



INTEREST RATE LOCK AGREEMENT

This **INTEREST RATE LOCK AGREEMENT** (this “**Agreement**”), is made and entered into and dated as of January ____, 2017 by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized and operating as a home-rule city under the laws of the State of Colorado and acting on behalf of its Downtown Development Authority (the “**City**”) and **COMPASS MORTGAGE CORPORATION**, an Alabama corporation, its successors and assigns (collectively, “**CMC**”). Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Loan Agreement (each as hereinafter defined).

RECITALS

WHEREAS, pursuant to that certain Loan Agreement (“**Loan Agreement**”) to be entered into by and among the City, Compass Bank, an Alabama state chartered banking association, as Syndication Agent, Lead Arranger, and Administrative Agent, CMC, as Lender, and U.S. Bank National Association, a national banking association, as Lender (“**U.S. Bank**” and together with CMC, the “**Lenders**”), the City has requested the Lenders to make a loan to the City and the Lenders have agreed, subject to the terms and conditions of the Loan Agreement, to make a loan to the City in the principal amount of \$_____ (the “**Loan**”); and

WHEREAS, on the Closing Date, CMC will fund \$_____ of the Loan (the “**CMC Principal Amount**”); and

WHEREAS, pursuant to this Agreement, the City desires that the per annum fixed interest rate for the CMC Principal Amount be determined and fixed by CMC as of the Rate Lock Date (as hereinafter defined) in accordance with the terms of this Agreement (the “**CMC Fixed Rate Lock**”); and

WHEREAS, on the Closing Date the Lender and the City will enter into the Loan Agreement and related documents evidencing the Loan (the “**Loan Documents**”); and

WHEREAS, the City acknowledges and agrees that, notwithstanding CMC entering into and performing under this Agreement, CMC shall have no obligation to fund the CMC Principal Amount until the Lenders and the City enter into definitive Loan Documents and all conditions precedent to issuance of the Loan, as set forth in such Loan Documents, are, in the sole judgment of CMC, satisfied.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements hereinafter set forth and other good and valuable consideration, CMC and the City hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following additional terms shall be defined as follows:

(a) **Business Day.** Any day other than a Saturday, a Sunday or a day which banking institutions are authorized by law or other governmental actions to close.

(b) **Break Fee.** The amount, if any, determined by multiplying (a) the difference (but not less than zero) between (i) the U.S. Treasury constant maturity yield (from the Federal Reserve daily H.15 Report – daily updates) having a maturity closest to the Maturity Date of the Loan, as of the Rate Lock Date (rounded to the nearest whole number of months), or, if no such maturity is reported, an interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than the Maturity Date of the Loan as of the Rate Lock Date, and (ii) the U.S. Treasury constant maturity yield (from the Federal Reserve daily H.15 Report – daily updates) having a maturity closest to the Maturity Date of the Loan, as of the Rate Lock Expiration Date, or, if no such maturity is reported, an interpolated yield based on the reported maturity that is next shorter than, and the maturity reported that is next longer than the Maturity Date of the Loan, as of the Rate Lock Expiration Date; times (b) the simple average of (x) the CMC Principal Amount, and (y) the scheduled principal amount of the CMC Principal Amount that would be due on the Maturity Date (based on the Scheduled Principal Amount due on the Maturity Date x CMC's Pro Rata Share), times (c) the term of the Loan, based on number of days / 360. If the H.15 Report is not available for any day, then the H.15 Report for the immediately preceding day on which yields were last reported will be used.

(c) **Closing Date.** The date established for the closing of the Loan.

(d) **Maturity Date.** The date established as the maturity date for the Loan as provided in the Loan Agreement.

(e) **Rate Lock Request and Confirmation.** The Rate Lock Request and Confirmation, in the form attached hereto as Exhibit A, to be completed by CMC and delivered to the City to confirm the CMC Fixed Rate Lock and the terms thereof. The Rate Lock Request and Confirmation shall constitute a part of this Agreement.

(f) **Rate Lock Date.** The date established in the Rate Lock Request and Confirmation for the occurrence of the CMC Fixed Rate Lock.

(g) **Rate Lock Expiration Date.** The date specified by CMC in the Rate Lock Request and Confirmation as the date upon which the CMC Fixed Rate Lock will expire.

Section 2. Establishment of Fixed Interest Rate. Upon written request by the City (by e-mail or facsimile transmission) CMC shall, on the Business Day so received (or if received on a day which is not a Business Day, on the next succeeding Business Day), promptly undertake

such actions as are necessary to fix and set the CMC Fixed Rate Lock on the CMC Principal Amount.

CMC shall deliver the Rate Lock Request and Confirmation to the City (by e-mail or facsimile transmission) setting forth: (i) the CMC Fixed Rate Lock established for the CMC Principal Amount, which, subject to the provisions of this Agreement and notwithstanding any provisions to the contrary contained in the Loan Agreement, shall be the fixed rate of interest to be borne by the CMC Principal Amount from the Closing Date to the Maturity Date; (ii) the Rate Lock Date; and (iii) the Rate Lock Expiration Date.

Section 3. Break Fee Payment. If the Closing Date does not occur on or before the Rate Lock Expiration Date, the City shall and hereby agrees to promptly pay to CMC the Break Fee, but in no event shall such Break Fee be paid later than ninety days (90) days after the Rate Lock Expiration Date. If the City requests that CMC extend the Rate Lock Expiration Date, and if the Rate Lock Expiration Date is so extended by CMC, in its sole discretion, the City agrees to pay CMC within ninety (90) days of the CMC's demand (submitted in writing or by e-mail) any Break Fees applicable to any extension of the Rate Lock Expiration Date. If the City fails to pay any Break Fee when due, the amount of such Break Fee shall thereafter bear interest until paid at the Post-Maturity Default Rate (as defined in the Loan Agreement draft dated January 4, 2017) (computed on the basis of a 360-day year, actual days elapsed).

The payment of the Break Fee and other amounts due hereunder is subject to annual appropriation by the City Council. The City hereby agrees to direct the City officer charged with the responsibility of formulating budget proposals for the City to submit to the City Council budget or supplemental budget appropriation for the Break Fee and other amount due hereunder in sufficient time to allow the City to make such payments by their due dates, provided, however, that any decision to effect an appropriation or a supplemental appropriation to pay the amounts due hereunder shall be made solely by the City Council in its absolute discretion, and not by any other official of the City.

Section 4. Compliance With Loan Documents. The City acknowledges that nothing in this Agreement shall: (a) modify the terms of the Loan Agreement or (b) affect the City's obligations under the Loan Documents.

Section 5. Applicable Law. This Agreement will be governed by the laws of the State of Colorado applied without regard to any conflict of law provisions.

Section 6. Assignment. The City shall not assign this Agreement or any right hereunder.

Section 7. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

Section 8. Waiver. The waiver of any terms and conditions of this Agreement on any occasion or occasions shall not be deemed a waiver of such on any future occasions.

IN WITNESS WHEREOF, the parties hereto have executed this Interest Rate Lock Agreement with an effective date of January ____, 2017.

CITY AND COUNTY OF DENVER, COLORADO

By: _____
Name: _____
Title: _____

COMPASS MORTGAGE CORPORATION,
an Alabama corporation



Matthew J. Chorske
Senior Vice President

[Signature Page to Interest Rate Lock Agreement]

EXHIBIT A

**RATE LOCK REQUEST AND CONFIRMATION
CMC PRINCIPAL AMOUNT**

January ____, 2017

Compass Mortgage Corporation
Municipal Finance Group
999 18th Street, Suite 2800
Denver, CO 80202

Pursuant to the Interest Rate Lock Agreement (the "Agreement"), dated as of January ____, 2017, entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized and operating as a home-rule city under the laws of the State of Colorado and acting on behalf of its Downtown Development Authority (the "City") and **COMPASS MORTGAGE CORPORATION**, an Alabama corporation, its successors and assigns (collectively, "CMC"), the City hereby requests that CMC lock the interest rate on the CMC Principal Amount, as of the date hereof, in accordance with the terms specified below:

Interest Rate:	_____ % per annum
CMC Principal Amount:	\$120,000,000.00
Par Call Option:	On or after December 1, ____ at par plus accrued interest
Rate Lock Date:	January ____, 2017
Rate Lock Expiration Date:	February ____, 2017
Closing Date:	On or before February ____, 2017

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement. The City hereby acknowledges and agrees that upon delivery of this Rate Lock Request and Confirmation to CMC, the City shall, subject to the provisions of Section 3 of the Agreement, be liable to CMC for the payment of any Break Fees, as provided in the Agreement.

CITY AND COUNTY OF DENVER, COLORADO

By: _____
Name: _____
Title: _____