FIRST AMENDMENT TO LOAN AGREEMENT

by and between

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

and

ZIONS BANCORPORATION, N.A. dba VECTRA BANK COLORADO

Relating to:

Not to exceed $15,000,000 2020 Tax-Exempt Note

Dated as of March \_\_, 2021

FIRST AMENDMENT TO LOAN AGREEMENT

**THIS FIRST AMENDMENT TO LOAN AGREEMENT** (this “Agreement”) is made and entered into as of March \_\_, 2021, by and between **COLORADO SPRINGS URBAN RENEWAL AUTHORITY**, a body corporate and politic of the State of Colorado (the “Borrower”), and **ZIONS BANCORPORATION, N.A. dba VECTRA BANK COLORADO**, in its capacity as lender (the “Bank”).

W I T N E S S E T H :

WHEREAS, the Bank and the Borrower entered into a Loan Agreement dated as of June 23, 2020 (the “Original Agreement”) (all capitalized terms used and not otherwise defined in the recitals hereof shall have the meaning assigned in the Original Agreement); and

WHEREAS, the Borrower and the Bank have determined to modify Exhibit C to the Original Agreement and the Borrower has duly and properly approved such modified terms pursuant to a resolution of the Borrower adopted on March 10, 2021; and

WHEREAS, as evidenced by its execution hereof, the Bank hereby approves and consents to this Amendment to the Original Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the Bank and the Borrower hereby agree as follows:

* 1. **Defined Terms**. All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Original Agreement.
  2. **Amendment to Exhibit C of Original Agreement**. Exhibit C of the Original Agreement is hereby amended and restated as follows (underlined text reflects amended language):

# EXHIBIT C BORROWING BASE DETERMINATION

Closing Draw: An initial draw of $1,456,818 less closing costs of the Note and capitalized interest, will be available at closing.

Note Availability: Additional Draws under the Note shall be available to the Borrower based on the following calculations of projected assessed valuation so long as there is no uncured event of default. Quarterly, or more frequently if necessary, Bank shall recalculate the borrowing base based upon the Projected Incremental Property Tax Revenue generated by Construction and Completed Buildings and Designated Vacant Land. Note availability shall be the amount by which the new borrowing base exceeds the current Note balance outstanding, adjusted for current principal payments held by the Custodian, less any required Capitalized Interest.

PV Calculation: Note Availability will be based upon the Present Value calculation of projected Pledged Revenue at the full projected commercial valuation divided as appropriate by the debt service coverage ratio for Completed Buildings described above. The projected revenue will be increased by a 2% bi-annual appreciation, and the Present Value will be calculated at the greater of 5.00% or the current Taxable Interest Rate plus 25 basis points.

Projected Assessed Value: Projected Assessed Value for Construction Buildings, will be based upon comparable values provided by the El Paso County Assessor and acceptable to the Bank. Projected Assessed Value for Designated Vacant Land shall be the actual Assessor valuation. For purposes of calculations, valuations that are subject to percent of completion discount will be adjusted accordingly.

Actual Assessed Value: Actual Assessed Value of completed buildings will be based upon the actual Assessor valuation used in the Certification of Assessed Value of the land and improvements in the urban renewal area. The Projected Assessed Value will be replaced by the Actual Assessed Value once available.

Property Tax Revenue: Property Tax Revenue will be calculated as the tax revenue to be generated by the Construction Buildings and Completed Building based upon the Projected or Actual Assessed Value, as appropriate, and increased bi-annually at 2%, less the base amount, multiplied by the eligible Mill Levies less CSURA’s Administrative Fee.

Construction Buildings: Buildings for which construction has commenced, may be available for advance based upon the present value of projected incremental property tax at the full commercial valuation as appropriate, adjusted for a 1.25x coverage at the maximum mill levy.

Eligibility of Construction Buildings for advance may occur, and be included in the borrowing base, when sufficient information regarding the project has been received and accepted by the Bank. Such information will include

* + - 1. Adequate knowledge or financial disclosure by the developer or sponsor indicating capacity to complete the project;
      2. Adequate disclosure of the basic terms and conditions of construction financing sufficient to complete the project from a National Bank with demonstrated construction lending expertise, and evidence that all equity, and pre-sale or preleasing requirements have been met;
      3. Or bonding of the Construction Project;
      4. Completion guaranty to the construction lender;
      5. A GMAX from a Bank approved general contractor;
      6. Issuance of all permits, and other approvals necessary for construction;
      7. Verification of Comparable Properties by the El Paso County Assessor; and
      8. Commencement of actual construction.

Completed Buildings: Commercial buildings for which a certificate of occupancy is issued will be available for advance based upon the present value of projected property tax at the full commercial valuation as appropriate, adjusted for a 1.20x debt service coverage ratio when calculated at the maximum mill levy. Prior to Certification by the Assessor, full valuation will be based upon guidance from the El Paso County Assessor as described above.

Designated Vacant Land: The Designated Vacant Land shall be the land designated for commercial activity more particularly described as: Parcel: No. 6433401010 by the El Paso County Assessor as of the date of this Amendment.

* 1. **Affirmation of Representations, Warranties and Covenants**. The Borrower hereby affirms the representations, warranties and covenants set forth in Article V of the Original Agreement as of the Effective Date.
  2. **No Default or Event of Default Under Original Agreement**. The Borrower hereby represents and warrants to the Bank that no Default or Event of Default under the Original Agreement has occurred and is continuing and no Default or Event of Default will exist immediately after giving effect to this Amendment.
  3. **Ratification**. Except as modified herein, all terms and provisions of the Original Agreement are hereby ratified and affirmed.
  4. **Severability**. If any section, paragraph, clause, or provision of this Amendment 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 Amendment, the intent being that the same are severable.
  5. **Amendment of Original Agreement**. This Amendment is made pursuant to and in accordance and conformity with the Original Agreement. All references to the “Loan Agreement” or any other similar references in any of the Financing Documents shall, after the date hereof, mean the Original Agreement as amended by this Amendment.
  6. **Execution in Counterparts**. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
  7. **Captions**. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Amendment or the Original Agreement.
  8. **Effective Date**. Upon delivery to the Bank of an original or certified copy of the resolution, this Amendment shall be effective as of March \_\_, 2021 (the “Effective Date”).

[End of Amendment; Signatures on Following Page]

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

**ZIONS BANCORPORATION, N.A., dba VECTRA BANK COLORADO**

By

Name

Title

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY**, a body corporate and politic of the State of Colorado

By

Randle W. Case II, Chair

Attest:

By

Secretary

[Signature Page to First Amendment to Loan Agreement]