

Second Loan Agreement Amendment

This Second Loan Agreement Amendment (“Amendment”) is dated _____, 2016 (the “Effective Date”), by and between THE REGENTS OF THE UNIVERSITY OF COLORADO, A BODY CORPORATE, FOR AND ON BEHALF OF THE UNIVERSITY OF COLORADO COLORADO SPRINGS (“Lender”) and THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY (“Borrower”).

WHEREAS, an urban renewal plan, known as the “North Nevada Avenue Corridor Urban Renewal Plan” (the “Urban Renewal Plan”), was duly and regularly approved by the City Council of the City of Colorado Springs for an urban renewal area along North Nevada Avenue established in the Urban Renewal Plan (the “Urban Renewal Area”);

WHEREAS, Borrower has undertaken the redevelopment of a portion of the Urban Renewal Area known as University Village Colorado (the “University Village Colorado Project”);

WHEREAS, in furtherance thereof, Borrower has issued its “Colorado Springs Urban Renewal Authority, Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008A Senior” (the “Series 2008A Senior Bonds”), in aggregate principal amount of \$47,125,000, and its “Colorado Springs Urban Renewal Authority, Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008B Subordinate” (the “Series 2008B Subordinate Bonds” and, collectively with the Series 2008A Senior Bonds, the “2008 Bonds”), in the aggregate principal amount of \$7,505,000, pursuant to an Indenture of Trust dated as of February 1, 2008 (the “2008 Indenture”), between Borrower and UMB Bank, n.a., as trustee;

WHEREAS, University Village Developers, LLC, the developer of the University Village Colorado Project (the “Developer”), advanced certain funds to the University Village Colorado Project for which it was to be reimbursed from the proceeds of the 2008 Bonds, but the proceeds of the 2008 Bonds were not sufficient to fund the entire reimbursement obligation and the remaining balance of \$2,500,000 was payable pursuant to an Advanced Funds Note made by Borrower payable to the order of Developer dated February 1, 2008 (as amended, restated, refinanced or otherwise modified from time to time, the “Developer Note”);

WHEREAS, in order to fund certain improvements in connection with the redevelopment of the University Village Colorado Project, Borrower entered into a Loan Agreement in the amount of THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000) with Lender on March 20, 2008 (as amended, restated, refinanced or otherwise modified from time to time, the “Loan Agreement”);

WHEREAS the original drawdowns against the Loan Agreement with Lender equaled THREE MILLION THREE HUNDRED NINETY FOUR THOUSAND EIGHT HUNDRED THREE DOLLARS AND NINETEEN CENTS (\$3,394,803.19);

WHEREAS, with accrued interest the current loan balance as of June 30, 2016 with the Lender is FOUR MILLION FOUR HUNDRED NINETY-SIX THOUSAND FORTY-SIX DOLLARS AND THIRTY-FOUR CENTS (\$4,496,046.34);

WHEREAS, the terms of the Loan Agreement specified a repayment by Borrower to Lender from proceeds of a junior-subordinate bond anticipated to have been issued by Borrower before 2011, which did not occur due to a shortfall of funds;

WHEREAS, Borrower and Lender entered into a Loan Agreement Amendment dated November 10, 2015 (the "First Amendment") which extended the final payment date under the Loan Agreement to April 1, 2019 (the "Maturity Date"), subject to earlier payment under certain conditions specified therein;

WHEREAS, Borrower is not current on payment of principal of and interest on the 2008 Bonds due to a shortfall in Pledged Revenues (as defined in the 2008 Indenture);

WHEREAS, Borrower has informed Lender that payment obligations under the Loan Agreement will not be satisfied by the Maturity Date and are unlikely to ever be satisfied under the current debt structure;

WHEREAS, accordingly, Borrower desires to refinance the outstanding 2008 Bonds;

WHEREAS, to effect such refinancing, Borrower desires to, among other things: (a) enter into a 2016 Senior Loan Agreement (the "Senior Loan Agreement") with U.S. Bank National Association (in such capacity, the "Senior Lender"), pursuant to which the Senior Lender will make a term loan (the "Senior Loan") to Borrower evidenced by a note (the "Senior Note") made by Borrower to the Senior Lender as provided in the Senior Loan Agreement; (b) enter into an ISDA Master Agreement, including the Schedule thereto, and a Confirmation entered into pursuant to such Master Agreement (collectively, the "Senior Swap Agreement") with U.S. Bank National Association relating to the Senior Loan Agreement; and (c) issue its "Colorado Springs Urban Renewal Authority, Subordinate Tax Increment Revenue Bonds (University Village Project Refunding), Series 2016 (the "Subordinate Bonds") pursuant to a Subordinate Indenture of Trust (the "Subordinate Indenture") between Borrower and UMB Bank, n.a., as trustee;

WHEREAS, the obligations under the Senior Loan Agreement, Senior Loan, Senior Note, Senior Swap Agreement and the documents and instruments executed and delivered in connection therewith, and any amendments or refinancings thereof, are referred to herein collectively as the "Senior Obligations," and the obligations under the Subordinate Bonds, the Subordinate Indenture and the documents and instruments executed and delivered in connection therewith, and any amendments or refinancings thereof, are referred to herein collectively as the "Senior Subordinate Obligations;"

WHEREAS, it is still the intent of the Borrower to repay the loan to Lender, plus all accrued interest, in as expedient a manner as possible;

WHEREAS, in connection with such refinancing, the Developer has agreed to extend the date for repayment under the Developer Note to December 31, 2030 and reduce the interest rate applicable thereunder to 5.45%; and

WHEREAS, Borrower and Lender have agreed to extend the date for repayment under the Loan Agreement to December 31, 2030, provided that rate of interest will change to be equal

to the highest rate of interest granted to other lenders in position behind the Senior Obligations and the Senior Subordinate Obligations, which rate is 5.45% as agreed by the Developer, all as more particularly set forth in this Amendment;

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

1. Modification of Interest Rate. From and after the Effective Date, the interest rate applicable to amounts outstanding under the Loan Agreement shall be 5.45% per annum.

2. Subordination. Lender acknowledges and hereby agrees that Borrower's obligations under the Loan Agreement are subject and subordinate to the Senior Obligations and the Senior Subordinate Obligations in right to payment and performance.

3. Pari Passu. Lender acknowledges and hereby agrees that Lender's rights under the Loan Agreement are *pari passu* with the rights of the Developer under the Developer Note.

4. Extension of Loan Agreement. Notwithstanding anything to the contrary in the First Amendment, the parties agree to extend the Loan Agreement to December 31, 2030, provided that Borrower shall pay amounts due and owing under the Loan Agreement as and when funds are available after application of funds pursuant to the Senior Loan Agreement, Senior Swap Agreement and Subordinate Indenture and satisfaction of the other Senior Obligations and Senior Subordinate Obligations, subject to the *pari passu* payment rights of the Developer under the Developer Note.

5. Continuing Validity. Except as modified by this Amendment, all other terms of the Loan Agreement shall remain in full force and effect and remain unchanged.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Colorado.

7. Further Assurances. The parties hereto shall each cooperate with each other to take all additional actions and execute and deliver all additional documents necessary or desirable to effectuate the provisions and spirit of this Amendment.

[Remainder of page intentionally left blank]

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

LENDER:

THE REGENTS OF THE UNIVERSITY OF
COLORADO

By: _____

State of Colorado

County of _____

Subscribed and sworn before me this ____ day of _____, 2016

by _____.

Notary Public

My Commission expires:

Seal:

BORROWER:

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By: _____

Wynne Palermo, Chair

State of Colorado

County of _____

Subscribed and sworn before me this ____ day of _____, 2016

by _____.

Notary Public

My Commission expires:

Seal: