COMMITMENT LETTER
Private Placement
Colorado Springs Urban Renewal Authority
Tax-Exempt Note

This Commitment Letter shall serve as a guide for the general terms and structure for a Direct Purchase by Zions Bancorporation, N.A dba Vectra Bank Colorado (the "Bank") of a Private Placement of the Colorado Springs Urban Renewal Authority Series 2019 Tax-Exempt Note. The terms within this Commitment Letter may be amended and adjusted going forward as due diligence on the transaction is completed and new issues or concerns arise regarding covenants, structure, financial ratio levels, and Note mechanics, amortization, etc.

The terms and conditions herein remain subject to formal commitment and final negotiation of the financing documents, which must be negotiated in conformance with state statute, the Bank, and the Colorado Springs Urban Renewal Authority. Therefore, the Bank shall not be liable to the Colorado Springs Urban Renewal Authority, or any other third party for damages or specific performance as a result of the Bank's failure to close the transaction and Colorado Springs Urban Renewal Authority shall not be liable to the Bank beyond the legal fees discussed below for failure to close this transaction. The terms and conditions of this Commitment Letter are confidential and may not be shown or disclosed by you except to those individuals who have a need to know as a result of being involved in the proposed transaction.

I. Parties

Issuer:	Colorado Springs Urban Renewal Authority ("CSURA")
Purchaser:	Zions Bancorporation, N.A. dba Vectra Bank Colorado (the "Bank")
Collateral:	The direct pledge of the Vineyard Redevelopment & Reimbursement Agreement & the direct pledge of all incremental property tax revenue collected within the urban renewal area.
Bank Counsel:	Kutak – Ken Guckenberger
Borrower's Counsel:	David Neville
Developer's Counsel:	Paul Benedetti
Custodian:	Zions First National Bank Trust Department

II. Series 2019 Loan

Loan Amount:	An amount not to exceed $7,000,000 upon mutual agreement of the parties.
Purpose:	Proceeds of the loan shall be used by the CSURA for the reimbursement of public improvement under the Redevelopment Agreement, subject to the limitation of applicable federal and state statutes, and any conditions of the required tax opinions.
Maturity:	The note shall have a stated maturity of 12/01/2036. Every Five years after the initial seven-year term the Bank shall refix the interest rate as described in Interest Rate below.
Amortization:	The loan will pay interest semi-annually on the first day of June and December, commencing December 1st, 2019, and principal semi-annually commencing on December 1st, 2021 with the final principal and interest due on the Maturity Date. The amortization of the Note will coincide with the expiration of the Redevelopment Agreement in year 2036

Interest Rate:	The Taxable Rate shall be equal to the sum of the Des Moines Federal Home Loan Bank Long-Term, Fixed-Rate Advances Seven-Year Bullet Rate plus 300 basis points, currently 5.20% as of July 5th, 2019. Notes that are designated Qualified Tax-Exempt Obligation as described under Section 265(b) of the Code will accrue interest at an interest rate equal to the product of the Taxable Rate multiplied by 80%, currently 4.16%. The Tax Exempt and Taxable Rates will be recalculated at the Refix Date, December 1st, 2026, and each five-year anniversary thereafter but not to exceed 18%. Additional advances shall be priced based upon the above formula at the time of advance to the Refix Date, at a spread equal to 300 basis points plus the next full year Federal Home Loan Bank Advance Rate, and adjusted for the appropriate tax treatment
Option Reprice:	On the Refix Date, December 1, 2026, and every five-year anniversary thereafter until the Loan is repaid in full, the Taxable Rate will refix at a rate equal to the Des Moines Federal Home Loan Bank Long-Term, Fixed-Rate Advances Five Year Bullet Rate plus 265 basis points. Notes that are designated Qualified Tax-Exempt Obligation as described under Section 265(b) of the Code will accrue interest at an interest rate equal to the product of the Taxable Rate multiplied by 80%.
Default Interest Rate:	Upon a material default of the Note that remains uncured for 30 days after receipt of notice of default, the Note, at the option of the Bank, shall accrue interest at a Default Rate, which shall not exceed a rate equal to the lesser of the Wall Street Journal Prime Rate plus 4.00%, or 18%.
Commitment Fee:	One percent (1%) of the committed amount of the 2019 Note; payable at closing.
Non-Use Fee:	A Non-use Fee equal to 20 basis points per annum on the undrawn amount of the Commitment shall be calculated quarterly beginning December 1st, 2019 and collected semi-annually commencing June 1st, 2020. The Non-use Fee will continue to be due to the Bank semi-annually in arrears until fully drawn or availability is extinguished. Prior to the first day of each quarterly accrual period, the CSURA may request the Bank to terminate any portion of the undrawn commitment availability, and such extinguished commitment shall no longer accrue the Non-use Fee. It is contemplated that the Non-Use Fee will be paid as interest expense from Pledged Revenues.
Prepayment Fee:	The Loan may be prepaid in its entirety, subject to the following prepayment restrictions: i. Commencing with the closing of the Note until the third anniversary, the note will not be repayable. ii. Subsequent to the third anniversary the Note shall be fully pre-payable without penalty thereafter, until the next refix date. iii. At the refix date, December 2026, the note will not be pre-payable until the second anniversary. Subsequent to the second anniversary, the note will be fully pre-payable until the next refix date. iv. All prepayments occurring by application of Excess Revenues shall occur without penalty or restriction.
Security for the Note:	The Note shall be secured by "Pledged Revenues" consisting of all revenue received by the Authority from the Vineyard Redevelopment & Reimbursement Agreement less CSURA's Administrative Fee.
Parity Debt:	The Bank may, subject to credit approval, purchase additional series of Parity Notes issued by the CSURA upon demonstration of substantial completion of the

project, and assessed valuations in excess of the proformas included at underwriting. No other parity debt is permitted.

Redevelopment Agreement: An opinion will be given by Counsel stating the plan is in compliance with Colorado State Statues and the Mill Levy in the definitions will be collected.

Debt Service Coverage: Debt Service Coverage shall be calculated as: pledged revenue received divided by actual debt service.

III. Draw Availability

Closing Draw: Based upon the 2019 Projected Assessed Value within the Urban Renewal Area of $10,178,104 an initial draw of $5,000,138, less closing costs of the Note and capitalized interest, will be available at closing.

The estimated advance amount is based upon a projected debt service coverage ratio of 1.20x when calculated against the eligible mill levies. The below chart breaks out the sources and uses of funds for the closing draw. The capitalized interest amount is estimated; the rate and actual amount will be locked in several days prior to closing.

Total Commitment	**7,000,000**
Estimated Closing Draw	5,000,138
Bank Discount	70,000
Bank Counsel	TBD
CSURA Counsel	TBD
Custodian	4,000
Total Fees	TBD
Capitalized Interest	447,609
Estimated Funds to Developer	**TBD**

Note Availability: Additional Draws under the Note shall be available to the Borrower based on the following calculations of projected assessed valuation so long as there is no uncured event of default. Quarterly, or more frequently if necessary, Bank shall recalculate the borrowing base based upon the Projected Incremental Property Tax Revenue generated by Construction and Completed Buildings. Note availability shall be the amount by which the new borrowing base exceeds the current Note balance outstanding, adjusted for current principal payments held by the Custodian, less any required Capitalized Interest.

PV Calculation: Note Availability will be based upon the Present Value calculation of projected Pledged Revenue at the full projected commercial valuation divided as appropriate by the debt service coverage ratio for Completed Buildings described above. The projected revenue will be increased by a 2% bi-annual appreciation, and the Present Value will be calculated at the greater of; 5.75% or the current Taxable Interest Rate.

Available Mill Levies:

Tax Authority	Mills
El Paso County	7.738
EPC Road & Bridge Share	0.165
City of Colorado Springs	4.278
EPC-Colo Springs Road & Bridge Share	0.165
Harrison School 2 - Gen	27.276
Harrison School 2 - Bond	21.057
Pikes Peak Library	4
SE Colo Water Conservancy	0.944
Total Mills	**65.623**

Projected Assessed Value: for Construction Buildings, will be based upon on comparable values provided by the El Paso County Assessor and acceptable to the Bank. For purposes of preparing this Commitment Letter, the Bank has incorporated values of $300, $150, and $100 per square foot on real property. For purposes of calculations, valuations that are subject to percent of completion discount will be adjusted accordingly.

Actual Assessed Value of completed buildings will be based upon the actual Assessor valuation used in the Certification of Assessed Value of the land and improvements in the urban renewal area. The Projected Assessed Value will be replaced by the Actual Assessed Value once available.

Projected Incremental Property Tax Revenue will be calculated as the tax revenue to be generated by the Construction Buildings and Completed Building based upon the Projected or Actual Assessed Value, as appropriate, and increased bi-annually at 2%, less the base amount, multiplied by the eligible Mill Levies less CSURA's Administrative Fee.

Construction Buildings: Buildings for which construction has commenced, may be available for advance based upon the present value of projected incremental property tax at the full commercial valuation as appropriate, adjusted for a 1.25x coverage at the maximum mill levy.

Eligibility of Construction Buildings for advance may occur, and be included in the borrowing base, when sufficient information regarding the project has been received and accepted by the Bank. Such information will include:

i. Adequate knowledge or financial disclosure by the developer or sponsor indicating capacity to complete the project.

ii. Adequate disclosure of the basic terms and conditions of construction financing sufficient to complete the project from a National Bank with demonstrated construction lending expertise, and evidence that all equity, and pre-sale or preleasing requirements have been met.

iii. Or; bonding of the Construction Project, and

iv. Completion guaranty to the construction lender,

v. A GMAX from a Bank approved general contractor,

vi. Issuance of all permits, and other approvals necessary for construction

vii. Verification of Comparable Properties by the El Paso County Assessor.

viii. Commencement of actual construction

Completed Buildings: Commercial buildings for which a certificate of occupancy is issued will be available for advance based upon the present value of projected property tax at the full commercial valuation as appropriate, adjusted for a 1.20x debt service coverage ratio when calculated at the maximum mill levy. Prior to Certification by the Assessor, full valuation will be based upon guidance from the El Paso County Assessor as described above

IV. Flow of Funds:

Flow of Funds: The Custodian shall cause all pledged revenue to be deposited into the Revenue Account maintained by the Custodian immediately upon receipt from the El Paso County Treasurer. Upon receipt by the Custodian Agent, funds from the Debt Service Fund shall be applied as follows:

i. To payment of Trustee fees.

ii. To payment of Non-Use Fees.

iii. To the payment of all past due interest, and principal, and any other collection or other fees due the Bank under the Loan Agreement.

iv. To the Payment of all current interest and principal.

v. To the prepayment of principal in increments of $5,000 or greater beginning with the final principal payment due on 12/01/2036 and continuing forward in reverse chronological order.

V. Loan Covenants

The following covenants shall be part of the Annual Loan Agreement(s). Other additional covenants may be added, or these may be adjusted going forward by agreement between the Parties as due diligence on the transaction is completed and new issues or concerns arise regarding Loan covenants, Loan structure, financial ratio levels, etc.

The following representations, warranties and covenants shall be part of the agreement to be entered into by the CSURA and the Bank with respect to the Loan. Other additional covenants may be added or these may be adjusted going forward by agreement between the Bank and the CSURA as new issues or concerns arise regarding Loan covenants, structure, financial ratio levels, etc. Loan covenant compliance will be tested in the manner and at the times as set forth in the loan documents.

Primary Reps, Warranties and Covenants:

i. CSURA and the Developer will execute all documentation necessary to convey to the Bank a security interest in all Pledged Revenues and obtain an estoppel and consent in form required by the Bank executed and acknowledged by the CSURA.

ii. CSURA shall not issue additional indebtedness on parity with this loan, without the Bank's express written agreement and in compliance with any limitations contained within the Redevelopment & Reimbursement Agreement. Such agreement shall not be unreasonably withheld.

iii. CSURA will annually review the allocation of incremental value with County assessor and negotiate in good faith the appropriate allocation to incremental value.

iv. Annually, CSURA shall provide the Bank with copies of its unqualified annual audit (CAFR) not later than 210 days following the end of each fiscal year.

v. Within 90 days of quarter-end, CSURA shall submit to the Bank internal financial statements, including a statement of revenues and expenses including annual budget, and a schedule of assets and liabilities including the general fund and all sub-funds.

vi. CSURA shall continuously cooperate with the Bank and make a good faith effort to determine that all Pledged Revenues correctly allocated to the Revenue Account and subsequently paid to the Trustee.

vii. Other covenants considered standard for this type of transaction and industry to be negotiated in good faith among CSURA and the Bank during the due diligence period and Loan approval and documentation process.

<u>Events of Default:</u> Events of Default for this loan include but not limited to:

i. Failure of CSURA to pay the principal or interest on the Loan when due or any other amount due and payable to the Bank under the Financing Documents;

ii. Any pledge or other security interest pledged as security for the loan fails to be fully enforceable with the priority required hereunder;

iii. Failure of CSURA to pay Pledged Revenues into the Revenue Account or cooperate with the Bank to verify same.

iv. Bankruptcy or similar issue of the CSURA or any other entity that is party to the Loan documents or agreements related to the security for the proposed financing that impairs the Pledged Revenues; and

v. Any other actions or in-actions by the CSURA that would otherwise constitute a breach of the provisions of the Trust or the Loan documents, including such actions or in-actions that, with the passage of time, would constitute a breach thereunder.

VI. Conditions Precedent:

<u>Conditions to Closing:</u> The Credit Agreement shall contain conditions to closing, including, but not limited to;

i. An opinion of legal counsel for CSURA, acceptable to the Bank, and its legal counsel including, but not limited to, IP Vineyard, LLC capacity and CSURA to enter into the Loan agreement.

ii. An opinion from Bank and Bond counsel, acceptable to the Bank, that such Loans are qualified tax-exempt obligations should CSURA wish to use the tax-exempt pricing option.

<u>Other Conditions</u> Our respective obligations in connection with the Loan shall be as set forth in Financing Documents. The Financing Documents shall contain provisions for warranties, representations, legal opinions and covenants of CSURA and closing conditions that are customary in similar transactions and are in form and substance satisfactory to the Bank in its sole discretion.

VII. Other Provisions

Other Costs:	CSURA will be required to pay all out-of-pocket costs including, but not limited to, outside legal fees (including but not limited to Bank Counsel and Underwriter's Counsel) for Loan documentation, filing and recording fees and any other reasonable costs associated with this transaction.
Indemnification:	To the extent permitted by law, the CSURA shall indemnify and hold the Bank harmless from and against any and all claims by reason of the execution and delivery of the Loan, except as may result from the Bank' gross negligence or willful misconduct.
Waiver by Borrower:	The 2019 Agreement will contain, among other things, a provision to the effect that: except for harm arising from the Bank's willful misconduct, gross negligence or bad faith, the Borrower, to the extent allowed by law, indemnifies and agrees, to defend and hold the Bank harmless from any and all losses, costs, damages, claims and expenses of any kind suffered by or asserted against the Bank relating to claims by third parties as a result of, or arising out of, the negligence or other misconduct of the Borrower, or any claim made against the Borrower that impairs the Pledged Revenue, in connection with the financing provided under the 2019 Agreement and other 2019 Loan financing documents. To the extent permitted by law, such indemnification and hold harmless provision will survive the termination of the 2019 Agreement and financing documents and the satisfaction of Borrower's obligations to the Bank thereunder.
Waiver by CSURA:	The 2019 Loan financing documents will include a certificate/acknowledgment of the CSURA acknowledging Borrower's rights to pledge the Redevelopment & Reimbursement Agreement as security for the 2019 Loan pursuant to the Agreement and will contain a waiver of the CSURA's rights to obtain notice or its consent rights.
Document Imaging:	The Bank shall be entitled, in its sole discretion, to image all or any selection of the instruments, other loan documents, items and records governing, arising from or relating to any of Borrower's loan or loans, and may destroy or archive the paper originals. The parties hereto waive any right to insist the Bank produce paper originals, agree that such images shall be accorded the same force and effect as the paper originals, and further agree that the Bank is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or proceedings.
Interest & Fee Basis:	All interest and fee calculations will be computed on an Actual/360-day year basis. All principal and interest shall be payable in immediately available funds.

VIII. Commitment Letter Acceptance

By signing below, we hereby accept the Terms and Conditions outlined within this Commitment Letter, subject to normal adjustments agreed upon by both Parties.

By: Megan Severs

Megan J. Severs
Assistant Vice President,
Public Sector Finance
Vectra Bank Colorado

Accepted and agreed to this ______day of________________________, 2019.

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By: __________________________

Name: __________________________

Title: __________________________

By: __________________________

Name: __________________________

Title: __________________________