MEETING NOTICE

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY (4:00 P.M.)

October 11, 2021

Cleveland Room at Desk Chair
201 East 4th Street in Downtown

The Loveland Downtown Partnership and Downtown Development Authority are committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation, or gender. The LDP-DDA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.

For more information, please call our offices at 970.699.2856.

Agenda
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, October 11, 2021 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order**
2. **Roll Call**

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

4:10 pm

4. **Approval of Minutes**

   Regular Meeting – August 31, 2021

"I move to approve (deny) the minutes of the Regular Meeting of August 31, 2021."

Regular Meeting – September 13, 2021

"I move to approve (deny) the minutes of the Regular Meeting of September 13, 2021."

4:15 pm

5. **Discussion / Action Items**

- Cleveland Station Loan Agreement

"I move to approve (deny) the Loveland Downtown Development Authority Resolution #R-1-2021"

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY APPROVING A LOAN AGREEMENT BY AND AMONG THE LOVELAND URBAN RENEWAL AUTHORITY, THE CITY OF LOVELAND, COLORADO, THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY AND FIRST NATIONAL BANK OF OMAHA, PAYABLE FROM CERTAIN TAX INCREMENT REVENUES, FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS WITHIN THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY AREA AND THE DOWNTOWN URBAN RENEWAL AREA.

- Elks Lodge Update
- 745 N. Lincoln Avenue
- Draper Project – Community Revitalization Grant
- Upcoming Façade Grant Applications

5:00 pm

6. **City Council Report**
- Fogle, City Council

5:05 pm

7. **Adjourn**

Meeting Minutes
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, August 31, 2021 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order –** the meeting was called to order by Ray Steele at 4:00 p.m.
2. **Roll Call** - all board members were present. Guests include Kelly Jones, Jody Shadduck-McNally, Jackson Whelan, Jay Hardy, Ashely Stiles and Melissa Lanning.

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

   There were no public comments presented.

4:10 pm

4. **Approval of Minutes**

   Regular Meetings – June 14, 2021

   Fogle moved to approve the minutes of the Regular Meeting of June 14, 2021. Wyrick second the motion which passed unanimously.

4:15 pm

5. **Discussion / Action Items**

   - Board Chair

Hawkins reviewed the board the process to fill the board Chair seat after the director Caldwell's term expired. Hawkins had spoken with both Steele, Jr and Waneka to confirm their willingness to be our chair and co-chair respectively.

Fogle moved to approve the appointment of Ray Steele Jr as chair of the Loveland DDA board until June 30, 2023 and the appointment of Cheri Waneka as vice-chair of the Loveland DDA Board until June 30, 2022. Bernhardt seconded the motion which passed unanimously.

- Façade Agreement – 501 N. Cleveland Avenue

Hawkins reviewed the Façade Improvement Grant for 501 N. Cleveland Avenue which is the NW corner of 5th and Cleveland Avenue. The building had been formerly a gas station and had been vacant for three years when it was purchased by Jackson Whelan who owns Terrier Tenacity, a local marketing firm. The façade review committee had met onsite with the owners in March about the façade and suggested a submittal which we received in July. The application, with a few suggested tweaks, was approved for submittal to board by representatives from the façade review committee. Jackson Whelan was present to present details of his project and to answer questions.

Waneka moved to approve the Façade Improvement Agreement with 501 Cleveland, LLC in an amount not to exceed $22,581 and authorize the Board Chair to execute the agreement. Bernhardt seconded the motion which passed unanimously.

- The Draper Project

Hawkins introduced Jay Hardy, Ashley Stiles and Melissa Lanning from the team working on the Draper Project / Hearland Project. The team presented (presentation on file) a detailed look at the who, when, where and why of the project. The board as a whole is supportive of the project on a concept level but also realize that there are many questions to be answered. The unanimously consensus of the board was to have the Executive Director work with City Staff and the Loveland City Council to continue working on the development of the project and see if financing can be gained to build the project and the parking garage.

- Community Revitalization Grant Program

Hawkins presented to the board the details of the Community Revitalization Grant program which could help fund some of the cost of the Draper Project public improvements. The program would allow up to $5,000,000 in gap funds for project. Hawkins asked the board for the approval to be the applicant for the funds which the board consented too.

5:15 pm

6. **Project Update**

No updates were given due to time constraints in the meeting

7. **City Council Report**

Fogle gave an update on the proposed water park project in Loveland.

5:30 pm

8. **Adjourn**

Wyrick made a motion to adjourn at 5:25 p.m.. The motion was seconded by Fogle and passed unanimously.

Meeting Minutes
Loveland Downtown Development Authority (DDA)
Regular Meeting
Monday, September 13, 2021 4:00 pm

Cleveland Room at Desk Chair
201 East 4th Street

4:00 pm

1. **Call to Order -** Chair Steele Jr called the meeting to order at 4:02 p.m.
2. **Roll Call -** All board present except Fellure. McFetridge participated via audio zoom link. Guest included Scott Schorling, Moses Garcia, Doug Rutledge, Jim Cox, Steve Adams, Jody Shadduck-McNally, Kelly Jones, Debbie Davis, Vincent Junglas, Leah Johnson, Sally Tasker, Joyce Robinson and Ron Fey.

4:05 pm

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

   There were no public comments presented.

4:10 pm

4. **Approval of Minutes**

The August 31, 2021 Board Meeting Minutes will be presented at the October 11 meeting for consideration.

4:15 pm

5. **Discussion / Action Items**

- Comments from Sean Hawkins, Executive Director

Hawkins updated the board on the topic of conversation for the meeting and the long road it has taken the DDA to able to access dollars from the Loveland Urban Renewal Authority's Downtown Plan for use on downtown projects. Hawkins introduced City Attorney Moses Garcia to start the conversation with special guest Sally Tasker.

- Cleveland Station Loan Agreement

Moses Garcia introduced attorney Sally Tasker from Butler Snow who is an expert on Downtown Development Authority and Urban Renewal Issues in Colorado. Tasker walked the board through the process the Cleveland Station $1,000,000 loan would take as an example of how future projects would work until the URA's Downtown Plan sunsets in the 2027. Below are the key details of the presentation:

- Until the URA's Downtown Plan sunsets, the tax increment for a project like Cleveland Station would flow to the URA first. The exception would be for increment created in the area outside of the URA area which would flow directly to the DDA

Fund 650. The agreement for financing Cleveland Station public improvements would have the URA paying the debt service until it sunsets and then the debt service would shift to DDA's Fund 650. The City of Loveland was negotiating a loan agreement with First National Bank for $1,000,000 to pay for Cleveland Station public improvements and special project identified by the DDA.

- Other project like the Elks or the Draper Project would work in a similar format until the URA sunsets
- If there are funds remaining in the URA Downtown Plan fund beyond the dollars needed to cover the debt on the Foundry Garage, the DDA board could request to use them for special projects in the district. Joyce Robinson, the City's Interim Finance Manager, said there was more was roughly $1,200,000 in the URA Downtown Plan fund.
- The path now for the DDA is identify projects which could include HIP Streets design.

5:00 pm

6. **City Council Report**

- Fogle, City Council

Fogle updated the board on the status of the RTA effort to build a water park project in Loveland.

5:05 pm

7. **Adjourn**

Fogle made a motion to adjourn the meeting at 5:15 p.m. The motion was seconded by Waneka and passed unanimously.

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION #R-1-2021

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY APPROVING A LOAN AGREEMENT BY AND AMONG THE LOVELAND URBAN RENEWAL AUTHORITY, THE CITY OF LOVELAND, COLORADO, THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY AND FIRST NATIONAL BANK OF OMAHA, PAYABLE FROM CERTAIN TAX INCREMENT REVENUES, FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS WITHIN THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY AREA AND THE DOWNTOWN URBAN RENEWAL AREA.

WHEREAS, the Loveland Downtown Development Authority (the "DDA") is a duly organized and existing downtown development authority under the Constitution and laws of the State of Colorado (the "State"), including, particularly, Title 31, Article 25, Part 8, Colorado Revised Statutes, as amended (the "DDA Act"); and

WHEREAS, the City of Loveland, Colorado (the "City") is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its City Charter; and

WHEREAS, on July 2, 2002, the City Council of the City (the "City Council") established the Loveland Urban Renewal Authority ("LURA") by Resolution #R-44-2002; and

WHEREAS, LURA is a Colorado Urban Renewal Authority, with all the powers and authority granted to it pursuant to Title 31, Article 25, Part 1, Colorado Revised Statutes (the "Urban Renewal Law"); and

WHEREAS, the City Council has heretofore approved the City of Loveland, Urban Renewal Plan dated October 1, 2002, as amended from time to time (the "Urban Renewal Plan") and the downtown urban renewal area described therein (the "Urban Renewal Area"); and

WHEREAS, the term of the Urban Renewal Plan is for 25 years from the date of adoption of the Urban Renewal Plan, and the Urban Renewal Plan has a provision relating to the division of taxes that will be effective for 25 years beginning on the date of the approval of the Urban Renewal Plan; and

WHEREAS, the DDA is a Colorado Downtown Development Authority, with all the powers and authority granted to it pursuant to the DDA Act; and

WHEREAS, on July 5, 2017, the City Council approved the Plan of Development (the "Plan of Development") for the DDA, which was previously approved by the DDA by Resolution #R-52-2017, which established the plan for development or redevelopment of the area of the DDA (the "DDA District"); and

WHEREAS, the Plan of Development contains a provision for division of taxes that will be effective for thirty years following approval of the Plan of Development, or such longer period as authorized by the DDA Act; and

WHEREAS, at an election held in the City on November 7, 2017 (the "2017 Election"), a majority of the qualified electors within the DDA District authorized the City to issue debt in an amount not to exceed $61,000,000 to finance the costs of development projects to be undertaken by or on behalf of the DDA pursuant to the Plan of Development; and

WHEREAS, the City has not issued or incurred any debt pursuant to the authority conferred at the 2017 Election; and

WHEREAS, the Plan of Development provides that the primary objectives of the DDA are to promote the safety, prosperity, security, and general welfare of the DDA District and its inhabitants, to prevent deterioration of property values and structures within the DDA District, to prevent the growth of blighted areas within the DDA District, to assist the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, to approve the overall appearance, condition, and function of the DDA District, to encourage a variety of uses compatible with the artistic and cultural community, to sustain and improve the economic vitality of the DDA District, to promote the historic, artistic, and cultural elements of the DDA District, and to encourage pedestrian traffic and security in the DDA District; and

WHEREAS, Love 450, LLC (the "Developer") is the owner of certain property located at the southeast corner of 5th Street and Cleveland Avenue, the address of which is 428-450 North Cleveland Avenue, Loveland, Colorado (the "Property"); and

WHEREAS, the Property is located within the Urban Renewal Area and in the DDA District; and

WHEREAS, the Developer has submitted a proposal to the City, the DDA and LURA to redevelop the Property; and

WHEREAS, the Developer, the DDA and the City entered into the Love 450, LLC Reimbursement Agreement dated as of January 19, 2021 (the "Reimbursement Agreement") pursuant to which the Developer agreed to rehabilitate the building located on the Property, with retail use on the first floor and office or other commercial uses on the second floor, as further set forth in the Reimbursement Agreement, together with the design and construction of certain Eligible Public Improvements, as defined therein (collectively, the "Cleveland Station Project"); and

WHEREAS, the City, the DDA and LURA have determined that there are additional improvements to be acquired, constructed and installed in the area overlapping both the Urban Renewal Area and the DDA District that will further both the Urban Renewal Plan and the Plan of Development, in an amount not exceeding $200,000 (the "Additional Projects" and together with the Cleveland Station Project, the "Projects"); and

WHEREAS, LURA has determined that the redevelopment of the Property and the implementation of the Projects in order to remediate blight is consistent with and in furtherance of the purposes of LURA and the Urban Renewal Plan; and

WHEREAS, the Board of the DDA (the "Board") has determined and now hereby determines that the redevelopment of the Property and the implementation of the Projects are consistent with the Plan of Development including the objectives and purposes set forth therein, and the City Council has concurred in this finding; and

WHEREAS, the City Council has determined that, pursuant to the DDA Act and the Plan of Development, the construction, acquisition and installation of the Projects is necessary and in the best interest of the City and furthers the objectives and purposes of the Plan of Development; and

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

WHEREAS, pursuant to the DDA Act and the 2017 Election, the City has the power and authority to incur debt for the purpose of financing the costs of development projects to be undertaken by or on behalf of the DDA pursuant to the Plan of Development and to pay such debt from tax increment revenues levied and collected within the DDA District; and

WHEREAS, pursuant to Article XIV of the Colorado Constitution and Title 29, Article 1, Part 2, C.R.S., LURA, the City and the DDA are authorized to cooperate and contract with one another to provide any function, service or facility lawfully authorized to each governmental entity, including the sharing of costs and the imposition of taxes, or the incurring of debt; and

WHEREAS, LURA, the City and the DDA have agreed that in order to facilitate the redevelopment of the Cleveland Station Project that they will, among other things, reimburse the Developer for up to the sum of $800,000 (the "Reimbursement Amount") for the design and construction of the Eligible Public Improvements identified in Section 6 of the Reimbursement Agreement; and

WHEREAS, in order to reimburse the Developer for the Reimbursement Amount, and to finance the Additional Projects, the City, the DDA and LURA requested and First National Bank of Omaha (the "Lender") has agreed to make a loan available to the City and LURA in the principal amount of $1,000,000 (the "Loan") on the terms and conditions set forth in a loan agreement (the "Loan Agreement") by and among the City, LURA, the DDA and the Lender; and

WHEREAS, the Loan shall constitute a special revenue obligation payable from and secured by the Pledged Revenues (as defined in the Loan Agreement), subject to the limitations set forth in the Loan Agreement; and

WHEREAS, the Pledged Revenues shall consist primarily of property tax increment revenues resulting from ad valorem property taxes levied on the Property and from sales tax increment revenues generated from retail sales occurring on the Property, as further set forth in the Loan Agreement; and

WHEREAS, pursuant to the Urban Renewal Law, such tax increment revenues will be remitted to LURA for up to twenty-five years following the date of approval of the Urban Renewal Plan (which 25 year period continues through September 30, 2027, and expires on October 1, 2027), and will be held by LURA in a special fund (the "LURA Special Fund") to pay the bonds of, or loans or advances to, or indebtedness incurred by, LURA for financing or refinancing an urban renewal project in the Urban Renewal Area; and

WHEREAS, in the event that the Urban Renewal Plan is terminated, or following termination of the 25-year period during which LURA will receive the tax increment revenues, the tax increment revenues generated from the Property will no longer be remitted to LURA, but will be remitted to the City in accordance with the DDA Act; and

WHEREAS, pursuant to the DDA Act, any such tax increment revenues received by the City will be held in a special fund of the City (the "City Special Fund") to pay the bonds of, or loans or advances to, or indebtedness incurred by, the City for financing or refinancing a development project within the boundaries of the DDA District, subject to the ballot question approved at the 2017 Election; and

WHEREAS, under the Loan Agreement, LURA will agree that so long as it receives the Pledged Revenues, that it will apply such Pledged Revenues to the repayment of the Loan, in accordance with the Loan Agreement; and

WHEREAS, under the Loan Agreement, the City will agree that once it begins to receive the Pledged Revenues, that it will apply such Pledged Revenues to the repayment of the Loan, in accordance with the Loan Agreement; and

WHEREAS, under the Loan Agreement, the City and LURA will appoint the DDA to act as their agent with respect to the disbursement of the Loan proceeds; and

WHEREAS, the proceeds of the Loan will be deposited in the Project Fund held by the DDA and used by the DDA to pay or reimburse the Developer for the Reimbursement Amount and to pay or reimburse costs of the Additional Projects; and

WHEREAS, in order to further the purposes of the Plan of Development and to facilitate the financing of the Projects, the Board has determined and hereby determines that it is necessary, desirable and in the best interests of the DDA to enter into the Loan Agreement; and

WHEREAS, there has been presented to the Board and is on file with the Executive Director of the DDA (the "Executive Director") the form of the Loan Agreement; and

WHEREAS, terms not otherwise defined herein have the meanings assigned to them in the Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY:

Section 1. Recitals Incorporated; Ratification. The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Board. All actions

heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and by the officers, agents or employees of the Board or the DDA directed toward the acquisition, construction, installation and redevelopment of the Projects, and the execution and delivery of the Loan Agreement, are hereby ratified, approved, and confirmed.

Section 2. Finding of Best Interests. The Board hereby finds and determines, pursuant to the Constitution, the laws of the State and the DDA Act, that adopting this Resolution, entering into the Loan Agreement, and financing a portion of the costs of the Projects in accordance with the Loan Agreement are necessary, convenient and in furtherance of the DDA's purposes, and promotes a development project within the boundaries of the plan of development area in accordance with the Plan of Development.

Section 3. Approval of Loan Agreement. The Loan Agreement, in substantially the form presented to the Board and on file with the Executive Director, is in all respects approved, authorized and confirmed. The Chair of the Board (the "Chair") and the Executive Director are each hereby independently authorized to execute and deliver the Loan Agreement, for and on behalf of the DDA, in substantially the form and with substantially the same content as presented to the Board, provided that the Loan Agreement may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. The execution of the Loan Agreement by the appropriate officers of the DDA herein authorized shall be conclusive evidence of the approval by the DDA of the Loan Agreement in accordance with the terms hereof.

Section 4. Authorization to Execute Collateral Documents. The Chair, the Executive Director and other employees, officers and agents of the DDA are hereby authorized and directed to execute and deliver for and on behalf of the DDA any and all additional certificates, documents and other papers, and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Resolution and the Loan Agreement.

Section 5. Electronic Signatures; Electronic Transactions. In the event the Chair, the Executive Director or other officer or agent of the DDA that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Resolution (collectively, the "Authorized Documents") is not physically present to manually sign any such Authorized Document, such individual or individuals are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. It is hereby determined that the transactions 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.

Section 6. Special and Limited Obligation. The Loan is a special and limited obligation of the City and LURA payable solely from the Pledged Revenues as provided in the Loan Agreement.

Section 7. Repealer. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof, heretofore repealed.

Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 9. Effective Date. This Resolution shall be effective as of the date of its adoption.

ADOPTED this ___ day of October, 2021.

_____
Chair

ATTEST:

_____
Executive Director

LOAN AGREEMENT

by and among

LOVELAND URBAN RENEWAL AUTHORITY

CITY OF LOVELAND, COLORADO

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY

and

FIRST NATIONAL BANK OF OMAHA

Dated as of _____ __, 2021

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LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") is made and entered into as of the __ day of _____, 2021 by and among the CITY OF LOVELAND, COLORADO (the "City"), the LOVELAND URBAN RENEWAL AUTHORITY ("LURA"), the LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY (the "DDA") and the FIRST NATIONAL BANK OF OMAHA (the "Lender").

RECITALS

WHEREAS, the City is a Colorado home rule municipality with all the powers and authority granted pursuant to Article XX of the Colorado Constitution and its home rule charter (the "Charter"); and

WHEREAS, on July 2, 2002, the City Council of the City (the "City Council") established LURA by Resolution #R-44-2002; and

WHEREAS, LURA is a Colorado Urban Renewal Authority, with all the powers and authority granted to it pursuant to Title 31, Article 25, Part 1, Colorado Revised Statutes (the "Urban Renewal Law"); and

WHEREAS, the City Council has heretofore approved the City of Loveland, Urban Renewal Plan dated October 1, 2002, as amended from time to time (the "Urban Renewal Plan") and the downtown urban renewal area described therein (the "Urban Renewal Area"); and

WHEREAS, the term of the Urban Renewal Plan is for 25 years from the date of adoption of the Urban Renewal Plan, and the Urban Renewal Plan has a provision relating to the division of taxes that will be effective for 25 years beginning on the date of the approval of the Urban Renewal Plan; and

WHEREAS, the DDA is a body corporate duly created, organized and authorized pursuant to Title 31, Article 25, Part 8, Colorado Revised Statutes (the "DDA Act") by a vote of the majority of qualified electors within the boundaries of the DDA at a special election held on February 10, 2015 and thereafter officially established by the City Council upon the passage of Ordinance No. 5927, and as revised by Ordinance No. 6115; and

WHEREAS, the DDA is a Colorado Downtown Development Authority, with all the powers and authority granted to it pursuant to the DDA Act; and

WHEREAS, on July 5, 2017, the City Council approved the Plan of Development (the "Plan of Development") for the DDA, which was previously approved by the DDA by Resolution #R-52-2017, which established the plan for development or redevelopment of the area of the DDA (the "DDA District"); and

WHEREAS, the Plan of Development contains a provision for division of taxes that will be effective for thirty years following approval of the Plan of Development, or such longer period as authorized by the DDA Act; and

WHEREAS, at an election held in the City on November 7, 2017 (the "2017 Election"), a majority of the qualified electors within the DDA District authorized the City to issue debt in an amount not to exceed $61,000,000 to finance the costs of development projects to be undertaken by or on behalf of the DDA pursuant to the Plan of Development in accordance with the following ballot question:

> WITHOUT RAISING TAXES, SHALL CITY OF LOVELAND DEBT BE INCREASED BY UP TO $61,000,000 WITH A REPAYMENT COST OF NO MORE THAN $135,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF DEVELOPMENT PROJECTS TO BE UNDERTAKEN BY OR ON BEHALF OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY PURSUANT TO THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY PLAN OF DEVELOPMENT, AS IT MAY BE AMENDED FROM TIME TO TIME, INCLUDING WITHOUT LIMITATION, PARKING, UTILITIES, STREETS, SIDEWALKS, ALLEYWAYS AND BEAUTIFICATION, AND APPLICABLE PROVISIONS OF COLORADO LAW; SUCH DEBT AND THE INTEREST THEREON TO BE PAYABLE FROM AND SECURED BY A PLEDGE OF THE SPECIAL FUND OF THE CITY WHICH SHALL CONTAIN TAX INCREMENT REVENUES LEVIED AND COLLECTED WITHIN THE BOUNDARIES OF THE AUTHORITY; AND SHALL SUCH DEBT BE EVIDENCED BY BONDS, NOTES, CONTRACTS OR OTHER FINANCIAL OBLIGATIONS TO BE SOLD IN ONE SERIES OR MORE FOR A PRICE ABOVE OR BELOW THE PRINCIPAL AMOUNT THEREOF, ON SUCH TERMS AND CONDITIONS, AND WITH SUCH MATURITIES AS MAY BE PERMITTED BY LAW AND AS THE CITY MAY DETERMINE, INCLUDING PROVISIONS FOR REDEMPTION OF THE DEBT PRIOR TO MATURITY WITH OR WITHOUT PAYMENT OF THE PREMIUM OF NOT MORE THAN 3% OF THE PRINCIPAL AMOUNT SO REDEEMED; AND SHALL THE CITY AND THE AUTHORITY BE AUTHORIZED TO COLLECT, RETAIN AND SPEND THE TAX INCREMENT REVENUES, THE BOND PROCEEDS AND INVESTMENT INCOME THEREON AS A VOTER-APPROVED REVENUE CHANGE, AND EXCEPTION TO THE LIMITS WHICH WOULD OTHERWISE APPLY UNDER ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

WHEREAS, the City has not issued or incurred any debt pursuant to the authority conferred at the 2017 Election; and

WHEREAS, the Plan of Development provides that the primary objectives of the DDA are to promote the safety, prosperity, security, and general welfare of the DDA District and its inhabitants, to prevent deterioration of property values and structures within the DDA District, to prevent the growth of blighted areas within the DDA District, to assist the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, to approve the overall appearance, condition, and function of the DDA District, to encourage a variety of uses compatible with the artistic and cultural community, to sustain and

improve the economic vitality of the DDA District, to promote the historic, artistic, and cultural elements of the DDA District, and to encourage pedestrian traffic and security in the DDA District; and

WHEREAS, Love 450, LLC (the "Developer") is the owner of certain property located at the southeast corner of 5th Street and Cleveland Avenue, the address of which is 428-450 North Cleveland Avenue, Loveland, Colorado, and the legal description of which is attached hereto as Exhibit D (the "Property"); and

WHEREAS, the Property is located within the Urban Renewal Area and in the DDA District; and

WHEREAS, the Developer has submitted a proposal to the City, the DDA and LURA to redevelop the Property; and

WHEREAS, the Developer, the DDA and the City entered into the Love 450, LLC Reimbursement Agreement dated as of January 19, 2021 (the "Reimbursement Agreement") pursuant to which the Developer agreed to rehabilitate the building located on the Property, with retail use on the first floor and office or other commercial uses on the second floor, as further set forth in the Reimbursement Agreement, together with the design and construction of certain Eligible Public Improvements, as defined therein (collectively, the "Cleveland Station Project"); and

WHEREAS, the City, the DDA and LURA have determined that there are additional improvements to be acquired, constructed and installed in the area overlapping both the Urban Renewal Area and the DDA District that will further both the Urban Renewal Plan and the Plan of Development, in an amount not exceeding $200,000 (the "Additional Projects" and together with the Cleveland Station Project, the "Projects"); and

WHEREAS, LURA has determined that the redevelopment of the Property and the implementation of the Projects in order to remediate blight is consistent with and in furtherance of the purposes of LURA and the Urban Renewal Plan; and

WHEREAS, the Board of the DDA has determined that the redevelopment of the Property and the implementation of the Projects are consistent with the Plan of Development including the objectives and purposes set forth therein, and the City Council has concurred in this finding; and

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

WHEREAS, pursuant to the DDA Act and the 2017 Election, the City has the power and authority to incur debt for the purpose of financing the costs of development projects to be undertaken by or on behalf of the DDA pursuant to the Plan of Development and to pay such debt from tax increment revenues levied and collected within the DDA District; and

WHEREAS, LURA, the City and the DDA have agreed that in order to facilitate the redevelopment of the Cleveland Station Project that they will, among other things, reimburse the Developer for up to the sum of $800,000 (the "Reimbursement Amount") for the design and construction of the Eligible Public Improvements identified in Section 6 of the Reimbursement Agreement (the "Eligible Public Improvements"); and

WHEREAS, in order to reimburse the Developer for the Reimbursement Amount, and to finance the Additional Projects, the City, the DDA and LURA requested and the Lender has agreed to make a loan available to the City and LURA in the principal amount of $1,000,000 (the "Loan") on the terms and conditions set forth in this Agreement; and

WHEREAS, the Loan shall constitute a special revenue obligation payable from and secured by the Pledged Revenues (as defined herein), subject to the limitations set forth herein; and

WHEREAS, the Pledged Revenues shall consist primarily of property tax increment revenues resulting from ad valorem property taxes levied on the Property and from sales tax increment revenues generated from retail sales occurring on the Property, as further set forth herein; and

WHEREAS, pursuant to the Urban Renewal Act, such tax increment revenues will be remitted to LURA for up to twenty-five years following the date of approval of the Urban Renewal Plan (which 25 year period continues through September 30, 2027 and expires on October 1, 2027), and will be held by LURA in a special fund (the "LURA Special Fund") to pay the bonds of, or loans or advances to, or indebtedness incurred by, LURA for financing or refinancing an urban renewal project in the Urban Renewal Area; and

WHEREAS, in the event that the Urban Renewal Plan is terminated, or following termination of the 25-year period during which LURA will receive the tax increment revenues, the tax increment revenues generated from the Property will no longer be remitted to LURA, but will be remitted to the City in accordance with the DDA Act; and

WHEREAS, pursuant to the DDA Act, any such tax increment revenues received by the City will be held in a special fund of the City (the "City Special Fund") to pay the bonds of, or loans or advances to, or indebtedness incurred by, the City for financing or refinancing a development project within the boundaries of the DDA District, subject to the ballot question approved at the 2017 Election; and

WHEREAS, LURA has agreed that so long as it receives the Pledged Revenues, that it will apply such Pledged Revenues to the repayment of the Loan, in accordance with this Agreement; and

WHEREAS, the City has agreed that once it begins to receive the Pledged Revenues, that it will apply such Pledged Revenues to the repayment of the Loan, in accordance with this Agreement; and

WHEREAS, both LURA and the City are authorized to enter into this Agreement and to repay the Loan in accordance with the terms and provisions hereof.

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

ARTICLE I

DEFINITIONS

In this Agreement, unless a different meaning clearly appears from the context, capitalized terms have the meanings set forth below:

"2017 Election" means the election held in the DDA District on November 7, 2017.

"Additional Projects" means the additional improvements to be acquired, constructed and installed in the area overlapping both the Urban Renewal Area and the DDA District that will further both the Urban Renewal Plan and the Plan of Development, in an amount not exceeding $200,000.

"Authorized Person" means: (i), with respect to the City, the Mayor or City Manager of the City or any designee thereof and/or any other individual authorized by the Mayor to act as an Authorized Person hereunder, provided that the City has provided evidence of such authority to the Lender, and (ii) with respect to LURA, the Chair or Executive Director of LURA or any designee thereof and/or any other individual authorized by the Chair to act as an Authorized Person hereunder, provided that LURA has provided evidence of such authority to the Lender.

"Authorizing LURA Resolution" means the resolution adopted by the LURA Board authorizing LURA to incur the indebtedness of the Loan and to execute and deliver, among other things, the Note and this Agreement.

"Bond Counsel" means Butler Snow LLP, Denver, Colorado, or such other attorneys selected by LURA with nationally recognized expertise in the issuance of taxable and tax-exempt debt.

"Business Day" means any day other than a Saturday, a Sunday, or any holiday on which the Lender is closed for business.

"Charter" means the home rule charter of the City.

"City" means the City of Loveland, Colorado.

"City Council" means the City Council of the City.

"City Special Fund" means the special fund of the City into which the tax increment revenues from the DDA District are deposited as further set forth in the DDA Act.

"Cleveland Station Project" means, collectively, the redevelopment of the building located on the Property with retail use on the first floor and office or other commercial uses on the second floor, together with the design and construction of the Eligible Public Improvements, as further set forth in the Reimbursement Agreement.

"Closing" means the execution and delivery of the Note and the Agreement, and the funding of the Loan.

"Closing Date" means the date on which the Closing occurs.

"Cooperation Agreement" means the Cooperation Agreement dated as of the Closing Date between the City and the LURA relating to the Projects.

"Costs of Issuance" means all items of expense directly or indirectly payable by LURA, the City or the DDA and related to the authorization, issuance, sale and delivery of the Financing Documents, including but not limited to the reasonable fees and expenses of LURA, the City, the DDA and the Lender, costs of preparation and reproduction of documents, printing expenses, legal fees and charges, fees and disbursements of consultants and professionals, and any other cost, charge or fee in connection with the execution and delivery of the Financing Documents.

"County" means Larimer County, Colorado.

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

"DDA" means the City of Loveland, Colorado, Downtown Development Authority.

"DDA Act" means the Downtown Development Authority Act, being part 8 of article 25 of title 31, Colorado Revised Statutes, as amended.

"DDA District" means the boundaries of the Loveland Downtown Development Authority.

"Debt" means, bonds, warrants, notes, securities, leases or other contracts evidencing borrowings and payable from all or any portion of the Pledged Revenues.

"Debt Service Fund" means the Debt Service Fund to be created, held and administered to pay the Debt Service Requirements on the Note. LURA shall hold and administer the Debt Service Fund during the period of time that it receives the Pledged Property Tax Increment Revenues and the City shall hold and administer the Debt Service Fund during the period of time that it receives the Pledged Property Tax Increment Revenues.

"Debt Service Requirements" means, with respect to any Payment Date, an amount equal to the sum of the following with respect to any such date: (a) the principal due on the Loan and (b) the interest due on the Loan.

"Developer" means Love 450, LLC, as the developer of the Cleveland Station Project.

"Developer Tax Increment Guarantee Payment" means the amount paid, if any, by the Developer to the City pursuant to the Reimbursement Agreement in the event that the Cleveland Station Project does not generate a certain minimum property tax increment revenue annually, beginning in the first full calendar year following issuance of a Certificate of Occupancy and/or Letter of Completion for the Cleveland Station Project, as further set forth in Section 2 of the Reimbursement Agreement.

"Eligible Costs" means, collectively, the reasonable and customary expenditures for the acquisition, design, construction and installation of the Eligible Public Improvements, which shall be certified by the Developer in accordance with the Reimbursement Agreement.

"Eligible Public Improvements" means the improvements that are eligible for reimbursement from the Loan proceeds, which improvements the Developer intends to acquire, construct or install as part of the Cleveland Station Project, as further described in the Reimbursement Agreement.

"Event of Default" has the meaning set forth in Section 7.01 hereof.

"Final Maturity Date" means December 1, 20__.

"Financing Documents" means, collectively, this Agreement, the Note, the Cooperation Agreement and the Reimbursement Agreement.

"Fiscal Year" means the twelve (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.

"Interest Payment Date" means June 1 and December 1 of each year, commencing _____ 1, 2022 and continuing through and including the Final Maturity Date.

"Larimer County Assessor" means the assessor of Larimer County, Colorado.

"Lender" means First National Bank of Omaha, in its capacity as lender of the Loan, and its successors and assigns.

"Loan" means the loan made by the Lender to LURA and the City in the principal amount of $1,000,000 as evidenced by the Note and made in accordance with the terms and provisions of this Agreement.

"LURA" means the Loveland Urban Renewal Authority, an urban renewal authority and a body corporate and politic of the State of Colorado which has been duly created, organized, established and authorized by the City to transact business and exercise its powers as an urban renewal authority, all under and pursuant to the Urban Renewal Law, and its successors and assigns.

"LURA Board" means the Board of Commissioners of LURA.

"LURA Special Fund" means the special fund held by LURA into which tax increment revenues from the Urban Renewal Area are deposited as further set forth in the Urban Renewal Law.

"Maximum Annual Debt Service Requirements" means the maximum amount of the Debt Service Requirements on the Note which will become due in any Fiscal Year.

"Moral Obligation Resolution" means the resolution adopted by the City Council of the City on October __, 2021 setting forth the City's present intention to consider appropriating funds to replenish the Reserve Fund securing the Loan to the Reserve Requirement in the event of a draw on the Reserve Fund. Any such replenishment of the Reserve Fund shall be subject to annual appropriation in the sole discretion of the City Council, and shall not create a debt or indebtedness or other multiple fiscal year financial obligation of the City.

"Note" means the Promissory Note evidencing the Loan issued in the principal amount of $1,000,000.

"Ordinance" means the ordinance adopted by the City Council authorizing the City to incur the indebtedness of the Loan and to execute and deliver, among other things, the Note, this Agreement and the Cooperation Agreement.

"Parity Debt" means any Debt of LURA or the City having a lien upon all or any portion of the Pledged Revenues on parity with the lien thereon of the Loan.

"Payment Date" means a Principal Payment Date, and/or an Interest Payment Date, and/or the Final Maturity Date.

"Permitted Investments" means any investment or deposit permissible under Colorado law, and any applicable investment policy of LURA, the City or the DDA, as the case may be.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, or other entity.

"Plan of Development" means the Plan of Development that was approved by the City Council on July 5, 2017, which was previously approved by the DDA by Resolution #R-52-2017, which established the plan for development or redevelopment of the DDA District.

"Pledged Property Tax Increment Revenue" means:

(i) so long as LURA is receiving the tax increment revenues generated by the Property, the annual ad valorem property tax revenue received by LURA from the Larimer County Treasurer for the Property in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in accordance with the Urban Renewal Law, and credited to the LURA Special Fund, and the regulations of the Property Tax Administrator of the State of Colorado, but not including (a) any offsets collected by the Larimer County Treasurer for return of overpayments or any reserve funds

retained by LURA for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Urban Renewal Law, and (b) any collection fees lawfully retained or payable to LURA or Larimer County for services rendered in connection with the collection of such ad valorem taxes; and

(ii) so long as the City is receiving the tax increment revenues generated by the Property, the annual ad valorem property tax revenue received by the City from the Larimer County Treasurer for the Property in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in accordance with the DDA Act and the regulations of the Property Tax Administrator of the State of Colorado, and credited to the City Special Fund, but not including (a) any offsets collected by the Larimer County Treasurer for return of overpayments or any reserve funds established for such purposes in accordance with Section 31-25-807(3)(a)(III) and (b) of the DDA Act, and (b) any collection fees lawfully retained or payable to the City or Larimer County for services rendered in connection with the collection of such ad valorem taxes

"Pledged Revenues" means:

(a) the Pledged Property Tax Increment Revenue;

(b) the Pledged Sales Tax Increment Revenue;

(c) all Developer Tax Increment Guaranty Payment made by the Developer to the City in accordance with the terms and provisions of the Reimbursement Agreement, if any;

(d) all amounts on deposit in the Debt Service Fund

(e) all amounts held by the Lender in the Reserve Fund;

(f) all amounts, if any, received from the City pursuant to the Moral Obligation Resolution;

(g) any other legally available moneys which LURA determines, in its sole discretion, to pledge to the payment of the Note; and

(h) any other legally available moneys which the City determines, in its sole discretion, to pledge to the payment of the Note.

"Pledged Sales Tax Increment Revenues" means, for each year that this Agreement remains in effect, that portion of the Sales Tax revenue received by the City, and remitted to LURA in accordance with the Urban Renewal Law or to the City in accordance with the DDA Act, as the case may be, equal to the product of the Sales Tax rate of three percent (3.00%) times the amount of the taxable transactions subject to the Sales Tax generated from retail sales occurring on the Property, less the Sales Tax Base Amount, and less the proportionate share of the reasonable and

necessary costs and expenses of collecting and enforcing the Sales Tax attributable to the Cleveland Station Project.

"Principal Payment Dates" means June 1 and December 1of each year, commencing _____ 1, 2023 and continuing through and including the Final Maturity Date.

"Project Fund" means the fund to be created, held and administered by the DDA into which net proceeds of the Loan will be deposited to pay a portion of the Eligible Costs after the submission of a request for payment from the Developer in accordance with the Reimbursement Agreement, and to pay for costs incurred in connection with the Additional Projects, subject to the terms and provisions set forth in Section 2.03 hereof.

"Projects" means, collectively, the Cleveland Station Project and the Additional Projects.

"Property Tax Base Valuation" means, for purposes of this Agreement, $0.00. The parties have negotiated the Property Tax Base Valuation for purposes of this Agreement and the Property Tax Base Valuation shall remain at $0.00 throughout the term of this Agreement and shall not be subject to adjustment.

"Reimbursement Agreement" means the Love 450, LLC Reimbursement Agreement dated as of January 19, 2021, among the DDA, the Developer and the City, relating to the Cleveland Station Project, as it may be amended from time to time in accordance therewith.

"Reimbursement Amount" means $800,000, which is the maximum amount that will be paid or reimbursed to the Developer pursuant to the Reimbursement Agreement.

"Remaining TIF Revenue" means the amount of Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues on deposit in the LURA Special Fund or the City Special Fund, as the case may be, on November 15 in each year, which is required to be applied to the mandatory prepayment of the Loan in accordance with Section 2.05(a)(ii) hereof.

"Reserve Fund" means the fund by that name established with the Lender by the provisions of Section 4.04 hereof to be debited in the manner and for the purposes set forth herein.

"Reserve Requirement" means an amount equal to $_____, which is an amount equal to the Maximum Annual Debt Service Requirements on the date of execution and delivery of the Loan Agreement. The Reserve Requirement shall remain the same throughout the term of the Loan, regardless of the payment or prepayment of principal on the Loan.

"Sales Tax" means the municipal sales tax of the City on sales of goods and services that are subject to municipal sales taxes pursuant to the Loveland Municipal Code.

"Sales Tax Base Amount" means $0.00.

"Supplemental Public Securities Act" means Title 11, Article 57, C.R.S.

"Urban Renewal Area" means the Urban Renewal Area for Downtown Loveland as described in the Urban Renewal Plan.

"Urban Renewal Law" means the Colorado Urban Renewal Law, part 1 of article 25 of title 31 of the Colorado Revised Statutes.

"Urban Renewal Plan" means the Urban Renewal Plan approved by the City of October 1, 2002, as amended, and as may hereinafter be amended from time to time.

ARTICLE II

LOAN TERMS, FEES, APPLICATION OF PROCEEDS

Section 2.01 Agreement to Make Loan. The Lender hereby agrees to make the Loan to LURA and the City in the original principal amount of $1,000,000 (the "Loan Proceeds") 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 and by this reference made a part hereof. The Note shall be in physical form and the Lender hereby agrees to act as the registrar for the Note and to keep all registration records related thereto.

Section 2.02 Application of Loan Proceeds and other Available Funds.

(a) On the Closing Date, the Lender will disburse the Loan Proceeds as follows:

(i) $_____ shall be applied at the direction of the City to pay the Costs of Issuance; and

(ii) $_____ from the Loan Proceeds shall be transferred to the DDA, as agent for and on behalf of the City, for deposit into the Project Fund and utilized to pay Eligible Costs and costs of the Additional Projects, subject to Section 2.03 hereof.

(b) On the Closing Date, the Reserve Fund shall be funded in the amount of the Reserve Requirement from available funds of the City, LURA and/or the DDA.

Section 2.03 Project Fund. The City and LURA hereby appoint the DDA to act as their agent with respect to the expenditure of the proceeds of the Loan. The proceeds of the Loan shall be deposited in the Project Fund, which shall be held and disbursed by the DDA solely for: (a) paying the Costs of Issuance, (b) paying or reimbursing the Developer in an amount not exceeding the Reimbursement Amount in accordance with the terms and provisions of the Reimbursement Agreement, and (c) paying or reimbursing costs of the Additional Projects in an aggregate amount not exceeding $200,000. The Executive Director of the DDA, or his designee, shall authorize the disbursement of money on deposit in the Project Fund.

Moneys on deposit in the Project Fund are not Pledged Revenues hereunder and are not pledged to the repayment of the Loan.

All moneys held in the Project Fund may be invested or reinvested in Permitted Investments only.

Section 2.04 Interest Rate; Interest Payments; Principal Payments.

(a) ***Interest Rate***. The Note shall bear interest at the per annum rate equal to ____% until payment of principal has been made or provided for. Interest on the principal amount outstanding from time to time on the Note shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

(b) ***Principal Payments***. Principal payments on the Loan shall be due and payable on the Principal Payment Date. The Loan amortization schedule setting the Principal Payment Dates and corresponding principal amounts due is set forth in Exhibit B attached hereto and by this reference made a part hereof.

(c) ***Supplemental Public Securities Act***. Section 11-57-204 of the Supplemental Public Securities Act provides that a public entity, including LURA and the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act. The LURA Board hereby elects to apply all of the Supplemental Public Securities Act to the Loan, the Note and the Agreement. The City Council hereby elects to apply all of the Supplemental Public Securities Act to the Loan, the Note and the Agreement.

Section 2.05 Payment or Prepayment of Loan.

(a) The Debt Service Requirements of the Loan shall be payable in lawful money of the United States of America to the Lender.

(b) The Loan is subject to optional prepayment and mandatory prepayment as follows:

(i) The Loan may be prepaid, in whole or in part, at the option of LURA or the City at any time without prepayment penalty, upon not less than 15 days written notice to the Lender, provided that all accrued interest up to and including the Prepayment Date must be paid on or prior to any prepayment of principal.

(ii) The Loan is subject to mandatory prepayment, in part, in multiples of $1,000, from Remaining TIF Revenue on December 1 of each year. During the time that LURA receives the tax increment revenues from the Cleveland Station Project, LURA shall provide written notice to the Lender, the City and the DDA no later than November 15 of each year setting forth the amount of Remaining TIF Revenue on deposit in the LURA Special Fund and the amount that will be applied to the mandatory prepayment of the Loan on December 1 of such year. During the time that the City receives the tax increment revenues from the Cleveland Station Project, the City shall provide written notice to the Lender and the DDA no later than November 15 of each year setting forth the amount of Remaining TIF Revenue on deposit in the City Special Fund and the amount that will be applied to the mandatory prepayment of the Loan on December 1 of such year. The mandatory prepayment of the Loan shall be payable in lawful money of the United States of America to the Lender on the applicable mandatory prepayment date.

(iii) In the event that the Loan is prepaid in part, whether pursuant to optional prepayment or mandatory prepayment, the prepayment shall be applied to the Loan amortization schedule set forth in Exhibit B in inverse order of the principal payment dates, or as otherwise determined by the Lender in its discretion and upon written notice to LURA, the City and the DDA. Upon any such prepayment of the Loan, the Lender shall prepare a new Exhibit B setting forth the Debt Service Requirements following such prepayment and shall provide the revised Exhibit B to LURA, the City and the DDA.

(iv) Notwithstanding any partial prepayment of the Loan, neither LURA nor the City, as the case may, shall be relieved of its obligation to make scheduled payments of principal and interest on the Loan in the amounts and at the times set forth in Exhibit B, as it may be revised from time to time in accordance with the provisions of this Agreement.

(c) The Lender acknowledges that LURA will receive the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues only during the 25-year period ending on October 1, 2027, or until the earlier termination of the Urban Renewal Plan, and that thereafter the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues will be received by the City pursuant to the DDA Act. LURA agrees that it shall notify the Lender in writing once it is no longer receiving the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues from the Property. The Lender agrees that upon receipt of such written notice, that LURA's obligations hereunder and under the Note shall be automatically discharged and LURA shall have no further obligations under this Agreement, the Note or the Cooperation Agreement.

(d) Except as hereinafter provided, the Lender shall not be required to produce the Note to LURA or the City, as the case may be, to receive payment of principal pursuant to the payment schedule set forth in Exhibit B hereto, or to receive payment pursuant to optional or mandatory prepayment. The Lender shall be required to produce the Note to LURA or the City, as the case may be, only on the Final Maturity Date of the Note, upon prior prepayment in full of the Note or upon transfer of the Note.

(e) When all the Debt Service Requirements on the Loan have been duly paid, the pledge and lien of the Pledged Revenues and all obligations due hereunder and under the Note shall thereby be discharged and the Note shall no longer be deemed to be outstanding within the meaning of this Agreement.

ARTICLE III

CONDITIONS TO CLOSING

Section 3.01 Conditions to Loan Closing. The funding of the Loan by the Lender is conditioned upon the satisfaction of each of the following on or prior to the Closing Date:

(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 except with the prior consent of the applicable parties thereto, shall be in full force and effect on and as of the Closing Date and executed originals or copies of each thereof, together with executed copies of the Urban Renewal Plan and the Plan of Development shall 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) ***Authority for Loan***. The Lender shall have received a certified copy of the Authorizing LURA Resolution duly adopted by the LURA Board and a certified copy of the Ordinance duly adopted by the City Council.

(c) ***Representations and Warranties True; No Default***. The Lender shall be satisfied that on the Closing Date each representation and warranty on the part of LURA, the City and the DDA contained in this Agreement is true and correct in all material respects and no Event of Default has occurred and is continuing, and no event, act or occurrence which, with the giving of notice or lapse of time (or both), would become an Event of Default, and the Lender shall be entitled to receive certificates, signed by an authorized officer of LURA, the City and the DDA, to such effect.

(d) ***Closing Certificates***.

(i) The Lender shall have received a certificate signed by an authorized officer of LURA, dated the Closing Date, that shall cover matters incidental to the transactions contemplated by this Agreement, any other Financing Document and the Urban Renewal Plan as the Lender may reasonably request. Such Certificates shall contain a certification that, as of the Closing Date, there is no outstanding Parity Debt, other than the Debt that is evidenced by the Note and this Agreement.

(ii) The Lender shall have received a certificate signed by an authorized officer of the City, dated the Closing Date, that shall cover matters incidental to the transactions contemplated by this Agreement, any other Financing Document and the Plan of Development as the Lender may reasonably request. Such Certificates shall contain a certification that, as of the Closing Date, there is no outstanding Parity Debt, other than the Debt that is evidenced by the Note and this Agreement.

(iii) The Lender shall have received a certificate signed by an authorized officer of the DDA, dated the Closing Date, that shall cover matters incidental to the transactions contemplated by this Agreement, any other Financing Document and the Plan of Development as the Lender may reasonably request.

(e) ***Reserve Fund and Moral Obligation Resolution***. The Reserve Fund shall be funded in the amount of the Reserve Requirement on or prior to the Closing Date. The Lender shall have received an executed copy of the Moral Obligation Resolution duly adopted by the City Council of the City.

(f) ***Bond Counsel's Legal Opinions***. The Lender shall have received an opinion of Bond Counsel addressed to the Lender, or a reliance letter from Bond Counsel to the effect that the Lender may rely upon such opinion of Bond Counsel. The Bond

Counsel opinion shall be dated the Closing Date; shall state that the Agreement and the Note are valid and binding, special, limited obligations of LURA and the City, as the case may be, and that the Loan is payable solely from the Pledged Revenues; and shall state that this Agreement creates a valid lien on the Pledged Revenues to secure the payment of the Loan on a parity with other Parity Debt (if any) to be issued in the future. The opinion of Bond Counsel and any such reliance letter addressed to the Lender shall be in form and substance satisfactory to the Lender and its counsel.

(g) ***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.

(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 LURA, the City or the DDA from fulfilling its respective obligations under this Agreement.

(i) ***Fees and Expenses***. All Lender counsel fees and any other fees and expenses due and payable to the Lender in connection with the issuance of the Loan, the execution and delivery of this Agreement, and any other amounts due and payable hereunder shall have been paid. Such fees and expenses of the Lender shall not exceed $1,000.

(j) ***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 LURA, the Urban Renewal Plan, the City, the DDA, the Plan of Development, the Pledged Revenues, and the Projects.

(k) ***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.

(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 IV

REPAYMENT OF LOAN; FUNDS AND ACCOUNTS

Section 4.01 Repayment of Loan; Pledge of Pledged Revenues.

(a) So long as LURA receives the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues, LURA hereby promises to pay to the Lender, but solely from the Pledged Revenues, the amounts set forth below. So long as the City receives the Pledged Property Tax Increment Revenues and the Pledged Sales Tax

Increment Revenues, the City hereby promises to pay to the Lender, but solely from the Pledged Revenues, the amounts set forth below:

(i) ***Payment of Interest***. On each Interest Payment Date as set forth on Exhibit B attached hereto, as it may be amended from time to time, payment of accrued unpaid interest on the Loan as provided in Section 2.03.

(ii) ***Payment of Principal***. On each Principal Payment Date as set forth on Exhibit B attached hereto, as it may be amended from time to time, a payment of the principal of the Loan as provided in Section 2.03.

(iii) **Payment at Maturity**. On the Final Maturity Date, the then unpaid principal amount of the Loan, plus any accrued unpaid interest thereon.

(iv) **Mandatory Prepayment**. On each _____ 1, the applicable mandatory prepayment, if any, of the Loan in multiples of $1,000 from Remaining TIF Revenue, as further set forth in Section 2.05(b)(ii) hereof.

(b) The Pledged Revenues are hereby pledged to the payment of the Debt Service Requirements. The obligation to repay the Loan, and the Note that evidences such obligation, is and shall be a special and limited obligation of LURA and the City, as the case may be, secured by an irrevocable pledge of, and payable as to principal and interest thereon, solely from the Pledged Revenues.

The Lender may not look to any general or other fund of LURA or the City for the payment of the Debt Service Requirements on the Loan except the Pledged Revenues. The Loan and the Note are not general obligations of the City and the full faith and credit of the City is not pledged to the payment of the Debt Service Requirements of the Loan. The payment of the Note is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Pledged Revenues. No property of the City, subject to such exception with respect to the Pledged Revenues, pledged for the payment of the Note, shall be liable to be forfeited or taken in payment of the Note.

(c) The Lender acknowledges that incremental property taxes that are remitted to LURA for deposit in the LURA Special Fund or to the City for deposit in the City Special Fund, as the case may be, are based on the annual valuation of all properties located within the Urban Renewal Area or the DDA District, as the case may be, and not on a parcel by parcel basis. Therefore, tax increment revenues are calculated and remitted to LURA in the aggregate for the entire Urban Renewal Area and are calculated and remitted to the City in the aggregate for the entire DDA District and are not remitted on a parcel by parcel basis. The City agrees that it will establish a reasonable methodology for determining the amount of property tax increment revenues on deposit in the LURA Special Fund or the City Special Fund, as the case may be, that are allocable to the Property, and that the City's determination shall be binding upon the parties, absent manifest error. Upon written request from the Lender, the City shall provide a detailed written explanation to the Lender

of the methodology used to establish the amount of Pledged Property Tax Increment Revenues that are allocable to the Property.

(d) The Lender acknowledges that incremental property taxes are remitted to LURA or the City, as the case may be, in accordance with the policies and procedures adopted by the State Property Tax Administrator, the Larimer County Assessor's Office and the Larimer County Treasurer's office, and accordingly the timing and payment of the Pledged Property Tax Increment Revenues is not within the control of LURA, the City or the DDA. Nothing herein shall be construed as a promise or a guarantee by LURA, the City or the DDA that the Pledged Property Tax Increment Revenues will be collected and remitted to LURA for deposit in the LURA Special Fund or to the City for deposit in the City Special Fund in any projected or anticipated amount. The Lender acknowledges that the Property Tax Administrator for the State of Colorado and the Larimer County Assessor may modify the process for calculating property tax increments, which may reduce the amount of Pledged Property Tax Increment Revenues. In addition, the Lender acknowledges that the generation of Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues is significantly dependent upon completion of redevelopment of the Cleveland Station Project by the Developer and the Lender acknowledges and agrees that LURA, the City and the DDA are not responsible for the amount of Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues that will be generated by the Property during the period when the Loan is outstanding. In the event of an insufficiency of Pledged Revenues to pay the Debt Service Requirements on the Loan, LURA, the City and the DDA shall not have any obligation to pay any shortfall amount.

Section 4.02 Disposition of Pledged Revenues. Upon their receipt by LURA, the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues shall be deposited in the LURA Special Fund in accordance with the Urban Renewal Law. Upon their receipt by the City, the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues shall be deposited in the City Special Fund in accordance with the DDA Act. For so long as the Note remains outstanding, the Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues on deposit in the LURA Special Fund or the City Special Fund, as the case may be, shall be applied in each calendar year in the following order of priority:

(a) First, LURA or the City, as the case may be, shall deposit in the Debt Service Fund from the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues an amount sufficient, together with other amounts on deposit therein, to pay all the Debt Service Requirements due or to become due during the current calendar year on the Note. In the event that the City receives any Developer Tax Increment Guarantee Payment, it shall deposit such amount upon receipt to the Debt Service Fund, whether such Debt Service Fund is then held by LURA or the City.

(b) Second, after the payments required to be made to the Debt Service Fund have been made for the current calendar year, LURA or the City, as the case may be, shall replenish the Reserve Fund in accordance with the terms and provisions of Section 4.04

hereof, to the extent that the amount on deposit in the Reserve Fund is less than the Reserve Requirement, or in the event that the Reserve Fund was replenished by the City pursuant to the Moral Obligation Resolution, shall repay the City for any amounts appropriated or provided by the City to replenish the Reserve Fund.

(c) Third, after the payments required to be made to the Debt Service Fund and any replenishments to the Reserve Fund or repayments to the City, if any, have been made for the current calendar year, any Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues remaining in the LURA Special Fund may be used by LURA for the payment of any Debt that is subordinate to the Loan and any Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues remaining in the City Special Fund may be used by the City for the payment of any Debt that is subordinate to the Loan.

(d) Fourth, after the payments required to be made in First through Third above have been made or provided for in the current calendar year, any Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues remaining on deposit in the LURA Special Fund or the City Special Fund, as the case may be on November 15 of such calendar year shall constitute Remaining TIF Revenue and shall be applied to the mandatory prepayment of the Loan in accordance with Section 2.05(b)(ii) hereof.

Section 4.03 Debt Service Fund; Payment of Loan. On each Payment Date, to the extent that LURA is holding the Debt Service Fund, LURA shall remit Pledged Revenues on deposit in the Debt Service Fund to the Lender in an amount equal to the Debt Service Requirements due on the Note on the applicable Payment Date. On each Payment Date, to the extent that the City is holding the Debt Service Fund, the City shall remit Pledged Revenues on deposit in the Debt Service Fund to the Lender in an amount equal to the Debt Service Requirements due on the Note on the applicable Payment Date.

The sums required to make the payments specified in this Section 4.03 are hereby appropriated for such purposes, and the amounts so required to make such payments in each year shall be included in the budget and appropriation resolution, ordinance or measures to be adopted or passed by the LURA Board or the City Council, as the case may be, while the Note is outstanding.

All moneys held in the Debt Service Fund may be invested or reinvested in Permitted Investments only.

Section 4.04 Reserve Fund.

(a) ***General***. The Reserve Fund shall be held in an account with the Lender and is hereby pledged for the payment of the Debt Service Requirements and shall be used solely for the purposes set forth herein. The Lender shall not withdraw any monies from the Reserve Fund, except as permitted hereby. The Lender is hereby authorized to debit the Reserve Fund for payments of the Debt Service Requirements, as described in paragraph (b) below.

(b) ***Use for Payment of Debt Service Requirements***. If, on any Payment Date, the amount remitted by LURA or the City, as the case may be, to the Lender is an amount which is less than the Debt Service Requirements owing on such Payment Date, the Lender shall debit from the Reserve Fund an amount which, when combined with moneys received from the LURA or the City, will be sufficient to pay such Debt Service Requirements when due on the applicable Payment Date. In the event that moneys in the Reserve Fund, together with moneys remitted by LURA or the City to the Lender, are insufficient for such purpose, the Lender is nonetheless hereby authorized to debit all moneys in the Reserve Fund for the purpose of making partial payments of the Debt Service Requirements owing on such Payment Date.

(c) ***Notice from Lender; Replenishment of Reserve Fund***. In the event of a draw on the Reserve Fund, the Lender shall provide written notice to LURA, the City and the DDA, setting forth the amount of the draw and the amount needed to replenish the Reserve Fund to the Reserve Requirement. The Reserve Fund shall be replenished from available Pledged Revenues in accordance with Section 4.02(b) hereof. In the event that there are not sufficient Pledged Revenues, or other available moneys, to replenish the Reserve Fund within 90 days of the draw on the Reserve Fund, the Moral Obligation Resolution provides that the City Manager will prepare and submit to the City Council a request for an appropriation or provision of a sufficient amount of funds to replenish the Reserve Fund to the Reserve Requirement, subject to appropriation by the City Council in its sole discretion. Moneys received by the Lender from the City pursuant to an appropriation or payment under the Moral Obligation Resolution shall be deposited by the Lender in the Reserve Fund and shall not be applied to any other purposes. In the event that the amount remitted by the City to the Lender for deposit in the Reserve Fund exceeds the amount necessary to replenish the Reserve Fund to the Reserve Requirement, the Lender shall return any such excess amount to the City.

While the City Council has agreed in the Moral Obligation Resolution to consider appropriating money to replenish the Reserve Fund in the event that the amount therein is less than the Reserve Requirement, the City Council may in its sole discretion determine whether to make such an appropriation, and is never required to do so. The Moral Obligation Resolution shall not create or constitute a debt, liability or multiple fiscal year financial obligation of the City within the meaning of any statutory, constitutional or home rule charter provision. Failure by the City Council to appropriate or provide moneys to replenish the Reserve Fund pursuant to the Moral Obligation Resolution shall never constitute an Event of Default under this Agreement. The Lender and the City

acknowledge that to the extent that the City replenishes the Reserve Fund, the City will be repaid such amount from available Pledged Revenues pursuant to Section 4.02(b) on a basis that is subordinate to the repayment of the Loan.

(d) ***Investments***. Investments credited to the Reserve Fund may be invested or deposited, at the direction of the City, in Permitted Investments and shall be valued on the basis of their current market value, as reasonably determined by the City, which value shall be determined at least annually. In the event that the amount credited to the Reserve Fund exceeds the amount of the Reserve Requirement, upon written request from the City, the Lender shall remit any such excess amount to the City.

(e) ***Final Maturity Date***. At the written request of LURA or the City, as the case may be, on the Final Maturity Date of the Loan, the Lender shall apply all amounts on deposit in the Reserve Fund to the Debt Service Requirements due on the Loan on such Final Maturity Date.

(f) ***Application to Prepayment of Loan***. If LURA or the City elect to prepay the Loan in full prior to the Final Maturity Date in accordance herewith, it may utilize amounts on deposit in the Reserve Fund for such purpose.

(g) ***Application upon Event of Default.*** Upon the occurrence and continuation of an Event of Default hereunder, the Lender may apply amounts on deposit in the Reserve Fund in accordance with the terms and provisions set forth in Section 7.02 hereof.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS

While any obligations hereunder or under the Note are unpaid or outstanding, LURA, the DDA and the City continuously warrant and agree with the Lender, as the maker of the Loan and the holder of the Note, as follows:

Section 5.01 Accuracy of Information.

(a) All information, certificates or statements given to the Lender by LURA pursuant to this Agreement and the other Financing Documents has been and will be true and complete when given.

(b) All information, certificates or statements given to the Lender by the City pursuant to this Agreement and the other Financing Documents has been and will be true and complete when given.

(c) All information, certificates or statements given to the Lender by the DDA pursuant to this Agreement and the other Financing Documents has been and will be true and complete when given.

Section 5.02 Organization.

(a) LURA hereby certifies that it is an Urban Renewal Authority validly existing and in good standing under the laws of the State of Colorado and the Urban Renewal Law, and that it has all requisite power and authority to enter into this Agreement and the Note.

(b) The City hereby certifies that it is a home rule municipality and political subdivision of the State organized and existing under its Charter pursuant to Article XX of the Constitution of the State, and that it has all requisite power and authority to enter into this Agreement, the Note and the other Financing Documents to which it is a party.

(c) The DDA certifies that it is a downtown development authority validly existing and in good standing under the laws of the State of Colorado and the DDA Act, and that it has all requisite power and authority to enter into this Agreement and the Reimbursement Agreement.

Section 5.03 Authorization.

(a) LURA hereby certifies that the Authorizing LURA Resolution approving this Agreement and the Note and authorizing their execution, issuance, and delivery on behalf of LURA, has been duly and lawfully adopted and approved in accordance with the laws of Colorado, and such proceedings were duly approved and published in accordance with applicable Colorado law, at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout. This Agreement has been, and the Note when delivered at the Closing will have been, duly authorized, executed, and delivered by an authorized officer of LURA.

(b) The City hereby certifies that the Ordinance approving this Agreement, the Note and the Cooperation Agreement and authorizing their execution, issuance, and delivery on behalf of the City, has been duly and lawfully adopted and approved in accordance with the laws of Colorado and the Charter, and such proceedings were duly approved and published in accordance with applicable Colorado law and the Charter, at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout. This Agreement and the Cooperation Agreement have been, and the Note when delivered at the Closing will have been, duly authorized, executed, and delivered by an authorized officer of the City.

(c) The DDA hereby certifies that it has duly authorized the execution, delivery and due performance of its obligations under this Agreement and the Reimbursement Agreement.

Section 5.04 Performance of Covenants. The City, the DDA and LURA covenant that it will, respectively, faithfully perform and observe at all times any and all covenants,

undertakings, stipulations, and provisions contained in the Note, this Agreement, and the other Financing Documents to which it is a party, and all its proceedings pertaining thereto.

Section 5.05 Use of Proceeds. The net proceeds of the Loan will be deposited in the Project Fund to be held and disbursed by the DDA. The DDA shall use the proceeds of the Loan for the purposes represented to the Lender and in accordance with the provisions of the Reimbursement Agreement to finance a portion of the Eligible Costs, to pay the Costs of Issuance, and to fund the Additional Projects in accordance with Section 2.03 hereof.

Section 5.06 Defense of Legality of Pledged Revenues. There is not pending or threatened in writing any suit, action or proceeding against or affecting LURA, the City or the DDA before or by any court, arbitrator, administrative agency or other governmental authority that affects the validity or legality of this Agreement, the Note or the Reimbursement Agreement, or affecting the Pledged Revenues or any of the obligations of LURA, the City or the DDA under the Financing Documents.

LURA, the City and the DDA shall, to the extent permitted by law, defend the validity and legality of all ordinances affecting the Pledged Revenues and all amendments thereto against all claims, suits and proceedings that would materially diminish or impair the Pledged Revenues.

Section 5.07 Records. LURA, the City and the DDA, as applicable will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues, the use of the proceeds of the Loan, and the funds and accounts described herein.

Section 5.08 Inspection of Books and Records. Upon reasonable advance notice and during business hours or at such reasonable times acceptable to LURA, the City, the DDA and the Lender, as applicable, the Lender shall have the right to examine any of the books and records of LURA, the City or the DDA relating to the Pledged Revenues, the use of the proceeds of the Loan, and the funds and accounts described herein. 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 5.08.

Section 5.09 Reporting Requirements. LURA and the City, as applicable, will provide the following to the Lender at the times and in the manner provided below:

(a) as soon as available, but not later than 210 days following each Fiscal Year, a copy of the City's annual comprehensive financial report which shall include audited financial statements of the City and of LURA as a component unit of the City and which may be submitted to the Lender via an internet link;

(b) as soon as available, but in no event later than 60 days after the end of each Fiscal Year, a summary of the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues received by LURA or the City, as the case may be, in the preceding Fiscal Year; and

(c) LURA, the City or the DDA shall furnish to the Lender such other reports or information regarding the Pledged Revenues as the Lender may reasonably request.

Section 5.10 Continuance and Collection of Pledged Property Tax Increment Revenues..

(a) LURA certifies that: (i) the Urban Renewal Plan, as approved and amended as described in this Agreement, is now in full force and effect; (ii) that LURA shall continue to collect the Pledged Property Tax Increment Revenues and Pledged Sales Tax Increment Revenues in accordance with the Urban Renewal Law; and (iii) LURA shall maintain the LURA Special Fund as a fund of LURA separate and distinct from all other funds of LURA in accordance with the Urban Renewal Law and shall deposit the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues therein.

(b) The City certifies that: (i) the Plan of Development, as approved and amended as described in this Agreement, is now in full force and effect; (ii) that once LURA is no longer collecting the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues in accordance with the Urban Renewal Law, that the City will begin collecting the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues, and shall continue to collect the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues in accordance with the DDA Act; and (iii) the City shall maintain the City Special Fund as a fund of the City separate and distinct from all other funds of City in accordance with the DDA Act and shall deposit the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues therein.

Section 5.11 Instruments of Further Assurance. LURA, the City and the DDA covenant that it will each 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 Revenues.

Section 5.12 Senior Debt; Parity Debt and Subordinate Debt.

(a) So long as the Loan remains outstanding, LURA and the City shall not, without the prior written consent of the Lender, issue or incur any Parity Debt or any Debt payable from or constituting a lien upon the Pledged Revenues senior to the lien thereon of the Loan.

(b) So long as the Loan remains outstanding, LURA and the City shall not, without the prior written consent of the Lender, issue or incur any debt that is payable from and that has a lien upon the Pledged Revenues that is subordinate to the lien thereon of the Loan, provided that in the event that the City replenishes the Reserve Fund pursuant to the provisions of the Moral Obligation Resolution, the amount so applied to such replenishment shall be payable to the City from Pledged Revenues on a basis subordinate

to the Loan in accordance with Section 4.02(b) hereof, and no consent of the Lender shall be required to repay any such amount to the City.

(c) LURA and the City shall have the right, without notice to the Lender and without the written consent of the Lender, to issue or incur debt payable from and secured by a pledge of property tax increment revenues and sales tax increment revenues collected from the Urban Renewal Area, or the DDA District, as the case may be, that do not constitute Pledged Revenues.

Section 5.13 Restructuring. In the event the Pledged Revenues are insufficient or is anticipated to be insufficient to pay the principal of and interest on the Loan when due, LURA and the City shall use its best efforts to refinance, refund, or otherwise restructure the Loan so as to avoid such an Event of Default.

ARTICLE VI

REPRESENTATIONS OF LENDER

Section 6.01 Investor Letter. In connection with making the Loan and holding the Note, the Lender shall deliver on the Closing Date the investor letter in substantially the form attached hereto as Exhibit C and by this reference made a part hereof.

Section 6.02 Records.

(a) ***General***. The Lender shall maintain in accordance with its usual and customary practice an account or accounts evidencing the indebtedness of LURA and the City resulting from the Loan, including the amounts of principal and interest payable and paid to the Lender from time to time hereunder. The Lender shall serve as the registrar for the Note.

(b) ***Evidence of Indebtedness***. The entries made in the accounts maintained pursuant to paragraph (a) of this Section 6.02 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of the Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of LURA or the City to repay the Loan in accordance with the terms of this Agreement.

(a) ***Accounting.*** The Lender shall keep and maintain accounting records in such manner that the amounts on deposit in the Reserve Fund held by the Lender, and the disbursements made from the Reserve Fund, may at all times be readily and accurately determined. The City, LURA and the DDA shall have the right to review such accounting records during regular business hours and upon reasonable request.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01 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 Event of Default hereunder except as provided in this Section 7.01.

(a) LURA or the City fail to pay interest on the Loan when due pursuant to this Agreement;

(b) LURA or the City fail to pay principal on the Loan when due pursuant to this Agreement;

(c) Subject to the provisions of Section 7.03 hereof, LURA, the City or the DDA materially defaults in the performance or observance of any other of the covenants, agreements, or conditions on its respective part in this Agreement or the Note, and fails to remedy any such material default to the reasonable satisfaction of the Lender within thirty (30) days after written notice of such default has been provided by the Lender to the defaulting party;

(d) Any representation made by or on behalf of LURA, the City or the DDA contained in this Agreement, or in any instrument furnished in compliance with or with reference to this Agreement or the Note, is false or misleading in any material respect (as determined by the Lender in the exercise of its reasonable judgment) as of the time when given and shall not be duly corrected and communicated to the Lender within thirty (30) days following the Lender's delivery of written notice to LURA, the City or the DDA, as the case may be, of such incorrect information;

(e) (i) LURA shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or LURA shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against LURA any case, proceeding or other action of a nature referred to in clause (i) and the same shall remain undismissed; or (iii) there shall be commenced against LURA any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) days from the entry thereof; or (iv)

LURA shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) LURA shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; provided that such events shall not constitute an Event of Default hereunder if the Urban Renewal Plan is thereafter terminated within sixty days of such event so that the City will begin receiving the Pledged Property Tax Increment Revenues; or

(f) (i) the City shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the City shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the City any case, proceeding or other action of a nature referred to in clause (i) and the same shall remain undismissed; or (iii) there shall be commenced against the City any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within sixty (60) days from the entry thereof; or (iv) the City shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the City shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

Section 7.02 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 Revenues, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of LURA and the City; 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 at the time held by, or payable or deliverable under the provisions of this Agreement to, the Lender.

(ii) *Suit for Judgment*. The Lender may proceed to protect and enforce its rights under this 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.

(iv) *Moneys on Deposit.* The Lender may notify the holder of the Debt Service Fund to remit any moneys on deposit in the Debt Service Fund to the Lender.

(b) ***Judgment***. No recovery of any judgment by the Lender shall in any manner or to any extent affect the lien of this Agreement on the Pledged Revenues 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.

(d) ***Application of Moneys.*** Amounts collected by or made available to the Lender upon the exercise of its remedies hereunder, including amounts on deposit in the Debt Service Fund that have been transferred to the Lender and moneys on deposit in the Reserve Fund, shall be applied in the following order: (i) first to the reasonable fees and costs incurred by the Lender in pursuing its remedies hereunder, (ii) second to the payment of any interest due on the Loan, and (iii) third to the payment of any principal due on the Loan.

Section 7.03 Notice to Lender of Default. Notwithstanding any cure period described above, LURA, the City and the DDA, as the case may be, will immediately notify the Lender in writing when LURA, the City or the DDA obtains knowledge of the occurrence of any Event of Default or any event which would, with the passage of time or the giving of notice, constitute an Event of Default.

Section 7.04 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 7.05 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 7.06 Other Remedies. Nothing in this Article VII is intended to restrict the Lender's rights under any of the Financing Documents or at law or in equity, and the Lender may exercise all such rights and remedies as and when they are available.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Successors; Participations. The rights, options, powers and remedies granted in this Agreement and the other Financing Documents will extend to the Lender and to its successors and permitted Lender assignees, will be binding upon LURA, the City, the DDA, and its successors and assigns and will be applicable hereto and to all renewals and/or extensions hereof. This Agreement shall be assignable by the Lender to any entity without the consent of LURA, the City or the DDA provided that: (a) such entity delivers an investor letter in substantially the form set forth as Exhibit C hereto, (b) the assignee shall provide an opinion of legal counsel to the effect that the assignee is legally authorized to perform the obligations of the Lender hereunder, and (c) the Note may be transferred in whole, but not in part. The Lender may, upon assumption of the assignee, assign its obligations hereunder as registrar to the assignee of this Agreement.

Section 8.02 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 electronic mail through the internet; or (d) when personally delivered at the following addresses:

To the City
City of Loveland, Colorado
500 East Third Street
Loveland, Colorado 80537
Attention: City Manager

To the DDA:
Loveland Downtown Partnership
Downtown Development Authority
350 No. Cleveland
Loveland, Colorado 80537
Attention: Executive Director

To LURA:
Loveland Urban Renewal Authority
500 East Third Street
Loveland, Colorado 80537
Attention: Executive Director

To the Lender:
First National Bank of Omaha
205 West Oak Street
Fort Collins, Colorado 80521
Attention: Mark Thiebaut, Vice President, Commercial Banking

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent, and may designate other methods of communication.

Section 8.03 Payments. Payments due on the Loan shall be made in lawful money of the United States. All payments shall be applied by the Lender in accordance with the provisions of this Agreement.

Section 8.04 Governing Law; Submission to Jurisdiction.. THIS AGREEMENT AND THE NOTE, AND ALL MATTERS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. LURA, THE CITY, THE DDA AND THE LENDER HEREBY CONSENT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY AND IRREVOCABLY AGREE THAT, SUBJECT TO LENDER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTE SHALL BE LITIGATED IN SUCH COURTS. THE AUTHORITY EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Section 8.05 Amendments.. This Agreement may not be amended, supplemented, or modified without the prior written consent of LURA, the City, the DDA and the Lender.

Section 8.06 Waiver of Jury Trial. EACH OF LURA, THE CITY, THE DDA AND LENDER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTE OR THE TRANSACTIONS CONTEMPLATED THEREBY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. EACH OF LURA, THE CITY, THE DDA AND LENDER ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE NOTE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF LURA, THE CITY, THE DDA AND LENDER WARRANTS AND REPRESENTS THAT EACH HAS HAD THE OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

Section 8.07 Attachments. All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 8.08 No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the LURA Board, the City Council or any officer or agent of LURA or the City, acts in good faith in the performance of her or his duties as a member, officer, or agent of the LURA Board, the City Council, LURA or the City 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. Such recourse shall not be available either directly or indirectly through the LURA Board, the City Council, LURA or the City, 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 transfer, the Lender and any person purchasing or accepting the transfer of the obligation representing the Loan specifically waives any such recourse.

Section 8.09 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Note and this Agreement are entered into pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Note and this Agreement after delivery for value.

Section 8.10 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 this Agreement shall be commenced more than 30 days after the authorization of the Note and this Agreement.

Section 8.11 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 and the Note. The amounts pledged to the payment of the Loan 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. 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 LURA or the City irrespective of whether such persons have notice of such liens.

Section 8.12 Counterparts; Electronic Signatures. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Agreement may be executed using electronic signatures in accordance with Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed shall carry the full legal force and effect of any original, handwritten signature. 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.

Section 8.13 Payment on Non Business Days. 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 8.14 Termination. This Agreement shall terminate at such time as no amounts are due and owing to the Lender hereunder or under the Note.

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

FIRST NATIONAL BANK OF OMAHA

By: _____
Name:
Title:

CITY OF LOVELAND, COLORADO

[SEAL]

ATTEST:

_____
Mayor

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

LOVELAND URBAN RENEWAL AUTHORITY

[SEAL]

ATTEST:

_____
Chair

_____
Executive Director

LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY

_____
Board Chair

EXHIBIT A

FORM OF PROMISSORY NOTE

US $1,000,000 _____ __, 2021

FOR VALUE RECEIVED, LOVELAND URBAN RENEWAL AUTHORITY ("LURA"), a public body corporate and politic duly organized and existing as an urban renewal authority under the laws of the State of Colorado, and the CITY OF LOVELAND, COLORADO, a Colorado home rule municipality, (the "City" and together with LURA, collectively referred to hereunder as the "Maker"), promises to pay to the order of FIRST NATIONAL BANK OF OMAHA, 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 ONE MILLION DOLLARS (US $1,000,000) pursuant to the terms of the Loan Agreement dated of even date herewith (the "Loan Agreement") by and between LURA, the City, the Loveland Downtown Development Authority (the "DDA") and Payee, in lawful money of the United States of America. 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.

All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed in 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.

This Note is a special and limited obligation payable solely from the Pledged Revenues, as further set forth in the Loan Agreement.

LURA shall be obligated to make payments under this Note only during the time that it receives the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues. At such time as LURA no longer receives the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues, its obligations hereunder shall be discharged.

The City shall be obligated to make payments under this Note once it begins to receive the Pledged Property Tax Revenues and the Pledged Sales Tax Increment Revenues, but shall have no obligations under this Note so long as LURA is receiving the Pledged Property Tax Increment Revenues and the Pledged Sales Tax Increment Revenues. This Note shall not constitute a debt, indebtedness, financial obligation or liability of the City within the meaning of any constitutional, statutory or charter debt limitation or provision. The payment of this Note is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Pledged Revenues. No property of the City, subject to such exception with respect to the Pledged Revenues, pledged for the payment of the Note, shall be liable to be forfeited or taken in payment of this Note.

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 the 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 Maker waives presentment, notice of dishonor and protest, and assents to any extension of time with respect to any payment due under this Note. No waiver by the Payee of any payment or other right under this Note will operate as a waiver of any other payment or right.

If any provision in this Note is held invalid, illegal or unenforceable in any jurisdiction, the validity, legality or enforceability of any defective provisions shall not impair the validity, legality or enforceability of any other provision of this Note nor the validity, legality or enforceability of such provision in any other jurisdiction.

Any delay or failure of Payee to exercise any right or remedy provided for under this Note will not constitute a waiver of such right by Payee, and the exercise of any right or remedy will not constitute a waiver of any other right or remedy that Payee may have.

Time is of the essence under this Note.

All notices under this Note must be sent to the addresses given in, and in accordance with the provisions of, the Loan Agreement.

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 LURA and of the City, as Maker, has executed this Promissory Note as of the day and year first above written.

LOVELAND URBAN RENEWAL AUTHORITY

[SEAL]

ATTEST: _____
Chair

_____
Executive Director

CITY OF LOVELAND, COLORADO

[SEAL]

ATTEST: _____
Mayor

_____
City Clerk

EXHIBIT B

SCHEDULE OF DEBT SERVICE REQUIREMENTS

Date	Principal	Interest	Total

EXHIBIT C

(FORM OF INVESTOR LETTER)

_____ __, 2021

City of Loveland, Colorado
Loveland Downtown Development Authority
Loveland Urban Renewal Authority
Butler Snow LLP

Re: Loan Agreement among the City of Loveland, the Loveland Downtown Development Authority, the Loveland Urban Renewal Authority, and First National Bank of Omaha

Ladies and Gentlemen:

First National Bank of Omaha (the "Lender") has entered into the Loan Agreement reference above (the "Loan Agreement") and has been delivered a promissory note in the principal amount of $1,000,000 in connection therewith (the "Note"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Loan Agreement.

In connection with the execution and delivery of the Loan Agreement, and the making of the Loan thereunder, the Lender hereby certifies as follows:

1. The Lender is a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act"), and an "Accredited Investor" within the meaning of Rule 501(a) promulgated by the SEC pursuant to the 1933 Act.

2. The Lender has sufficient knowledge and experience in financial and business matters, including making loans in exchange for and holding state, municipal and other obligations of a nature similar to the Note to be able to evaluate the risks and merits represented by making the Loan and holding the Note.

3. We are making the Loan and acquiring the Note for our own account and not with a view to, or for sale in connection with, any distribution of the Note or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Note or any part thereof, and we have no present intention of reselling or otherwise disposing of the Note.

4. As a sophisticated, knowledgeable, reasonable and prudent lender, the Lender has made its own independent inquiry and analysis with respect to the likelihood of the payment of the Note, the credit of LURA and the City, and the Pledged Revenues that are the source of payment of the Note, and have made an independent credit decision based upon such inquiry and analysis. The City, the DDA and LURA have furnished to us all the information which we, as a sophisticated, knowledgeable, reasonable and prudent lender, have requested of each of them as a result of our having attached significance thereto in making our lending decision with respect to

the Loan, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Note, LURA, the City, the DDA, the Projects and the Pledged Revenues. We are able and willing to bear the economic risk of the making a loan in exchange for and holding the Note.

5. We understand that the Note has not been registered with any federal or state securities agency or commission.

6. We required the establishment of the Reserve Fund under the Loan Agreement as a condition to entering into the Loan Agreement.

FIRST NATIONAL BANK OF OMAHA

By: _____
Title:

EXHIBIT D
LEGAL DESCRIPTION OF THE PROPERTY

LOT 1, BLOCK 1, LOVELAND TENTH SUBDIVISION, LOV (2002036157)