
LOAN AGREEMENT

by and between

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
as Borrower

and

THE CULEBRA PROPERTIES LIMITED LIABILITY COMPANY
as Lender

Dated as of March 21, 2012

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of March 21, 2012 by and between **COLORADO SPRINGS URBAN RENEWAL AUTHORITY** (the "Borrower"), a public body corporate and politic duly existing under the laws of the State of Colorado, and **THE CULEBRA PROPERTIES LIMITED LIABILITY COMPANY**, a Colorado limited liability company, in its capacity as lender (the "Lender").

RECITALS

WHEREAS, the Borrower is a public body corporate and politic and has been duly created, organized, established and authorized by the City of Colorado Springs, Colorado (the "City") to transact business and exercise its powers as an urban renewal authority, all under and pursuant to the Colorado Urban Renewal Law, constituting part 1 of article 25 of title 31, Colorado Revised Statutes (the "Act") (all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in Article I hereof); and

WHEREAS, pursuant to the Act, the Borrower has the power and authority to borrow money and to apply for and accept loans to accomplish the purposes set forth in the Act, and to give such security as may be required; and

WHEREAS, an urban renewal plan, known as the "Ivywild Neighborhood Urban Renewal Plan" approved June 28, 2011 (the "Urban Renewal Plan") has been duly and regularly approved by the City Council of the City for an urban renewal project (the "Urban Renewal Project") under the Act; and

WHEREAS, all applicable requirements of the Act and other provisions of law for and precedent to the adoption and approval by the City of the Urban Renewal Plan have been duly complied with; and

WHEREAS, the Borrower and the City have entered into a Cooperation Agreement dated January 24, 2012 (the "City Cooperation Agreement"), for the purpose of authorizing and further implementing the collection of certain incremental sales tax revenues, as contemplated by Urban Renewal Plan; and

WHEREAS, the Borrower has determined that it is in the best interest of the Borrower and the citizens and taxpayers of the City to incur indebtedness in the form of a loan for the purpose of paying a portion of the costs of the Urban Renewal Project; and

WHEREAS, the Borrower has made a request to the Lender to provide financing for the Urban Renewal Project by making available to the Borrower a loan in the original principal amount of \$778,000 (the "Loan"); and

WHEREAS, the Lender is willing to enter into this Agreement and to make the Loan to the Borrower pursuant to the terms and conditions contained herein; and

WHEREAS, the Borrower's authority to execute and deliver the Note (as defined in Article I hereof) and this Agreement and perform its obligations thereunder and hereunder is authorized pursuant to the Authorizing Resolution (as more particularly defined in Article I hereof); the Act; the provisions of Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"); and all other laws thereunto enabling; and

WHEREAS, the Loan shall constitute a special revenue obligation of the Borrower payable from and secured by the Pledged Revenue, subject to the limitations set forth herein.

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

ARTICLE I

DEFINITIONS

"Administrative Fee" means the administrative fee of the Authority, which is equal to \$50,000 in Fiscal Years 2012, 2013 and 2014, and \$5,000 in each Fiscal Year thereafter for the term of this Loan Agreement; provided, however, that to the extent that the Projected Pledged Property Tax Revenue for any of the Fiscal Years 2014, 2015 or 2016 is less than \$80,000, a portion of the administrative fee of the Authority then due in such Fiscal Year (including any fees due in a prior Fiscal Year that then remains outstanding) equal to the difference between \$80,000 and the Projected Pledged Property Tax Revenues for such Fiscal Year shall be deferred and deemed payable in the immediately succeeding Fiscal Year, subject to payment of such amount from Pledged Revenue available in accordance with Section 3.02(c) hereof, if any. For purposes of this Loan Agreement, the Administrative Fee for a calendar year shall be deemed accrued and owing as of March 31 of such calendar year. It is acknowledged that \$11,500 of the Administrative Fee due in 2012 has been deferred and, as of the date of this Agreement, is due and payable in Fiscal Year 2013.

"Authorized Person" means the Executive Director of the Borrower or any designee thereof, and also means any other individual authorized by the Board to act as an Authorized Person hereunder, provided that the Borrower has provided specimen signatures for such Authorized Person(s) to the Lender.

"Authorizing Resolution" means the resolution adopted by the Board on March 5, 2012, authorizing the Borrower to incur the indebtedness of the Loan and execute and deliver the Note, this Agreement, and the other Financing Documents to which the Borrower is a party.

"Board" means the Board of Directors of the Borrower.

"Borrower" means Colorado Springs Urban Renewal Authority, a public body corporate and politic duly organized and existing as an urban renewal authority under the laws of the State of Colorado.

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

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

“*City Cooperation Agreement*” means the Cooperation Agreement dated as of January 24, 2012, by and between the City and the Borrower.

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

“*Closing Date*” means the date on which the Closing occurs, estimated to be on or about March 21, 2012.

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

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

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

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

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

“*Deferred Administrative Fee*” means, with respect to any Fiscal Year, any portion of the Administrative Fee which would otherwise be payable in such Fiscal Year but has been deferred as set forth in the definition of Administrative Fees herein as a result of Pledged Property Tax Revenues for the related Fiscal Year not equaling or exceeding \$80,000.

“*Developer*” means Ivywild School Inc., a Colorado corporation.

“*Development Agreement*” means the Urban Renewal Agreement for Redevelopment of Ivywild Renewal Area dated March 21, 2012.

“*Event of Default*” has the meaning set forth in Section 6.01 hereof.

“*Final Assessed Valuation*” means the final certified assessed valuation of all taxable property within the Urban Renewal Project Area, as calculated and recorded by the County Assessor on or about December 10 of each year, or on such other date as may be established by law for the annual final certification of assessed valuation.

“*Financing Documents*” means this Agreement, the Note, the Authorizing Resolution, the Urban Renewal Plan and the City Cooperation Agreement.

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

“*Fundamental Representation*” means a representation or covenant set forth in Section 5.09, 5.10, 5.12, 5.13, 5.14 or 7.13 of this Agreement.

“*General Sales Tax*” or “*Sales Taxes*” means the City’s general fund sales tax imposed pursuant to Chapter 2 Article 7 Part 2 of the City’s Code and permitted to be deposited to the City’s general fund. The General Sales Tax is presently imposed at a rate of 2.00%. The proceeds of any increases to such rate will constitute General Sales Tax hereunder, and generate additional Pledged Sales Tax Revenues, solely to the extent so allocated by the City and the Authority pursuant to the City Cooperation Agreement.

“*Increment Termination Date*” means June 28, 2036, or such other date on which the Borrower is no longer authorized to receive Pledged Property Tax Revenues or Pledged Sales Tax Revenues in accordance with the Act, the Urban Renewal Plan and the City Cooperation Agreement.

“*Lender*” means The Culebra Properties Limited Liability Company, a Colorado limited liability company, in its capacity as lender of the Loan.

“*Lender Invoice*” has the meaning assigned it in Section 3.02(c) hereof.

“*Loan*” means the loan made by the Lender to the Borrower in the original principal amount of \$778,000 as evidenced by the Note and made in accordance with the terms and provisions of this Agreement.

“*Loan Amount*” means Seven Hundred Seventy-Eight Thousand and 00/100 U.S. Dollars (\$778,000).

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

“*Maturity Date*” means June 30, 2028.

“*Minimum Pledged Revenue Amount*” means \$59,777 for Fiscal Year 2014, \$67,192 for Fiscal Year 2015, and \$101,947 for Fiscal Year 2016.

“*Note*” means the Promissory Note evidencing the Loan issued in the original principal amount of \$778,000 from the Borrower, as maker, to the Lender, as payee, and dated as of March 21, 2012.

“*Payment Date*” means March 31, June 30, September 30 and December 31 of each calendar year, commencing March 31, 2013, and continuing through and including the Maturity Date.

“*Pledged Property Tax Revenues*” means, for each Fiscal Year, that portion of the ad valorem property taxes produced by the levies at the rates fixed each year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal Project Area upon that portion of the valuation for assessment of all taxable property within the Urban

Renewal Project Area which is in excess of the Property Tax Base Amount; provided, however, that such amount shall be reduced by any lawful collection fee charged by the County.

“Projected Pledged Property Tax Revenues” means, for each Fiscal Year, that portion of the ad valorem property taxes anticipated to be produced by the levies at the rates fixed each year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal Project Area upon that portion of the valuation for assessment of all taxable property within the Urban Renewal Project Area which is in excess of the Property Tax Base Amount (provided, however, that such amount shall be reduced by any lawful collection fee charged by the County), as such amount is determined by the Authority based on the most recently certified assessed value of taxable property within the Urban Renewal Area and the most recently certified mill levies of the taxing jurisdictions within or overlapping the Urban Renewal Project Area, in both cases with respect to property taxes to be collected in such Fiscal Year.

“Pledged Revenue” means:

- (a) Pledged Property Tax Revenues;
- (b) Pledged Sales Tax Revenues;
- (c) all amounts held in the Loan Payment Fund together with investment earnings thereon; and
- (d) all other legally available moneys which the Borrower determines, in its sole discretion, to deposit in the Loan Payment Fund.

“Pledged Sales Tax Revenues” means, for each Fiscal Year, all of the proceeds of the General Sales Tax for such Fiscal Year collected within the Urban Renewal Project Area less the Sales Tax Base Amount.

“Project Fund” means the fund established, held and administered by the Project Fund Escrow Agent in accordance with the Project Fund Escrow Agreement.

“Project Fund Escrow Agent” means Wells Fargo Bank, National Association.

“Project Fund Escrow Agreement” means the Escrow Agreement entered into among the Borrower, the Lender and the Project Fund Escrow Agent pertaining to the administration of the Project Fund.

“Property Tax Base Amount” means the amount certified by the Assessor as the valuation for assessment of all taxable property within the Urban Renewal Project Area last certified by the Assessor prior to the adoption of the Urban Renewal Plan or any modification thereof (\$434,750); and provided, however, that in the event of a general reassessment of taxable property in the Urban Renewal Project Area, the valuation for assessment of taxable property within the Urban Renewal Project Area shall be proportionately adjusted in accordance with such general reassessment in the manner required by the Act.

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

“*Sales Tax Base Amount*” means \$62,963.15 or such other amount as may be lawfully determined by the City to be the total collections of Sales Taxes within the Urban Renewal Project Area for the twelve-month period immediately preceding the original adoption of the Urban Renewal Plan or any modification thereof.

“*Special Counsel*” means (a) as of the Closing Date, Kutak Rock LLP, Denver, Colorado, and (b) as of any other date, Kutak Rock LLP, Denver, Colorado, or such other attorneys selected by the Borrower with nationally recognized expertise in the issuance of tax-exempt debt.

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

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

“*Urban Renewal Project Area*” means the areas described in Exhibit B hereto.

ARTICLE II

LOAN TERMS, FEES, APPLICATION OF PROCEEDS

Section 2.01. Agreement to Make Loan. The Lender hereby agrees to make a loan to the Borrower in the original aggregate principal amount of \$778,000.00 (as previously defined, the “Loan Amount”) subject to the terms and conditions of this Agreement. The Loan shall be evidenced by the Note, the form of which is set forth in Exhibit A attached hereto.

Section 2.02. Application of Loan Proceeds. On the Closing Date, the Lender will withhold from proceeds of the Loan the amount of \$7,500 for legal and accounting fees of the Lender associated with this Loan Agreement and will disburse the remainder (\$770,500, referred to as the “Loan Proceeds”) to the Borrower for application as follows:

(a) \$656,100.00 from Loan Proceeds shall be transferred to the Project Fund Escrow Agent in the Project Fund held under the Project Fund Escrow Agreement;

(b) \$31,500.00 from Loan Proceeds shall be applied by the Borrower to pay legal fees and other costs of the Borrower associated with this Loan Agreement; and

(c) \$38,900.00 from Loan Proceeds shall be applied by the Borrower to pay a portion of the Administrative Fees due to the Borrower for calendar year 2012; and

(d) \$44,000.00 from Loan Proceeds shall be transferred by the Borrower to the Developer in reimbursement of costs associated with the Urban Renewal Plan, in accordance with the Development Agreement.

Section 2.03. Interest Rate; Interest Payments; Principal Payments

(a) **Interest Rate.** The outstanding principal of the Loan shall bear interest at a rate of 7.00% per annum (on the basis of a 365 day year) from the Closing Date until the Loan is paid in full.

(b) **Interest Payments.** On each Payment Date there shall be due and payable interest accrued on the Loan for the period commencing with the immediately preceding Payment Date (or, if none, the Closing Date) to but not including the Payment Date, but solely to the extent of the Pledged Revenue available for such purpose in accordance with Article III hereof. Any interest not paid when due shall continue to accrue until paid in full, and shall compound annually to the extent not paid on each June 30, commencing June 30, 2014.

(c) **Principal Payments.** Repayment of the Loan principal shall be due and payable on each Payment Date, commencing March 31, 2013, to the extent of Pledged Revenue available for such purpose in accordance with Article III hereof. The full amount of the Loan shall become due and payable on the Maturity Date.

(d) Any principal or interest on the Loan remaining unpaid on the Maturity Date shall continue to remain owing, shall continue to accrue interest as described above, and shall continue to be payable to the extent of Pledged Revenue, subject to Section 2.05 hereof.

Section 2.04. Optional Prepayment. The Loan may be prepaid, in whole or in part, on any date, upon payment of the principal amount of the Loan so prepaid plus accrued interest thereon to the date of prepayment.

Section 2.05. Loan Constitutes Limited Non-Recourse Obligation; Discharge Upon Termination of Pledged Property Tax Revenues and Pledged Sales Tax Revenues. Except as specifically provided in Section 6.06 hereof:

(a) The Loan Agreement and Note are limited special revenue obligations of the Borrower, payable solely from and to the extent of, and secured solely by, the Pledged Revenue. No recourse shall be available against the Borrower or any moneys or other property of the Borrower for the payment of the Loan Agreement or Note, except the Pledged Revenue.

(b) Notwithstanding any other provision in this Loan Agreement or the Note, in the event that any amount of principal of or interest on the Loan remains unpaid on the Increment Termination Date, the Loan Agreement and the Note and the lien hereof securing payment thereof shall be deemed discharged, the estate and rights hereby granted shall cease, and thereupon the Lender will have no recourse to the Borrower or any property of the Borrower for the payment of any amount of principal of or interest on the Loan remaining unpaid.

Section 2.06. Expenses and Attorneys' Fees. In the event that a claim by the Lender is brought against the Borrower relating to this Agreement or any of the other Financing

Documents and the Lender prevails in such claim, the Borrower will reimburse the Lender for all reasonable attorneys' and all other consultants' fees and all other costs, fees and out-of-pocket disbursements incurred by the Lender in connection with the preparation, execution, delivery, administration, defense and enforcement of this Agreement or any of the other Financing Documents, including reasonable attorneys' and all other consultants' fees and all other costs and fees (a) incurred before or after commencement of litigation or at trial, on appeal or in any other proceeding; (b) incurred in any bankruptcy proceeding and (c) related to any waivers or amendments with respect thereto (examples of costs and fees include but are not limited to fees and costs for confirming the priority of the Lender's claim on the Pledged Revenue or the funds and accounts established hereunder). The Borrower will also reimburse the Lender for all costs of collection of the Pledged Revenue, including all reasonable attorneys' and all other consultants' fees, before and after judgment.

ARTICLE III

PLEGGED REVENUE AND LOAN PAYMENT FUND

Section 3.01. Application of Pledged Revenue. The Pledged Revenue is hereby pledged by the Borrower to the Lender for payment of the Loan, subject to and in accordance with the provisions of this Loan Agreement. The Borrower shall credit all amounts comprising Pledged Revenue to the Loan Payment Fund as soon as may be practicable after the receipt thereof. The Borrower shall also credit to the Loan Payment Fund any amount of proceeds of the Loan disbursed to the Borrower in accordance with Section 2.02(b) hereof not applied to costs of issuance or fees due to the Escrow Agent as of March 1, 2015.

Section 3.02. Loan Payment Fund.

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

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

(i) **FIRST**, in the event that any amount of the Administrative Fee for the then current Fiscal Year or any prior Fiscal Year then remains unpaid (excluding Deferred Administrative Fees, if any), to the Borrower's account (for application to such Administrative Fee) in an amount equal to 50% of the Pledged Revenues deposited to the Loan Payment Fund in the immediately preceding three months, or such lesser amount of Administrative Fees then remaining due and unpaid;

(ii) **SECOND**, to the Lender, in the amount of all interest due on the Loan as of such Payment Date in accordance with the Lender Invoice for such

Payment Date and all previously due and unpaid interest (to the extent not previously compounded), or such lesser amount as is then on deposit in the Loan Payment Fund (subject to subparagraph (d) hereof); and

(iii) THIRD, after the payment of all amounts then due in accordance with clause (ii), all remaining amounts on deposit in the Loan Payment Fund (subject to subparagraph (d) hereof) shall be transferred to the Lender for application to the principal of the Loan.

(c) *Payment of Deferred Administrative Fees.* Notwithstanding the foregoing, in any Fiscal Year with respect to which there exists Deferred Administrative Fees, at such time as there has been transferred to the Lender for application to the payment of the Loan in accordance with clauses (ii) and (iii) of subparagraph (b) hereof an amount equal to the Minimum Pledged Revenue Amount for such Fiscal Year, all Pledged Revenue received for the remainder of such Fiscal Year shall be applied: (i) FIRST, to Deferred Administrative Fees and, (ii) SECOND, in accordance with clauses (ii) and (iii) of subparagraph (b) hereof.

(d) *Lender Invoice.* No later than 15 days after each Payment Date, commencing April 15, 2013, and also on or before January 15, 2013 (with respect to interest to become due on March 31, 2013), the Lender shall provide to the Borrower a written invoice (the "**Lender Invoice**") indicating the amount of interest to accrue and become due on the Loan on the next Payment Date, taking into account the principal amount of the Loan paid on the Payment Date immediately preceding the date on which such Lender Invoice is provided. Such invoice shall also state the amount, if any, of previously accrued interest remaining unpaid on the Loan as of such date (and the amount thereof that was compounded, if applicable).

(e) *Written Statements.* The Borrower agrees to send quarterly written statements itemizing all transactions in the Loan Payment Fund made by the Borrower to the Lender at the address set forth in Section 7.05 hereof or at such other address as the Lender shall specify to the Borrower in writing.

(f) *Moneys Held In Loan Payment Fund.* Moneys to be held in the Loan Payment Fund shall be held in a depository account under the control of the Borrower and satisfying the requirements of the Public Deposit Protection Act and shall not be invested, but shall earn interest at the rate provided by the applicable depository institution. Any and all interest income on moneys held and administered under this Agreement shall be subject to full and complete compliance at all times with the covenants and provisions of Section 5.05 hereof.

ARTICLE IV

CONDITIONS TO CLOSING

Section 4.01. Conditions to Loan Closing. The funding by the Lender of the Loan pursuant to Section 2.02 is conditioned upon the satisfaction of each of the following:

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

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

(c) ***Private Construction Loan.*** The Developer has obtained financing for the construction of the private improvements contemplated by the Development Agreement, in an amount and otherwise having terms acceptable to the Lender.

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

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

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

(g) ***Other Certificates and Opinions.*** The Lender shall have received certificates of authorized representatives of all parties to the Financing Documents with

respect to such matters as the Lender may require, or opinions of counsel as the Lender may require, all in form and substance satisfactory to the Lender and its counsel.

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

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

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

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

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

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER

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

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

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

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

Section 5.04. Use of Proceeds. Disbursements by the Lender to the Borrower hereunder will be used exclusively by the Borrower for the purposes represented to the Lender and in accordance with the provisions of Section 2.02 hereof and the Project Fund Escrow Agreement.

Section 5.05. Tax Covenants. The Borrower covenants for the benefit of the Lender that it will not take any action or omit to take any action with respect to the Loan, the proceeds thereof, or any other funds of the Borrower or any facilities financed or refinanced with the proceeds of the Loan if such action or omission (a) would cause the interest on the Loan to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (b) would cause interest on the Loan to lose its exclusion from alternative minimum taxable income defined in Section 55(b)(2) of the Tax Code, or (c) would cause interest on the Loan to lose its exclusion from Colorado taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Loan until the date on which all obligations of the Borrower in fulfilling the above covenants under the Tax Code and Colorado law have been met.

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

(i) promptly upon receipt thereof, a certification of values issued by the County Assessor containing the preliminary certified "actual value" and certified preliminary assessed valuation of the Urban Renewal Project Area;

(ii) promptly upon receipt thereof, a certification of values issued by the County Assessor containing the final certified "actual value" and final assessed valuation of the Urban Renewal Project Area for that year;

(iii) within 45 days of the end of each calendar quarter, commencing with the quarter ending March 31, 2014, a summary of (a) the Pledged Revenues received by the Borrower during the previous calendar quarter and during the consecutive twelve month period, separating the amount of Pledged Property Tax Revenue and Pledged Sales Tax Revenues received, (b) the amount thereof deducted as the Administrative Fee, if any, and (c) the amount thereof deposited into the Loan Payment Fund;

(iv) promptly at the time or times at which such event occurs, written notice of any events likely to have a material adverse effect on the expected repayment of the Loan; and

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

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

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

Section 5.09. Additional Debt. The Borrower shall not issue or incur any additional obligations secured by all or any portion of the Pledged Revenue without the prior written consent of the Lender.

Section 5.10. Continued Existence. The Borrower will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Loan.

Section 5.11. Operation and Management. The Borrower will continue to operate in accordance with all applicable laws, rules, regulations, and intergovernmental agreements, and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the Pledged Revenue may at all times be readily and accurately determined.

Section 5.12. No Exclusion of Property. The Borrower shall take no action that could have the effect of excluding property from the Urban Renewal Project Area without the prior written consent of the Lender.

Section 5.13. Amendments to Financing Documents Require Prior Lender Consent. The Borrower shall not amend or consent to any amendment to any Financing Document, any provision of the Urban Renewal Plan with respect to Pledged Revenue or waive any provision of any of the foregoing, without the prior written consent of the Lender.

Section 5.14. County Approval. The Pledged Property Tax Revenue is irrevocably subject to the terms of this Agreement and no approval of El Paso County is required or such approval has been obtained and not rescinded or revoked.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section 6.01.

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

(b) The Borrower defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Borrower in this Agreement, or the Note, and fails to remedy the same to the satisfaction of the Lender within 45 days after the occurrence thereof;

Section 6.02. Remedies on Occurrence of Event of Default.

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

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

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

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

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

(c) **No Acceleration.** Notwithstanding anything herein to the contrary, acceleration of the Loan shall not be an available remedy for an Event of Default, except as provided in Section 6.06 hereof.

Section 6.03. Notice to Lender of Default. Notwithstanding any cure period described above, the Borrower will immediately notify the Lender in writing when it obtains knowledge of the occurrence of any Default or Event of Default.

Section 6.04. Delay or Omission No Waiver. No delay or omission of the Lender to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 6.05. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Lender provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 6.06. Other Remedies. Nothing in this Article VI is intended to restrict the Lender's rights under any of the Financing Documents or at law, and the Lender may exercise all such rights and remedies as and when they are available. Without limiting the foregoing, notwithstanding any provision to the contrary, in the event of breach by the Borrower of a Fundamental Representation, Lender shall have all remedies available at law and specific performance and acceleration of all amounts due on the Note.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Loan Agreement and Relationship to Other Documents. The warranties, covenants and other obligations of the Borrower (and the rights and remedies of the Lender) that are outlined in this Agreement and the other Financing Documents are intended to supplement each other. In the event of any inconsistencies in any of the terms in the Financing Documents, all terms will be cumulative so as to give the Lender the most favorable rights set forth in the conflicting documents, except that if there is a direct conflict between any preprinted terms and specifically negotiated terms (whether included in an addendum or otherwise), the specifically negotiated terms will control.

Section 7.02. Assignment. This Loan Agreement shall not be assignable by either party without the prior written consent of the other party hereto. Notwithstanding the foregoing, the

Lender's right to receive payments hereunder and the Note may be sold, transferred or conveyed only to "accredited investors" within the meaning of Rule 501(A) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended, who have executed an investor letter in the form attached as Exhibit C hereto.

Section 7.03. Notice of Claims against Lender; Limitation of Certain Damages. In order to allow the Lender to mitigate any damages to the Borrower from the Lender's alleged breach of its duties under the Financing Documents or any other duty, if any, to the Borrower, the Borrower agree to give the Lender written notice no later than twenty (20) days after the Borrower knows of any claim or defense it has against the Lender, whether in tort or contract, relating to any action or inaction by the Lender under the Financing Documents, or the transactions related thereto, or of any defense to payment of the Obligations for any reason. The requirement of providing timely notice to the Lender represents the parties' agreed-to standard of performance regarding the duty of the Lender to mitigate damages related to claims against the Lender. Notwithstanding any claim that the Borrower may have against the Lender, and regardless of any notice the Borrower may have given the Lender, the Lender will not be liable to the Borrower for consequential and/or special damages arising therefrom, except those damages arising from the Lender's willful misconduct, gross negligence or bad faith. Failure by the Borrower to give notice to the Lender shall not waive any claims of the Borrower but such failure shall relieve the Lender of any duty to mitigate damages prior to receiving notice.

Section 7.04. Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in the United States Mail, postage pre-paid; (b) received by overnight delivery service; (c) received by telex; (d) received by telecopy; (e) received through the internet; or (f) when personally delivered at the following addresses:

If to the Borrower:

Colorado Springs Urban Renewal Authority
110 S. Weber St. Suite 104
Colorado Springs, CO 80903

with copies to:

Dan S. Hughes, Esq
524 S. Cascade Ave. Suite 2
Colorado Springs, CO 80903

To Lender:

The Culebra Properties Limited Liability Company
Attn: Philip R. Lane, Manager
102 N. Cascade Suite 610
Colorado Springs, Co 80903

with a copy to:

Ben Sparks
Sparks, Wilson, Borges, Brandt & Johnson PC
24 S. Weber St. Suite 400
Colorado Springs, CO 80903

Section 7.05. Payments. Payments due on the Loan shall be made in lawful money of the United States.

Section 7.06. Applicable Law and Jurisdiction; Interpretation; Severability. This Agreement will be governed by and interpreted in accordance with the internal laws of the State of Colorado, except to the extent superseded by Federal law. Invalidity of any provisions of this Agreement will not affect any other provision. THE BORROWER AND THE LENDER HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN EL PASO COUNTY, COLORADO, AND WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS*, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTE, OR THE PLEDGED REVENUE OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING. Nothing in this Agreement will affect the Lender's rights to serve process in any manner permitted by law. This Agreement, the other Financing Documents and any amendments hereto (regardless of when executed) will be deemed effective and accepted only at the Lender's offices, and only upon the Lender's receipt of the executed originals thereof. Invalidity of any provision of this Agreement shall not affect the validity of any other provision.

Section 7.07. Copies; Entire Agreement; Modification. The Borrower hereby acknowledges the receipt of a copy of this Agreement and all other Financing Documents.

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

Section 7.08. Waiver of Jury Trial. THE BORROWER AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS

THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. EACH OF THE BORROWER AND THE LENDER REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 7.09. Attachments. All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 7.10. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board of the Borrower, or any officer or agent of the Borrower, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the Borrower and in no other capacity, no civil recourse shall be available against such member, officer or agent for payment of the principal of and interest on the Loan or Note. Such recourse shall not be available either directly or indirectly through the Board of the Borrower, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the delivery of the Note evidencing the Loan and as a part of the consideration for such transfers, the Lender and any person purchasing or accepting the transfer of the obligations representing the Loan specifically waives any such recourse.

Section 7.11. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Loan Agreement is entered into and the Note is issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note and the Loan Agreement after delivery for value.

Section 7.12. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Note or the Loan Agreement shall be commenced more than 30 days after the authorization of the Note and the Loan Agreement.

Section 7.13. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Loan provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note, and the Authorizing Resolution. The amounts pledged to the payment of the Note and the Loan Agreement shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have a first priority and be perfected without any additional action required to be taken by the Borrower. 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 Borrower irrespective of whether such persons have notice of such liens.

Section 7.14. No Third Party Beneficiaries. The parties intend that there shall be no third party beneficiaries to this Loan Agreement.

Section 7.15. Payment on Non-Business Days. Except as provided herein, whenever any payment hereunder shall be stated to be due on a day which is not a Business Day, such

payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the amount due.


Section 7.16. Termination. This Agreement shall terminate at such time as no amounts are due and owing to the Lender hereunder.

[The remainder of this page intentionally left blank]

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

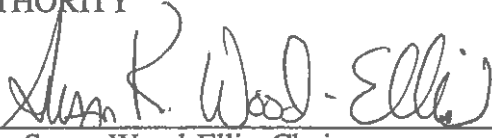
LENDER

THE CULEBRA PROPERTIES LIMITED
LIABILITY COMPANY, a Colorado limited
liability company

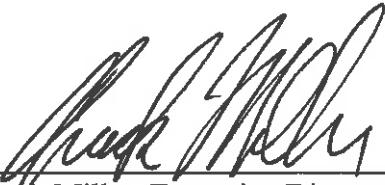
By 
MANIGAULT

BORROWER

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By 
Susan Wood-Ellis, Chair

Attest:

By 
Chuck Miller, Executive Director/Secretary

[Signature Page to Loan Agreement]

EXHIBIT A
FORM OF NOTE

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

PROMISSORY NOTE

US \$778,000

March 21, 2012

FOR VALUE RECEIVED, COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a public body corporate and politic duly organized and existing as an urban renewal authority under the laws of the State of Colorado (hereinafter referred to as "Maker"), promises to pay to the order of THE CULEBRA PROPERTIES LIMITED LIABILITY COMPANY, a Colorado limited liability company, its successors and assigns (hereinafter referred to as "Payee"), at the office of Payee or its agent, designee, or assignee, or such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the principal sum of SEVEN HUNDRED SEVENTY EIGHT THOUSAND AND 00/100 DOLLARS (US \$778,000) pursuant to the terms of the Loan Agreement dated of even date herewith (the "Loan Agreement") by and between Maker and Payee, in lawful money of the United States of America, but solely to the extent of Pledged Revenue available therefor in accordance with the Loan Agreement. Unless and until otherwise designated in writing by Payee to Maker, all payments hereunder shall be made to Payee in accordance with the Loan Agreement.

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

Except as expressly provided in the Loan Agreement, the Loan Agreement and this Note are limited special revenue obligations of the Borrower, payable solely from and to the extent of, and secured solely by, the Pledged Revenue. Except as expressly provided in the Loan Agreement, no recourse shall be available against the Borrower or any moneys or other property of the Borrower for the payment of the Loan Agreement or Note, except the Pledged Revenue.

Notwithstanding any other provision in the Loan Agreement or this Note, in the event that any amount of principal of or interest on the Loan remains unpaid on the Increment Termination Date, the Loan Agreement and the Note and the lien hereof

securing payment thereof shall be deemed discharged, the estate and rights hereby granted shall cease, and thereupon the Lender will have no recourse to the Borrower or any property of the Borrower for the payment of any amount of principal of or interest on the Loan or this Note remaining unpaid.

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

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

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

IN WITNESS WHEREOF, an authorized representative of Colorado Springs Urban Renewal Authority, as Maker, has executed this Promissory Note as of the day and year first above written.

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By: _____
Name: Susan Wood-Ellis
Title: Chair

[SEAL]

Attest:

By _____
Charles Miller
Executive Director/Secretary

[Signature Page to Promissory Note]

EXHIBIT B

URBAN RENEWAL AREA

~~EXHIBIT A~~
~~LEGAL DESCRIPTION~~

All of Lot 2,
Dorchester,
according to the recorded plat thereof,
City of Colorado Springs,
County of El Paso,
State of Colorado

EXHIBIT C

FORM OF INVESTOR LETTER

Colorado Springs Urban Renewal Authority

Ladies and Gentlemen:

The undersigned, as an authorized representative of _____ (“Investor”), in connection with the acquisition by Investor of the right to receive amounts payable by the Colorado Springs Urban Renewal Authority (the “Authority”) under that certain Loan Agreement dated March 21, 2012 (the “Loan Agreement”) with The Culebra Properties Limited Liability Company, and the related Promissory Note dated March 21, 2012 (the “Note” and, collectively with the Loan Agreement, the “Obligations”) issued by the Authority in the aggregate principal amount of \$778,000, hereby agrees and represents as follows (capitalized terms used herein and not otherwise defined having the meanings assigned them in the Loan Agreement):

1. The undersigned is a duly appointed, qualified and acting representative of the Investor and is authorized to cause the Investor to make the agreements, representations, certifications and acknowledgements contained herein by execution of this letter on behalf of the Investor.
2. The Loan Agreement and Note are for the Investor’s own account and the Investor has no present intention to transfer or assign the Loan Agreement or Note, except to an entity affiliated with the Investor; provided, however, that the Loan Agreement does not prohibit the Investor from transferring or assigning the Loan Agreement or Note to any party.
3. On the date hereof, the Investor has received the original, executed Loan Agreement and Note. The Investor has also received a copy of the Urban Renewal Plan, and the fully-executed Cooperation Agreement and Development Agreement.
4. The Investor has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other taxable and tax exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Obligations, and the Investor is able to bear the economic and financial risks of holding the Note.
5. The Investor has authority to acquire the Note and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the Obligations. The Investor has satisfied itself that, in acquiring into the Loan Agreement and holding the Note, it is making an investment that is a lawful investment for the Investor under all applicable laws.
6. The Investor is an accredited investor (“Accredited Investor”) as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”).

7. The Investor understands that no official statement, prospectus, offering circular, or other offering statement is being provided with respect to the Obligations and has concluded that the receipt of such document prior to acquisition of the Note. The Investor has made its own inquiry and analysis with respect to the Authority, the Obligations and the security therefor, and other material factors affecting the security for and payment of the Obligations. The Investor acknowledges that any information furnished to it by any party to the transaction does not purport to fully disclose all information material to making an investment in the Obligations.

8. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Authority to which a reasonable investor would attach significance in making this investment decision, and has been afforded a full opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the Obligations and the security therefor, and the investment risks related to the Obligations as it has deemed necessary in connection with its decision to acquire the Note. Neither the Authority nor its counsel or other advisors, or any other entity has refused to disclose any information that the Investor requested or that the Investor deems necessary or appropriate to its decision to acquire the Note. The Investor further acknowledges that neither the Authority nor its counsel or other advisors, shall be responsible for the accuracy of any information obtained by the Investor from any source with respect to the Authority, the Developer, the existing or proposed development with the Urban Renewal Project Area or the Obligations (excluding, with respect to the Authority, information provided by the Authority to the Investor).

9. The Investor understands that the Obligations are limited special revenue obligations of the Authority, payable solely from and to the extent of, and secured solely by, the Pledged Revenue, and that, except as expressly provided in the Loan Agreement with respect to Fundamental Representations, no recourse shall be available against the Authority or any moneys or other property of the Borrower for the payment of the Loan Agreement or Note, except the Pledged Revenue. The Investor understands that the project anticipated to be funded in part from proceeds of the Loan (as such project is more particularly described in the Development Agreement) represents only a portion of the total Urban Renewal Project Area, that the Property Tax Base Amount and the resulting calculation of the Pledged Property Tax Revenues is determined on the basis of the assessed value of the entire Urban Renewal Project Area and that, therefore, it is possible that, even if the project described in the Development Agreement occurs as presently anticipated, a decrease in the assessed value of the remaining properties within the Urban Renewal Project Area could result in a decrease in the Pledged Property Tax Revenues and such decrease could be material.

10. The Investor understands that the Obligations (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, (iii) carry no rating from any credit rating agency and (iv) will not be readily marketable.

[Signature appears on following pages]

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

[INVESTOR]

By: _____
Authorized Signatory

