

**PROMISSORY
NOTE**

\$14,181

Date: December 1, 2015

FOR VALUE RECEIVED, Castle Rock Urban Renewal Authority, ("Borrower") promises to pay to the order of **Town of Castle Rock**, a Colorado home rule municipal corporation, ("Lender"), the principal sum of fourteen thousand one hundred eighty one Dollars (\$14,181), or so much thereof as may be disbursed to Borrower by Lender pursuant to that certain Loan Agreement dated December 1, 2015.

INTEREST: Interest on the outstanding principal balance of Note shall accrue at a variable per annum rate equivalent to the Town's inter-fund borrowing rate ("IBR"), the average earnings rate for investments as calculated by the Town's investment broker, in effect on each anniversary date of the Note plus one-half point (50 basis points), but in any event not to exceed 3.0% per annum. However, for the first year of the Loan the interest rate shall be fixed at 1.5 percent, irrespective of the IBR. Thereafter the interest rate shall be reset on each anniversary date of the Note and such reset rate shall be the rate applied to the outstanding principal to determine the interest due with the following annual installment payment. The Town's IBR is defined as the prior calendar year interest rate yield as calculated by the Town's year-end investment portfolio statement for existing Town funds. (To illustrate the IBR methodology, the Town interest rate yield for 2013 was .7 %.)

NOTE PAYMENTS: The Note is payable in 10 equal annual principal installments. Assuming the CRURA draws the full Loan amount of \$14,181 the annual principal installment shall be \$1,418.10. If the principal amount drawn under the Loan is less than \$14,181 the annual principal installment shall be 10% of the amount drawn under the Loan. Each annual installment payment shall consist of the principal payment together with accrued interest then due and owing. The first annual installment of principal and interest shall be payable on December 31, 2019, with successive annual installments due each subsequent December 31. The Note may be prepaid in whole at any time without penalty.

All payments of the Note by the CRURA (including prepayments) shall be made without setoff or counterclaim to the Town at the office of the Town, or such other location which may from time to time be designated in writing by the Town on the due date. If any payment under the Note becomes due and payable on a day other than a day on which banking institutions in the Town of Castle Rock, Colorado are authorized by law to be open for business (a "Business Day"), then payment shall be due and payable on the next succeeding Business Day.

DEFAULT: Upon the occurrence of any of the following events:

- a) the CRURA shall fail to pay the principal of or interest on the Note, or any other amount payable hereunder, when due, whether by acceleration or otherwise; or
- b) the CRURA is in default of any other provision of the Loan Documents and such default is not cured within 30 days after written notice of such default from Town;

provided, however, if such default is not reasonably capable of being cured then the CRURA shall have such additional period of time as shall be reasonably required to cure such default provided the CRURA promptly commences and diligently pursues such cure; then the Loan with accrued interest thereon, shall immediately become due and payable in full, and all amounts owing under this Loan Agreement shall be due and payable in full. However, in the event of such default, the Town's remedies are listed in the No Waiver; Remedies Cumulative section below.

No Waiver; Remedies Cumulative. No failure to exercise and no delay in exercising on the part of the Town any right, remedy, power or privilege under this Loan Agreement or the other Loan Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Loan Agreement or any other Loan Document preclude any other or further exercise thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Loan Agreement or any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each party shall be entitled to pursue any and all legal remedies and recover its reasonable attorney's fees and costs in such legal action.

ANNUAL APPROPRIATION: Notwithstanding any provision of this Note, Borrowers obligation to make any payment under this Note is subject to annual appropriation.

Borrower hereby waives demand, presentment, notice of dishonor, diligence in collecting, grace and notice of protest.

BORROWER:

CASTLE ROCK URBAN RENEWAL AUTHORITY, an Urban
Renewal Authority duly organized and existing under Part 8 of
Article 24, Title 31, C.R.S.

ATTEST:

TOWN OF CASTLE ROCK:

Sally A. Misare, Town Clerk

Paul Donahue, Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Robert J. Slentz, Town Attorney

Dave Corliss, Town Manager