
LOAN AGREEMENT

by and between

**BUFFALO HIGHLANDS METROPOLITAN DISTRICT,
ADAMS COUNTY, COLORADO**
as Borrower

and

THE CITY OF COMMERCE CITY, COLORADO
as Lender

Dated as of July 16, 2013

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EXHIBIT A FORM OF PROMISSORY NOTE

EXHIBIT B FORM OF REQUISITION

LOAN AGREEMENT

This **LOAN AGREEMENT** (this "Agreement") is made and entered into as of July 16, 2013, by and between **BUFFALO HIGHLANDS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and **THE CITY OF COMMERCE CITY, COLORADO**, a home rule city and political subdivision of the State of Colorado, in its capacity as lender (the "Lender").

WITNESSETH:

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State, duly organized and existing as a metropolitan district under the constitution and laws of the State (all capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in Article I hereof); and

WHEREAS, the District was created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the boundaries of the District (the "Development"), including, but not limited to, water, storm and sanitary sewer, parks and recreation, public transportation system, mosquito control and eradication and street improvements and facilities, together with all necessary, incidental, and appurtenant facilities, equipment, land and easements or other interests in property (the "Public Improvements"), and maintaining and operating such improvements, all in accordance with Title 32, Article 1, C.R.S. (the "Special District Act"); and

WHEREAS, the Board of Directors of the District (the "Board") has determined that the interests of the District and the public interest demand the design, acquisition, construction, relocation, installation and completion of certain public infrastructure and all things necessary and incidental thereto; and

WHEREAS, pursuant to Section 32-1-1101(1), C.R.S., the District is authorized to incur indebtedness for the acquisition, construction, installation or completion of any improvements or facilities to carry out the purposes of the District; and

WHEREAS, it has been determined by the District that it is necessary to finance Public Improvements ("Project") as set forth in that certain Agreement among the City of Commerce City, Buffalo Highlands Metropolitan District, Buffalo Highlands, LLC, and C. Larson Family Farms, Inc, for the Construction and Funding of Certain Improvements to 96th Avenue and the Dedication of Certain Lands, dated April 12, 2013 ("96th Avenue Agreement"), and that for such purpose, the District should authorize the incurrence of debt in the form of a loan; and

WHEREAS, the District has requested the Lender to provide financing by making available to the District a term loan in the maximum principal amount of \$5,500,000.00 (the "Loan"); and

WHEREAS, the Lender is a home rule city and political subdivision of the State of Colorado, duly organized and existing under the constitution and laws of the State and its Home

rule Charter, with power and authority and adequate funds to make the Loan to the District for the purposes of financing the Project and is willing to enter into this Agreement and to make the Loan to the District pursuant to the terms and conditions stated below; and

WHEREAS, the Loan shall be payable from and secured by general ad valorem property taxes and certain fees (“Road Impact Fees”) as more fully set forth herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the sufficiency of which is expressly acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Words and terms defined in the recitals hereof, as hereby supplemented and amended, shall have the same meanings herein or therein assigned to them, unless the context or use indicates another meaning or intent, and except to the extent amended by the definitions hereinafter set forth. In addition, the following terms shall have the meanings set forth herein:

“Annexation Agreement” means the agreement dated July 12, 1989, by and between Broncucia Investments and the Lender authorizing the annexation of the property attached thereto as Exhibit A to the City of Commerce City and the Partial Assignment of Annexation Agreement dated March 4, 2013 by and between Buffalo Highlands, L.L.C. (successor in interest to Broncucia Investments) and the District.

“Authorized Person” means the President or the Secretary of the District, and also means any other individual authorized by the Board to act as an Authorized Person hereunder.

“Authorizing Resolution” means the resolution adopted by the Board on July 16, 2013 authorizing the District to enter into the Loan and execute and deliver the Note, this Agreement, and any other necessary and required related documents.

“Business Day” means any day of the week on which the Lender is open for business.

“Closing” means the concurrent execution and delivery of the Note and this Agreement by the respective parties thereto and the making of the initial advance of the Loan in accordance with the provisions hereof.

“Closing Date” means date on which the Closing occurs, estimated to be on or about July 16, 2013.

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

“Debt” means, without duplication, all of the following obligations of the District for the payment of which the District has promised or is required to impose an ad valorem property tax levy and/or impose fees: (a) borrowed money of any kind; (b) obligations evidenced by bonds;

debentures, notes or similar instruments; (c) obligations upon which interest charges are customarily paid; (d) obligations under conditional sale or other title retention agreements relating to property or assets purchased by the District; (e) obligations issued or assumed as the deferred purchase price of property or services; (f) obligations in connection with indebtedness of others secured by (or which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any lien or other encumbrance on property owned or acquired by the District, whether or not the obligations secured thereby have been assumed (only to the extent of the fair market value of such asset if such indebtedness has not been assumed by the District); (g) obligations arising from guarantees made by the District; (h) obligations evidenced by capital leases; (i) obligations as an account party in respect of letters of credit and bankers' acceptances or similar obligations issued in respect of the District; and (j) obligations evidenced by any interest rate exchange agreement; provided that notwithstanding the foregoing, the term "Debt" does not include obligations issued for any purpose, the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor so long as (i) such obligations are payable only to the extent the District has excess moneys on hand; (ii) such obligations are payable in any Fiscal Year only after the last scheduled payment of principal or interest on the Loan in such Fiscal Year; and (iii) the District makes no promise to impose any tax, fee, or other governmental charge for the payment of such obligations.

"Debt Service" means, for any period, the total amount of principal and interest due on the Loan.

"Debt Service Fund" means the fund established by the District for payment of Debt Service on the Loan and into which the District shall deposit proceeds of all property taxes collected by it from imposition of the Required Mill Levy and proceeds from all Road Impact Fees collected by it.

"Default Interest Rate" means a rate per annum equal to 8%.

"Developer" means Buffalo Highlands, LLC, a Colorado limited liability company.

"District Accountant" means Special District Management Services, Inc. or any other certified public accountant identified in writing by the District.

"Electronic Notification" means telecopy, facsimile transmissions, email transmissions or other similar electronic means of communication providing evidence of transmission.

"Event of Default" has the meaning set forth in Section 5.01 hereof.

"Financing Documents" means this Agreement, the Note, the Authorizing Resolution, and any other document or instrument required or stated to be delivered hereunder or thereunder, all in form and substance satisfactory to the Lender.

"Fiscal Year" means the 12 months commencing January 1 of any year and ending December 31 of such year.

"General Counsel" means McGeady Sisneros, P.C. or any successor General Counsel designated in writing by the District.

“Lender” means the City of Commerce City, Colorado.

“Loan” means the loan made by the Lender to the District in the maximum principal amount of \$5,500,000.00 as evidenced by the Note and made in accordance with the terms and provisions of this Agreement.

“Loan Amount” means an amount not to exceed Five Million Five Hundred Thousand and 00/100 U.S. Dollars (\$5,500,000.00).

“Maturity Date” means June 1, 2038.

“Note” means the Buffalo Highlands Metropolitan District Promissory Note, Series 2013 evidencing the Loan issued in the original maximum principal amount of \$5,500,000.00 from the District, as maker, to the Lender, as payee.

“Payment Date” means June 1 and December 1 of each year, commencing December 1, 2015, and continuing through and including the Maturity Date.

“Person” means an individual, a corporation, a partnership, an association, a joint venture, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Pledged Revenues” means proceeds received by the District from the imposition of the Required Mill Levy in accordance with Section 2.04(a) hereof and the Road Impact Fees.

“Principal Amount” means the sum of all advances of the stated Loan Amount as provided in Section 2.01(b) hereof and as reflected on the Table of Advances attached to the Note as Schedule I, less any prepayments of the Loan as reflected in the Table of Partial Prepayments attached to the Note as Schedule II.

“Project” has the meaning set forth in the recitals to this Agreement.

“Project Costs” means the costs properly attributable to the Improvements (as defined in the 96th Avenue Agreement) or any part thereof, including without limitation:

(a) the costs of construction, acquisition, labor, and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs, including costs of organization of the District;

(d) the costs of surveys, appraisals, plans, designs, specifications and estimates;

(e) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors, custodians, escrow agents or other agents or employees;

(f) the costs of publishing, reproducing, posting, mailing or recording documents;

(g) the costs of contingencies or reserves;

(h) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(i) the costs of acquiring any property, rights, easements, licenses, privileges, agreements and franchises;

(j) the costs of demolition, removal and relocation; and

(k) all other lawful costs as may be agreed to by the Lender.

“Project Account” has the meaning set forth in Section 2.06 of this Agreement.

“Required Mill Levy” shall mean an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property in the District each year in an amount not to exceed 50 mills.

“Road Impact Fees” shall mean the fees imposed pursuant to Section 21-9220 of the Commerce City Land Development Code, as amended, and shall only include road impact fees collected in relation to the Project.

“Special District Act” means Title 32, Article 1, C.R.S.

“State” means the State of Colorado.

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

ARTICLE II

LOAN

Section 2.01 Term Loan.

(a) Agreement to Make Loan. The Lender hereby agrees to extend the Loan to the District in the stated principal amount of \$5,500,000.00 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. The obligations of the Lender to make each advance with respect to the Loan shall not be subject to annual appropriation by the Lender.

(b) Payment of Issuance Costs. Pursuant to the 96th Avenue Agreement, the District is authorized, and assigned the right, to draw on the Escrow Account (as defined in the 96th

Avenue Agreement) and is authorized to receive funds from the Solid Waste Fund (as defined in the 96th Avenue Agreement) for the use of Permitted Expenses (as defined in the 96th Avenue Agreement), including the costs of issuance related to the Loan.

(c) Disbursement of Loan Proceeds. The Loan proceeds will be disbursed to the District in installments through the making of advances by the Lender from the Project Account in accordance with this Loan Agreement and the 96th Avenue Agreement.

(i) The date and amount of each disbursement shall be noted on the Table of Advances attached to the Note as Schedule I. In no event shall the total amount of all such disbursements exceed the Loan Amount.

(ii) Interest payable on the Loan shall be determined based on the Principal Amount outstanding at the time of calculation of interest payable.

(iii) Disbursements of Loan proceeds shall be made pursuant to requisitions submitted to the Lender in the form set forth in Exhibit B attached hereto. The District shall provide electronic copies of all such invoices and contract documents related to the Project Costs for which a reimbursement is being sought pursuant to a requisition. No requisition shall be approved by the Lender unless all such invoices and/or other contract documents have been approved in accordance with the provisions of the 96th Avenue Agreement.

(iv) The Lender shall disburse funds from the Project Account to the District within fifteen (15) days of receipt by the Lender of a requisition meeting the requirements of subsection (iii) above.

Section 2.02 Interest Rate; Interest Payments; Principal Payments; Repayment.

(a) Interest Rate. The unpaid Principal Amount of the Loan will bear interest at a rate of six percent (6.00%) per annum (the "Stated Rate").

(b) Interest Payments.

(i) *Semi-Annual Payments.* Interest payments on the Loan shall be due semi-annually on each Payment Date and on the Maturity Date, solely from amounts available in the Debt Service Fund, and any unpaid interest shall continue to accrue and be payable. Interest on interest not paid when due shall compound annually at the Stated Rate. The amount of interest payable on each Payment Date shall be calculated by the District Accountant and remitted to the Lender at its address set forth in Section 6.01 hereof, together with a certificate from the District Accountant detailing the calculation of the interest amount then due and payable.

(ii) *Default Interest Rate.* Immediately upon the occurrence of an Event of Default, interest shall begin to accrue and compound semi-annually on the Principal Amount at the Default Interest Rate for so long as such Event of Default continues and remains uncured.

(iii) *Post-Maturity Interest Rate.* Following the Maturity Date, interest shall accrue and compound semi-annually on the Principal Amount at the Stated Rate for so long as amounts due on the Loan remains unpaid.

(c) Principal Payment. Repayment of the Principal Amount owing under the Loan shall be made by the District to the Lender at its address set forth in Section 6.01 hereof as follows:

(i) on each December 1 commencing on December 1, 2015, solely from and to the extent of funds available in the District's Debt Service Fund after payment of interest on the Loan on such December 1, and

(ii) in full on the Maturity Date.

(d) Prepayment. The District may, without penalty, prepay the Loan in whole or in part on any day upon prior written notice to the Lender of not less than 30 days upon payment of principal and accrued interest.

(e) Manner of Payments. All interest, principal and other payments to be made hereunder by or on behalf of the District to the Lender shall be made, and shall not be considered made until received, in United States dollars in immediately available funds. The District shall make each payment hereunder in the manner and at the time necessary so that each such payment is received not later than 12:00 p.m., Denver time, on the day when due in lawful money of the United States of America in immediately available funds. Any payment received after 12:00 p.m., Denver time, shall be deemed made on the next succeeding Business Day.

(f) Application of Road Impact Fees to Loan Amount; Accounting.

(i) As the Lender collects Road Impact Fees, it will complete quarterly accounting thereof and provide all such accounting to the District. Rather than disburse Road Impact Fees to the District, which Road Impact Fees are pledged to payment of the Loan, the Lender shall apply all Road Impact Fees collected: first, to payment of any outstanding interest on the Loan; and second, to prepay the Loan principal.

(ii) In the event the Lender shall fail to remit Road Impact Fees as provided herein, no interest shall accrue on that portion of the Principal Amount or accrued interest thereon equal to the unpaid Road Impact Fees until such Road Impact Fees are remitted to the District or applied to the payment of interest or prepayment of principal of the Loan as provided in clause (i) above.

Section 2.03 Costs, Expenses and Taxes. The District agrees to pay all reasonable costs and expenses actually incurred by the Lender in connection with the filing, recording, administration (other than normal, routine administration), enforcement, transfer, amendment, maintenance, renewal or cancellation of this Agreement and all amendments or modifications thereto (or supplements hereto), including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Lender and independent public accountants and other outside experts retained by the Lender in connection with any of the foregoing. In addition, the District

agrees to pay promptly all reasonable costs and expenses of the Lender, including, without limitation, the actual, reasonable fees and expenses of external counsel, for (i) any and all amounts which the Lender has paid relative to the Lender's curing of any Event of Default under this Agreement; (ii) the enforcement of this Agreement; or (iii) any action or proceeding relating to a court order, injunction, or other process or decree restraining or seeking to restrain the Lender from paying any amount hereunder. Without prejudice to the survival of any other agreement of the District hereunder, the agreements and obligations contained in this Section 2.03 shall survive the payment in full of all amounts owing to the Lender hereunder.

Section 2.04 Pledge of Security for the Loan.

(a) The Board of Directors of the District shall annually determine, fix and certify a rate of levy for ad valorem taxes to the Board of County Commissioners of Adams County, Colorado, which when levied on all of the taxable property in the District, in each of the years the Loan is outstanding, will raise ad valorem tax revenues sufficient, together with other legally available funds of the District, to pay promptly the Principal Amount and interest thereon then due and owing in accordance with Section 2.02, provided that such mill levy shall not be in excess of the Required Mill Levy amount except as provided in the following sentence. Prior to the imposition of the Required Mill Levy in each year, the District may request that the Lender authorize it to levy an amount less than the Required Mill Levy and increase the amount of its operations and maintenance mill levy by such reduced amount for purposes of paying costs associated with the planning and design of additional infrastructure in order to serve additional development in the District. The foregoing shall not be construed as a limitation of the rights of the District to otherwise increase the amount of its operations and maintenance mill levy.

(b) Proceeds received by the District from Road Impact Fees to be collected by the Lender and applied by the Lender to the payment of the Loan pursuant to Section 2.02(f) are hereby pledged to the payment of the Note.

(c) Pledged Revenues, when collected, shall be deposited by the District in its Debt Service Fund and applied solely for the payment of the interest on and the Principal Amount of the Loan, as provided herein, until both the Principal Amount of and interest on the Loan shall be fully paid, satisfied and discharged; provided, however, that nothing herein contained shall be so construed as to prevent the District from (i) levying ad valorem taxes for other lawful purposes, or (ii) committing and applying any other funds or revenues that may now or hereafter be legally available for the purpose of payment of the interest on or the Principal Amount of the Loan.

(d) When determining, fixing and certifying the mill levy or levies to be imposed for the purpose of paying promptly in full and interest on and Principal Amount of the Loan, the Board of Directors of the District may take into account any revenues or funds then on deposit in the Debt Serving Fund in excess of the amount required to pay all principal and interest coming due on the Loan.

(e) The foregoing provisions of this Agreement are hereby declared to be the certificate of the Board of Directors of the District to the Board of County Commissioners of Adams County, Colorado, showing the aggregate amount of taxes to be levied for the purpose aforesaid by said Board of County Commissioners from time to time, as required by law, for the

purpose of paying the Principal Amount and the interest thereon as the same shall hereafter accrue.

(f) Said taxes shall be levied, assessed, collected and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to the District as provided by law. In the event any of said levies or the charges that may be made by the District shall fail to produce an amount sufficient to pay the interest on and the Principal Amount of the Loan, the deficit shall be made up in the next levy, and taxes shall continue to be levied until the Loan shall be paid in full.

(g) The sums hereinbefore provided to pay the interest on the Principal Amount of the Loan and to discharge the Principal Amount, when due, are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of Directors of the District in each year respectively while the Loan is outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the date of this Agreement shall in any manner be construed as limiting or impairing the obligation of the District to levy ad valorem taxes, as required herein, or as limiting or impairing the obligation of the District to levy, administer, enforce and collect the ad valorem tax as provided herein for the payment when due of the Principal Amount and interest thereon authorized.

(h) It shall be the duty of the Board annually at the time and in the manner provided by law for levying other District taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem tax herein specified, and to require the officers of the District to levy, extend and collect said tax in the manner provided by law for the purpose of providing funds for the payment of the Principal Amount and the interest accruing thereon promptly as the same, respectively, become due. Said tax, when collected, shall be deposited in the Debt Service Fund and kept for and applied only to the payment of the interest on and the Principal Amount as hereinbefore specified.

(i) Notwithstanding anything to the contrary in this Section 2.04, nothing herein is intended to nor shall be construed as amending, contravening or otherwise modifying the District's approved Service Plan. To the extent of any conflict between the provisions of this Section 2.04 and the District's approved Service Plan, the Service Plan shall prevail.

Section 2.05 Conditions to Closing. The funding by the Lender of the Loan is conditioned upon the satisfaction of each of the following:

(a) all instruments applicable to the Loan are in form and content satisfactory to the Lender and have been duly executed and delivered in form and substance satisfactory to the Lender and shall have not been modified, amended or rescinded, shall be in full force and effect on and as of the Closing Date and executed original or certified copies of each thereof shall have been delivered to the Lender;

(b) the Lender has received a certified copy of the Authorizing Resolution of the District, which shall be in form and content satisfactory to the Lender and authorize the District

to obtain the Loan and perform all acts contemplated by this Agreement, together with such other certifications as to the specimen signatures of the officers of the District authorized to sign this Agreement and as to other matters of fact as shall reasonably be requested by the Lender;

(c) the District has provided a certificate certifying that on the Closing Date each representation and warranty on the part of the District contained in this Agreement is true and correct and no Event of Default, or event which would, with the passage of time or the giving of notice, constitute an Event of Default, has occurred and is continuing;

(d) all proceedings taken in connection with the transactions contemplated by this Agreement, and all instruments, authorizations and other documents applicable thereto, are satisfactory to the Lender and its counsel;

(e) the Lender shall have received an opinion of General Counsel to the District relating to due organization, due delivery and due execution of the Financing Documents standard in similar transactions and reasonably satisfactory to the Lender;

(f) the Lender shall receive an opinion of Hahn, Smith, Walsh & Mancuso, P.C., with respect to the enforceability against the District, under Colorado law, of the Financing Documents;

(g) 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 the District from fulfilling its obligations under the Financing Documents;

(h) all Lender counsel fees and any other fees and expenses due and payable in connection with the execution and delivery of this Agreement shall have been paid by the District upon issuance of the Loan;

(i) the Lender shall have been provided with the opportunity to review all pertinent financial information regarding the District, agreements, documents, and any other material information relating to the District;

(j) all information provided by the District to the Lender is accurate in all material respects;

(k) the Lender shall have received such other certificates, approvals, filings, opinions and documents as shall be reasonably requested by the Lender;

(l) all proceedings taken by the Lender in connection with the transactions contemplated by the Agreement are satisfactory to the District and its counsel;

(m) the District shall have received a general and no litigation certificate from the Lender in a form satisfactory to the District;

(n) all other legal matters pertaining to the execution and delivery of this Agreement and the other Financing Documents by the District shall be reasonably satisfactory to the Lender; and

(o) all other legal matters pertaining to the execution and delivery of this Agreement by the Lender shall be reasonably satisfactory to the District.

Section 2.06 Project Account. At or prior to the Closing Date, the Lender shall create a separate account entitled the "Buffalo Highlands Project Account" ("Project Account") into which it will deposit immediately available funds on each disbursement or as otherwise provided in Section 2.01(b). Except as provided in the last sentence of this Section, moneys in the Project Account shall be used by the Lender only to make advances to the District in accordance with this Agreement and for no other purpose. The Project Account shall be held and administered by the Lender. The Lender shall advance moneys to the District in accordance with Section 2.01 hereof in order to pay for Project Costs.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DISTRICT

While any obligations hereunder or under any of the other Financing Documents are unpaid or outstanding, the District continuously represents, warrants covenants for the benefit of the Lender as follows:

Section 3.01 Due Organization. The District is a quasi-municipal corporation and political subdivision of the State of Colorado and a body corporate duly organized and validly existing under the laws of the State of Colorado.

Section 3.02 Power and Authorization. The District has all requisite power and authority to own and convey its properties and to carry on its business as now conducted and as contemplated to be conducted under the Financing Documents; to execute, deliver and to perform its obligations under this Agreement and the other Financing Documents; and to cause the execution, delivery and performance of the Financing Documents.

Section 3.03 No Legal Bar. To the best of the District's knowledge, the District is not in violation of any of the provisions of the laws of the State of Colorado or the United States of America or any of the provisions of any order of any court of the State of Colorado or the United States of America which would affect its existence or its powers referred to in the preceding Section 3.02. The execution, delivery and performance by the District of this Agreement and of the other Financing Documents (a) will not violate any provision of any applicable law or regulation or of any order, writ, judgment or decree of any court, arbitrator or governmental authority; (b) will not violate any provisions of any document constituting, regulating or otherwise affecting the operations or activities of the District; and (c) will not violate any provision of, constitute a default under, or result in the creation, imposition or foreclosure of any lien, mortgage, pledge, charge, security interest or encumbrance of any kind other than liens created or imposed by the Financing Documents, on any of the revenues or other assets of the District which could have a material adverse effect on the assets, financial condition, business or

operations of the District, on the District's power to cause the Financing Documents to be executed and delivered, or its ability to pay in full in a timely fashion the obligations of the District under this Agreement or the other Financing Documents.

Section 3.04 Consents. The District has obtained all consents, permits, licenses and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery and performance by the District of the Financing Documents.

Section 3.05 Litigation. There is no action, suit, inquiry or investigation or proceeding to which the District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best knowledge of the District, threatened in connection with any of the transactions contemplated by this Agreement or against or affecting the assets of the District, nor, to the best knowledge of the District, is there any basis therefor, wherein an unfavorable decision, ruling or finding (a) would adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Financing Documents; or (b) would, in the reasonable opinion of the District, have a materially adverse effect on the ability of the District to conduct its business as presently conducted or as proposed or contemplated to be conducted.

Section 3.06 Enforceability. This Agreement and the Note constitute the legal, valid and binding obligations of the District, enforceable against the District in accordance with their terms (except as such enforceability may be limited by bankruptcy, moratorium or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

Section 3.07 Changes in Law. To the best knowledge of the District, there is not pending any change of law which, if enacted or adopted could have a material adverse effect on the assets, financial condition, business or operations of the District, on the District's power to issue or its ability to pay in full in a timely fashion the obligations of the District under this Agreement or the Note.

Section 3.08 Accuracy of Information. All information, certificates or statements given to the Lender pursuant to this Agreement and the other Financing Documents will be true and complete when given.

Section 3.09 Default, Etc. The District is not in default in the performance, observance, or fulfillment of any of the obligations, covenants or conditions contained in any Financing Document or other resolution, agreement or instrument to which it is a party which would have a material adverse effect on the ability of the District to perform its obligations hereunder or under the Note, or which would affect the enforceability hereof or thereof.

Section 3.10 Sovereign Immunity. Except for actions that lie or would lie in tort, the District does not enjoy any rights of immunity on the grounds of sovereign immunity in respect of its obligations under this Agreement or the Note.

Section 3.11 No Filings. No filings, recordings, registrations or other actions are necessary to create and perfect the pledges provided for herein; all obligations of the District

hereunder are secured by the lien and pledge provided for herein; and the liens and pledges provided for herein constitute valid prior liens subject to no other liens.

Section 3.12 Outstanding Debt. Except for this Agreement and the Note, the District currently has no other Debt outstanding payable from or secured by District property taxes.

Section 3.13 Performance of Covenants, Authority. The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Authorizing Resolution, this Agreement, the Note and all its proceedings pertaining thereto as though such covenants, undertakings, stipulations, and provisions were set forth in full herein (for the purpose of this provision the Financing Documents shall be deemed to continue in full force and effect notwithstanding any earlier termination thereof so long as any obligation of the District under this Agreement shall be unpaid or unperformed). The District covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Special District Act, to issue the Loan and to execute and deliver the Note and this Agreement, and that all action on its part for the issuance of the Loan and the execution and delivery of the Note and this Agreement has been duly and effectively taken and will be duly taken as provided herein, and that the Loan, the Note and this Agreement are and will be valid and enforceable obligations of the District according to the terms hereof and thereof.

Section 3.14 Laws, Permits and Obligations. The District will comply in all material respects with all applicable laws, rules, regulations, orders and directions of any governmental authority and all agreements and obligations binding on the District, noncompliance with which would have a material adverse effect on the District, its financial condition, assets or ability to perform its obligations under this Agreement and/or the other Financing Documents; provided that the District may in good faith contest such laws, rules, regulations, orders and directions and the applicability thereof to the District to the extent that such action would not be likely to have a material adverse effect on the District's ability to perform its obligations hereunder.

Section 3.15 Bonding and Insurance. The District shall carry general liability coverage, workers' compensation, public liability, and such other forms of insurance on insurable District property upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of the District would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect the District and its operations. In addition, each District official or other Person having custody of any District funds, or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

Section 3.16 Other Liabilities. The District shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Section 3.17 Proper Books and Records. The District shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to the District, all of its revenues, the Debt Service Fund and all of the other funds and accounts which it establishes or maintains. The District shall (a) maintain accounting

records in accordance with generally recognized and accepted principles of accounting consistently applied throughout the accounting periods involved; (b) provide the Lender with such information concerning the financial condition (including insurance coverage) of District as the Lender may request; and (c) without request, provide the Lender with the information set forth below.

Section 3.18 Reporting Requirements. The District shall notify the Lender promptly of all litigation or administrative proceedings, threatened or pending, against the District which would, if adversely determined, in the District's reasonable opinion, have a material effect on the District's financial condition arising after the date hereof.

Section 3.19 Visitation and Examination. Unless otherwise prohibited by law, the District will permit any Person designated by the Lender to visit any of its offices to examine the District's books and financial records, and make copies thereof or extracts therefrom, and to discuss its affairs, finances and accounts with its principal officers, all at such reasonable times and as often as the Lender may reasonably request.

Section 3.20 Further Assurances. The District shall 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 property taxes pledged hereunder; provided, however, that the District shall not be obligated to incur in excess of nominal expenses in complying with this covenant.

Section 3.21 Additional Debt. The District covenants not to issue any additional Debt which is payable from or secured by Pledged Revenues on a parity with the Note without the prior written consent of the Lender. Nothing herein shall be construed to prevent the District from incurring any Debt secured by Pledged Revenues on a basis subordinate to the Note, or payable from other rates, tolls, fees, charges or other impositions not constituting Pledged Revenues.

Section 3.22 Continued Existence. The District shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Loan, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules and regulations.

Section 3.23 District Operations. The District shall manage its finances and day to day operations in an economical and efficient manner and in accordance with all applicable laws, rules and regulations.

Section 3.24 Enforcement and Collection. The District shall diligently collect all revenue from ad valorem property taxes due and owing to it and shall take all necessary action to enforce such collection.

Section 3.25 Material Adverse Action. The District shall neither take nor consent to any action that would materially adversely affect any portion of the revenue from ad valorem property taxes and specific ownership taxes due and owing to it and which secure the obligations

of the District hereunder, including, but not limited to any efforts to convert property to a use that would exempt such property from the Required Mill Levy or negotiation of a payment in lieu of taxes that would have otherwise been received.

Section 3.26 No Change in Financing Documents. The District shall not cancel, terminate, amend, supplement, modify or waive any of the provisions of this Loan Agreement or consent to any such cancellation, termination, amendment, supplement, modification or waiver, without the prior written consent of the Lender.

Section 3.27 Termination of Agreement. So long as the District's obligations hereunder remain unpaid or unperformed in accordance with the terms hereof, the District shall not terminate this Agreement.

ARTICLE IV

COVENANTS OF THE LENDER

Section 4.01 Collection of Road Impact Fees. The Lender hereby covenants and agrees that it shall impose and collect Road Impact Fees for 96th Avenue in accordance with Section 21-9220 of the Commerce City Land Development Code.

Section 4.02 Financial Contribution from Other Development.

(a) To the extent the District makes more than its fair share of improvements under the 96th Avenue Agreement, the Lender shall require the owners of adjacent property benefitting from such improvements to reimburse the District in accordance with Section 8.B of the Annexation Agreement.

(b) The Lender agrees that any upfront cost contributed by the District in excess of the calculated contribution of the Developer will be reimbursed to the District by the Lender from contributions made by other development within the 96th Avenue Project area, if any, and any such payments will be used to prepay the Loan.

Section 4.03 Adams County Funding. The Lender agrees to contact Adams County in an effort to obtain additional Project funding from Payment in Lieu of Tax ("PILT") money paid to Adams County by the federal government for the Arsenal and National Wildlife Refuge. In the event Adams County agrees to contribute funds to the Project, such contribution will be used to prepay the Loan.

Section 4.04 Remedies. Upon a failure by the Lender to:

(a) Collect and apply Road Impact Fees revenue in compliance with Section 2.02(f) herein; or

(b) Contribute PILT revenue received in accordance with Section 4.03 herein.

the District may seek recovery from the Lender of all such unpaid revenue plus interest thereon at the Default Interest Rate. The District may also proceed to protect and enforce its rights under this Agreement in equity or at law in any court of competent jurisdiction.

Section 4.05 Survival. The obligations of the Lender under this Article IV shall survive payment in full of principal of and interest on the Note and termination of this Agreement.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01 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 (regardless of the reason for such event or condition, or 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):

- (a) a failure by the District to impose the Required Mill Levy as required herein;
- (b) the District defaults in the performance of any of its covenants in this Agreement, and such default continues for sixty (60) days after written notice specifying such default and requiring the same to be remedied is given to the District by the Lender;
- (c) the District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the debt represented by the Loan;
- (d) any representation or warranty made by the District in this Agreement or any certificate, instrument, financial or other statement furnished by the District to the Lender proves to have been untrue or incomplete in any material respect when made or deemed made;
- (e) any judgment or court order for the payment of money exceeding any applicable insurance coverage by more than \$500,000 in the aggregate is rendered against the District and the District fails to vacate, bond, stay, contest, pay or satisfy such judgment or court order for 60 days (such satisfaction shall include, but not be limited to, compliance with the provisions of §24-10-113(3) C.R.S. or §13-60-101 C.R.S.);
- (f) the District shall initiate, acquiesce or consent to any proceedings to dissolve the District or to consolidate the District with other similar entities into a single entity or the District shall otherwise cease to exist;
- (g) a change occurs in the financial or operating conditions of the District, or the occurrence of any other event that, in the Lender's reasonable judgment, will have a materially adverse impact on the ability of the District to generate general ad valorem property taxes sufficient to satisfy the District's obligations under this Agreement or its other obligations, and the District fails to cure such condition within six months after receipt by the District of written notice thereof from the Lender; or

(h) the District's auditor delivers a qualified opinion with respect to the District's status as an on-going concern.

Section 5.02 Remedies. Upon the occurrence and during the continuance of any Event of Default, the Loan shall bear interest at the Default Interest Rate, and the Lender may seek recovery of all unpaid principal and interest then due in accordance with the terms of this Agreement. The Lender may also proceed to protect and enforce its rights under this Agreement by mandamus or such other suit, action or special proceedings in equity or at law in any court of competent jurisdiction.

Section 5.03 Notice to Lender of Default. Notwithstanding any cure period described above, the District will immediately notify the Lender in writing when the District 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 5.04 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 5.05 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.

ARTICLE VI

MISCELLANEOUS

Section 6.01 Notices. Notice of any record shall be deemed delivered when the record has been (a) deposited in United States First Class Mail, postage pre-paid; (b) received by overnight delivery service; or (c) when personally delivered at the following addresses (the "Notice Parties"):

to District: Buffalo Highlands Metropolitan District
141 Union Boulevard
Lakewood, CO 80228
Attn: Lisa Jacoby

with a copy to: McGeady Sisneros, P.C.
450 17th Avenue, Suite 400
Denver, CO 80203
Attn: Mary Jo Dougherty

to Lender: Finance Director
City of Commerce City
7887 E. 60th Avenue
Commerce City, CO 80022

with a copy to: City Attorney
City of Commerce City
7887 E. 60th Avenue
Commerce City, CO 80022

Section 6.02 Applicable Law and Jurisdiction; Interpretation; Severability. This Agreement and the Note will be 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 Agreement will not affect any other provision. TO THE EXTENT PERMITTED BY LAW, THE DISTRICT AND THE LENDER HEREBY AGREE THAT JURISDICTION AND VENUE FOR STATE COURT ACTIONS SHALL BE THE 17TH JUDICIAL DISTRICT IN ADAMS COUNTY, COLORADO, AND JURISDICTION AND VENUE FOR FEDERAL COURT ACTIONS SHALL BE THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO. THE DISTRICT AND THE LENDER HEREBY FURTHER WAIVE ANY OBJECTIONS BASED ON *FORUM NON CONVENIENS* WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT, THE NOTE, OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

Section 6.03 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY LAW, THE DISTRICT AND THE LENDER HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO ANY OF THE FINANCING DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE DISTRICT AND THE LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

Section 6.04 Attachments. All documents attached hereto, including any appendices, schedules, riders and exhibits to this Agreement, are hereby expressly incorporated by reference.

Section 6.05 No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Public Securities Act, if a member of the Board, or any officer or agent of the District, acts in good faith in the performance of his duties as a member, officer, or agent of the Board or the District 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 Board or the District, 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 6.06 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this Agreement is entered into pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Agreement after delivery for value.

Section 6.07 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 Loan shall be commenced more than 30 days after the authorization of the Loan.

Section 6.08 Pledge of Taxes. The creation, perfection, enforcement, and priority of the pledge of taxes to secure or pay the Loan provided herein shall be governed by Section 11-57-208 of the Supplemental Public Securities Act, this Agreement, the Note and the Authorizing Resolution. 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 the District irrespective of whether such Persons have notice of such liens.

Section 6.09 No Waiver; Modifications in Writing. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Lender at law or in equity or otherwise. No amendment, modification, supplement, termination or waiver of or to any provision of this Agreement, nor consent to any departure by the District therefrom, shall be effective unless the same shall be in writing and signed by or on behalf of the Lender. Any amendment, modification or supplement of or to any provision of this Agreement, and any consent to any departure by the District from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given. No notice to or demand on the District in any case shall entitle the District to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Lender to any other or further action in any circumstances without notice or demand.

Section 6.10 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 6.11 Further Assurances. The District agrees to do such further acts and things and to execute and deliver to the Lender such additional assignments, agreements, powers and instruments as the Lender may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm unto the Lender its rights, powers and remedies hereunder and under the Note.

Section 6.12 Execution in Counterparts. This Agreement may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 6.13 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 6.14 Headings. Article and Section headings used in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 6.15 Integration. This Agreement is intended to be the final agreement between the parties hereto relating to the subject matter hereof and this Agreement and any agreement, document or instrument attached hereto or referred to herein shall supersede all oral negotiations and prior writings with respect to the subject matter hereof.

Section 6.16 Independent Contractor; No Partnership or Agency. Notwithstanding any language in this Agreement or any representation or warranty to the contrary, the relationship between the District and the Lender shall be as independent contractors, and neither the District nor the Lender shall be deemed or constitute an employee, servant, agent, partner or joint venturer of the other.

Section 6.17 No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the parties. It is the express intention of the parties that any person other than the District and the Lender shall be deemed to be only an incidental beneficiary under this Agreement.

Section 6.18 Acknowledgement of Open Records Act – Public Document. The parties hereby acknowledge that each is a public entity subject to the Colorado Open Records Act, C.R.S. § 24-72-201, *et seq.*, and as such, this Agreement may be subject to public disclosure thereunder.

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

LENDER: CITY OF COMMERCE CITY

Brian K. McBroom
Brian K. McBroom, City Manager

ATTEST:

Laura J. Bauer
Laura J. Bauer, CMC, City Clerk



Approved as to form:

Gregory D. Graham
Gregory D. Graham, Assistant City Attorney

Recommended for approval:

Roger Tinklenberg
Roger Tinklenberg, Director
Department of Finance

BUFFALO HIGHLANDS METROPOLITAN DISTRICT,

By _____
President

[SEAL]

Attest:

By _____
Secretary

[Signature Page to Loan Agreement]

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

LENDER: CITY OF COMMERCE CITY

Brian K. McBroom, City Manager

ATTEST:

Laura J. Bauer, CMC, City Clerk

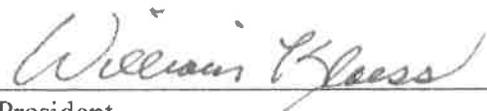
Approved as to form:

Gregory D. Graham, Assistant City Attorney

Recommended for approval:

**Roger Tinklenberg, Director
Department of Finance**

BUFFALO HIGHLANDS METROPOLITAN
DISTRICT,

By 
President

[SEAL]

Attest:

By 
Secretary

[Signature Page to Loan Agreement]

EXHIBIT A

FORM OF PROMISSORY NOTE

THIS NOTE MAY NOT BE SOLD TRANSFERRED OR OTHERWISE DISPOSED OF BY THE PAYEE.

**UNITED STATES OF AMERICA
STATE OF COLORADO
BUFFALO HIGHLANDS METROPOLITAN DISTRICT**

**PROMISSORY NOTE, SERIES 2013
IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF
\$5,500,000**

US \$5,500,000

July 16, 2013

Maturity Date: June 1, 2038

FOR VALUE RECEIVED, BUFFALO HIGHLANDS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (hereinafter referred to as "Maker"), promises to pay to the order of CITY OF COMMERCE CITY, COLORADO, a home rule city and a political subdivision of the State of Colorado, its successors and assigns (hereinafter referred to as "Payee"), at the office of Payee or its agent, designee, or assignee at 7887 East 60th Avenue, Commerce City, Colorado 80022 or at such place as Payee or its agent, designee, or assignee may from time to time designate in writing, the lesser of (i) the principal sum of FIVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (US \$5,500,000), or (ii) the Principal Amount (as defined in the Loan Agreement) pursuant to the terms of the Loan Agreement dated of even date herewith by and between Maker and Payee (the "Loan Agreement"), in lawful money of the United States of America.

This Promissory Note, Series 2013 ("Note") shall bear interest, be payable, and mature pursuant to the terms and provisions of the Loan Agreement. All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed in the Loan Agreement.

Principal on this Note is subject to prepayment as provided in the Loan Agreement.

Amounts received by Payee under this Note shall be applied in the manner provided by the Loan Agreement. All amounts due under this Note shall be payable without setoff counterclaim or any other deduction whatsoever by Maker.

Unless payments are made in the required amount in immediately available funds in accordance with the provisions of the Loan Agreement, remittances in payment of all or any part of the amounts due and payable hereunder shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Payee in funds

immediately available at the place where this Note is payable (or any other place as Payee, in Payee's sole discretion, may have established by delivery of written notice thereof to Maker).

In the event of nonpayment of this Note in accordance with the terms hereof and the Loan Agreement, Payee shall be entitled to all remedies under the Loan Agreement and at law or in equity, and all remedies shall be cumulative.

It is expressly stipulated and agreed to be the intent of Maker and Payee at all times to comply with applicable state law and applicable United States federal law. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under this Note or under the Loan Agreement, or contracted for, charged, taken, reserved or received with respect to the indebtedness evidenced by this Note, then it is Maker's and Payee's express intent that all excess amounts theretofore collected by Payee be credited on the principal balance of this Note (or, if this Note has been or would thereby be paid in full, refunded to Maker), and the provisions of this Note shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and under the Loan Agreement. All sums paid or agreed to be paid to Payee for the use, forbearance and detention of the indebtedness evidenced hereby and by the Loan Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the maximum rate permitted under applicable law from time to time in effect and applicable to the indebtedness evidenced hereby for so long as such indebtedness remains outstanding.

Maker (and the undersigned representative of Maker, if any) represents that Maker has full power, authority and legal right to execute, deliver and perform its obligations pursuant to this Note and this Note constitutes the legal, valid and binding obligation of Maker.

All notices or other communications required or permitted to be given hereunder shall be given in the manner and be effective as specified in the Loan Agreement, directed to the parties at their respective addresses as provided therein.

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 and under the authority of certain 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 and shall conclusively impart full compliance with all provisions and limitations of said statutes, and this Note shall be incontestable for any cause whatsoever after delivery for value.

By acceptance of this instrument, the owner of this Note agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Note contained herein, in the Loan Agreement, in the resolution of the Maker authorizing the issuance of this Note.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY AGREES THAT JURISDICTION AND VENUE FOR STATE COURT ACTIONS SHALL BE THE 17TH JUDICIAL DISTRICT IN ADAMS COUNTY, COLORADO, AND JURISDICTION AND VENUE FOR FEDERAL COURT ACTIONS SHALL BE THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO. MAKER HEREBY FURTHER AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS NOTE, THE LOAN AGREEMENT OR ANY TRANSACTIONS ARISING THEREFROM, OR ENFORCEMENT AND/OR INTERPRETATION OF ANY OF THE FOREGOING.

TO THE EXTENT PERMITTED BY LAW, MAKER HEREBY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE LOAN AGREEMENT, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. MAKER REPRESENTS TO PAYEE THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

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 Buffalo Highlands Metropolitan District, as Maker, has executed this Note as of the day and year first above written.

BUFFALO HIGHLANDS METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

By _____
President

[SEAL]

Attest:

By _____
Secretary

EXHIBIT B

FORM OF REQUISITION

REQUISITION NO. _____

To: City of Commerce City, Colorado
Attention: _____

The undersigned District Representative (the "Authorized Person") of Buffalo Highlands Metropolitan District (the "District"), hereby requisitions the following sum from the City of Commerce City, Colorado (the "Lender"), and in connection with such request, certifies as follows:

Amount: \$ _____

Name and Payment Instructions of Payee:

The District further certifies that:

(a) the obligation described above has been properly incurred by the District, is a proper Project Cost under the Loan Agreement dated as of _____, 2013 by and between the District and the Lender (the "Loan Agreement") and has not been the basis of any previous withdrawal or requisition;

(b) all conditions required by the Loan Agreement to be met prior to the disbursement of the above amount have been satisfied; and

(c) no Event of Default under the Loan Agreement has occurred and is continuing.

Attached hereto is a current completed report in the form of Schedule I, identifying the amounts paid and payable with respect to the Project Costs.

**BUFFALO HIGHLANDS
METROPOLITAN DISTRICT**

Date: _____

By: _____
Authorized Person

APPROVED:

CONSTRUCTION MANAGER:

By: _____
Name: _____
Title: _____

CITY OF COMMERCE CITY, COLORADO

By: _____
Name: _____
Title: _____

DISTRICT ENGINEER

By: _____
Name: _____
Title: _____

DISTRICT

By: _____
Name: _____
Title: _____