
FINANCING AGREEMENT

among

CITY OF COLORADO SPRINGS, COLORADO,
as Issuer

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

and

BRADLEY RIDGE APARTMENTS LP,
as Borrower

relating to

 \$[PAR]
 City of Colorado Springs, Colorado
 Multifamily Housing Revenue Bonds
 (Bradley Ridge Apartments Project)
 Series 2025

Dates as of [_____ 1], 2025

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT (this “Agreement”) dated as of [FIRST DAY OF MONTH OF CONVERSION DATE], is among the **CITY OF COLORADO SPRINGS, COLORADO**, a municipal corporation duly organized and existing as a home-rule city under Article XX of the Constitution of the State of Colorado (the “State”) and the home rule charter of the City of Colorado Springs, Colorado (the “Charter”) (together with any successors and assigns, the “Issuer”), **BRADLEY RIDGE APARTMENTS LP**, a Colorado limited partnership (together with any successors and assigns, “Borrower”), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association (together with any successors and assigns, “Trustee”), not in its individual or corporate capacity, but solely as Trustee under the Indenture.

ARTICLE I

INCORPORATION OF RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Incorporation of Recitals. The Recitals to the Indenture (as defined herein) are incorporated into and made a part of this Agreement.

Section 1.02. Definitions. All capitalized terms used in this Agreement have the meanings given to those terms in the Indenture or elsewhere in this Agreement unless the context or use clearly indicates a different meaning.

Section 1.03. Rules of Construction. The rules of construction set forth in Section 1.02 of the Indenture shall apply to this Agreement in their entirety, except that in applying such rules, the term “Agreement” shall be substituted for the term “Indenture”.

ARTICLE II

THE LOAN

Section 2.01. Amount and Source of Loan. The Issuer has previously authorized the issuance of the 2025 Bonds in the aggregate principal amount of \$[_____] pursuant to the Initial Indenture and loaned the proceeds thereof to the Borrower pursuant to the terms of the Loan Agreement dated as of [_____] 1, 2025 (the “Initial Loan Agreement”) between the Issuer and the Borrower. The Loan was evidenced by that certain Promissory Note from the Borrower to the Issuer dated [_____] 2025 (“Original Note”). The Issuer endorsed the Original Note to the Trustee, without recourse and subject to Reserved Rights, as security for the 2025 Bonds. The Issuer has authorized the execution and delivery of that certain Trust Indenture between the Issuer and the Trustee dated as of [FIRST DAY OF MONTH OF CONVERSION DATE] (the “Indenture”) to replace the Initial Indenture and govern the terms of the Bonds for the remaining term thereof, and the execution and delivery of this Financing Agreement to replace the Loan Agreement to govern the terms and conditions of the Loan for the remaining term thereof. [The Trustee has endorsed the Original Note back to the Issuer and the Original Note has been amended and restated by that certain Amended and Restated Note dated as of [_____] (the “Note”). The Issuer has endorsed the Note to the Trustee and Fannie Mae, as their interests may appear.]

The Note and the Borrower's obligations to reimburse Fannie Mae are secured by the Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated [] ("Security Instrument"). The Borrower accepts the Loan from the Issuer upon the terms and conditions set forth in this Agreement, the Note, the Security Instrument and the other Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Loan Fund as provided in the Indenture. The Borrower has applied the proceeds of the Loan to pay the costs of the acquisition, rehabilitation, renovation, construction, equipping and permanent financing for an approximately 336-unit multifamily rental housing development known or to be known as Bradley Ridge Apartments, together with any functionally related and subordinate facilities, located at the [southwest corner of Bradley Ridge Drive and Bradley Landing Boulevard, Colorado Springs, Colorado 80925].

Section 2.02. Note and Security Instrument. The Loan shall be evidenced by, payable in accordance with, and bear interest at the rates and on the terms provided in, the Note and secured by the Security Instrument.

Section 2.03. Reserved.

Section 2.04. Credit Facility. The Borrower agrees to cause credit enhancement for the Loan or the Bonds and support for the tender of Bonds to be in effect in the amounts and during the periods as required by the Indenture. From time to time, the Borrower may arrange for the delivery to the Trustee of one or more Replacement Credit Facilities (as defined in the Indenture) meeting the requirements of the Indenture in substitution for the Credit Facility then in effect.

Section 2.05. Payment of Fees, Costs and Expenses. The Borrower shall pay when due, without duplication, the fees, expenses and other sums specified in this Section.

(a) ***Fees Due at Closing.*** The Borrower shall pay or provide for the payment of all Costs of Issuance and the Trustee's acceptance fee, if any, on the Closing Date.

(b) ***Third Party Fees.*** The Borrower shall pay the Third Party Fees on a monthly basis or as otherwise applicable. Each monthly payment shall be in an amount equal to the aggregate of all of the Third Party Fees prorated monthly so that the Trustee shall have the full amount of each fee available in the Fees Account to pay each Third Party Fee as it falls due without regard to whether any Third Party Fee is payable monthly, annually or on any other periodic basis. The Third Party Fees are as follows:

(i) ***Issuer Fees.*** The Issuer's Administrative Fee and the other Issuer Fees and Expenses, and any other reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, and consultants selected by the Issuer to act on its behalf in connection with the Bond Documents, or the Bonds, including, without limitation, any and all reasonable expenses incurred: (i) in connection with the authorization, issuance, sale and delivery of the Bonds, (ii) in connection with any litigation which may at any time be instituted involving the Bond Documents, or the Bonds or any of the other documents contemplated thereby, (iii) in connection with any amendment or modification of this Agreement, any Bond Documents or any related documents, or the reasonable supervision or inspection of the Borrower,

its properties, assets or operations, (iv) in connection with any debt reporting or other requirements applicable to the Issuer required by law or a governmental authority, or (v) or otherwise in connection with the administration of the foregoing. This obligation shall remain valid and in effect notwithstanding repayment of the Loan hereunder or termination of this Agreement.

(ii) *Trustee*. The Trustee's acceptance fee of 4,200, which shall be paid on the Closing Date, the Trustee's Annual Fee of \$4,200, payable in advance on each [May 1], and all advances, out of pocket expenses, fees, costs and other charges reasonably and necessarily incurred by the Trustee under the Indenture and Extraordinary Items.

(iii) *Rebate Analyst*. The annual or other periodic fee of the Rebate Analyst.

(iv) *Rating Agency*. The annual rating maintenance fee of each Rating Agency.

(v) *Extraordinary Items*. The Extraordinary Items.

(vi) *Bond Costs*. All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds.

(vii) *Volume Cap Fees*. All fees of the Department of Local Affairs of the State of Colorado that relate to the Bonds' private activity bond volume cap allocation, if any.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to Section 5.07(b) of the Indenture on account of any insufficiency in the Fees Account.

Section 2.06. Liability for Fees, Costs and Expenses. Neither the Issuer nor the Trustee shall have any obligation to pay any of the fees, costs or expenses referred to in Section 2.05.

Section 2.07. (Reserved).

Section 2.08. Optional Redemption; Redemption Premium. In the event of an optional redemption of Bonds pursuant to Section 3.02 of the Indenture, the Borrower shall timely pay, or cause to be paid (with Available Moneys (except as otherwise permitted by the Indenture)), (a) an amount equal to the unpaid principal balance of the Loan, (b) interest on the Loan to the date of prepayment and (c) interest payable on the Bonds to the Redemption Date. The Borrower shall pay all redemption premiums, if any, payable with respect to each redemption of any of the Bonds. The Borrower shall make each such payment, or cause such payment to be made, in Available Moneys.

Section 2.09. Obligation of the Borrower To Pay Deficiencies. The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

Section 2.10. Borrower's Approval of Transaction Documents. The Borrower acknowledges that it participated in the drafting and negotiation of the Transaction Documents and approves and agrees to each of the provisions of the Transaction Documents. The Borrower agrees that it is bound by, shall adhere to, and shall have the rights set forth by, the Indenture.

ARTICLE III

NATURE OF BORROWER'S OBLIGATIONS; SECURITY FOR OBLIGATIONS

Section 3.01. Obligations of the Borrower Unconditional. To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under this Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (a) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (b) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (c) the existence of any claim, set off, defense or other right which the Borrower may have at any time against the Issuer, the Trustee, the Credit Provider, the Loan Servicer, or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (d) the surrender or impairment of any security for the performance or observance of any of the agreements or terms of any of the Transaction Documents; (e) defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (f) the breach by the Issuer, the Trustee, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (g) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

Section 3.02. Personal Liability of Borrower. The obligations of the Borrower under this Agreement (other than with respect to Section 2.05 and Section 6.01) and under the Regulatory Agreement shall be non-recourse to the Borrower. The obligations of the Borrower under Section 2.05 and Section 6.01 of this Agreement shall be general obligations of the Borrower, with recourse to the Borrower personally, but not to the direct or indirect partners of the Borrower, or the Borrower's officers, directors, employees or agents. The obligations of the Borrower under this Agreement and under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility Documents. Nothing in this Section shall apply to the obligations of the Borrower under any of the Loan Documents.

Section 3.03. Obligations Unsecured. All obligations of the Borrower under this Agreement and under the Regulatory Agreement, including the obligations of the Borrower with

respect to the Reserved Rights, shall not be secured by the Security Instrument and shall not constitute a lien on the Mortgaged Property in any manner.

Section 3.04. Certain Obligations Personal to the Borrower. No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or this Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Issuer nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Issuer. The Issuer represents and warrants that:

(a) a municipal corporation duly organized and existing as a home-rule city under Article XX of the Constitution of the State of Colorado and the home rule charter of the City of Colorado Springs, Colorado.

(b) The Issuer has duly adopted the Bond Ordinance, and the Bond Ordinance has not been terminated, rescinded, canceled, revoked, vacated, amended, supplemented or otherwise modified since the date of its adoption and is and has been since the date of its adoption in full force and effect.

(c) The Issuer has complied with the Act, the Supplemental Act, the Bond Ordinance, and the constitution and laws of the State that are prerequisites to the closing of the transactions provided for in the Issuer Documents.

(d) The issuance of the Bonds to provide funding for the Loan is intended to serve the public interest and will further the purposes of the Act including the provision of decent, safe and sanitary rental housing units that substantially benefits persons of low income; to accomplish the foregoing, the Issuer intends to issue the Bonds on the terms set forth in the Indenture and to use the proceeds derived from the sale of the Bonds as specified in the Indenture and this Agreement.

(e) The Bonds have been duly executed and delivered by the Issuer, and upon authentication by the Trustee, will constitute valid and binding special limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) The Issuer has the full legal right, power and authority to execute and deliver the Issuer Documents, and to carry out its obligations under each of those

documents. The issuance of the Bonds and the execution, delivery and performance of the Issuer Documents have been duly authorized by the Issuer. Each of the Issuer Documents has been duly executed and delivered by the Issuer, and, upon execution and delivery by the other party or parties to the Issuer Documents, is a valid and binding limited obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(g) To the best knowledge of the Issuer, neither the execution and delivery of, nor the fulfillment of or compliance with the terms or conditions of, the Issuer Documents violates the constitution or laws of the State or any judgment, order, writ, injunction or decree to which the Issuer is subject, or conflicts in any material respect with, or results in a material breach of, or material default under, any agreement or instrument to which the Issuer is now a party or by which it is bound.

(h) Except as otherwise provided in the Initial Indenture, Indenture and the Assignment, the Issuer has not created any debt, lien or charge upon the Trust Estate, and has not made any pledge or assignment of or created any encumbrance on the Trust Estate.

(i) To the best knowledge of the Issuer, no litigation or administrative action of any nature is pending against the Issuer (i) seeking to restrain or enjoin the issuance of the Bonds or the execution and delivery of the Issuer Documents, (ii) questioning the proceedings or authority relating to the Bonds or any other Issuer Document or (iii) questioning the existence or authority of the Issuer or that of its present or former members or officers and, to the best knowledge of the Issuer, none of the foregoing is threatened.

(j) The Bonds are being issued under the Indenture, and are secured by the Trust Estate. Under the Indenture the Issuer's interest in this Agreement (other than the Reserved Rights) and the revenues and receipts to be derived by the Issuer pursuant to this Agreement, are pledged and assigned without recourse to the Trustee as security for payment of the principal of and interest and any premium on the Bonds.

(k) It is expressly acknowledged that the Issuer makes no representation as to the financial position or business condition of the Borrower and does not represent or warrant as to any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made and furnished by the Borrower in connection with the sale of the Bonds, or as to the correctness, completeness or accuracy of such statements.

(l) No representations, warranties or covenants are made by the Issuer other than those expressly set forth herein. Without limitation of the foregoing, the Issuer has not and does not make any warranty, either express or implied, that the proceeds of the loan under the Initial Loan Agreement or this Financing Agreement have been or will be sufficient to pay all of the costs of the acquisition, rehabilitation, renovation, construction and equipping of the Project. No representation is made as to compliance with any state securities or "blue sky" laws.

Section 4.02. Representations and Warranties of the Borrower. The Borrower hereby confirms all representations, warranties and covenants contained in the Initial Loan Agreement, the Regulatory Agreement and the Tax Certificate as of the Initial Closing Date and as of the Closing Date.

The Borrower agrees that if the Borrower should pay any cost relating to the acquisition, rehabilitation, renovation, construction and equipping of the Project, the Borrower shall not be entitled to any reimbursement therefor from the Issuer other than reimbursement from proceeds of the Bonds to the extent permitted to be allocated to reimbursement expenditures under the terms of the Indenture and the Tax Certificate. In the event such proceeds are insufficient to pay all costs of closing the loan and financing the Project, the Borrower shall cause the payment of such additional costs of closing the loan and financing the Project to be made on its behalf as such amounts become due.

ARTICLE V

COVENANTS OF THE BORROWER

Section 5.01. Compliance With Laws. The Borrower will comply with all laws, ordinances, regulations and requirements of all duly constituted public authorities which may be applicable to the Mortgaged Property and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases (as such term is defined in the Security Instrument). The Project constitutes a “project” as such term is defined in the Act, and the Borrower will continue to cause the Project to operate at all times during the term of this Financing Agreement so as to qualify as a “project” as defined in the Act. The Borrower also will comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. The Borrower will at all times maintain records sufficient to demonstrate compliance with the provisions of this Section. The Borrower will take appropriate measures to prevent, and will not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by the Security Instrument. The Borrower represents and warrants that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity. Nothing contained in this Section is intended to modify or limit any provisions of the Regulatory Agreement or any Loan Document.

Section 5.02. Maintenance of Legal Existence. The Borrower will maintain its existence, continue to be duly qualified to do business in the State and will not terminate or dissolve. With the prior written consent of the Issuer, the Borrower may consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, but subject to the satisfaction of the following conditions: (a) the entity resulting from or surviving such merger or consolidation (if other than the Borrower) (“Surviving Entity”) is duly organized and existing in good standing and qualified to do business in the State, (b) if the Borrower does not survive the consolidation or merger, the Surviving Entity expressly assumes in writing all of the Borrower’s obligations under this Agreement and the other Borrower Documents and (c) the Borrower delivers

an opinion of Bond Counsel to the effect that such consolidation or merger will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Section 5.03. Access to Mortgaged Property and Records. Subject to reasonable written notice, the Issuer and the Trustee and the respective duly authorized agents of each have the right, during normal business hours, to enter the Mortgaged Property and any location containing records relating to any of the Borrower, the Mortgaged Property, the Loan and the Transaction Documents, to inspect, audit and make copies of the Borrower's records or accounts pertaining to the Borrower, the Mortgaged Property, the Loan, the Transaction Documents, and the Borrower's compliance with the Transaction Documents, and to require the Borrower, at the Borrower's sole expense, to furnish such documents to the Issuer and the Trustee, as the Issuer or the Trustee from time to time deems reasonably necessary in order to determine that the Borrower is in compliance with the Transaction Documents and to make copies of any records that the Issuer or the Trustee, or their respective duly authorized agents, may reasonably require. The Borrower will make available to the Issuer and the Trustee such other information concerning the Borrower, the Mortgaged Property, the Loan and the Transaction Documents as any of them may reasonably request.

Section 5.04. Reports and Information. The Borrower will file such certificates and other reports with the Issuer and the Trustee as are required by the Transaction Documents. The Borrower will provide to the Issuer all information necessary to enable the Issuer to complete and file all forms and reports required by the laws of the State and the Code in connection with the Mortgaged Property and the Bonds.

Section 5.05. Tax Covenants. It is the intention of the parties hereto that interest on the Bonds (other than with respect to interest on any portion of the Bonds for a period during which such portion of the Bonds is held by a "substantial user" or "related person" to a "substantial user" within the meaning of Section 147(a) of the Code) shall be and remain excludable from gross income for federal income tax purposes, and, to that end, the covenants and agreements of the Borrower in this Section are for the benefit of the Issuer and the Trustee on behalf of and for each and every holder of the Bonds. The Borrower covenants that it has complied with and will continue to comply with the requirements and conditions of the Tax Certificate and the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(a) the Borrower will not use the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, in any way which will cause the Bonds to be "arbitrage bonds" within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds;

(b) the Borrower will prepare and file any statements required to be filed by it in order to maintain such exclusion; and

(c) the Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Borrower acknowledges that in the event of an examination of the Bonds by the Internal Revenue Service (the “Service”) to determine compliance of the Bonds with the provisions of the Code as they relate to tax-exempt obligations, the Issuer is likely to be treated as the “taxpayer” in such examination. The Borrower agrees, upon written notification by the Issuer, that the Borrower (a) will respond to any inquiries from the Service in connection with such examination; and (b) upon written request of the Issuer, will reimburse the Issuer for all expenses incurred by the Issuer, including fees and expenses of counsel (and, upon request, will provide in advance a cash deposit in the amount of the reasonably anticipated expenses to be incurred by the Issuer) in connection with such examination of the Bonds by the Service, or will directly pay the costs of any such examination. The Issuer covenants that it will promptly notify the Borrower of any inquiry or examination by the Service relating to the Bonds and will cooperate with the Borrower, at the Borrower’s sole expense, in connection with any such inquiry or examination. The Borrower understands and agrees that the interests of the Issuer and the Borrower in any such examination may differ and that the existence of the examination may be subject to public disclosure by the Issuer under the open records laws of the State.

The Borrower irrevocably authorizes and directs the Issuer, the Trustee and any other agent designated by the Issuer to make payment of such amounts from funds of the Borrower, if any, held by the Issuer, the Trustee, or any agent of the Issuer or the Trustee. The Borrower further covenants and agrees that the Loan is to be treated as a “program investment” as defined in Treasury Regulation Section 1.148-1(b), and pursuant to such requirements, it (or any related person contemplated by such regulations) will not purchase Bonds in an amount related to the amount of the Loan.

The requirements stated in this Section 5.05 will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 5.06. Notice of Certain Events. The Borrower will advise the Issuer, the Trustee and any Bondholder owning 100% of the aggregate principal amount of Bonds then outstanding promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Agreement or in any of the other Borrower Documents, or of any Event of Default or Potential Default under this Agreement known to it or of which it has received written notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such default. Such notice shall be given promptly, and in no event less than ten (10) Business Days after the Borrower receives written notice or has actual knowledge of the occurrence of any such event. The Borrower further agrees, that it will give prompt written notice to the Trustee and any Bondholder owning 100% of the aggregate principal amount of Bonds then outstanding if insurance proceeds or condemnation awards are received with respect to the Mortgaged Property.

Section 5.07. Disclosure Agreement. The Borrower shall execute a Disclosure Agreement in the form reasonably acceptable to and provided by Trustee within five (5) Business Days of Borrower's receipt of notice from Trustee that the Bonds have been registered in the name of multiple Bondholders in accordance with Section 2.16 of the Indenture.

Section 5.08. Trust Indenture. The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Note, and this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture. Any provisions governing the rights, immunities and protections of the Issuer and the Trustee under the Indenture are incorporated by reference into this Financing Agreement as being applied to the Issuer and the Trustee, respectively, though fully set forth herein.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Borrower's Obligations. To the fullest extent permitted by law, the Borrower covenants and agrees to indemnify, hold harmless and defend (without limiting the indemnity provided in the Regulatory Agreement) the Issuer Indemnified Persons regardless of whether the Borrower is negligent and the Trustee Indemnified Persons (collectively, the "Indemnified Parties"), against any and all actual fees, costs and charges, losses, damages, demands, claims, judgments, causes of action, suits, taxes (other than income taxes payable by any party as a result of any fees payable to such party in connection with the transaction contemplated hereby), liabilities and expenses of any conceivable nature, kind or character (including, without limitation, reasonable fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law (including federal or state securities laws) or at common law or otherwise, by or on behalf of any person arising from any cause whatsoever, joint and several, to which the Indemnified Parties may incur (or which may be claimed against any of the Indemnified Parties by any person or entity whatsoever) by reason of or in connection with:

(a) this Agreement, the Bonds, the Indenture, the Regulatory Agreement, the Tax Certificate, or the other Bond Documents, or the execution or amendment hereof or thereof or in connection with the transactions contemplated hereby or thereby, including the issuance, sale or resale, remarketing, defeasance or redemption of the Bonds;

(b) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents or any other documents relating to the Project or the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(c) any act or omission of the Issuer or the Borrower or any of their agents, servants, employees or licensees, in connection with the Project or the Bonds, including but not limited to, the Bond Documents;

(d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon;

(e) the approval of financing for the Project or the issuance of the Bonds, or the execution or amendment of any document related thereto;

(f) the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the party seeking indemnification in connection therewith, including, but not limited to, any: (i) statement or information made by the Borrower with respect to the Borrower or the Project in any offering document or materials regarding the Bonds, the Project or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;

(g) the carrying out by the Borrower of any of the transactions contemplated by the Bonds and the Bond Documents or the Borrower's failure to comply with any requirement of this Agreement or the Regulatory Agreement;

(h) any breach or alleged breach by the Borrower of any representation, warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or the other Bond Documents or in connection with any written or oral representation, presentation, report, appraisal or other information given or delivered by the Borrower or its affiliates to the Issuer, the Trustee or any other Person in connection with the Borrower's application for the Loan (including, without limitation, any breach or alleged breach by the Borrower of any agreement with respect to the provision of any substitute credit enhancement), including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default

(i) a Determination of Taxability (as defined in the Regulatory Agreement);

(j) the use of the proceeds of the Loan;

(k) the involvement of any of the Indemnified Parties in any legal suit, investigation, proceeding, inquiry or action as a consequence, direct or indirect, of the

Beneficial Owner's actions taken pursuant to this Agreement or any of the other Bond Documents or any other event or transaction contemplated by any of the foregoing;

(l) the acceptance or administration of the Bond Documents thereunder or the performance of duties under the Bond Documents or any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof, including without limitation any lease thereof or assignment of its interest in this Agreement;

(m) the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, rehabilitation, equipping, installation or construction of, the Project or any part thereof, including any violation of any law, ordinance, court order or regulation affecting the Project or any part of it;

(n) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact by the Borrower made in the course of the Borrower applying for the Loan or contained in any of the Bond Documents to which the Borrower is a party;

(o) any lien or charge upon payments by the Borrower to the Issuer and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project (other than income taxes payable by any party as a result of any fees payable to such party in connection with the transaction contemplated hereby);

(p) any violation or alleged violation of any applicable law or regulation including, without limitation, any environmental law or any inspection, review or testing with respect to, or the release of any toxic substance from, the Project or any part thereof;

(q) the enforcement of, or any action taken by the Issuer or any Indemnified Party, related to remedies under, this Agreement, the Indenture and the other Bond Documents;

(r) any action, suit, claim, proceeding, audit, inquiry, examination, or investigation of a judicial, legislative, administrative or regulatory nature concerning or related to interest payable on the Bonds not being excludable from gross income for purposes of federal income taxation or exempt from state income taxation;

(s) any action, suit, claim or demand contesting or affecting the title of the Project;

(t) the investigation of, preparation for or defense of any litigation, proceeding or investigation in connection with the Project or the transactions to be consummated in connection therewith of any nature whatsoever, commenced or threatened against the Borrower, the Project or any Indemnified Party;

(u) the Trustee's acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under this Agreement or any other agreements in connection therewith to which it is a party;

(v) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Project, or resulting from the acquisition, construction, design, rehabilitation, repair, operation, use or management of all or any part of the Project; and

(w) any brokerage commissions or finders' fees claimed by any broker or other party in connection with the Bonds or the Project; and

(x) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Agreement and the other Bond Documents or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Bonds or the Project.

Notwithstanding anything herein to the contrary, the Borrower's indemnification, defense and hold harmless obligations shall not apply: (i) in the case of the foregoing indemnification, defense and hold harmless of the Indemnified Parties (excluding the Issuer and any Indemnified Parties related to the Issuer, including without limitation, any of its officers, members, city council members, directors, trustees, fiscal agents, counsel, officials, agents and employees) to the extent such damages are caused by the gross negligence or willful misconduct of such Person; or (ii) in the case of the foregoing indemnification, defense and hold harmless of the Issuer or any of its officers, members, city council members, directors, trustees, fiscal agents, counsel, officials, agents and employees, to the extent such damages are caused by the willful misconduct of such Person.

Amounts payable to the Issuer hereunder shall be due and payable five (5) days after demand and will accrue interest at the Interest Rate, commencing with the expiration of the five (5) day period. When the Issuer or the Trustee incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding relating to the Borrower or the Project, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally. The Borrower shall not be liable to the Indemnified Parties under this Section to the extent of any claims, damages, losses, liabilities, costs or expenses incurred by the Indemnified Parties as a result from the Indemnified Parties' willful misconduct or, except the Issuer, the Indemnified Parties' breach of its obligations under the Bond Documents.

To the extent applicable, the indemnification provisions of this section are expressly intended to be enforceable regardless of whether the Borrower alleges or proves the sole, concurrent, contributory or comparative negligence of the Indemnified Parties.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section if such subsequent owner fails to indemnify any party

entitled to be indemnified hereunder, unless such Indemnified Party has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder; provided that, in all events, no subsequent owner of the Project acquiring title as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or this Agreement, including any payment or indemnification obligation.

The indemnification provided in this Section is in addition to, and not in substitution of, the indemnification provisions in other documents executed and delivered in connection with the making of the loans to the Borrower evidenced by this Agreement and the issuance of the Bonds. Nothing in this Section shall in any way limit the Borrower's indemnification and other payment obligations set forth in the Regulatory Agreement.

This indemnification shall not be affected by any investigation by or on behalf of the Issuer or by any information the Issuer may have or obtain with respect thereof. This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim to the fullest extent permitted by law; provided however, that nothing in Section 2.05 shall be deemed to require the Borrower to provide indemnification with respect to liabilities which are found by a court of competent jurisdiction in a non-appealable judgment to have been caused by the willful misconduct of the Issuer or Issuer Indemnified Party.

All amounts payable to the Issuer under this Agreement shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions of this Agreement, and of the Indenture dealing with assignment of the Issuer's rights under this Agreement. The Issuer Indemnified Parties shall not be liable to the Borrower for any reason, except as arising from the willful misconduct of such parties. NOTWITHSTANDING THE FOREGOING, THE ISSUER INDEMNIFIED PARTIES SHALL BE INDEMNIFIED BY THE BORROWER WITH RESPECT TO LIABILITIES ARISING FROM THE GROSS NEGLIGENCE, NEGLIGENCE OR BREACH OF CONTRACTUAL DUTY OF THE ISSUER INDEMNIFIED PARTIES, BUT NOT FOR ANY LIABILITIES ARISING FROM THE WILLFUL MISCONDUCT OF THE ISSUER INDEMNIFIED PARTIES.

Any provision of this Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable federal or State law or regulation or resolution of the Issuer, and (ii) enforce any rights accorded to the Issuer by federal or State law or regulation of the Issuer, and nothing in this Agreement shall be construed as an express or implied waiver thereof. The indemnifications provided by the Borrower shall survive the termination of this Agreement and the satisfaction of the Note, and the resignation or removal of the Trustee.

Section 6.02. Defense of Claims. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Parties shall have the right to review and approve or

disapprove any such compromise or settlement, such approval not be unreasonably withheld, conditioned or delayed. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel.

Section 6.03. Borrower's Continuing Obligations. The obligations of the Borrower under this Article shall survive the termination of this Agreement and the Indenture, the final payment or defeasance of the Bonds, and the resignation or removal of the Trustee. Notwithstanding any transfer of the Mortgaged Property to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Agreement, the payment of the Loan and the payment or defeasance of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

(a) The Borrower fails to pay any amount payable by the Borrower under this Agreement within five (5) business days of when the same is due and payable, provided, however, that for unscheduled payments the non-payment of which would not permit the Trustee to seek an Advance under the Credit Facility, Borrower shall have five (5) business days to make such payment after receipt of notice that such payment is due.

(b) The Borrower fails to observe or perform any covenant or obligation in this Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice from the Trustee specifying such failure and requesting that it be remedied, provided, however, that if the failure cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the validity or enforceability of the Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds, and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under this Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under this Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee and any Bondholder owning 100% of the aggregate principal amount of Bonds then outstanding.

Section 7.02. Remedies Upon an Event of Default. Subject to the Assignment, whenever any Event of Default occurs and is continuing (after expiration of any notice and cure periods) under this Agreement, the Issuer may take one or any combination of the following remedial steps:

- (a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;
 - (b) exercise any of the rights and remedies provided in the Loan Documents;
- and
- (c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

The Investor Limited Partner shall have the right, but not the obligation, to cure any Event of Default on the same terms as provided to the Borrower and any cure tendered by the Investor Limited Partner shall be accepted or rejected as if made by the Borrower directly.

Section 7.03. No Levy or Other Execution Against Mortgaged Property. Neither the Issuer nor the Trustee shall have any right to levy, execute or enforce any judgment in respect of the Borrower's obligations under this Agreement, including the Reserved Rights, against the Mortgaged Property or any other property of the Borrower which secures the obligations of the Borrower under the Loan or to the Credit Provider under any of the Credit Facility Documents.

Section 7.04. Waiver and Annulment. Unless the Credit Provider otherwise consents in writing, neither the Issuer nor the Trustee may waive or annul any Event of Default under this Agreement unless (a) all amounts which would then be payable under this Agreement by the Borrower if such Event of Default had not occurred and was not continuing are paid by or on behalf of the Borrower, and (b) the Borrower also performs all other obligations in respect of which it is then in default under this Agreement and pays the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorneys' fees and expenses paid or incurred in connection with such default. No waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent on such Event of Default.

Section 7.05. No Remedy Exclusive. All rights and remedies provided in this Agreement are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise.

Section 7.06. No Waiver. No delay or omission to exercise any right or power accruing upon any Event of Default under this Agreement shall impair any such right or power or shall be construed to be a waiver of such Event of Default, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 7.07. No Notices. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Article or by any Bond Document.

Section 7.08. Expenses. In the event the Borrower should default under this Agreement and the Issuer employs attorneys or incurs other expenses for the collection of payments under, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in, this Agreement, the Borrower agrees that it will pay, on demand, to the Issuer the reasonable fees of such attorneys and such other expenses so incurred by the Issuer.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notices. All notices, certificates or other communications provided in this Agreement shall be given in writing, and shall be sufficiently given and shall be deemed given if given in the manner provided in Section 13.04 of the Indenture. Copies of each notice, certificate or other communication given under this Agreement by any party shall be given to the other parties. By notice given under this Agreement, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given under this Agreement to the Issuer, the Borrower or the Trustee shall also be given to the Investor Limited Partner, Credit Provider and the Loan Servicer.

Section 8.02. Amendment. No amendment to this Agreement shall be binding upon the parties to this Agreement until such amendment is reduced to writing and executed by such parties; provided, however, that no amendment, supplement or other modification to this Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of Section 8.14. Each such additional amendment under this Section shall be at the sole cost and expense of the Borrower (including attorneys' fees and expenses) and no such additional amendment shall extend the obligations of the Issuer (or impair the benefits to or rights of the Issuer) under any provision of the Bond Documents or any related agreement.

Section 8.03. Entire Agreement. This Agreement is one agreement in a set of agreements, documents and instruments representing an integrated transaction. The agreements, documents and instruments are the Transaction Documents. The Transaction Documents contain all agreements between the parties to the integrated transaction, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among them, unless reference is made in a Transaction Document. Nothing in this Agreement shall relieve the Borrower of its obligations under the Loan Documents and the Credit Facility Documents.

Section 8.04. Binding Effect. This Agreement is a continuing obligation and shall (a) be binding upon each of the parties to this Agreement and their successors and assigns and (b) inure to the benefit of and be enforceable by such parties and their respective successors, transferees and assigns; provided, however, that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Issuer.

Section 8.05. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments to this Agreement and to the other Transaction

Documents contemplated by this Agreement as reasonably may be required to carry out the intention of, or to facilitate the performance of this Agreement, or to perfect or give further assurances of any of the rights granted or provided for in this Agreement.

Section 8.06. Severability. Should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

Section 8.07. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.08. Governing Law; Venue. This Agreement shall be construed, and the obligations, rights and remedies of the parties under this Agreement shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail. Any and all claims, disputes or controversies related to this Agreement or the Note, or breach thereof, shall be litigated in the District Court for El Paso County, Colorado, which shall be the sole and exclusive forum for such litigation.

Section 8.09. Waiver of Jury Trial. THE BORROWER, THE ISSUER AND THE TRUSTEE (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS AGREEMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT NOW EXISTS OR SHALL LATER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE BORROWER, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. FURTHER, THE BORROWER CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ISSUER (INCLUDING, BUT NOT LIMITED TO, THE ISSUER'S COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO THE BORROWER THAT THE ISSUER WILL NOT SEEK TO ENFORCE THE PROVISIONS OF THIS SECTION.

Section 8.10. Certain Provisions Required by the Issuer.*Expenses.* The Borrower shall pay and indemnify the Issuer and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without gross negligence) and arising out of or in connection with the Bond Documents. These obligations and those in Section 6.01 hereof shall remain valid and in effect notwithstanding repayment of the Loan hereunder or termination of this Agreement or the Indenture.

(b) *No Warranty by Issuer.* The Borrower recognizes that, because the components of the Project have been and are to be designated and selected by it, THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT NOR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE

ISSUER MAKES NO REPRESENTATION, COVENANT, AGREEMENT OR WARRANTY, EXPRESS OR IMPLIED: (I) WITH RESPECT TO THE PROJECT OR ANY PORTION THEREOF, INCLUDING, WITHOUT LIMITATION, THEIR VALUE, DESIGN, CONDITION, HABITABILITY, WORKMANSHIP, QUALITY, CAPACITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH ANY LEGAL REQUIREMENTS, LATENT DEFECTS OR THAT THE PROJECT WILL BE ADEQUATE OR SUFFICIENT FOR THE PURPOSES OF THE BORROWER; (II) WITH RESPECT TO THE FINANCIAL POSITION OR BUSINESS CONDITION OF THE BORROWER OR THE PROJECT OR ANY STATEMENTS, MATERIALS, REPRESENTATIONS OR CERTIFICATIONS FURNISHED BY THE BORROWER IN CONNECTION WITH THE BONDS, OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY THEREOF; OR (III) WITH RESPECT TO THE PLANS AND SPECIFICATIONS TO CONSTRUCT THE PROJECT OR THE ADEQUACY OR SUFFICIENCY OF THE FINANCING. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS REQUIRING THE ISSUER TO PROVIDE ANY FINANCING FOR THE PROJECT OTHER THAN THE PROCEEDS OF THE BONDS OR TO PROVIDE SUFFICIENT MONEYS FOR ALL OF THE COSTS OF THE PROJECT.

(c) *No Pecuniary Liability of the Issuer.* No agreements or provisions contained in the Indenture, this Agreement nor any agreement, covenant, or undertaking by the Issuer in connection with the Project or the delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the Trust Estate and other funds and moneys and Security pledged and assigned hereunder (excluding the Reserved Rights). No failure of the Issuer to comply with any term, covenant, or agreement contained in the Bonds, this Agreement, the Indenture, or in any document executed by the Issuer in connection with the Project or the delivery of the Bonds, shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the Trust Estate (excluding the Reserved Rights).

(d) *Agreement by Parties.* It is expressly understood and agreed by the parties to this Agreement that:

(i) The Issuer shall not be under any obligation to perform any record keeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Borrower or such other appropriate party (to the extent required by the Bond Documents),

(ii) None of the provisions of this Agreement shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise endure financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement, the Indenture, the Regulatory Agreement or any Bond Documents unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

(iii) It is recognized that notwithstanding any other provision of this Agreement, neither the Borrower nor the Trustee shall look to the Issuer or the members of its Governing Body, officers, program participants, attorneys, accountants, financial advisors, agents or staff for damages suffered by the Borrower or Trustee as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under this Agreement, the Bonds, the Regulatory Agreement, any of the Bond Documents or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Issuer in any of such documents, nor for any other reason except for representations made by the Issuer in the Indenture, this Agreement and any certificate of the Issuer and the opinion of counsel to the Issuer delivered on the Closing Date.

(iv) All covenants, obligations and agreements of the Issuer contained in this Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any past, present or future commissioner, director, officer, official, agent or employee of the Issuer in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement or in the Indenture. No provision, covenant or agreement contained in this Agreement, the Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Agreement or in any Bonds or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any member of the Governing Body of the Issuer, its officers, officials, attorneys, employees, counsel, financial advisor, or agents, as such, in his or her individual capacity, past, present, or future, or of any successor thereto, whether by virtue of any Constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any member of the Governing Body, officials, attorneys, employees, officers, counsel, financial advisors, or agents, as such, in his or her individual capacity, past, present, or future, of the Issuer or of any successor thereto, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into between the Issuer and the Trustee or the Borrower to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such commissioner, director, official, attorney, employee, officer, counsel, financial advisor, or agent, is, by the execution of the Bonds, this Agreement, and the Indenture, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Agreement, and the Indenture, expressly waived and released.

(e) *No Recourse.* No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or any other Bond Document or any instrument or document executed and delivered by or on behalf of the Issuer in connection with the transactions contemplated hereby, against the Issuer or any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise and all such liability of the Issuer as such is hereby, expressly waived and released as a condition of and consideration for the adoption of the resolution authorizing the execution of the Bond Documents and the issuance of the Bonds and the delivery of other documents in connection with the Indenture and herewith.

(f) *Limitation on Liability of the Issuer's Officers, Employees, Etc.* The Borrower assumes all risks of the acts or omissions of the Issuer. The Issuer or its respective officers, directors, employees, counsel or agents shall not be liable or responsible for: (i) any acts or omissions of the Issuer; or (ii) the validity, sufficiency or genuineness of any documents, or endorsements, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged. In furtherance and not in limitation of the foregoing, the Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, unless acceptance in light of such notice or information constitutes gross negligence or willful misconduct on the part of the Issuer.

The Issuer or any of its respective officers, members, directors, employees, counsel or agents shall not be liable to any contractor, subcontractor, supplier, laborer, architect, engineer or any other party for services performed or materials supplied in connection with the Project. The Issuer shall not be liable for any debts or claims accruing in favor of any such parties against the Borrower or others or against the Project. The Borrower is not and shall not be an agent of the Issuer for any purpose. The Issuer is not a joint venture partner with the Borrower in any manner whatsoever. Prior to default by the Borrower under this Agreement and the exercise of remedies granted herein, the Issuer shall not be deemed to be in privity of contract with any contractor or provider of services to the Project, nor shall any payment of funds directly to a contractor, subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by the Issuer. Approvals granted by the Issuer for any matters covered under this Agreement shall be narrowly construed to cover only the parties and facts identified in any written approval or, if not in writing, such approvals shall be solely for the benefit of the Borrower.

(g) *No Liability of Issuer; No Charge Against Issuer's Credit.* The Issuer shall not be obligated to pay the principal (or prepayment amount) of or interest on the Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith, credit and taxing power of the Issuer is pledged to the payment of the principal (or redemption price) of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this

Agreement, or for the performance of any pledge, obligation or agreement of any kind whatsoever with respect thereto except as set forth in the Indenture.

The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower pursuant to this Agreement, together with investment income on certain funds and accounts held by the Trustee under the Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or prepayment amount) of and interest on the Bonds as the same shall become due (whether by maturity, prepayment, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or prepayment amount) of or interest on the Bonds, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

The Borrower agrees that EACH OF THE BONDS IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM, AND SECURED ONLY BY THE TRUST ESTATE (BUT NOT FUNDS RESULTING FROM THE EXERCISE OF THE RESERVED RIGHTS), AND WHICH SHALL BE USED FOR NO OTHER PURPOSE EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NOT BE A DEBT OR INDEBTEDNESS OF THE ISSUER, THE COUNTY, ANY PUBLIC AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE ISSUER, THE COUNTY, ANY PUBLIC AGENCY, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE FOR PAYMENT OF THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WITH RESPECT THERETO, NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS, ASSETS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED UNDER THE INDENTURE (BUT NOT FUNDS RESULTING FROM THE EXERCISE OF THE RESERVED RIGHTS). THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OR A MULTIPLE FISCAL-YEAR FINANCIAL OBLIGATION WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS WITH RESPECT TO THE BONDS, OR UNDER THE INDENTURE, SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE ISSUER, THE COUNTY ANY PUBLIC AGENCY, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

Section 8.12. Electronic Signature. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (a) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (b) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet

as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 8.13. Electronic Storage. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 8.14. Term of this Agreement. This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds are fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); provided, however, that Sections 2.05 and 5.05 and Articles III and VI shall survive the termination of this Agreement.

Section 8.15. References to the Credit Provider. All provisions in this Agreement regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned (a) if a Wrongful Dishonor has occurred and is continuing, or (b) from and after the date on which the Credit Facility is declared to be null and void by final judgment of a court of competent jurisdiction; provided, however, that the payment of any amounts due to the Credit Provider pursuant to this Agreement shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider. All provisions in this Agreement relating to the rights of the Credit Provider shall be of no force and effect if the Credit Facility has terminated or expired in accordance with its terms and there are no Bonds in which the Credit Provider has a security interest and all amounts owing to the Credit Provider under the Reimbursement Agreement have been paid.

(Remainder of page intentionally left blank.)

The parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives as of the date set forth above.

**CITY OF COLORADO SPRINGS,
COLORADO**

By: _____
Blessing Mobolade
Mayor

Attest:

By _____
Sarah B. Johnson
City Clerk

**BRADLEY RIDGE APARTMENTS LP, a
Colorado limited partnership**

By: Bradley Ridge GP LLC, a Delaware limited
liability company, its General Partner

By _____
Russell Condas, Vice President

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By _____
Authorized Officer, Zions Bank Division

(Signature page to Permanent Period Financing Agreement – *Bradley Ridge Apartments Project*)