall be transferred to the Prior Lender to pay the 2014 Loan in full;

(iii) the amount of \$350,000 shall be credited to the Reserve Fund;

(iv) the amount of \$_____ shall be credited to the Project Fund; and

(v) the amount of \$_____ shall be credited to the Costs of Issuance Fund.

Section 2.03. Interest Rate; Interest Payments; Principal Payments

(a) ***Interest Rates.*** The Loan Balance will bear interest at the applicable Base Rate unless the Default Rate applies pursuant to the terms of this Section. All interest due and payable under this Agreement shall be calculated on the basis of a 360-day year of twelve 30-day months. Upon the occurrence of an Event of Default and for so long as such Event of Default continues and remains uncured to the satisfaction of the Lender, the Loan Balance shall bear interest at the Default Rate. Any such Default Rate will apply as of the date of the Default, or as of any later date determined by the Lender in the notice provided by the Lender to the District pursuant to Section 7.01 hereof entitled "Events of Default".

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

(c) **Principal Payments.** Repayment of principal amounts owing on the Notes shall commence on December 1, 2016. Principal payments thereafter shall be made annually on December 1 of each year until the Maturity Date, and on the Maturity Date in accordance with the following schedule. The Loan Balance shall be paid in full on the Maturity Date. Any principal on the Loan remaining unpaid on the Maturity Date shall continue to remain owing, shall accrue interest at the Default Rate, and shall continue to be payable to the extent of Pledged Revenue until paid in full.

Taxable/Tax-Exempt Note	
Principal Payment Date	Principal Amount Due
December 1, 2016	\$
December 1, 2017	
December 1, 2018	
December 1, 2019	
December 1, 2020	
December 1, 2021	
December 1, 2022	
December 1, 2023	
December 1, 2024	
December 1, 2025	
December 1, 2026	
December 1, 2027	
December 1, 2028	
December 1, 2029	
December 1, 2030	
December 1, 2031	
December 1, 2032	
December 1, 2033	
December 1, 2034	
December 1, 2035	
Maturity Date	

Tax-Exempt Note	
Principal Payment Date	Principal Amount Due
December 1, 2016	\$
December 1, 2017	
December 1, 2018	
December 1, 2019	
December 1, 2020	
December 1, 2021	
December 1, 2022	
December 1, 2023	
December 1, 2024	
December 1, 2025	
December 1, 2026	
December 1, 2027	
December 1, 2028	
December 1, 2029	
December 1, 2030	
December 1, 2031	
December 1, 2032	
December 1, 2033	
December 1, 2034	
December 1, 2035	
Maturity Date	

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

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

Section 2.04. Application of Maximum Rate to Interest Differential. If the interest due and payable hereunder is in excess of the amount actually paid by the District as a result of

the Maximum Rate provisions of Section 2.03(d) hereof, the difference between what would have been the interest payable had interest accrued at the applicable interest rate, and the actual interest paid by the District on such obligation (the "**Interest Differential**") shall remain an obligation of the District. If at any time there is an Interest Differential owed to the Lender, any reduction in interest rate that would result from the application of the Maximum Rate to the applicable interest rate shall not reduce the rate of interest below the Maximum Rate until the total amount due has been paid to the Lender as if the applicable interest rate had at all times been utilized.

Section 2.05. Optional Prepayment. The Loan Balance may not be prepaid in whole or in part prior to the first Payment Date following the tenth anniversary of the Closing Date. The Loan may be prepaid in whole or, subject to the consent of the Lender, in part, on the first Payment Date following the tenth anniversary of the Closing Date or on any Payment Date thereafter, at the option of the District, upon payment of par and accrued interest to the date of prepayment, without prepayment fees, premiums, or penalties. Unless the Lender and the District agree otherwise, any partial prepayment shall be applied on a *pro rata* basis to the two Notes in inverse order of maturity; provided that if the Tax-Exempt Reissuance Date has not occurred as of the date of any such partial prepayment, such partial prepayment shall be applied in inverse order of maturity first to the prepayment of the Taxable/Tax-Exempt Note and then to the prepayment of the Tax-Exempt Note.

Section 2.06. Expenses and Attorneys' Fees. In the event that a claim by the Lender is brought against the District relating to this Agreement or any of the other Financing Documents and the Lender prevails in such claim, the District will reimburse the Lender for all reasonable attorneys' and all other consultants' fees and all other costs, fees and out-of-pocket disbursements incurred by the Lender in connection with the preparation, execution, delivery, administration, defense and enforcement of this Agreement or any of the other Financing Documents, including reasonable attorneys' and all other consultants' fees and all other costs and fees (a) incurred before or after commencement of litigation or at trial, on appeal or in any other proceeding; (b) incurred in any bankruptcy proceeding and (c) related to any waivers or amendments with respect thereto (examples of costs and fees include but are not limited to fees and costs for confirming the priority of the Lender's claim on the Pledged Revenue or the funds and accounts established hereunder). The District will also reimburse the Lender for all costs of collection of the Pledged Revenue, including all reasonable attorneys' and all other consultants' fees, before and after judgment. The Lender hereby acknowledges and agrees that due to the limitations of the District's electoral authorization, amounts payable under this Section shall be paid solely from the Pledged PIF Revenue and any such amounts shall be payable as soon as is feasible given the limitations of the timing of receipt of the Pledged PIF Revenue.

Section 2.07. Manner of Payments. All payments to be made hereunder by or on behalf of the District to the Lender shall be made, and shall not be considered made until received, in lawful money of the United States of America in immediately available funds. The District shall make each payment hereunder in the manner and at the time necessary so that each such payment is received not later than 12:00 p.m., Denver time, on the day when due. Any payment received after 12:00 p.m., Denver time, shall be deemed made on the next succeeding Business Day. Subject to Section 2, all payments made hereunder by or on behalf of the District

to the Lender may be applied to amounts due hereunder in such order of priority as the Lender shall elect.

Section 2.08. Pledge. The District hereby assigns, transfers, pledges, hypothecates, delivers and grants to the Lender a first priority security interest in and to the Pledged Revenue and moneys on deposit in the Project Fund, the Loan Payment Fund, and the Reserve Fund to secure the payment of the principal of and interest on the Loan. The Loan shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien and such pledge and lien is provided on a parity with the lien thereon securing payment of any other Parity Debt. The lien of the Lender on the Pledged Revenue shall be subject to no other liens without the prior written consent of the Lender.

ARTICLE III

PLEGGED REVENUE AND LOAN PAYMENT FUND

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

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

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

FIRST: To the credit of the Loan Payment Fund, the amounts required by the Section hereof entitled "Loan Payment Fund" and to the credit of any similar fund or account created with respect any Parity Debt, the amount required pursuant to the documents governing such Parity Debt;

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

THIRD: So long as no Event of Default shall have occurred and be continuing, to the credit of any other fund or account as may be

designated by the District, any Pledged Revenue remaining after the payments and accumulations set forth above and upon credit to such fund or account of the District, any Pledged Revenue so credited shall be released from the lien of this Loan Agreement. Such released Pledged Revenue may be used by the District for any lawful purpose, provided that any Excess PIF Revenue shall be used only in accordance with Section 5.15 hereof.

For purposes of accounting of the Pledged Revenue and identifying the priority of the application of Pledged Revenue, the District shall determine, prior to the transfers described in the “FIRST” clause above, the amount of each type of Pledged Revenue (meaning, Debt Service Base Property Tax Revenue, the Debt Service Tax Increment Revenue, the Specific Ownership Taxes and the Pledged PIF Revenue TIF Revenues) deposited into the Loan Payment Fund and the Reserve Fund in the applicable Loan Year and shall assume that deposits made during such Loan Year to the Loan Payment Fund and the Reserve Fund pursuant to clauses “FIRST” and “SECOND” above were made from the following Pledged Revenue in the following priority: Debt Service Base Property Tax Revenue, the Debt Service Tax Increment Revenue, the Specific Ownership Taxes and the Pledged PIF Revenue.

Section 3.04. Project Fund.

(a) **General.** The Project Fund shall be maintained by the District in accordance with the terms of this Section. Upon adoption by the District of the resolution determining that all Project Costs have been paid, any balance remaining in the Project Fund shall be credited to the Loan Payment Fund. In addition, upon the District's determination that the funds in the Project Fund exceed the amount necessary to pay all Project Costs, such excess amount shall be credited to the Loan Payment Fund in the amounts determined by the District. The Project Fund shall terminate when no further moneys remain therein.

(b) **Draws From Project Fund.** Except as otherwise provided in this Section, amounts in the Project Fund shall be applied to pay properly incurred Project Costs

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

(d) **Use of Unspent Moneys in Project Fund.** Amounts on deposit in the Project Fund on the Maturity Date, if any, shall be applied to the payment of the Loan, except as may be otherwise agreed to in a writing between the Lender and the District.

Section 3.05. Loan Payment Fund.

(a) **General.** There is hereby created and established the Loan Payment Fund, which shall be administered by the District, on behalf of the Lender, in accordance with

the terms of this Agreement. Subject to the receipt of sufficient Pledged Revenue, there shall be credited to the Loan Payment Fund each Loan Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Loan Payment Fund (not including moneys deposited thereto from the Reserve Fund pursuant to the terms hereof), will be sufficient to pay the principal of and interest on the Loan which has or will become due in the Loan Year in which the credit is made. The District shall also credit to the Loan Payment Fund any amount of proceeds of the Loan disbursed to the District in accordance with Section 2.02(a) hereof not applied to costs of issuance as of November 1, 2016.

(b) ***Application of Moneys in Loan Payment Fund.*** Moneys in the Loan Payment Fund (including any interest earnings thereon) shall be used by the District solely to pay principal and interest on the Loan, as set forth herein. On each Payment Date, the District shall transfer amounts on deposit in the Loan Payment Fund to the Lender as follows:

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

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

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

Section 3.06. Reserve Fund

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

(b) ***Application of Moneys in Reserve Fund.*** Moneys in the Reserve Fund shall be used by the District, if necessary, only to prevent a default in the payment of the principal of, and interest on, with respect to the Loan, and the Reserve Fund is hereby pledged to the payment of the foregoing in the manner and priority set forth in this Section. Notwithstanding anything herein to the contrary, moneys in the Project Fund shall be used prior to any use of moneys in the Reserve Fund. In the event the amounts credited to the Loan Payment Fund and the Project Fund are insufficient to pay the principal of and interest on the Loan when due, the District shall transfer from the Reserve Fund to the Loan Payment Fund an amount which, when combined with moneys

in the Loan Payment Fund and the Project Fund, will be sufficient to make such payments when due. In the event that moneys in the Loan Payment Fund, the Project Fund, and the Reserve Fund are together insufficient to make such payments when due, the District will nonetheless transfer all moneys in the Reserve Fund to the Loan Payment Fund for the purpose of making partial payments.

(c) ***Maintenance of the Reserve Requirement.*** Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund shall be maintained in the amount of the Reserve Requirement for so long as the Loan is outstanding, provided that the foregoing shall not prevent the amounts in the Reserve Fund from being used in whole or in part to fund the payment or defeasance of the entire Loan. If at any time the Reserve Fund is drawn upon so that the amount of the Reserve Fund is less than the Reserve Requirement, then the District shall deposit to the Reserve Fund amounts sufficient to bring the amount credited to the Reserve Fund to the Reserve Requirement. Such deposits and payments shall be made at the earliest practicable time, but in accordance with and subject to the limitations of Section hereof entitled "Flow of Funds", and nothing herein shall be construed as requiring the District to impose an ad valorem mill levy in excess of the Limited Mill Levy. The amount credited to the Reserve Fund shall never exceed the amount of the Reserve Requirement, and any such excess moneys shall be deemed to be in the Loan Payment Fund.

(d) ***Application of the Reserve Fund on the Maturity Date.*** Amounts on deposit in the Reserve Fund on the Maturity Date, if any, shall be immediately applied to the payment of the Loan, except as may be otherwise agreed to between the Lender and the District. The availability of such amount shall be taken into account in calculating the Limited Mill Levy certified in December 2035.

(e) ***Moneys Held In Loan Payment Fund.*** Moneys to be held in the Reserve Fund shall be held in a depository account maintained with Community Banks of Colorado, a division of NBH Bank, and invested in accordance with Section ___ hereof.

Section 3.07. Costs of Issuance Fund. The Costs of Issuance Fund shall be held and disbursed by the District in accordance with this Section. The District shall disburse amounts in the Costs of Issuance Fund for the payment of the fees, costs, and expenses incurred in connection with the Loan pursuant to invoices provided to the District. On November 1, 2016, the District shall transfer all amounts then remaining, if any, in the Costs of Issuance Fund to the Loan Payment Fund, and the Costs of Issuance Fund shall thereupon be terminated.

ARTICLE IV

CONDITIONS TO CLOSING

Section 4.01. Conditions to Loan Closing. The execution and delivery of this Agreement by the Lender, funding of the Loan is conditioned upon the satisfaction of each of the following on or prior to the Closing Date:

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

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

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

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

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

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

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

(h) ***Certificate of the Authority.*** The Lender shall have received a certificate executed by authorized representatives of the Authority to the effect that the Redevelopment Agreement was duly authorized and executed and constitutes an enforceable agreement of the Authority, and that the Urban Renewal Plan was duly and properly adopted by the governing body of the Authority, and has not been rescinded, revoked or amended since such adoption and remains in full force and effect, and otherwise in form and substance satisfactory to the Lender and its counsel.

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

(j) ***Other Certificates and Opinions.*** The Lender shall have received certificates of authorized representatives of all parties to the Financing Documents with respect to such matters as the Lender may require, or opinions of counsel as the Lender may require, all in form and substance satisfactory to the Lender and its counsel.

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

(l) ***District Due Diligence.*** The Lender and its counsel shall have been provided with the opportunity to review all agreements, documents, and other material information relating to the District, the Pledged Revenue, the 2013 Loan, the 2014 Loan, and the District's ability to perform its obligations under this Agreement and the other Financing Documents to which the District is a party.

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

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

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

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS OF DISTRICT

While any part of the Loan is available for disbursement or any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the District continuously warrants, covenants and agrees as follows:

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

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

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

and will be valid and enforceable obligations of the District according to the terms thereof and hereof.

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

Section 5.05. Proper Books and Records. The District shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to the District, the Pledged Revenue, and all of the funds and accounts established or maintained pursuant to any of the Financing Documents. The District shall (a) maintain accounting records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; (b) provide the Lender with such information concerning the business affairs and financial condition (including insurance coverage) of District as the Lender may reasonably request; and (c) without request, provide the Lender with the information set forth in Section 5.06 hereof.

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

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

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

(iii) on the earlier of (A) two weeks following its completion or (B) 210 days after the end of the prior Fiscal Year, a copy of unqualified audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, in reasonable detail and audited by a firm of independent certified public accountants selected by the District, which financial statements shall include, without limitation, a balance sheet of the District as of the end of the immediately preceding Fiscal Year and the related statements of revenues, expenditures and changes in fund balance for the immediately preceding Fiscal Year (which covenant shall apply notwithstanding any State law audit exemptions that may exist or any different time requirements for the completion of such audit under State law);

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

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

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

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

(a) For the purposes of funding the principal and interest due on the Loan (collectively, the “**Annual Debt Requirements**”), the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2014 to 2035 inclusive (and, to the extent necessary to make up any overdue payments on the Loan, in each year subsequent to 2035) in the amount of the Limited Mill Levy; **provided, however, that in no event may the District impose an ad valorem property tax for the payment of this Note after December 2053 (for collection in calendar year 2054).** Nothing herein shall be construed to require the District to levy an ad valorem property tax for the aforementioned purposes in excess of the Limited Mill Levy.

(b) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board to the Board of County Commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purposes of paying the Annual Debt Requirements.

(c) The amounts necessary to pay all costs and expenses incidental to effecting the transactions contemplated under the Financing Documents and paying the Annual Debt Requirements are hereby appropriated for said purposes, and such amounts as appropriated for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until

the Loan has been fully paid, satisfied, and discharged and the Note and this Agreement are no longer in effect.

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

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

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

Section 5.10. Additional Debt. The District shall not be permitted to issue any obligation secured by a pledge of ad valorem property taxes of the District (including tax increment revenues payable to the District under the Redevelopment Agreement in accordance with the provisions thereof) or any part of the Pledged Revenue without the consent of the Lender.

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

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

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

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

Section 5.15. Application of Excess PIF Revenue. Any Excess PIF Revenue released to the District pursuant to clause "THIRD" of Section 3.02 hereof may be applied by the District only to pay due and payable PIF Eligible Cost and any other costs permitted by the PIF

Covenant. The District shall retain records of the PIF Eligible Costs and other costs permitted by the PIF Covenant to which any such Excess PIF Revenue are applied.

Section 5.16. Tax-Exempt Reissuance of Taxable/Tax-Exempt Note. It is understood and agreed that the Taxable/Tax-Exempt Note shall be initially issued bearing Taxable Interest, which interest is included in the gross income of the recipient for federal income tax purposes. On and after the Tax-Exempt Reissuance Date, if any, the Taxable/Tax-Exempt Note shall be deemed reissued bearing Tax-Exempt Interest. The issuance of a Tax-Exempt Reissuance Opinion is a condition precedent to the occurrence of any Tax-Exempt Reissuance Date. If such condition precedent is not satisfied, there will be no Tax-Exempt Reissuance Date, the Taxable/Tax-Exempt Note will continue to bear Taxable Interest, and the interest thereon will be included in the gross income of the recipients thereof for federal income tax purposes. Notwithstanding the foregoing, the District covenants to request, not more than forty-five (45) days nor less than fifteen (15) days prior to June 1, 2017, that Special Counsel deliver Tax-Exempt Reissuance Opinion on June 1, 2017. Such request shall be made in writing to Special Counsel with a copy delivered to the Lender. Any failure by the District to make such request shall constitute an Event of Default under Section 8.01(c) hereof. The making of such request by the District shall not obligate Bond Counsel to deliver a Tax-Exempt Reissuance Opinion.

Section 5.17. Tax Covenants.

(e) The provisions of this Section will be applicable to the Tax-Exempt Note from the Closing Date and shall be applicable to the Taxable/Tax-Exempt Note only if and as of the date a Tax-Exempt Reissuance Opinion is issued.

(f) 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 Notes to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (2) would cause interest on the Notes 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 Notes to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.

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

(h) 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 Notes from time to time. The payment of such rebate amounts as required by this paragraph supersedes all other provisions of this Agreement concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys set aside to pay such rebate amounts pursuant to this paragraph are not subject to any lien created hereunder for the benefit of the Lender. This covenant shall survive the payment in full or the defeasance of the Notes.

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

(j) 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 Notes.

Section 5.18. Indemnification. The District agrees, to the extent permitted by law, to indemnify and hold harmless the Lender and its agents, employees, officers, directors, and controlling Persons, together with any Participant and its agents, employees, officers, directors, and controlling Persons (hereinafter collectively referred to in this Section as the "**Indemnitees**") from and against any and all claims, damages, liabilities, settlements, judgments, losses, legal fees, and costs or expenses incurred (including all reasonable fees and disbursements of the Indemnitees' legal counsel and allocated cost of in house counsel and staff and all of the Indemnitees' reasonable travel and other out of pocket expenses incurred in connection with the investigation of and preparation for any such pending or threatened claims and any litigation and other proceedings arising therefrom) arising out of or based upon (a) the Loan; or (b) the holding or owning by the Lender, the Participant, or their respective nominees of any Pledged Revenue; or (c) any matters for which neither the Lender nor any Participant has any liability as set forth under the Section hereof entitled "No Liability"; provided however, that the District shall not be required to indemnify the Indemnitees for any claims, damages, losses, liabilities, settlements, judgments, legal fees, or costs or expenses to the extent proven to be caused by the Lender's willful or negligent failure to make lawful payment under the Loan. Nothing in this Section is intended to limit the District's obligations contained in Article II hereof.

If any action, lawsuit, or claim shall be brought or asserted against the Indemnitees in respect of which indemnity may be sought by the Indemnitees from the District under this Section, the Indemnitees shall promptly notify the District in writing, and the District shall promptly assume the defense thereof, including, but not limited to, the employment of counsel (the selection of which has been approved by the Indemnitees and such approval shall not be unreasonably withheld), the payment of all legal fees and expenses and the right to negotiate and consent to settlement; provided however, that the District shall not settle any such action which may adversely affect the Lender without the Lender's written consent, which consent shall not be unreasonably withheld.

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

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

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

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

ARTICLE VI

LENDER'S REPRESENTATIONS

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

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

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

Section 7.02. Remedies on Occurrence of Event of Default.

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

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

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

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

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

(c) **Application of Default Rate.** Upon occurrence and during the continuation of an Event of Default, the Lender may impose the Default Rate.

[Upon the District's failure to pay principal of, or interest on, the Loan when due, the Lender may impose the Default Rate on the Loan until the District becomes current on such payments of debt service, provided however, that application of such Default Rate to the Loan shall not make such non-payment an Event of Default hereunder.]

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

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

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

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

ARTICLE VIII

MISCELLANEOUS

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

Section 8.02. Assignment; Participation. This Loan Agreement shall not be assignable by either party without the prior written consent of the other party hereto. Notwithstanding the foregoing, the Lender's right to receive payments hereunder and the Note may be sold, transferred or conveyed only in minimum denominations of \$100,000 and only to "accredited investors" within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and

Exchange Commission under the Securities Act of 1933, as amended, who have executed an investor letter in the form attached as Exhibit B hereto. Furthermore, any participation of the Loan shall not be subject to the consent of the District but shall be subject to the limitations in the immediately preceding sentence, including execution of an investor letter by the participant.

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

Section 8.04. Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid; (b) received by overnight delivery service; (c) received by telex; (d) received by telecopy; (e) received through the internet; or (f) when personally delivered at the following addresses:

If to the District:

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

with copies to:

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

To Lender:

Section 8.05. Payments. Payments due on the Loan shall be made in lawful money of the United States.

Section 8.06. Applicable Law and Jurisdiction; Interpretation; Severability. This Agreement will be governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Agreement will not affect any other provision. THE DISTRICT AND THE LENDER HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN EL PASO COUNTY, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTE, OR THE PLEDGED REVENUE OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Agreement will affect the Lender's rights to serve process in any manner permitted by law. This Agreement, the other Financing Documents and any amendments hereto (regardless of when executed) will be deemed effective and accepted only at the Lender's offices, and only upon the Lender's receipt of the executed originals thereof. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

Section 8.07. Copies; Entire Agreement; Modification. The District hereby acknowledges the receipt of a copy of this Agreement and all other Financing Documents.

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

Section 8.08. Waiver of Jury Trial. THE DISTRICT AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. EACH OF THE DISTRICT AND THE

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

Section 8.09. Attachments. All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 8.10. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board of the District, or any officer or agent of the District, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the District and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Loan or Note. Such recourse shall not be available either directly or indirectly through the Board of the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfers, the Lender and any person purchasing or accepting the transfer of the obligations representing the Loan specifically waives any such recourse.

Section 8.11. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Loan Agreement is entered into and the Note is issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note and the Loan Agreement after delivery for value.

Section 8.12. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Note or the Loan Agreement shall be commenced more than 30 days after the authorization of the Note and the Loan Agreement.

Section 8.13. Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note, and the Authorizing Resolution. The amounts pledged to the payment of the Note and the Loan Agreement shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority and be perfected without any additional action required to be taken by the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens. THE LOAN SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE CITY, AND THE FAITH AND CREDIT OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE LOAN.

Section 8.14. No Third Party Beneficiaries. The parties intend that there shall be no third party beneficiaries to this Loan Agreement.

Section 8.15. Payment on Non-Business Days. Except as provided herein, whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the amount due.

Section 8.16. Termination. This Agreement shall terminate at such time as no amounts are due and owing to the Lender hereunder.

[The remainder of this page intentionally left blank]

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

LENDER

NBH BANK

By _____
Authorized Officer

DISTRICT

COPPER RIDGE METROPOLITAN DISTRICT

By _____
President

Attest:

By _____
Secretary

[Signature Page to Loan Agreement]

EXHIBIT A

FORM OF TAXABLE/TAX-EXEMPT NOTE

THIS NOTE MAY BE SOLD, TRANSFERRED OR CONVEYED ONLY TO “ACCREDITED INVESTORS” WITHIN THE MEANING OF RULE 501(A) OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WHO HAVE EXECUTED AN INVESTOR LETTER IN THE FORM ATTACHED AS APPENDIX C TO THE LOAN AGREEMENT.

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

TAXABLE/TAX-EXEMPT PROMISSORY NOTE

US \$ _____, 2016

FOR VALUE RECEIVED, COPPER RIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as “Maker”), promises to pay to the order of NBH BANK, its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee, or such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal sum of _____ AND 00/100 U.S. DOLLARS (US \$ _____) or, if less, the aggregate principal amount of all Advances made by the Lender pursuant to the terms of the Loan Agreement, dated as of _____, 2016, by and between Maker and Payee (as amended or supplemented from time to time, the “Loan Agreement”) (this “Note”), pursuant to the terms of the Loan Agreement, in lawful money of the United States of America, but solely to the extent of Pledged Revenue available therefor in accordance with the Loan Agreement. Unless and until otherwise designated in writing by Payee to Maker, all payments hereunder shall be made to Payee in accordance with the Loan Agreement.

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

BY ACCEPTANCE OF THIS INSTRUMENT, THE OWNER OF THIS NOTE AGREES AND CONSENT TO ALL LIMITATIONS IN RESPECT OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS LOAN CONTAINED HEREIN, IN THE LOAN AGREEMENT, IN THE RESOLUTION OF THE DISTRICT

AUTHORIZING ISSUANCE OF THIS NOTE AND IN THE SERVICE PLAN OF THE DISTRICT.

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

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

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

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

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

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

COPPER RIDGE METROPOLITAN DISTRICT

By: _____

Name:

Title:

[SEAL]

Attest:

By _____

[Signature Page to Promissory Note]

FORM OF TAX-EXEMPT NOTE

THIS NOTE MAY BE SOLD, TRANSFERRED OR CONVEYED ONLY TO “ACCREDITED INVESTORS” WITHIN THE MEANING OF RULE 501(A) OF REGULATION D PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WHO HAVE EXECUTED AN INVESTOR LETTER IN THE FORM ATTACHED AS APPENDIX C TO THE LOAN AGREEMENT.

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

TAX-EXEMPT PROMISSORY NOTE

US \$ _____, 2016

FOR VALUE RECEIVED, COPPER RIDGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as “Maker”), promises to pay to the order of NBH BANK, its successors and assigns (hereinafter referred to as “Payee”), at the office of Payee or its agent, designee, or assignee, or such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal sum of _____ AND 00/100 U.S. DOLLARS (US \$ _____) or, if less, the aggregate principal amount of all Advances made by the Lender pursuant to the terms of the Loan Agreement, dated as of _____, 2016, by and between Maker and Payee (as amended or supplemented from time to time, the “Loan Agreement”) (this “Note”), pursuant to the terms of the Loan Agreement, in lawful money of the United States of America, but solely to the extent of Pledged Revenue available therefor in accordance with the Loan Agreement. Unless and until otherwise designated in writing by Payee to Maker, all payments hereunder shall be made to Payee in accordance with the Loan Agreement.

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

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

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

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

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

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

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

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

COPPER RIDGE METROPOLITAN DISTRICT

By: _____

Name:

Title:

[SEAL]

Attest:

By _____

[Signature Page to Promissory Note]

EXHIBIT B

FORM OF INVESTOR LETTER

Copper Ridge Metropolitan District

Ladies and Gentlemen:

[to be provided]

[Signature appears on following pages]

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

[LENDER]

By: _____
Authorized Signatory

