

LOAN AGREEMENT

THIS AGREEMENT is made this 20th day of March, 2008, by and between THE UNIVERSITY OF COLORADO ("Lender") and THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY ("Borrower").

WHEREAS, Borrower is presently in the process of developing the North Nevada Avenue Corridor Urban Renewal Area; and

WHEREAS, Borrower has asked Lender for a loan in the amount of THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000.00) to complete construction of the pedestrian underpass and for placing existing electrical transmission lines, located along the east side of Nevada Avenue, underground; and

WHEREAS, Lender is willing to make the aforesaid loan subject to the following terms and conditions.

NOW THEREFORE, for and in consideration of the following mutual agreements and other good and valuable considerations, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. **LOAN.** Lender shall make Borrower a short term treasury loan in the principal sum of **THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000.00)** which loan shall bear interest on so much of the principal sum as shall be advanced pursuant to the terms of this Agreement. The loan shall bear interest on each advance from the date of the advance at the annual rate of 4.5% compounded semi-annually. Interest on this Colorado Springs Urban Renewal Authority loan shall accrue until the sale of the Junior –Subordinate bonds which is expected to be in 2010 or early 2011. Borrower shall use the proceeds of the Loan solely for the payment of (a) constructing the pedestrian underpass under Nevada Avenue in the amount of **TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00)** and (b) placing existing electrical transmission lines underground in the amount of **ONE MILLION DOLLARS (\$1,000,000.00)**. Attached hereto and fully incorporated herein is the January 9, 2009 Regent Resolution entitled "Treasury Loan to the University of Colorado at Colorado Springs for a Short Term loan to Colorado Springs Urban Renewal Authority." This provides authorization for this short term loan.

2. **DISBURSEMENT OF LOAN PROCEEDS.** The following provisions relate to the disbursement of funds from the Loan Fund.

Application for Advances. Each application shall be stated on a payment request form or other form approved by Lender, executed by Borrower, and supported by

documentation as Lender shall reasonably require. Borrower shall apply only for disbursement with respect to work actually done by the Borrower or advanced payment for materials for the transmission line as may be required by Colorado Springs Utilities

3. **REPAYMENT.** In order to finance construction of improvements in the North Nevada Avenue Corridor Urban Renewal Area and to facilitate completion of the North Nevada Avenue Corridor Urban Renewal Plan, the Urban Renewal Authority has issued tax increment revenue bonds in the aggregate principal amount of FIFTY FOUR MILLION THREE HUNDRED THOUSAND DOLLARS (\$54,300,000). In addition, it is anticipated a Junior-Subordinate bond issue will be made in the future to complete the North Nevada Avenue Corridor improvements. When the junior-subordinate bonds are sold, the full amount of the loan shall be the first priority for repayment from the bond sale and the loan shall be paid in full upon receipt of proceeds from that junior-subordinate bond sale which is expected to be in 2010 or 2011. The loan repayment will be due five years from the date of the first draw down of any loan proceeds. Further extensions past this date require Board of Regent approval. If junior-subordinate bonds are not sold, the Borrower agrees to obligate annual excess tax increment funds to repay the loan, after providing for payment of the Series 2008A Senior and 2008B Subordinate Bond obligation

4. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, personal representatives, successors and assigns of the parties hereto. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement the day and year first above written.

APPROVED AS TO LEGAL SUFFICIENCY

R Augustine

LENDER:
THE REGENTS OF THE UNIVERSITY OF COLORADO

By: Pam Shockey - Zalabak

State of Colorado
County of El Paso

Subscribed and sworn before me this 10 day of April, 2008
by Pam Shockey - Zalabak.

Debbie Zepier

Notary Public

My Commission expires: 1-20-2012

Seal:



BORROWER:
THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY

By: Brian D. James
Brian D. James, Chairperson

State of Colorado
County of El Paso

Subscribed and sworn before me this 2 day of April, 2008
by Brian James.

Melanie Banks
Notary Public
My Commission expires: April 26, 2011

Seal: