



June 9, 2016

Ms. Robyn Moore  
Senior Vice President  
George K. Baum & Company  
400 Wewatta Street, Suite 800  
Denver, CO 80202

**Re: United States Olympic Museum Project**

Dear Robyn:

Following our preliminary due diligence review and consistent with our recent conversations, we are pleased to provide you with the following summary of general terms and conditions pursuant to which Preston Hollow Capital, LLC ("PHC") would be willing to consider purchasing from Colorado Springs Urban Renewal Authority, Colorado (the "Issuer"), on terms acceptable to PHC, approximately \$30 million par amount of tax-exempt fixed rate bonds on or about September 2016 (the "Bonds") on the terms described herein:

**Summary of Terms**

- 1. Project Overview:** The Issuer, together with the City of Colorado Springs and the U.S. Olympic Museum, a Colorado non-profit, desire to fund the construction of the U.S. Olympic Museum project (the "Project") with a combination of Bond proceeds and donations
- 2. Issuer:** Colorado Springs Urban Renewal Authority, Colorado
- 3. Project Sponsor:** U.S. Olympic Museum, a Colorado non-profit corporation
- 4. Project Budget:** The estimated Project budget is as follows:

Project Budget*	
Construction Costs	\$39,870,000
Fabrication Costs	11,850,000
Design & Mgmt	13,036,519
Pre-Opening	2,950,000
Contingency	3,100,000
Other Costs	3,035,000
Capitalized Interest	2,481,591
Costs of Issuance	667,000
<b>Total</b>	<b>\$76,990,110</b>

\*to be confirmed

- 5. Bond Par Amount:** Sized to yield \$30 million in net proceeds for construction
- 6. Use of Bond Proceeds:**
  - Fund the Museum Project's construction and infrastructure needs
  - Fund the capitalized interest fund, costs of issuance (including PHC out of pocket expenses and attorneys' fees), and any other necessary capital needs associated with the Project
- 7. Closing Date:** On or about September 1, 2016. PHC is prepared to close as soon as possible and during the month of August 2016 as necessary to meet Issuer's financing timeline.
- 8. Bond Purchaser:** PHC

<b>9. Bond Terms*:</b>	<i>Type of Bond:</i>	Tax-Exempt Term Bond
	<i>Funding:</i>	Funded in full at closing
	<i>Purchase Price:</i>	95%
	<i>Interest Rate:</i>	9% fixed rate (tax-exempt). Interest will be due as scheduled below. To the extent that revenues are not sufficient to pay principal and / or interest on the Bonds, interest will accrue and be added to the outstanding amount of the Bonds. Non-payment of debt service due to insufficiency of revenues will not constitute an event of default.
	<i>Final Maturity:</i>	February 2044 (provided, that, if the Bonds are not paid in full by such date, the maturity date is subject to extension to maximum 50 year term (i.e., through 2064) upon refinancing as described in the definition of "Financing Term" of Resolution No. 3 of the Colorado Economic Development Commission)
	<i>Denominations:</i>	\$5,000 and any integral multiple of \$5,000 in excess thereof (or lowest denominations permitted by law).
	<i>Form of Bond Sale:</i>	George K. Baum (GKB) to serve as underwriter of the Bonds
	<i>Investor/Resale Restrictions:</i>	No investor restrictions or traveling letters.
	<i>Interest Payments:</i>	Interest will be payable annually on a 30/360 basis
	<i>Principal Repayment:</i>	See "Redemption" below
	<i>CUSIPs:</i>	To be obtained by GKB
	<i>Book-Entry:</i>	DTC/Book-entry bonds registered in the name of Cede & Co.
<b>10. Redemption:</b>	<i>Optional Redemption:</i>	The Bonds are subject to redemption at the option of the Issuer on or after 10 years from issuance at 100% of par
	<i>Special Redemption:</i>	Any excess pledged revenues are to be used to prepay the Bonds
	<i>Extraordinary Mandatory Redemption:</i>	The Bonds are subject to redemption as described under Section 5.L. of Resolution No. 3 of the Colorado Economic Development Commission, if certain development milestones are not achieved.
<b>11. Capitalized Interest Fund:</b>	<i>Capitalized Interest:</i>	To be discussed.
<b>12. Offering Document:</b>		Customary offering document to be delivered in connection with the issuance of the Bonds.

\* Preliminary, subject to change

- 13. Exchange of Term Bonds for Serial and/or Term Bonds:** With the written consent of 100% of the beneficial holders of the Bonds, the Trustee shall exchange all Bonds for two or more serial and/or term Bonds (the "**Modified Bonds**") as directed by the beneficial holders. The maturity dates and maturity amounts of the Modified Bonds shall match the original Bond mandatory sinking fund schedule, and the overall debt service on the Modified Bonds shall be no greater than the overall debt service on the exchanged Bonds. The Modified Bonds shall be issued in book-entry form with DTC, and the expenses associated with reissuance, obtaining new CUSIP numbers and DTC registration, bond counsel and other opinions, and the reasonable fees of the Trustee (trustee fees not to exceed \$5,000), shall be paid by the holders of the Bonds.
- 14. Security for the Bonds:** The Bonds will be secured by the following:
- Revenues from the portion of State Sales Tax Increment Revenue to be received by the Colorado Springs Urban Renewal Authority from the RTA Zone State Sales Tax Base with respect to the U.S. Olympic Museum project.
  - As outlined in the Colorado Economic Development Commission Resolution, the City for Champions Project (the name of the City's RTA project) will receive 13.08% of the State sales tax revenue collected within the RTA zone in excess of the base year revenue for bond repayment.
    - Of the 13.08% of the State Sales Tax Incremental Revenue, 52% is available and will be pledged for repayment of the Bonds.
    - The total cumulative amount of State Sales Tax Increment Revenue (52%) shall not exceed \$62,660,000 over the course of the financing term.
  - As additional security for the Bonds, net revenues from Museum operations (gross revenues less operating expenses) will be pledged in perpetuity until the Bonds are paid in full.
- 15. Closing Conditions:** Satisfaction of such other customary funding/closing conditions and delivery of required documentation as PHC shall reasonably require.
- 16. Flow of Funds:** The Indenture will require that all pledged revenues be deposited with the Trustee and used to pay debt service (including special redemption with excess revenues after debt service).
- 17. Credit Rating:** It is assumed that the Bonds will not be rated initially. So long as any Bonds are outstanding, the Borrower agrees, not later than sixty (60) days after receipt of a written request executed by the holders of a majority interest in the Bonds, to cooperate in the solicitation of a credit rating on the Bonds from one or more credit rating agencies in order to obtain a rating on the Bonds, which rating or ratings will be paid for by such holders.
- 18. Continuing Disclosure:** Borrower will execute a standard Continuing Disclosure Agreement compliant with Rule 15c2-12, regardless of any exemptions thereto. Quarterly and annual reporting requirements TBD.
- 19. Legal Opinions:** Appropriate legal opinions in a form acceptable to Lender will be required from Issuer's counsel and Bond Counsel, among others.

**20. Exclusivity:** In consideration of PHC's efforts to pursue the intent hereof (the "Transaction"), during the Exclusivity Period, the Issuer and Project Sponsor each agree to (a) work solely and exclusively with PHC regarding the financing of the Project, and (b) not pursue (or permit any other affiliate or other representative to pursue) any kind of financing from any other source, for so long as PHC is considering the Transaction, the termination of which may only be expressly communicated in a signed writing by PHC. The "Exclusivity Period" shall commence on the date of execution of this Summary of Terms by the Project Sponsor (no later than June 15, 2016) and shall continue through the earlier of the termination of this Summary of Terms by PHC or the definitive documentation date.

**21. Approval Requirements; Expiration:** This Summary of Terms will expire as follows:

- (1) By June 15, 2016, if this Summary of Terms is not approved the governing body of the Project Sponsor, and executed by an authorized representative thereof, by such date; and
- (2) By July 15, 2016, if this Summary of Terms is not approved by the governing body of the Issuer, and executed by an authorized representative thereof, by such date.

**OTHER MATTERS**

**22. Terms Non-exhaustive; Due Diligence:** The terms and conditions described in this Summary of Terms are not intended to be an inclusive or exhaustive list of the conditions that may be attached to any approvals of the proposed transaction. All dates, reserve amounts, and other figures have been estimated based upon information available as of the date hereof; however, the parties acknowledge that they are subject to possible adjustment prior to closing.

The terms of the Bonds will be memorialized in mutually acceptable definitive written agreements and documents. The transactions described herein are contingent upon PHC's satisfactory review, credit underwriting, and approval of due diligence documentation with respect to the Project.

**23. Governing Law:** This Summary of Terms and the bond documents shall be governed by and construed in accordance with the laws of the State of New York.

[signature page follows]

Thank you for this opportunity. We look forward to working with you on this exciting transaction. Please have this Summary of Terms executed by Project Sponsor, and return a copy to me, on or before June 15, 2016 as evidence of Project Sponsor's agreement hereto. If you have any questions, please do not hesitate to call.

Sincerely,  
Preston Hollow Capital, LLC

By:



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Ramiro Albarran, Managing Director

Accepted and Agreed:  
U.S. Olympic Museum, a Colorado Non-Profit  
Corporation

Colorado Springs Urban Renewal Authority, Colorado

By: \_\_\_\_\_  
Name Title

By: \_\_\_\_\_  
Name Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_