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INDENTURE OF TRUST  
(SUBORDINATE)

by and between

USAFA VISITOR'S CENTER  
BUSINESS IMPROVEMENT DISTRICT

and

BOKF, N.A.,  
as Trustee

relating to

USAFA VISITOR'S CENTER  
BUSINESS IMPROVEMENT DISTRICT  
SUBORDINATE SPECIAL REVENUE BONDS, SERIES 2019C

Dated as of [Closing Date], 2019

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INDENTURE OF TRUST (Subordinate), dated as of [Closing Date], 2019 (this “Indenture”), by and between USAFA VISITOR’S CENTER BUSINESS IMPROVEMENT DISTRICT (the “District”), a quasi-municipal corporation and political subdivision of the State of Colorado, and BOKF, N.A., Denver, Colorado, as Trustee (the “Trustee”), a national banking association duly organized and existing under the laws of the United States of America.

RECITALS:

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado (the “State”), duly and regularly created as a business improvement district under the Constitution and laws of the State, in particular Title 31, Article 25, Part 12, C.R.S. (the “Business Improvement District Act”), and pursuant to an ordinance adopted by the City Council (the “City Council”) of the City of Colorado Springs, Colorado (the “City”); and

WHEREAS, the District was organized for the purpose of providing for the financing, acquisition, construction, completion, installation, replacement and/or operation and maintenance of the services and public improvements necessary to support the development of an approximately 38 acre commercial mixed-use development located near the north entrance to the United States Air Force Academy; and

WHEREAS, the approximately 38 acre parcel (the “Leased Premises”) is owned by the United States Air Force Academy (the “USAFA”) and will be developed by Blue & Silver Development Partners, LLC (the “Developer”) through a long term lease arrangement with the USAFA in accordance with the Site Development Lease (defined herein); and

WHEREAS, to further the development of the Leased Premises, the Developer and the District have entered into a sublease agreement (the “BID Sublease Agreement”) that subleases \_\_\_\_\_ acres of the Leased Property (the “Visitor Center Lot”) to the District and sets forth various provisions related to the design, acquisition, construction, completion and installation of the USAFA Visitors Center (defined herein) on the Visitor Center Lot; and

WHEREAS, the Board has determined that it is in the best interest of the District to design, acquire, construct, complete and install the USAFA Visitors Center in accordance with the terms and provisions of the BID Sublease Agreement and to construct and install infrastructure and improvements that are necessary or convenient for the development of the Leased Premises, and which are permitted by the Business Improvement District Act (collectively, the “Project”); and

WHEREAS, at a regular election of the qualified electors of the District, duly called and held on November 6, 2018 (the “Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities in certain categories and in certain maximum principal amounts as set forth below, the questions relating thereto being as set forth in Exhibit C hereto:

<u>Purpose</u>	<u>Principal Amount of Authorization Voted</u>
Revenue Debt	\$50,000,000
Water	50,000,000
Sanitation	50,000,000
Streets	50,000,000
Traffic and Safety	50,000,000
Parks and Recreation	50,000,000
Transportation	50,000,000
Dry Utilities	50,000,000
Mosquito	5,000,000
Security Services and Improvements	50,000,000
Business Recruitment	50,000,000
Operations and Maintenance	10,000,000
Refunding	150,000,000
Reimbursement Agreements	50,000,000

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared and certified; and

WHEREAS, the District has not previously issued any debt pursuant to the authority conferred at the Election; and

WHEREAS, the District has the power and authority to issue bonds (which may include notes, certificates of indebtedness, debentures or other contractual obligations) pursuant to the Business Improvement District Act and the Supplemental Public Securities Act, constituting Sections 11-57-201 et seq., C.R.S. (the “Supplemental Act”), to finance the activities or operations permitted and authorized to be undertaken by the District under the Business Improvement District Act, the Election, and its Operating Plan (defined herein); and

WHEREAS, the Board of Directors of the District (the “Board”) has determined to issue its: (a) Special Revenue Bonds, Series 2019A, in the original aggregate principal amount of \$ \_\_\_\_\_ (the “Series 2019A Bonds”), and (b) Special Revenue Bonds, Taxable Series 2019B (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Senior Bonds”), pursuant to an Indenture of Trust (Senior) dated as of \_\_\_\_\_, 2019 (the “Senior Indenture”) between the District and BOKF, N.A., as trustee, for the purpose of financing a portion of the Project, funding a reserve fund for the Senior Bonds, funding capitalized interest, and paying the costs of issuance of the Senior Bonds; and

WHEREAS, for the purpose of financing an additional portion of the Project, the Board has determined to issue its Subordinate Special Revenue Bonds, Series 2019C (the “Series 2019C Subordinate Bonds” or the “Bonds”) on or about the date of issuance of the Senior Bonds pursuant to this Indenture; and

WHEREAS, the Board has determined that the Bonds will be issued to finance the construction of capital improvements with a public purpose necessary for development; and

WHEREAS, the property within the District has a City approved Master Plan and related land use approvals; and

WHEREAS, the City Council of the City has approved the issuance of the Bonds as required by Section 7-100 of the City Charter; and

WHEREAS, the Bonds will be issued in minimum denomination of \$100,000 and will initially be sold only to either accredited investors as defined in Rule 501(a) promulgated under the Securities Act of 1933 or to the developers of property within the District; and

WHEREAS, the principal amount of the Bonds shall be allocated to the District's electoral authorization in accordance with the use of net proceeds of the Bonds, as indicated in requisitions submitted in accordance with this Indenture (which shall be subject to the limitations of the Election), with that portion of the principal amount of the Bonds that funded the Subordinate Costs of Issuance Fund allocated to the improvement categories provided in the Election in accordance with the percentage of total net proceeds allocated to each such category; and

WHEREAS, in order to generate a portion of the revenue pledged to the payment of the Bonds, the District is obligated to impose ad valorem property taxes in an amount equal to the District Debt Service Mill Levy (as defined herein), and remit the proceeds thereof to the Trustee; and

WHEREAS, the City previously established the Colorado Springs Urban Renewal Authority (the "Authority"), which is a body corporate and politic of the State of Colorado duly organized and existing as an urban renewal authority under Title 31, Article 25, Part 1, , C.R.S.; and

WHEREAS, the City previously approved the TrueNorth Commons Urban Renewal Plan (the "Urban Renewal Plan") by resolution approved on July 9, 2019; and

WHEREAS, the Authority has determined that the development of the Project is consistent with and in furtherance of the purposes of the Authority and the Urban Renewal Plan; and

WHEREAS, the Project constitutes one of the project elements of the City for Champions Project (the "City for Champions Project") as defined in Resolution No. 3 adopted by the Colorado Economic Development Commission (the "Economic Development Commission") effective as of December 16, 2013, as modified or amended from time to time ("Resolution No. 3"); and

WHEREAS, except as otherwise provided herein, the Bonds will be secured in part by the Dedicated State Sales Tax Increment Revenues (as defined herein) in accordance with Resolution No. 3; and

WHEREAS, in order to finance a portion of the Project and further the purposes of the Urban Renewal Plan, the Authority has agreed pursuant to a Pledge Agreement between the District and the Authority, dated \_\_\_\_\_, 2019 (the “Authority Pledge Agreement”) to remit the Pledged Sales Tax Increment Revenues (as defined herein), the Dedicated State Sales Tax Increment Revenues, the County Sales Tax Revenues (as defined herein) and the Pledged Property Tax Increment Revenues (as defined herein) to the Trustee hereunder until payment or defeasance in full of the outstanding Senior Bonds and the outstanding Bonds or \_\_\_\_\_, 2049 ; and

WHEREAS, the Developer, as declarant, has executed the Declaration of Covenants Imposing and Implementing the Public Improvement Fee, dated \_\_\_\_\_, 2019, which imposes a public improvement fee in the amount of 3.00% on transactions within the District that are subject to the City’s Sales Tax (the “Add-On Retail Sales PIF”), and has caused such Declaration (the “Add-On Retail Sales PIF Covenant”) to be recorded in the real property records of El Paso County on \_\_\_\_\_, 2019, at Reception No. \_\_\_\_\_, the burdens of which will run with the land; and

WHEREAS, the Developer, as declarant, has executed the Declaration of Covenants Imposing and Implementing Public Improvement Fee, dated \_\_\_\_\_, 2019, which imposes a public improvement fee in the amount of three percent (3.0%) on all PIF Service Sales (as defined therein) within the District (the “Add-On Service Sales PIF”), and has caused such Declaration (the “Add-On Service Sales PIF Covenant”) to be recorded in the real property records of El Paso County on \_\_\_\_\_, 2019, at Reception No. \_\_\_\_\_, the burdens of which will run with the land; and

WHEREAS, the Developer, as declarant, has executed (i) the Declaration of Covenants Imposing and Implementing Public Improvement Fee, dated \_\_\_\_\_, 2019, which imposes a public improvement fee in the amount of two percent (2.0%) on all Accommodation Sales (as defined therein) within the District, and (ii) the Declaration of Covenants Imposing and Implementing the Springing Public Improvement Fee, dated \_\_\_\_\_, 2019, which imposes a public improvement fee in the amount of \_\_\_ percent (\_\_\_%) on all Accommodation Sales upon the occurrence of certain events, as set forth therein (collectively, the “Add-On Lodging PIF”) and has caused such Declarations (collectively, the “Add-On Lodging PIF Covenant”) to be recorded in the real property records of El Paso County on \_\_\_\_\_, 2019, at Reception No. \_\_\_\_\_, and at Reception No. \_\_\_\_\_, the burdens of which will run with the land; and

WHEREAS, the Add-On Retail Sales PIF, the Add-On Service Sales PIF, and the Add-On Lodging PIF shall be collectively referred to herein as the “Add-On PIFs;” and

WHEREAS, the Add-On Retail Sales PIF Covenant, the Add-On Service Sales PIF Covenant, and the Add-On Lodging PIF Covenant shall be collectively referred to herein as the “PIF Covenants;” and

WHEREAS, pursuant to the PIF Covenants, the Developer irrevocably assigned to the District, as the “PIF Receiving Party” under the PIF Covenants, the revenue generated from the Add-On PIFs (the “Add-On PIF Revenue”), until such time as the Senior Bonds and the Bonds are paid in full or defeased; and



WHEREAS, as set forth herein and in the Senior Indenture, the District has pledged the Add-On PIF Revenue to the payment of the Senior Bonds and the Bonds and has assigned its right to receive such Add-On PIF Revenue to the Trustee hereunder and under the Senior Indenture; and

WHEREAS, pursuant to that certain Agreement for PIF Collection, dated as of \_\_\_\_\_, 2019 (the “PIF Collection Agreement”) among the Developer, the District and CliftonLarsonAllen LLP (the “PIF Collection Agent”), the PIF Collection Agent has agreed to collect the Add-On PIF Revenue and remit such revenues to the Trustee until payment in full or defeasance of the Senior Bonds and the Bonds; and

WHEREAS, the Bonds will be in substantially the form set forth in Exhibit A hereto; and

WHEREAS, the execution and delivery of this Indenture has been duly authorized by a resolution duly adopted by the Board; and

WHEREAS, all things necessary to make the Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, the valid obligations of the District, and to make this Indenture a valid agreement of the District, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

#### GRANTING CLAUSES

The District, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds, by the Owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds, the Bond Resolution, the Add-On PIF Covenants, the Authority Pledge Agreement, and this Indenture of Trust, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant and assign to the Trustee, and to its successors in trust, and to them and their assigns forever, the following property (said property being herein referred to as the “Trust Estate”), to-wit:

#### GRANTING CLAUSE FIRST:

The Subordinate Pledged Revenue, the Subordinate Bond Fund, the Subordinate Costs of Issuance Fund, and the Subordinate Project Fund (to the extent provided herein), and all other moneys, securities, revenues, receipts and funds from time to time held by the Trustee under the terms of this Indenture (not including the Rebate Fund), and a security interest therein; and

GRANTING CLAUSE SECOND:

All right, title and interest of the District in (i) the Add-On PIF Covenants and the Add-On PIF Collection Agreement, (ii) the PILOT Revenues, and (iii) the rights granted to or on behalf of the District in the Authority Pledge Agreement; and

GRANTING CLAUSE THIRD:

All right, title, and interest of the District in any and all other revenue of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the District or by anyone on its behalf as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, as their respective interest may appear; and the Trust Estate granted herein is also granted for the equal benefit of all present and future Owners of the Bonds, as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds, and as to the Subordinate Pledged Revenue and additional security (if any), on a parity with the lien thereon of any Parity Bonds;

PROVIDED, HOWEVER, that if the District, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided herein, according to the true intent and meaning hereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the District has agreed and

covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds issued hereunder, as follows:

## ARTICLE I

### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

**Section 1.01. Definitions.** In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“Add-On Lodging PIF” has the meaning set forth in the recitals.

“Add-On Lodging PIF Covenant” has the meaning set forth in the recitals.

“Add-On PIF Covenants” means, collectively, the Add-On Retail Sales PIF Covenant, the Add-On Service Sales PIF Covenant and the Add-On Lodging PIF Covenant.

“Add-On PIF Revenue” means the revenue derived from the imposition of the Add-On PIFs pursuant to the Add-On PIF Covenants.

“Add-On PIFs” means, collectively, the Add-On Retail Sales PIF, the Add-On Service Sales PIF and the Add-On Lodging PIF.

“Add-On Retail Sales PIF” has the meaning set forth in the recitals.

“Add-On Retail Sales PIF Covenant” has the meaning set forth in the recitals.

“Add-On Service Sales PIF” has the meaning set forth in the recitals.

“Add-On Service Sales PIF Covenant” has the meaning set forth in the recitals.

“Additional Bonds” means bonds, notes, debentures, or other multiple fiscal year financial obligations hereafter issued by the District which are payable in whole or in part from, or have a senior, parity or subordinate lien or encumbrance upon, all or any part of the Pledged Revenues, or any ad valorem tax revenues of the District (not including ad valorem tax revenues of the District resulting from its operations and maintenance mill levy). Specifically, but not by way of limitation, Senior Bonds, Parity Bonds and Junior Lien Obligations are Additional Bonds hereunder.

“Authority” means the Colorado Springs Urban Renewal Authority, a body corporate and politic, and its successors and assigns.

“Authority Expense Sub-Account” means sub-account of the Designated Revenue Special Fund heretofore established and controlled by the Authority, designated as the “Authority Administration Expense Sub-Account,” from which Authority Expenses are to be paid from the State Sales Tax Increment Revenues. Amounts on deposit in the Authority Expense Sub-Account are not Subordinate Pledged Revenues hereunder and shall not be applied to the payment of the Bonds.

“Authority Expenses” means the reasonable and necessary Eligible Costs incurred by the Authority for implementation of the City for Champions Project as and when incurred, in accordance with Resolution No. 3.

“Authority Fee” means an amount equal to \$ \_\_\_\_\_ annually.

“Authority Pledge Agreement” means the Pledge Agreement, dated \_\_\_\_\_, 2019, between the District and the Authority, as amended from time to time.

“Authority Pledged Revenues” means the following amounts received by the Authority from time to time, net of any costs of collection and net of the Authority Fee, and payable to the District or Trustee pursuant to the Authority Pledge Agreement:

- (a) Pledged Property Tax Increment Revenues;
- (b) Pledged Sales Tax Increment Revenues;
- (c) Dedicated State Sales Tax Increment Revenues;
- (d) County Sales Tax Revenues; and
- (e) Use Tax Increment Revenues.

“Authority Representative” means the Chair of the Board of Commissioners of the Authority or such other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Authority by the Chair. Such certificate may designate an alternate or alternates.

“Authorized Denominations” means, initially, the amount of \$100,000 or any integral multiple of \$1,000 in excess thereof, provided that:

- (a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date;
- (b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$100,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$100,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof.

“Average Annual Debt Service Requirements” means the aggregate of all Debt Service Requirements (excluding any redemption premiums) due on the obligations for which the computation is being made for all Bond Years beginning with the Bond Year in which Debt Service Requirements of such obligations or any portion thereof are first payable after the computation date and ending with the Bond Year in which the last of the Debt Service Requirements are payable, divided by the whole number of such years.

“Beneficial Owner” means any person for which a Participant acquires an interest in the Bonds.

“BID Sublease Agreement” means the Sublease Agreement between the Developer and the District that subleases the Visitor Center Lot to the District and sets forth various terms relating to the construction of the Project.

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

“Bond Counsel” means any firm of nationally recognized municipal bond attorneys selected by the District and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

“Bond Resolution” means the resolution authorizing the issuance of the Bonds and the execution of this Indenture, certified by the Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

“Bond Year” means: (i) with respect to the Bonds, the period from December 16 of any calendar year to December 15 of the following calendar year; and (ii) with respect to the Senior Bonds, the period from December 2 of any calendar year to December 1 of the following calendar year.

“Bonds” means the USAFA Business Improvement District, Subordinate Special Revenue Bonds, Series 2019C issued pursuant to the terms and provisions of this Indenture.

“Book-Entry System” means the system maintained by the Depository and described in Section 2.11.

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

“Business Improvement District Act” means Title 31, Article 25, Part 12, C.R.S.

“Cede” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

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

“City Cooperation Agreement” means the Cooperation Agreement, dated July 9, 2019, between the Authority and the City, as amended from time to time.

“City for Champions Project” has the meaning set forth in Resolution No. 3.

“City Representative” means (i) the City Manager, or (ii) any person designated as such by the City Manager as evidenced by a written certificate of the City Manager furnished to the Trustee containing the specimen signature of such person.

“Code” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“Completion Date” means the date of completion of the Project as certified in writing to the Trustee by the District Representative, and acknowledged by the Authority Representative, in accordance with Section 3.04(e) of the Senior Indenture.

“Consent Party” means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond, or if so designated in writing by a Participant, the Beneficial Owner of such Bond.

“Costs of Issuance” means, collectively, the reasonable and necessary costs incurred in connection with the issuance of the Bonds, including, without limitation, Underwriter’s compensation; financial consultant fees; fees and expenses of Bond Counsel, Counsel to the Underwriter, and Counsel to any party or entity from which an opinion of Counsel is required; fees and expenses of the Trustee, and bond registrar, paying agent and transfer agent fees. For purposes of this Indenture, Costs of Issuance shall not include costs incurred in connection with the issuance of the Senior Bonds.

“Counsel” means a person, or firm of which such a person is a member, authorized in any state to practice law.

“County” means El Paso County, Colorado.

“County Cooperation Agreement” means the Tax Increment Revenue Agreement, dated \_\_\_\_\_, 2019, between the Authority and the County, as amended from time to time.

“County Sales Tax Revenues” means any County sales tax revenues generated from sales within the Urban Renewal Area that are remitted to the Authority pursuant to the County Cooperation Agreement.

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

“Debt Service Requirements” means, for any period, the amount required to pay the principal of and interest on any designated Outstanding obligations during such period; provided that the determination of the Debt Service Requirements of any obligations, including without limitation the Bonds, any Parity Bonds and any proposed Additional Bonds, shall assume the redemption and payment of such obligations on any schedule mandatory sinking fund redemption dates. In any computation relating to the issuance of Additional Bonds required by Section 4.04 hereof, there shall be excluded from the computation of Debt Service Requirements any proceeds on deposit in a bond fund for such obligations constituting capitalized interest.

“Dedicated Revenue Special Fund” means the special fund designated as the “Colorado Springs Urban Renewal Authority City for Champions Fund” heretofore established and controlled by the Authority pursuant to Resolution No. 3 into which the State Sales Tax Increment Revenues received by the Authority are deposited.

“Dedicated State Sales Tax Increment Revenue” means the portion of the State Sales Tax Increment Revenue paid by the State to the Authority and dedicated to the financing of the USAFA Visitors Center in accordance with the terms and provisions of Resolution No. 3 and the Pledge Agreement. In accordance with the Pledge Agreement, the pledge of the Dedicated State

Sales Tax Increment Revenues to the payment of the Bonds shall automatically terminate thirty (30) years after the issuance of the Bonds. The Dedicated State Sales Tax Increment Revenue shall be deposited by the Authority in the USAFA Visitor's Center Sub-Account of the Dedicated Revenue Special Fund after any permitted transfers to the Authority Expense Sub-Account, in accordance with Resolution No. 3.

"Depository" means any securities depository that the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

"Developer" means Blue & Silver Development Partners LLC, a Colorado limited liability company.

"District" means the USAFA Visitor's Center Business Improvement District and any successors thereto.

"District Debt Service Mill Levy" means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year at a rate and in the amount of fifty (50) mills, net of the costs of collection and any tax refunds or abatements authorized by or on behalf of El Paso County, subject to the following adjustments:

(a) if, on or after January 1, 2019, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the District Debt Service Mill Levy of 50 mills shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenue generated from such adjusted District Debt Service Mill Levy, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation; and

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

"District Representative" means (i) the President of the Board of Directors of the District, the Secretary of the Board of Directors of the District, or any other member of the Board of Directors of the District or (ii) any other person designated to act on behalf of the District as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person and signed for the District by the President of the Board of Directors of the District, the Secretary of the Board of Directors of the District, or any other member of the Board of Directors of the District.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

“Economic Development Commission” means the Colorado Economic Development Commission created pursuant to Section 24-46-102, C.R.S., or any successor entity to which its functions are transferred pursuant to law.

“Election” means the election held within the District on November 6, 2018.

“Electronic Means” shall mean telecopy, facsimile transmission, email transmission or similar electronic means of communicating providing evidence of transmission.

“Eligible Costs” means the costs of designing, constructing and financing the USAFA Visitor’s Center and improvements and infrastructure that are necessary to or convenient for the completion of the USAFA Visitor’s Center, including but not limited to, costs of engineering, construction engineering, surveying, construction surveying, construction labor and materials, design, planning, legal services, accounting, overhead or administrative staffing, financing, bond issuance or reissuance, underwriting, interest payments, loan origination fees, and similar necessary and convenient costs incurred by the District, the Authority, the Developer, the Project Element Sponsor and the City, in accordance with Resolution No. 3, the Election and this Indenture.

“Event of Default” means any of the events specified in Section 8.01 hereof to be an Event of Default.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Final Completion Date” means December 16, 2023 or such later date as may be specified by the Economic Development Commission pursuant to Resolution No. 3 in writing to the District and the Trustee.

“Independent Accountant” means a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the District, with the written approval of the Authority, who or which is in fact independent of and has no relationship with the District, the Authority, the Developer, the Project Element Sponsor, or the City, who or which does not have any direct financial interest or any material indirect financial interest in the District, the Authority, the Developer, the Project Element Sponsor, the Project Element Sponsor, or the City, and who or which is not connected with the District, the Authority, the Developer, the Project Element Sponsor, or the City as an officer, employee, trustee, partner, director or person performing similar functions, provided that any such person or firm may be regularly retained to make annual or other audits of the books or records of the District.



“Indenture” means this Indenture of Trust (Subordinate) as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

“Interest Payment Date” means December 15 of each year, commencing December 15, 2019, and continuing for so long as the Bonds are Outstanding.

“Junior Lien Obligations” means Additional Bonds having a lien upon the Subordinate Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, and designated by the District, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Junior Lien Obligation hereunder.

“Letter of Representations” means the Blanket District Letter of Representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“Mandatory Redemption Date” shall have the meaning set forth in Section 5.01(b) hereof.

“Mandatory Redemption Price” shall have the meaning set forth in Section 5.01(b) hereof.

“Operating Plan” means, collectively, each Operating Plan filed annually by the District with the City Clerk of the City pursuant to the Business Improvement District Act. As of the date of this Indenture, the 2019 Operating Plan is the most recent Operating Plan which has been so filed by the District.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel addressed to the District and the Trustee.

“Outstanding” means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

“Owner” or “registered owner” means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee, including the Depository for the Bonds, if any, or its nominee.

“Parity Bonds” means Additional Bonds having a lien upon the Subordinate Pledged Revenue or any part thereof on parity with the lien thereon of the Bonds issued in accordance with the applicable provisions of Section 4.04 hereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“Participants” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

“Permitted Investments” means any investment or deposit the District is permitted to make under then applicable law including, without limitation, the following:

- (a) Federal Securities;
- (b) bonds, notes or other obligations of the State or any political subdivision of the State, which at the time of their purchase are rated in either of the two highest rating categories by a nationally recognized rating service;
- (c) obligations of Fannie Mae, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Corporation, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation;
- (d) repurchase agreements with any bank, bank holding company, savings and loan association, trust company, or other financial institution organized under the laws of the United States or any state, that are continuously and fully secured by any one or more of the securities described in clause (a), (b) or (c) above and that have a market value at all times at least equal to the principal amount of such repurchase agreement and are held in a custodial or trust account;
- (e) certificates of deposit, time deposits or demand deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits or demand deposit shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by such securities as are described above in clauses (a) through (d), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;
- (f) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AA-Am-G; AAA-m; or AA-m and if rated by Moody’s rated Aaa, Aa1 or Aa2.

“Permitted Senior Refunding Bonds” means Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

- (a) Subject to the provisions of paragraph (f) hereafter, such refunding obligations are issued solely for the purpose of paying the costs of refunding all or any

part of any Senior Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, and similar funds, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the District's scheduled Debt Service Requirements with respect to Senior Bonds in any Bond Year from that which appertained prior to the issuance of such refunding obligations. For purposes of the foregoing, obligations issued for refunding purposes which have any scheduled payment dates in any Bond Year which is after the maturity of the obligations being refunded shall be deemed to increase the District's Debt Service Requirements in such Bond Year.

(c) If any additional reserve funds, surplus funds, or other similar funds or accounts are created for the additional security of such refunding obligations, then such funds shall not be funded in excess of 10% of the issue price of such refunding obligations.

(d) Such refunding obligations are payable on the same day or days of the calendar year as the Senior Bonds being refunded, and are not subject to acceleration.

(e) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Senior Bonds being refunded.

(f) Notwithstanding the provisions of paragraph (a) above, Permitted Refunding Bonds issued to refund Senior Bonds may also include amounts to refund all or any portion of the Bonds so long as the foregoing tests are met with respect to the Senior Bonds being refunded.

"Person" means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

"PIF Collection Agent" means, initially CliftonLarsonAllen LLP, as PIF Collection Agent under the PIF Collection Agreement, and any successor thereto.

"PIF Collection Agreement" means that certain Agreement for PIF Collection, by and among the District, the Developer, and CliftonLarsonAllen LLP, as PIF Collection Agent, and any supplements, amendments, or successor agreements thereto.

"PIF Receiving Party" has the meaning assigned to such term in the Add-On PIF Covenants; initially, and for so long as Add-On PIF Revenues are a component of Subordinate Pledged Revenues hereunder, the PIF Receiving Party is the District.

"PILOT" means a payment in lieu of taxes charged against certain property in the District that is exempt from ad valorem property taxation.

"PILOT Revenue" all revenue derived from collection of the PILOT.

“Pledged Property Tax Increment Revenues” means Property Tax Increment Revenues net of any amounts collected from the District’s operations mill levy and any offsets retained by the County Treasurer for return of overpayments or as reserve funds as permitted by Sections 31-25-107(9)(a)(III) and (b), C.R.S., and which are not required to be paid to any taxing bodies pursuant to the Tax Increment Agreements.

“Pledged Revenues” means the following, net of any costs of collection:

- (a) Revenues derived from the District Debt Service Mill Levy;
- (b) Specific Ownership Tax Revenue;
- (c) Add-On PIF Revenues;
- (d) Authority Pledged Revenues, including Pledged Property Tax Increment Revenues, Pledged Sales Tax Increment Revenues, Dedicated State Sales Tax Increment Revenues (subject to Section 5.01(c) of the Senior Indenture), County Sales Tax Revenues and Use Tax Increment Revenues;
- (e) PILOT Revenues; and
- (f) any other legally available amounts that the District determines, in its sole and absolute discretion, to credit to the Revenue Fund.

“Pledged Sales Tax Increment Revenues” means 100% of the Sales Tax Increment Revenues received by the Authority from the City.

“Project” means the design, acquisition, construction, completion and installation of the USAFA Visitors Center on the Visitor Center Lot pursuant to the terms and provisions of the BID Sublease Agreement and Resolution No. 3, and the design, construction and installation of improvements and infrastructure that are necessary to or convenient for the development of the Leased Property, and which are permitted by the Business Improvement District Act.

“Project Costs” means all costs and expenses incurred in connection with the Project (regardless of whether incurred by the District directly), including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

- (e) the costs, fees, and expenses of printers, engineers, architects, construction management, financial consultants, accountants, legal advisors, or other agents or employees;
- (f) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (g) the costs of contingencies or reserves;
- (h) the costs of issuing the Bonds;
- (i) the costs of amending this Indenture, the 2019B Subordinate Indenture, the Bond Resolution, or any other instrument relating to the Bonds, the Series 2019C Subordinate Bonds, or the Project;
- (j) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (k) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (l) the costs of demolition, removal, and relocation; and
- (m) all other lawful costs as determined by the Board.

“Project Element Sponsor” means the United States Air Force Academy, as provided in Resolution No. 3.

“Property Tax Base Valuation” means \$0.00, as adjusted from time to time by the County Assessor in accordance with Section 31-25-107(9), C.R.S., and the rules and regulations of the Property Tax Administrator of the State of Colorado.

“Property Tax Increment Revenues” means the ad valorem property tax revenue received by the Authority from the County Treasurer in excess of the amount produced by the annual levy of all taxing bodies that levy property taxes in the Urban Renewal Area against the Property Tax Base Valuation, pursuant to Section 31-25-107(9)(a)(ii), C.R.S. and Section 7.0 of the Urban Renewal Plan.

“Rebate Fund” means the trust fund so designated which is established pursuant to Section 6.02(d).

“Record Date” means the 15th day of the calendar month next preceding each Interest Payment Date.

“Regional Tourism Act” means the Colorado Regional Tourism Act, constituting Title 24, Article 46, Part 3, C.R.S., as from time to time amended and supplemented.

“Regional Tourism Zone” means the geographic area within the City described and depicted in Exhibit A to Resolution No. 3.

“Resolution No. 3” means Resolution No. 3 duly adopted by the Economic Development Commission effective as of December 16, 2013 approving the City’s application for a “Regional Tourism Project,” as defined in the Regional Tourism Act, generally referred to as the “City for Champions” project, as modified or amended from time to time.

“Revenue Fund” means the Revenue Fund created in Section 3.02 of the Senior Indenture.

“Sales Tax” means 87.5% of the general fund municipal sales tax of the City imposed at the rate of 2.0% (i.e. 1.75%) on sales of goods and services that are subject to municipal sales taxes pursuant to the City of Colorado Springs Municipal Code, as allocated to the Authority by the City pursuant to a City Cooperation Agreement between the City and the Authority and the Urban Renewal Plan.

“Sales Tax Base Amount” means \$0.00, which is the total collection of general fund municipal sales taxes levied at the rate of 2.0% within the Urban Renewal Area in the twelve-month period ending on the last day of the month prior to the effective date of the approval of the Urban Renewal Plan, in accordance with Section 31-25-107(9)(a)(I) C.R.S.

“Sales Tax Increment” means Sales Tax Revenues collected by the City in excess of the Sales Tax Base Amount.

“Sales Tax Revenues” means the funds generated by imposition of the Sales Tax, not including any sales taxes for remote sales as specified in Section 39-26-104(2), C.R.S.

“Senior Bonds” means, collectively, the Series 2019A Bonds, the Series 2019B Bonds and any other obligations hereafter issued that have a lien on all or a portion of the Pledged Revenues on a parity with the Series 2019A Bonds and Series 2019B Bonds.

“Senior Indenture” means the Indenture of Trust (Senior) dated as of \_\_\_\_\_, 2019 between the District and the Trustee, authorizing the issuance of the Series 2019A Bonds and the Series 2019B Bonds.

“Series 2019A Bonds” means the “USAFA Visitor’s Center Business Improvement District, Special Revenue Bonds, Series 2019A.”

“Series 2019B Bonds” means the “USAFA Visitor’s Center Business Improvement District, Special Revenue Bonds, Taxable Series 2019B.”

“Site Development Lease” means the Site Development Lease, dated as of \_\_\_\_\_, 2019 between the United States of America, acting by and through The Secretary of the Air Force, and the Developer.

“Special Record Date” means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to this Indenture.

“Specific Ownership Taxes” means the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of imposition by the District of the District Debt Service Mill Levy in accordance with this Indenture, net of any costs of collection.

“State” means the State of Colorado.

“State Sales Tax Increment Revenues” means an amount equal to 13.08% of the State sales tax revenue collected by the State from taxable transactions within the Regional Tourism Zone in excess of the state sales tax revenue collected by the State from taxable transactions within the Regional Tourism Zone during the period beginning on December 1, 2012 and ending on November 30, 2013 but not including any sales taxes for remote sales as specified in Section 39-26-104(2), C.R.S. or any amounts refunded to taxpayers within the Regional Tourism Zone pursuant to Section 39-26-703, C.R.S.; provided that such amount shall not exceed \$120,500,000.

“Subordinate Bond Fund” means the Subordinate Bond Fund established by Section 3.02 hereof for the purpose of paying the principal of, premium if any, and interest on the Bonds, and within such Fund, the Subordinate Interest Account and the Subordinate Mandatory Redemption Account.

“Subordinate Costs of Issuance Fund” means the Subordinate Costs of Issuance Fund established by Section 3.02 hereof for the purpose of paying the Costs of Issuance of the Bonds.

“Subordinate Interest Account” means the Subordinate Interest Account of the Subordinate Bond Fund established by Section 3.02 hereof for the purpose of paying the interest on the Bonds.

“Subordinate Mandatory Redemption Account” means the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund established by Section 3.02 hereof for the purpose of paying the principal on the Bonds.

“Subordinate Pledged Revenues” means:

(a) The Pledged Revenues remaining after all payments and deposits required by the Senior Indenture, or any other indenture or document pursuant to which Senior Bonds are issued, have been made or provided for in each year, including, without limitation, all Pledged Revenues remaining after all payments and deposits required pursuant to Section 3.06, FIRST through FIFTH, of the Senior Indenture have been made or provided for in each year. In the event that no Senior Bonds are Outstanding, then the Subordinate Pledged Revenues shall consist of all the Pledged Revenues.

(b) Any other legally available amounts that the District determines, in its sole and absolute discretion, to credit to the Subordinate Bond Fund.

“Subordinate Project Fund” means the Subordinate Project Fund established by Section 3.02 hereof for the purpose of paying Project Costs.

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

“Tax Certificate” means the certificate to be signed by the District with respect to the Bonds relating to the requirements of Sections 103 and 141-150 of the Code, and any amendment or modification of any such certificate, instrument or instructions that is accompanied by an opinion of Bond Counsel stating that the amendment or modification will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

“Tax Increment Agreements” means, collectively, the agreement or agreements among the Authority and the taxing bodies that levy property taxes in the Urban Renewal Area relating to the allocation of the property tax increment revenues generated in the Urban Renewal Area in accordance with the Urban Renewal Law.

“Termination Date” means December 16, 2059, being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

“Trust Estate” means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the granting clauses hereof.

“Trustee” means BOKF, N.A., in Denver, Colorado, in its capacity as trustee hereunder, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture. Any entity that serves as Trustee hereunder shall also serve as trustee under the Senior Indenture, and any other documents or indentures pursuant to which Additional Bonds are issued.

“Underwriter” means RBC Capital Markets, LLC.

“Urban Renewal Area” means the area subject to the Urban Renewal Plan.

“Urban Renewal Law” means Title 31, Article 25, Part 1, C.R.S.

“Urban Renewal Plan” means the TrueNorth Commons Urban Renewal Plan approved by the City on July 9, 2019, and any supplement or amendment thereto.

“USAFA Visitor’s Center” means the USAFA Gateway Visitors Center referred to in Resolution No. 3, as amended from time to time, and as constructed substantially in accordance with the terms and provisions of Resolution No. 3 and the BID Sublease Agreement.

“Use Tax Increment Revenues” means 50% of the 2% general fund municipal use tax paid solely on construction materials used within the Urban Renewal Area (ie. 1.00%) to the extent appropriated by the City Council and remitted to the Authority pursuant to the City Cooperation Agreement.



“Visitor Center Lot” means that portion of the Leased Property that is subleased to the District pursuant to the BID Sublease Agreement and on which parcel the USASA Visitor’s Center will be constructed.

**Interpretation.** In this Indenture, unless the context otherwise requires:

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

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

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

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

(e) in no event shall the term “available” when used to modify revenue described herein be interpreted to mean that the Trustee or the District has any discretion to determine that only a portion of such revenue shall be applied as provided herein; and

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

**Section 1.02. Computations.** Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (a) the principal of and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (b) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

**Section 1.03. Exclusion of Bonds Held By The District.** In determining whether the Consent Parties with respect to the requisite principal amount of the Outstanding Bonds have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds for which the District is the Consent Party shall be disregarded and deemed not to be Outstanding.

**Section 1.04. Certificates and Opinions.**

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii)

a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the District may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District stating that the information with respect to such factual matters is in the possession of the District, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

#### **Section 1.05. Acts of Consent Parties.**

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Consent Parties may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Consent Party in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the District. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in subsection (b) hereof shall be

sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the District.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Consent Parties with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive and binding upon all present and future Owners and Consent Parties if the Consent Parties with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Consent Party (notwithstanding whether such action was also taken by any other Owner or Consent Party) shall bind the Owner and the Consent Party, and the Owner of and Consent Party with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

**Section 1.06. Indenture to Constitute Contract.** This Indenture shall constitute a contract among the District, the Trustee, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding hereunder.

## ARTICLE II

### THE BONDS

#### **Section 2.01. Authorization, Terms, Payment, and Form of Bonds.**

(a) In accordance with the Constitution of the State, the Business Improvement District Act, the Supplemental Act, the Election, and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes hereinafter stated.

(b) The aggregate principal amount of the Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed \$\_\_\_\_\_, except as provided in Section 2.06 and Section 2.09 hereof.

(c) The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall

be numbered separately from 1 upward, with the number of each Bond preceded by "RC-."

(d) The Bonds shall be dated as of the date of issuance, and shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the rates per annum, set forth in the following tables, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenue available therefor annually on each December 15, commencing on December 15, 2020:

<b>Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
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(e) The maximum net effective interest rate authorized for this issue of Bonds pursuant to the Election is 12% per annum, and the actual net effective interest rate of the Bonds does not exceed such maximum rate. The combined maximum repayment costs of the Bonds and the Senior Bonds do not exceed the limitations of the Election. The combined maximum annual Debt Service Requirements on the Bonds and the Senior Bonds does not exceed the maximum annual repayment costs in the Election.

(f) The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than 10 days prior to the Special Record Date by first-class mail or by Electronic Means to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

(g) Interest payments shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the District shall not be required to make funds available to the Trustee prior to the dates on which such interest would

otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

(h) Notwithstanding anything herein to the contrary, all of the Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing shall not relieve the District of the obligation to impose the Debt Service Mill Levy each year prior to the year in which the Termination Date occurs and apply the Subordinate Pledged Revenue in the manner required herein prior to the Termination Date.

(i) To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until the Termination Date and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound annually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

(j) Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

**Section 2.02. Purpose of Issuance of Bonds.** The Bonds are being issued for the purpose of: (a) paying a portion of the Project Costs, and (b) paying other costs in connection with the issuance of the Bonds.

**Section 2.03. Trustee as Paying Agent and Bond Registrar.**

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The District shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the District.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively, “transfer”) the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Midwest, New York, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) Upon written request by the Trustee, the District shall furnish the Trustee with a supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the District in the manner set forth herein.

(e) In the event the District receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

**Section 2.04. Execution of Bonds; Signatures.** The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the President of the District, sealed with a manual impression or facsimile of its corporate seal, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the District. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the District before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the District, as though the person or persons who signed such Bonds had remained in office.

**Section 2.05. Persons Treated as Owners.** The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Trustee shall be affected by notice to the contrary.

**Section 2.06. Lost, Stolen, Destroyed, or Mutilated Bonds.** Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, provide such indemnification satisfactory to the Trustee, and present such proof of ownership and loss as may be required by the Trustee. If mutilated, (a) the District shall execute,

and the Trustee shall authenticate and deliver, a new Bond of the same, date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

**Section 2.07. Delivery of Bonds.** Upon the execution and delivery of this Indenture, the District shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, directed by the District and in accordance with a written certificate of the District. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the District as to the names of the purchasers and the amount of such purchase price.

**Section 2.08. Trustee's Authentication Certificate.** The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit A attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

**Section 2.09. Registration, Exchange, and Transfer of Bonds.**

(a) The Trustee shall act as bond registrar and maintain the books of the District for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity and interest rate of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The District and Trustee shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date, or (ii) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

**Section 2.10. Cancellation of Bonds.** Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

**Section 2.11. Book-Entry System.**

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the District nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly



authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the District determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

### ARTICLE III

#### REVENUES AND FUNDS

**Section 3.01. Source of Payment of Bonds.** The Bonds shall constitute special revenue bonds of the District payable from a lien on the Subordinate Pledged Revenue as provided herein. Principal of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of the Subordinate Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created (except the Rebate Fund). The Subordinate Pledged Revenue is hereby pledged to the payment of the Bonds, and the Bonds shall constitute an irrevocable lien upon the Subordinate Pledged Revenue, but not necessarily an exclusive such lien. The Bonds are secured by a lien on the Subordinate Pledged Revenue on parity with the lien thereon of any Parity Bonds issued hereafter. The Subordinate Bond Fund, the Subordinate Project Fund and the Subordinate Cost of Issuance Fund are hereby pledged to the payment of the Bonds in accordance with the terms and provisions of this Indenture.

**The Bonds shall not constitute or become an indebtedness, a debt or a liability of the State or any county, municipality (including the City) or other public body of the State other than the District to the extent provided herein.**

**Under no circumstances shall the Bonds be held to be an indebtedness, an obligation or a liability of the City of Colorado Springs, Colorado in any manner, and the City is not liable for payment of the principal of, premium if any, and interest on the Bonds. The faith and credit of the City is not pledged to the repayment of the Bonds.**

**Section 3.02. Creation of Funds and Accounts.** There are hereby created and established the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of this Indenture:

- (a) the Subordinate Project Fund;
- (b) the Subordinate Bond Fund, and within the Subordinate Bond Fund, the Subordinate Interest Account and the Subordinate Mandatory Redemption Account; and
- (c) the Rebate Fund (created pursuant to Section 6.02(c) hereof).

**Section 3.03. Initial Credits.** Immediately upon issuance of the Bonds and from the proceeds thereof (after payment of the Underwriter's discount), the Trustee shall make the following credits:

- (a) to the Subordinate Costs of Issuance Fund, the amount of \$ \_\_\_\_\_ from the proceeds of the Bonds; and
- (b) to the Subordinate Project Fund, the amount of \$ \_\_\_\_\_ from the proceeds of the Bonds.

**Section 3.04. Subordinate Project Fund.**

(a) ***In General.*** The Subordinate Project Fund shall constitute a "Proceeds Account" as defined in Resolution No. 3, and shall be established and maintained by the Trustee in accordance with the terms of this Section 3.04, subject to the Authority's right to approve the use of moneys on deposit in the Subordinate Project Fund as provided herein and in Exhibit B attached hereto.

(b) ***Draws from the Subordinate Project Fund.*** So long as no Event of Default shall have occurred and be continuing, amounts in the Subordinate Project Fund shall be disbursed by the Trustee to pay or reimburse Project Costs upon receipt of a requisition in substantially the form set forth as Exhibit B hereto signed by the District Representative and the Authority Representative. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith.

Notwithstanding the foregoing or any provision to the contrary contained herein, moneys on deposit in the Subordinate Project Fund shall not be applied to the payment or reimbursement of Project Costs related to the design or construction of the USAFA Visitor's Center unless accompanied by an opinion of bond counsel to the effect that the application of such moneys shall not adversely affect the tax-exempt status of interest on the Bonds.

(c) ***Completion of Project; Termination of Subordinate Project Fund.*** The Completion Date for the portion of the Project financed with the proceeds of the Bonds (which does not include the USAFA Visitors Center) shall be evidenced to the Trustee by a certificate (the "Completion Certificate") signed by the District Representative and delivered to the Trustee, stating that except for amounts retained by the Trustee for any amount of the Project Costs not then due and payable, the portion of the Project being financed with the proceeds of the Bonds has been completed in accordance with the plans and specifications therefor, and all labor, services, materials and supplies used in

connection with such portion of the Project have been paid and such portion of the Project conforms with all applicable zoning, planning and building regulations. Notwithstanding the foregoing, such certificate shall be and shall state that it is given without prejudice to any right of the District against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such Completion Certificate the Trustee shall retain in the Subordinate Project Fund any amount necessary for the payment of the Project Costs not then due and payable (as set forth in the Completion Certificate). All amounts remaining in the Subordinate Project Fund after the Completion Date and after payment of the Project Costs then due and payable shall be transferred in the following order of priority: (A) to the Rebate Fund from amounts on deposit in the Subordinate Project Fund, if necessary to enable the District to comply with the covenants referred to in Section 6.02(c) hereof, and (B) to the Subordinate Bond Fund to the extent of any remaining balance of such moneys. The Subordinate Project Fund shall terminate at such time as no further moneys remain therein.

(d) **Records.** The Trustee shall keep and maintain adequate records pertaining to the Subordinate Project Fund and all payments and transfers therefrom, which shall be open to inspection by the District, the Economic Development Commission, the Authority, the Developer, the Project Element Sponsor, the City or their duly authorized agents during normal business hours of the Trustee.

**Section 3.05. Application of Subordinate Pledged Revenue.** So long as any Senior Bonds remain outstanding, the Trustee shall receive Subordinate Pledged Revenues in accordance with the Senior Indenture, Section 3.06, SIXTH, and upon such receipt the Trustee shall apply such Subordinate Pledged Revenues in the order of priority set forth below. Upon payment in full or defeasance of all outstanding Senior Bonds, the District shall remit all Subordinate Pledged Revenues received by the District, including without limitation the revenues from the District Debt Service Mill Levy and the Specific Ownership Taxes, to the Trustee as soon as may be practicable, but no less often than once each month. The Trustee shall apply Subordinate Pledged Revenues received from the District, and Subordinate Pledged Revenues received from any other entity, including without limitation, the Authority and the PIF Collection Agent, in the order of priority set forth below upon such receipt. Any moneys received by the Trustee that are not Subordinate Pledged Revenues hereunder, including without limitation any tax increment revenues received from the operations and mill levy of the District, shall not be applied as hereinafter set forth and shall not be subject to the lien and pledge of this Indenture.

For purposes of the following, when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other.

FIRST: To the credit of the Subordinate Bond Fund and any fund or account created for the payment of the principal of, premium if any, and interest on Parity Bonds, pro rata in accordance with the then outstanding principal amounts of the Bonds and any Parity Bonds, all Subordinate Pledged Revenue received until the funding of all amounts to become due and payable on the Bonds and the Parity Bonds through maturity or prior redemption; and

SECOND: To the credit of any other fund or account as may be designated by the District in writing to the Trustee, to be used for any lawful purpose (including without limitation the payment of any Junior Lien Obligations), any Subordinate Pledged Revenue remaining after the payments and accumulations set forth above. For avoidance of doubt, for the Subordinate Pledged Revenues to be applied pursuant to this SECOND provision, all Bonds and any outstanding Parity Bonds shall have been paid or defeased and shall no longer be Outstanding.

**Section 3.06. Subordinate Bond Fund.** Moneys in the Subordinate Bond Fund shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds.

(a) Subordinate Pledged Revenue required to be credited to the Subordinate Bond Fund in accordance with Section 3.05 hereof shall be credited each Bond Year as received as follows:

FIRST: to the credit of the Subordinate Interest Account, the amount required for amounts on deposit therein to equal the interest payable on the Bonds in such Bond Year; and

SECOND: to the credit of the Subordinate Mandatory Redemption Account, all remaining Subordinate Pledged Revenue credited to the Subordinate Bond Fund for such Bond Year.

(b) On each Interest Payment Date, the Trustee is to apply amounts on deposit in the Subordinate Interest Account to the payment of interest on the Bonds (including current interest, accrued but unpaid interest and unpaid compound interest, and including the accrued interest portion of any Mandatory Redemption Price) then due.

(c) On the 45th day prior to each Mandatory Redemption Date, the Trustee shall determine the amounts on deposit in the Subordinate Mandatory Redemption Account available for application to redemption of the Bonds in accordance with Section 5.01(b) hereof, taking into account any requirements of Section 5.02 hereof with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Redemption Date as a result of amounts credited to the Subordinate Mandatory Redemption Account, as provided in Section 5.02 hereof.

(d) On each Mandatory Redemption Date, the Trustee is to apply amounts on deposit in the Subordinate Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price.

(e) Moneys credited to the Subordinate Bond Fund may be invested or deposited as provided in Section 6.01 hereof.

(f) The District acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to Section 5.01(b) hereof and paragraph (d) of this Section 3.06.

**Section 3.07. Subordinate Costs of Issuance Fund.** The Subordinate Costs of Issuance Fund shall be established and maintained by the Trustee in accordance with this Section 3.07. All moneys on deposit in the Subordinate Costs of Issuance Fund shall be applied by the Trustee at the direction of the District, for the payment of Costs of Issuance of the Bonds. The Trustee may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Upon payment of all Costs of Issuance, as confirmed in writing to the Trustee by the District Representative, any amounts remaining on deposit in the Subordinate Costs of Issuance Fund shall be transferred by the Trustee into the Subordinate Bond Fund or the Subordinate Project Fund, as directed in writing by the District Representative. Any amounts remaining in the Subordinate Costs of Issuance Fund on the date that is 180 days after the date of issuance of the Bonds shall be transferred by the Trustee into the Subordinate Bond Fund or the Subordinate Project Fund, as directed in writing by the District Representative.

**Section 3.08. Trustee's Fees, Charges, and Expenses.** The District shall pay the Trustee's fees for services rendered hereunder in accordance with its then-current schedule of fees and reimburse the Trustee for all advances, legal fees, and other expenses reasonably or necessarily made or incurred by, in, or about the execution of the trust created by this Indenture and in or about the exercise and performance of the powers and duties of the Trustee hereunder.

**Section 3.09. Moneys to be Held in Trust.** All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for moneys paid to Trustee for its fees and expenses, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the extent otherwise specifically provided in Article VII, and Section 8.05 hereof, the District shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

**Section 3.10. Pledge of Revenues.** The creation, perfection, enforcement, and priority of the pledge of Subordinate Pledged Revenue and the funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Trust Estate pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge and the obligation to perform the contractual provisions hereof and of the Bond Resolution shall have priority over any or all other obligations and liabilities of the District, except as may be otherwise provided herein, in the Bond Resolution, or in any future transaction document. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

## ARTICLE IV

### COVENANTS OF DISTRICT

**Section 4.01. Performance of Covenants, Authority.** The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The District covenants that it is duly authorized under the constitution and laws of the State, including, particularly and without limitation, the Business Improvement District Act, to issue the Bonds and to execute this Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable obligations of the District according to the terms thereof.

**Section 4.02. Covenant to Impose District Debt Service Mill Levy.**

(a) For the purpose of paying the principal of, premium if any, and interest on the Senior Bonds and the Bonds, the Board shall annually determine and certify to the Board of County Commissioners for El Paso County, Colorado, in each of the years 2019 through 2058, inclusive, and, subject to the Termination Date, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2059, in addition to all other taxes, the District Debt Service Mill Levy. When collected, the taxes levied for the foregoing purposes shall be remitted by the District to the Trustee and (i) so long as the Senior Bonds remain Outstanding, deposited by the Trustee in the Revenue Fund in accordance with the Senior Indenture, and (ii) upon payment or defeasance of all Outstanding Senior Bonds, deposited by the Trustee in the Subordinate Bond Fund in accordance with Section 3.05 hereof.

(b) The requirements of this Section 4.02 shall be deemed satisfied to the extent that the District annually determines and certifies the District Debt Service Mill Levy to the Board of County Commissioners for El Paso County, Colorado, in accordance with Section 4.02 of the Senior Indenture.

(c) NOTWITHSTANDING ANY OTHER PROVISION HEREIN, THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE DISTRICT DEBT SERVICE MILL LEVY FOR PAYMENT OF THE BONDS AFTER DECEMBER 2058 (FOR COLLECTION IN CALENDAR YEAR 2059).

(d) The foregoing provisions of this Indenture are hereby declared to be the certificate of the Board to the Board of County Commissioners for the County, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purpose of paying the principal of, premium if any, and the interest on the Bonds.

(e) The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and to pay the principal of, premium if any, and interest on the Bonds when due, are hereby appropriated for said purposes, and such amounts as appropriated for each year shall also be included in the annual budget and the

appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

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

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

**Section 4.03. Instruments of Further Assurance.** At any and all times, the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Subordinate Pledged Revenues and other moneys hereby pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Indenture and to comply with law. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Subordinate Pledged Revenues and other moneys pledged hereunder and all the rights of every Owner of the Bonds against all claims and demands of all persons whomsoever. The District shall take all actions to enforce, and shall cooperate fully with the Trustee in enforcing, the rights to receive the PILOT Revenues and payments under the Authority Pledge Agreement, the Add-On PIF Covenants and the PIF Collection Agreement.

**Section 4.04. Additional Bonds.**

(a) After the issuance of the Bonds, no Additional Bonds may be issued except (i) in accordance with the provisions of this Section 4.04, (ii) with the written consent of the City, and (iii) to the extent that such Additional Bonds are secured by a pledge of the Dedicated State Sales Tax Increment Revenues, with the consent of the Economic Development Commission. So long as any Senior Bonds are outstanding, the District shall also comply with any requirements set forth in the Senior Indenture relating to the issuance of obligations that have a lien on the Pledged Revenue.

(b) The District may issue the Series 2019A Bonds and the Series 2019B Bonds at such time or times and in such amounts as may be determined by the District without the consent of the Consent Parties.

(c) The District may issue Permitted Senior Refunding Bonds at such time or times and in such amounts as may be determined by the District without the consent of the Consent Parties.

(d) The District may issue additional Senior Bonds (other than the Series 2019A Bonds, the Series 2019B Bonds and Permitted Senior Refunding Bonds) only if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then outstanding.

(e) The District may issue additional Parity Bonds only if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then outstanding.

(f) The District may issue Junior Lien Obligations without the consent of the Consent Parties if each of the following conditions are met as of the date of issuance of such Junior Lien Obligations:

(i) The failure to make a payment when due on the Junior Lien Obligations shall not constitute an event of default thereunder.

(ii) The Junior Lien Obligations are payable as to both principal and interest only after all Bonds and Parity Bonds have been paid or defeased and are no longer outstanding.

(g) A written certificate by the President or Treasurer of the District that the conditions set forth herein are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver Additional Bonds in accordance herewith.

(h) Nothing herein shall affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds hereunder.

(i) Notwithstanding any other provision contained herein, under no circumstances shall the District issue Additional Bonds in excess of that authorized by eligible electors of the District, if applicable, and the District's Operating Plan, as the same may be amended from time to time.

**Section 4.05. Additional Covenants and Agreements.** The District hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The District will maintain its legal identity and existence so long as any of the Bonds remain Outstanding, unless another legal entity by operation of law succeeds to the liabilities and rights of the District hereunder and under the Bonds without materially adversely affecting the privileges and rights of any Owner of any Bonds.

(b) The District covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in this Indenture.

(c) So long as any of the Bonds remain Outstanding, proper books of record and account will be kept by the District showing complete and correct entries of all transactions relating to the Bonds, the Pledged Revenues, the Trust Estate and the Project.



(d) The Trustee and any Owner of any of the Bonds, or any duly authorized agent or agents of the Trustee or such Owner, shall have the right at all reasonable times to inspect all public records, accounts and data which the District may have relating to the Bonds, the Pledged Revenues, the Trust Estate and the Project and all properties appertaining thereto.

(e) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(f) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(g) The District or any officers, Board members, agents or employees of the District shall not take any action in such manner or to such extent as might materially prejudice the security for the payment of the Bonds and the interest thereon according to the terms thereof, including, without limitation, the giving of consents to actions by others and material amendments to the Authority Pledge Agreement, the Tax Increment Agreements, the Add-On PIF Covenants, the PIF Collection Agreement, or that would materially reduce the PILOT Revenues.

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

(i) The District shall notify the Trustee in writing of any failure by the Authority to make a payment of Authority Pledged Revenues as contemplated under the Authority Pledge Agreement, and of any failure to receive the PILOT Revenues or the Add-On PIF Revenue as contemplated under the Add-On PIF Covenants and the PIF Collection Agreement, specifying the reason or reasons for such failure of payment by the Authority or other responsible party. Such notice shall be provided by the District as soon as practicable following the District's learning of such failure.

## ARTICLE V

### PRIOR REDEMPTION

#### Section 5.01. Prior Redemption.

(a) *Optional Redemption.* The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part, in such order of

maturities as the District shall determine and by lot within maturities), after notice is provided in accordance with Section 5.02 hereof, on any date on or after December 15, 20\_\_, at a price equal to the principal amount so redeemed, accrued interest to the redemption date, and with a prior redemption premium as follows:

<b>Redemption Date</b>	<b>Redemption Premium</b>
------------------------	---------------------------

(b) **Mandatory Redemption.** The Bonds are subject to mandatory redemption in part by lot on December 15 of each year (each a “Mandatory Redemption Date”), commencing December 15, 2020, to the extent of moneys on deposit, if any, in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 45 days prior to the applicable Mandatory Redemption Date, and subject to any minimum requirements with respect to the principal amount of Bonds to be redeemed as set forth in Section 5.02 hereof, at a redemption price (the “Mandatory Redemption Price”) equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The District acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to this paragraph.

**Section 5.02. Redemption Procedure and Notice.**

(a) If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed shall be selected by the Trustee by lot prior to the date fixed for redemption. The Bonds shall be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by Electronic Means to DTC or its successors, not less than 30 days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner or by Electronic Means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such

conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust on or prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

## ARTICLE VI

### INVESTMENTS

#### **Section 6.01. Investments.**

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, upon receipt by the Trustee of written direction of the District Representative, in Permitted Investments only. The Trustee may conclusively rely upon the District Representative's written instruction as to both the suitability and legality of the directed investments. If the District fails to provide written directions concerning investment of moneys held by the Trustee, the Trustee shall, in accordance with this subsection, invest and reinvest the moneys in the Federated Treasury Obligations Money Market Fund (TOSXX) CUSIP 60934N872 as standing instructions which is a Permitted Investment, subject to any other requirements of this Section 6.01. Any such investments shall mature, be redeemable at the option of the owner thereof, pay interest or, in the case of money market funds, shall be available for withdrawal, no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee under the Indenture shall be credited to the fund or account from which the moneys invested were derived.

(b) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. The Trustee is not required to issue confirmations of Permitted Investments for any month in which a monthly statement is rendered by the Trustee. The Trustee will not issue a monthly statement for any fund or account if no activity occurred in such fund or account during such month. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District Representative shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District Representative, unless the District Representative notified the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and

(iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

**Section 6.02. Tax Matters; Rebate Fund.**

(a) The District covenants for the benefit of the Owners of the Bonds and the Series 2019A Bonds that it will not take any action or omit to take any action with respect to the Bonds, the Series 2019A Bonds, any funds of the District, or any facilities financed with the proceeds of the Bonds or the Series 2019A Bonds, if such action or omission (i) would cause the interest on the Bonds or the Series 2019A Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the Bonds or the Series 2019A Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Bonds or the Series 2019A Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the District under this Indenture, the District shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) In addition to the other funds and accounts created pursuant hereto, there is hereby established and shall be maintained the Rebate Fund as a fund separate from any other fund or account established and maintained hereunder. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the "Rebate Requirement" as defined in the Tax Certificate, for payment to the United States of America. Notwithstanding defeasance of the Bonds or the Series 2019A Bonds, or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). Moneys on deposit in the Rebate Fund are not pledged to the payment of the Bonds and do not constitute Subordinate Pledged Revenues hereunder.

(d) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and the Series 2019A Bonds and after payment of any amounts described in subsection (c) of this Section shall be withdrawn and retained by the District.

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

(f) The covenants contained in this Section shall remain in full force and effect until the date on which all obligations of the District in fulfilling such covenants under the Code and Colorado law have been met, notwithstanding the payment in full or defeasance of the Bonds or the Series 2019A Bonds.

## ARTICLE VII

### DISCHARGE OF LIEN

#### **Section 7.01. Discharge of the Lien of the Indenture.**

(a) If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the District any property at the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the District under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 7.01 if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested), together with any moneys on deposit therein, to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by an Independent Accountant. With

respect to any accrued and unpaid interest on the Bonds, including any compound interest remaining unpaid, it is acknowledged that such amounts are due and payable immediately at the time of funding any escrow intended to accomplish a defeasance of the Bonds. Upon the funding of an escrow defeasing Bonds in accordance with the provisions of this Section 7.01, the Bonds shall cease to be subject to mandatory redemption in accordance with the provisions of Section 5.01(b), and the principal of the Bonds shall be due and payable only on the designated redemption date(s).

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with Section 6.02 hereof; and (ii) a report of an Independent Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Bonds when due.

(e) The release of the obligations of the District under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

**Section 7.02. Continuing Role as Bond Registrar and Paying Agent.** Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

**Section 7.03. Discharge on Termination Date.** Notwithstanding any other provision in this Indenture, in the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on the Termination Date, the Bonds and the lien of this Indenture securing payment thereof shall be deemed discharged, the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid.

## ARTICLE VIII

### DEFAULT AND REMEDIES

**Section 8.01. Events of Default.** The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) the District fails to impose the District Debt Service Mill Levy in accordance with this Indenture or the District fails to apply the revenue resulting from the imposition of the District Debt Service Mill Levy as required by this Indenture; or

(b) the District fails to apply the Subordinate Pledged Revenue, or any part thereof, as required by this Indenture; or

(c) the District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in this Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to Section 8.12(b) hereof; or

(d) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

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

IN ADDITION, IT IS ACKNOWLEDGED THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE DISTRICT DEBT SERVICE MILL LEVY FOR PAYMENT OF THE BONDS AFTER DECEMBER 2058 (FOR COLLECTION IN CALENDAR YEAR 2059).

### **Section 8.02. Remedies on Occurrence of Event of Default.**

(a) Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(i) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time

held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(ii) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Business Improvement District Act, the Bonds, the Bond Resolution, this Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

(iii) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

(b) No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

(c) If any Event of Default under Section 8.01(a) or (b) shall have occurred and if requested by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to Section 8.03 hereof; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof.

(d) Notwithstanding anything herein to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default, and nothing herein shall require the District to levy more than the District Debt Service Mill Levy.

**Section 8.03. Majority of Owners May Control Proceedings.** The Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

**Section 8.04. Rights and Remedies of Owners.** No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which under that Section it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the



Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

**Section 8.05. Application of Moneys.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and costs of any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate accounts or accounts created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds has been paid in full, subject to the Termination Date. Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section 8.05 and all expenses and fees of the Trustee have been paid, any balance remaining in any of the funds held hereunder shall be paid to the District.

**Section 8.06. Trustee May Enforce Rights Without Bonds.** All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

**Section 8.07. Trustee to File Proofs of Claim in Receivership, Etc.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the District, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf.

**Section 8.08. Delay or Omission No Waiver.** No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

**Section 8.09. No Waiver of One Default to Affect Another; All Remedies Cumulative.** No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

**Section 8.10. Discontinuance of Proceedings on Default; Position of Parties Restored.** In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

**Section 8.11. Waivers of Events of Default.** The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(a) or (b) hereof. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

**Section 8.12. Notice of Default; Opportunity to Cure Defaults.**

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by Electronic Means to DTC or its successors, of all Events of Default of which the Trustee is by Section 9.01(h) required to take notice, or if notice of an Event of Default is given as provided in said section, within 90 days after the Trustee has knowledge of the occurrence of such default or Event of Default unless such default or Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under subsection 8.01(c) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the District, and the District shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable

period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

**Section 8.13. Limitations on Remedies and Application of Moneys.** It is acknowledged that the Subordinate Pledged Revenue securing payment of the Bonds are subject to the prior lien thereon in favor of the Series 2019A Bonds, the Series 2019B Bonds and any other Senior Bonds issued hereafter. Except as to any of the duties the Trustee is required to perform prior to a default, as set forth in this Indenture, the Trustee or any Owner of the Bonds may not take any action hereunder which would unduly prejudice the rights of owners of the Senior Bonds with respect to the Pledged Revenue. Furthermore, it is acknowledged that, notwithstanding the occurrence of an Event of Default, no portion of the Pledged Revenue that is pledged on a senior basis to the Senior Bonds shall be applied to the payment of any amounts relating to the Bonds until the full satisfaction of all amounts then due with respect to any Senior Bonds (acknowledging that the Senior Bonds shall not be subject to acceleration upon the occurrence of an event of default under the Senior Indenture or the applicable resolution, indenture, or other document pursuant to which any such Senior Bond is issued).

## ARTICLE IX

### CONCERNING TRUSTEE

**Section 9.01. Acceptance of Trusts and Duties of Trustee.** The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in Section 9.01(g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an Opinion of Counsel, but the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon the advice or an opinion of Counsel chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the validity of the execution by the District of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of originally filed Uniform Commercial Code financing statements) and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the District, except as herein set forth; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture or the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual capacity or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee. The Trustee shall not be accountable for the use or application by the District of the proceeds of any of the Bonds or of any money paid to or upon the order of the District under any provision of this Indenture.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the District by the District Representative or the District's President or such other person as may be designated for such purpose as provided hereunder or by a certified resolution of the District as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made of any of the payments to the Trustee required to be made hereby, unless the Trustee shall be specifically notified in writing of such default by the District or by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability to invest any moneys received hereunder except as provided in Article VI hereof.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the District pertaining to the Bonds and the Pledged Revenue, and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the District.

(m) The Trustee shall not be required to advance its own funds, and before taking any action under this Indenture, other than the payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorneys' fees, and to protect it against all liability, except liability which has been adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

**Section 9.02. Fees and Expenses of the Trustee.** The Trustee shall be entitled to payment and reimbursement of its fees and expenses for ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services, including legal fees and expenses. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall have a lien upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred and unpaid, but subject to the right of prior payment of the principal and interest on the Bonds when due. The Trustee's right to compensation and indemnification shall survive the satisfaction and discharge of this Indenture or the Trustee's resignation or removal hereunder and payment in full of the Bonds.

**Section 9.03. Resignation or Replacement of Trustee.**

(a) The Trustee may resign, subject to the appointment of a successor, by giving 30 days' notice of such resignation to the District and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an instrument in writing, executed by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the District so long as it is not in default hereunder; otherwise by the Owners of a majority in aggregate principal

amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact appointed; provided however, that even if the District is in default hereunder it may appoint a successor until a new successor shall be appointed by the District or the Owners as herein authorized. The District, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to the address shown on the registration books maintained by the Trustee or by Electronic Means to DTC or its successor, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the District shall immediately and without further act be superseded by a successor appointed in the manner above provided by the District or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as applicable.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital surplus of not less than \$50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the District is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those instruments shall be made, executed, acknowledged, and delivered by the District on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

(e) Notwithstanding any provision to the contrary contained herein, any entity that serves as Trustee hereunder shall also serve as trustee under the Senior Indenture, and any other documents or indentures pursuant to which Additional Bonds are issued.

**Section 9.04. Conversion, Consolidation, or Merger of Trustee.** Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing

of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

**Section 9.05. Trustee Protected in Relying Upon Resolutions, Etc.** The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the approval of any expert for any of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

## ARTICLE X

### SUPPLEMENTAL INDENTURES

**Section 10.01. Supplemental Indentures Not Requiring Consent.** Subject to the provisions of this Article, the District and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds;
- (b) To subject to this Indenture additional revenues, properties, or collateral;
- (c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and
- (d) To qualify this Indenture under the Trust Indenture Act of 1939.

**Section 10.02. Supplemental Indentures Requiring Consent.**

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to,



or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

(c) If at any time the District shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given by mailing such notice by certified or registered first class mail to each Owner of a Bond to the address shown on the registration books of the Trustee or by Electronic Means to DTC or its successors, at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the District following the giving of such notice, the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, the District may execute and deliver such supplemental indenture and no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

**Section 10.03. Execution of Supplemental Indenture.** The Trustee is authorized to join with the District in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the District shall receive and shall be fully protected in relying upon an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee and the District, to the effect that: (a) the supplement will not adversely affect the exclusion from gross income for federal income tax purposes, of the interest paid or to be paid on the Bonds; (b) the District is permitted by the provisions hereof to enter into the supplement; and (c) the supplement is a valid and binding obligation of the District, enforceable in accordance with its terms, subject to matters permitted by Section 1.05 hereof.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, and the Owners of the Bonds.

**Section 11.02. Severability.** In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

**Section 11.03. Governing Law.** This Indenture shall be governed and construed in accordance with the laws of the State.

**Section 11.04. Execution in Counterparts.** This Indenture 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 11.05. Notices; Waiver.**

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person, by electronic mail, or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:	USAFA Visitor's Center Business Improvement District
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\_\_\_\_\_  
\_\_\_\_\_

Trustee: BOKF, N.A.  
c/o BOK Financial  
1600 Broadway, 3<sup>rd</sup> Floor  
Denver CO, 80202  
Attn: Corporate Trust/Keith Papantonio  
Email: ctdenver@bokf.com

Commission: Colorado Economic Development Commission  
c/o Executive Director, Colorado Office of Economic  
Development  
1600 Broadway, Suite 2500  
Denver, CO 80202

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 11.06. Holidays.** If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee are located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

**Section 11.07. Application of Supplemental Act.** The Board hereby specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S. (as previously defined, the “Supplemental Act”), to the Bonds.

**Section 11.08. No Recourse against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

**Section 11.09. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

**Section 11.10. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than 30 days after the authorization of the Bonds.

**Section 11.11. Electronic Execution and Storage.** The parties hereto agree that the transaction 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.

**IN WITNESS WHEREOF**, USAFA Visitor’s Center Business Improvement District has caused this Indenture to be executed on its behalf by its President and attested by its Secretary, and to evidence its acceptance of the trusts hereby created, BOKF, N.A., Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.

(S E A L)

USAFA VISITOR’S CENTER BUSINESS  
IMPROVEMENT DISTRICT

\_\_\_\_\_  
President

ATTESTED:

\_\_\_\_\_  
Secretary

BOKF, N.A., as Trustee

\_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

[Form of Bonds]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A LIMITED PURPOSE TRUST COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA  
STATE OF COLORADO**

No. RC -\_\_

\$ \_\_\_\_\_

**USAFA VISITOR’S CENTER  
BUSINESS IMPROVEMENT DISTRICT  
SUBORDINATE SPECIAL REVENUE BOND  
SERIES 2019C**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Original Issue Date</b>	<b>CUSIP</b>
_____ %	December 1, 20__	_____, 2019	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

USAFA Visitor’s Center Business Improvement District, a business improvement district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby promises to pay, solely from and to the extent of the Subordinate Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 15, 2019, in which event this Bond shall bear interest from its date of delivery, at the interest rate per annum specified above, payable annually on December 15 each year, commencing on December 15, 2020, until the principal amount is paid at maturity or upon prior redemption.

**Notwithstanding anything herein to the contrary, this Bond and interest hereon shall be deemed to be paid, satisfied, and discharged on December 16, 2059 (the “Termination Date”), regardless of the amount of principal and interest paid prior to the Termination Date.**

To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until the Termination Date. To the extent interest on this Bond is not paid when due, such interest shall compound annually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The Bonds are issued pursuant to that certain Indenture of Trust (Subordinate) (the “Indenture”) dated as of \_\_\_\_\_, 2019, between the District and BOKF, N.A., as trustee (the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Indenture.

This Bond is one of an authorized series of bonds designated as the Subordinate Special Revenue Bonds, Series 2019C in the aggregate principal amount of \$ \_\_\_\_\_ issued by the Board of Directors of USAFA Visitor’s Center Business Improvement District, for the purpose of paying the costs of improvements and infrastructure that are necessary to or convenient for the completion of the USAFA Visitor’s Center, in connection with the City for Champions project, by virtue of and in full conformity with the Constitution of the State of Colorado; the Business Improvement District Act, being Title 31, Article 25, Part 12, C.R.S.; the Supplemental Public Securities Act, being Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution and the Indenture. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Indenture.

Concurrently with the issuance of the Bonds, the District is issuing its “Special Revenue Bonds, Series 2019A” in the aggregate principal amount of \$ \_\_\_\_\_ (the “Series 2019A Bonds”) and its “Special Revenue Bonds, Taxable Series 2019B” in the aggregate principal amount of \$ \_\_\_\_\_ (the “Series 2019B Bonds” and collectively, the “Senior Bonds”).

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of certain moneys held in funds and accounts under the Indenture and the Subordinate Pledged Revenue. The Bonds constitute an irrevocable lien upon the Subordinate Pledged Revenue. The Subordinate Pledged Revenue securing payment of the Bonds are subject to the prior lien thereon in favor of the Series 2019A Bonds, the Series 2019B Bonds and any other Senior Bonds issued after the issuance of the Bonds. Except as to any of the duties the Trustee is required to perform prior to a default, as set forth in the Indenture, the Trustee or any Owner of the Bonds may not take any action under the

Indenture which would unduly prejudice the rights of owners of the Senior Bonds with respect to the Pledged Revenue. Furthermore, notwithstanding the occurrence of an Event of Default under the Indenture, no portion of the Pledged Revenue that is pledged on a senior basis to the Senior Bonds shall be applied to the payment of any amounts relating to the Bonds until the full satisfaction of all amounts then due with respect to any Senior Bonds (acknowledging that the Senior Bonds shall not be subject to acceleration upon the occurrence of an event of default under the Senior Indenture or the applicable resolution, indenture, or other document pursuant to which any such Senior Bond is issued).

Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Subordinate Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Indenture. Subject to expressed conditions, certain Senior Bonds may also be issued in accordance with the provisions of the Indenture.

**The Bonds shall not constitute or become an indebtedness, a debt or a liability of the State or any county, municipality (including the City) or other public body of the State other than the District to the extent provided in the Indenture.**

**Under no circumstances shall this Bond be held to be an indebtedness, an obligation or a liability of the City of Colorado Springs, Colorado in any manner, and the City is not liable for payment of the principal of, premium if any, and interest on this Bond. The faith and credit of the City is not pledged to the repayment of this Bond.**

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts, funds and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary. By acceptance of this instrument, the owner of this Bond agrees and consents to all of the provisions contained in the Indenture, and in the resolution of the District authorizing the issuance of this Bond.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado; and that at the Election lawfully held within the District on November 6, 2018, the issuance of this Bond was duly authorized by a majority of the electors of the District qualified to vote and voting at said Election.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.



IN TESTIMONY WHEREOF, the Board of Directors of USAFA Visitor's Center Business Improvement District has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary thereof, all as of \_\_\_\_\_, 2019.

[SEAL]

USAFA VISITOR'S CENTER BUSINESS  
IMPROVEMENT DISTRICT

By \_\_\_\_\_  
President

Attested:

By \_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

Date of Registration and Authentication:

\_\_\_\_\_

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

BOKF, N.A., as Trustee

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within Bond on the records kept for the registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 Ad-15(a)(2).

Signature Guaranteed:

\_\_\_\_\_  
Signature must be guaranteed by a member of a Medallion Signature Program.

Address of Transferee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other tax identification number of transferee:

\_\_\_\_\_

**EXHIBIT B**

**[FORM OF SUBORDINATE PROJECT FUND REQUISITION]**

SUBORDINATE PROJECT FUND REQUISITION NO. \_\_\_\_\_

\_\_\_\_\_, 201\_\_

BOKF, N.A., as trustee  
c/o BOK Financial  
1600 Broadway, 3<sup>rd</sup> Floor  
Denver CO, 80202  
Attn: Corporate Trust

Re: USAFA Visitor’s Center Business Improvement District, Special Revenue Bonds,  
Series 2019A and Taxable Series 2019B

In accordance with Section 3.04 of the Indenture of Trust (Subordinate) dated as of \_\_\_\_\_, 2019 (the “Indenture”) between the USAFA Visitor’s Center Business Improvement District and you, as Trustee, you are hereby requested to make the following payments from the Subordinate Project Fund created by the Indenture:

<u>Name and Address of Payee</u>	<u>Purpose for Which Obligation was Incurred</u>	<u>Amount To Be Paid</u>
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Capitalized terms used herein shall have the meanings set forth in the Indenture.

I hereby certify that (1) the obligations for which payment is to be made have been properly incurred, such payments constitute a Project Cost and are a proper charge against the Subordinate Project Fund, (2) none of the items for which payment is proposed to be made has formed the basis for any payment heretofore made from the Subordinate Project Fund, and (3) all service providers or contractors employed by the District to construct the Project, and for which reimbursement or payment is requested from amounts on deposit in the Subordinate Project Fund, were selected in accordance with all applicable federal, State and local procurement laws.

Attached hereto are bills or statements of account for the obligations for which payment is requested.

I hereby certify that the amount requisitioned will not be used to pay or reimburse Project Costs relating to the design or construction of the USAFA Visitor's Center unless accompanied by an opinion of bond counsel to the effect that the application of such moneys shall not adversely affect the tax-exempt status of interest on the Bonds.

To the extent this Requisition requests payment or reimbursement for interest or other financing costs qualifying as Eligible Costs, attached hereto is a certification from an External Financial Advisor that the interest rate or financing costs are reasonable in light of market conditions, the term and structure of the financial instrument, and any other factors deemed applicable by such advisor. Any such required Certificate from the External Financial Advisor shall also be forwarded to the Economic Development Commission in accordance with Resolution No. 3.

USAFA VISITOR'S CENTER BUSINESS  
IMPROVEMENT DISTRICT

\_\_\_\_\_  
District Representative

COLORADO SPRINGS URBAN RENEWAL  
AUTHORITY

By \_\_\_\_\_  
Authority Representative

**EXHIBIT C**  
[BALLOT QUESTIONS]