

**AMENDMENT NO. 1 TO COOPERATION AGREEMENT
PUEBLO PROFESSIONAL BULL RIDERS UNIVERSITY AND HERITAGE OF
HEROES PROJECT**

1.0 PARTIES. This Amendment to Cooperation Agreement (“Amendment No. 1”), is made and entered into as of _____, 2015, by and among the CITY OF PUEBLO, a home-rule municipality and political subdivision of the State of Colorado (the “City”); the PUEBLO URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the “Authority”) and THE HISTORIC ARKANSAS RIVERWALK OF PUEBLO AUTHORITY, a governmental entity formed pursuant to Article XIV, Section 18(2)(a) and (b) of the Colorado Constitution and Section 29-1-201, C.R.S (“HARP”). The parties are sometimes referred to herein collectively as the “Parties” and individually as a “Party”.

2.0 RECITALS. The following recitals are incorporated in and made a part of this Amendment No. 1.

2.1 Cooperation Agreement. The Parties entered into an agreement entitled Cooperation Agreement Pueblo Professional Bull Riders University and Heritage of Heroes Project dated February 25, 2013 (the “Agreement”), to comply with requirements related to a regional tourism project described as the Pueblo Professional Bull Riders University and Heritage of Heroes Project (the “Project”) pursuant to the Colorado Regional Tourism Act, Part 3 of Article 46, Title 24, C.R.S. (the “Act”).

2.2 Purpose of Amendment No. 1. The Parties are entering into this Amendment No. 1 to establish terms and conditions related to a sale-leaseback lease purchase financing between the City and the Authority for the purpose of funding the design and construction of certain improvements in Phase 1 and Phase 2 of the Project.

3.0 AGREEMENT. In consideration of the mutual covenants, agreements, and promises in this Amendment No. 1 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as set forth in this Amendment No. 1.

4.0 DEFINITIONS. Unless otherwise stated herein, all capitalized terms in this Amendment No. 1 shall have the meaning set forth in the Agreement.

5.0 PHASE 1 and PHASE 2 CONSTRUCTION FINANCING. Subject to the terms and conditions set forth in this Amendment No. 1, the City agrees to provide construction financing in the amount of Fourteen Million Four Hundred Thousand Dollars (\$14,400,000) (the “Construction Financing”) to finance the design, construction, equipping and improvement of Phase 1 and a part of Phase 2 of the RTA Project consisting generally of (i) the expansion of the Pueblo Convention Center with the addition of approximately 45,000 square foot (including enhancements to the Medal of Honor/Walk of Valor and construction of an approximately 18,000 square foot arena to be connected to the Convention Center to be called the Pueblo Professional Bull Riders University Arena); (ii) construction of an approximately 15,000 square foot Gateway Center (but excluding the boathouse facility) with an outdoor plaza to be called the

Heritage Event Plaza; and (iii) installation and construction of surface parking , infrastructure and other ancillary items pursuant to the Colorado Regional Tourism Act (collectively, the “Construction Project”) from funds on deposit with the City in its Sales and Use Tax Capital Improvements Projects Fund (the “1/2 Cent Fund”).

5.1 Oversight Committee and Construction Committee. The Parties agree that, to the extent allowable under the Act, the Construction Project and the release of proceeds of the Construction Financing to pay Eligible Costs will be subject to supervision and oversight by a five-member committee (the “Oversight Committee”). The composition and role of the Oversight Committee is set forth in Exhibit A, attached to and made a part hereof. The Oversight Committee shall be responsible for the prompt and orderly administration of the Construction Project, including payment of Eligible Costs as defined in Section 5.4 hereof. In addition to the Oversight Committee an additional committee (the “Construction Committee”), composed of the parties described in Exhibit A, shall review all applications for payment of Eligible Costs in accordance with the cost certification and payment procedures described in Exhibit A.

5.2 Construction Financing Documents. The final and complete terms and conditions applicable to the Construction Financing shall be contained in sale-leaseback lease purchase financing documents (the “Construction Financing Documents”) to be prepared by the Authority’s bond counsel and approved by the Authority and the City on or before April 27, 2015. Unless the City and the Authority agree otherwise in writing, the Construction Financing Documents shall contain the provisions described in Section 5.3, herein

5.3 Interest Rate, Term, and Other Terms of Construction Financing. The Construction Financing shall bear interest (i) from the commencement date of the Lease (as defined below) until December 31, 2020, at the rate of two percent (2%) per annum; and (ii) commencing January 1, 2021 until the remainder of the Lease term, at the rate of three percent (3%) per annum and shall be repaid within ten (10) years (including an anticipated balloon payment in year ten) from and after the first draw from the 1/2 Cent Fund to pay Eligible Costs as defined in Section 5.4 (the “Construction Financing Term”). The structure of the Construction Financing will consist of the sale by the Authority to the City of the newly constructed Exposition Hall Expansion addition to the Convention Center (the “Leased Property”) as legally described in condominium documents to be prepared by the Authority and approved in writing by the City and the leaseback of the same, pursuant to a Lease Purchase Agreement (the “Lease”) between the City, as lessor, and the Authority, as lessee. Among other provisions, the Lease shall provide that the Authority may pre-pay the Construction Financing in whole or in part at any time by exercising its option to purchase the Leased Property by paying the City the purchase option price set forth in the Lease. Upon repayment in full of the Construction Financing by the Authority, the City shall convey the Leased Property back to the Authority.

5.4 Eligible Costs. The proceeds of the Construction Financing shall be used to pay for the certified costs of work, material, and service related to construction of the Convention Center/Exposition Hall Expansion, Pueblo Professional Bull Riders University Arena Facility, Heritage Plaza, and Gateway Plaza portions of Phase 1 and Phase 2 of the Project. The procedure for certifying and paying the Eligible Costs is set forth in Exhibit A and shall conform with the

requirements of Resolution No. 1.

6.0 REVISION OF SECTION 5.5. The Parties agree Section 5.5 of the Agreement is deleted in its entirety and replaced by the following:

5.5 Phase II Improvements. The Parties shall cooperate to obtain the necessary financing for the Phase II improvements from any available source, public and private. HARP shall be the primary responsible Party for design of the following Eligible Improvements on Exhibits E, G and H to Resolution No. 1: Gateway Center/Boathouse Facility, Heritage Plaza and Gateway Plaza. The City and the Authority shall cooperate to provide the other Eligible Improvements and Ineligible Improvements shown on Exhibit E to Resolution No. 1.

7.0 REVISION OF SECTION 6.5. The Parties agree that the ultimate ownership and maintenance of the Eligible Improvements may change with the passage of time as agreed in writing by the Parties. Accordingly, Section 6.5 of the Agreement is deleted in its entirety and replaced by the following.

6.5 Certification of Eligible Costs and Ownership/Maintenance of Eligible Improvements. Except as provided in Section 5.4 of Amendment No. 1, all Eligible Costs shall be certified by the Authority in accordance with the Act and Resolution No. 1. It is the intention of the Parties and the Commission that all Eligible Costs shall be paid to or reimbursed to the Authority from Percentage of State Sales Tax Increment Revenue or Bond proceeds to the extent that such revenue is available for such support. All Authority Advances shall be certified to the Authority in accordance with Resolution No. 1 and reimbursed in accordance with Resolution No 1. Except as may be otherwise provided herein or agreed in writing by the Parties, the Authority shall have the authority to design (except as provided in Section 5.5 of the Agreement, as the same is amended, above), construct, own, and operate and maintain the Eligible Improvements. As provided in Sections 5.4, 5.5, and 5.6 of the Agreement or as otherwise agreed by the Parties in writing, the Authority shall have the additional authority to cause the Eligible Improvements to be designed, constructed, owned or maintained, in such combination as the Authority shall determine, by others in accordance with all applicable laws, ordinances, standards, policies and specifications, including those of the City. Notwithstanding the provisions of Section 5.5 of the Agreement, the Authority intends to retain title to Gateway Plaza, Heritage Plaza and the Boathouse and enter into an agreement with HARP for the maintenance of these facilities to be funded as a part of Eligible Costs. If the Authority elects, upon conveyance of any of the Eligible Improvements to the City or any other special district, utility company or other entity, Eligible Improvements so conveyed shall be subject to maintenance by the City or other entity to which the Eligible Improvements are conveyed, pursuant to any applicable written agreements with the City or any other entity. The Parties shall cooperate to maintain any existing agreements and enter into any such additional agreements as may be required to carry out the Project as set forth in Resolution No. 1.

8.0 POLICE STATION ANNEX. To facilitate construction of improvements to carry out the Project, the City and Authority agree that when the City has completed vacation and relocation of staff and personal property from the existing Police Station Annex building and site (the “Police Annex Site”), the City shall convey fee title to the Police Annex Site, including all remaining improvements thereon, to the Authority and the Authority shall use Pledged Revenue from the State of Colorado to pay the cost of demolishing clearing such improvements from the Police Annex Site so that it can be used temporarily as construction staging area to facilitate construction of the Project and subsequently redeveloped and used as surface parking to serve the needs of the Project.

9.0 EFFECT OF AMENDMENT. Except as modified by this Amendment No. 1, the provisions of the Agreement shall remain unchanged and in full force and effect and fully binding on the Parties, their successors and assigns, and the Agreement and this Amendment No. 1 shall be construed together as a single integrated document.

10.0 MINOR CHANGES. The Parties executing this Amendment No. 1 are authorized to make non-substantive corrections to this Agreement as the Parties mutually consider necessary.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment No. 1 is executed by the Parties hereto in their respective names as of the date first above written.

THE PUEBLO URBAN RENEWAL
AUTHORITY

ATTEST:

Chair

Secretary

PUEBLO, A MUNICIPAL CORPORATION

ATTEST:

President of the City Council

City Clerk

Approved by:

City Attorney

THE HARP AUTHORITY

ATTEST:

Chairperson

Secretary

Exhibit A

Role of the Oversight Committee and Construction Committee

CONTRACT REVIEW

The Pueblo Urban Renewal Authority (PURA) will be the contracting entity for the construction of the expansion of the Pueblo Convention Center with the addition of an approximately 45,000 square foot Pueblo Professional Bull Riders University Arena/Exposition Hall facility; Surface Parking Lot and other Ancillary Items; Heritage Plaza; and Gateway Plaza portions of Phase 1 and Phase 2 of the Pueblo Professional Bull Riders University and Heritage of Heroes Project (the "Project"). The Oversight Committee, a five-member committee consisting at all times of the current Chair of PURA, the current Chair of the Historic Arkansas Riverwalk of Pueblo (HARP) Authority Board, and three members of the City Council of the City of Pueblo (City) appointed to the Oversight Committee by the President of City Council, will be responsible for the supervision and oversight of the \$14.4 million Construction Financing package and will review all contacts associated with the Project that will be funded with any portion of the \$14.4 million prior to PURA entering into any contract. The Oversight Committee will determine whether the activities undertaken through the contract are an appropriate expenditure of the funds.

COST CERTIFICATION AND PAYMENT PROCEDURES

Contractor's Application for Payment for Eligible Project costs shall be completed in accordance with the Schedule of Values and shall be submitted to the Architect, who shall take same to the Construction Committee for approval. The Construction Committee, comprised of the PURA Construction manager; and two appointees each from PURA, HARP, and the City. The PURA Construction Manger shall be the chairperson of the Committee.

The Construction Committee will review the Application for Payment with the Architect. The Construction Committee, with the guidance of the Architect, will review the Contractors itemized application for Payment of Eligible Project costs for operations completed in accordance with the schedule of values, including any work, material or service; and any work covered by change orders. Following the review, the Construction Committee will either authorize the Architect to issue a Certificate for Payment to the Oversight Committee, or withhold certification in whole or in part and notify the Oversight Committee and Contractor in writing the reasons for the action. The City shall designate who will be the responsible party for delivery of the Certificate of Payment.

The Oversight Committee shall be responsible for the prompt and orderly administration of and certifying payment of Eligible Costs. The Oversight Committee will review the Certificate of Payment and if it finds that the cost therein are eligible costs in accordance with the Contract Sum and all authorized Change Orders, the Oversight Committee shall forward the Certificate of Payment to the appropriate City Department for submittal to the City of Pueblo's Finance Department for payment in the manner and within the time provided within the contract.

Applications for Payment for Contracts which are not under the responsibility of the Architect, shall be submitted to the PURA Construction Manager for review by the Construction Committee. Applications for Payment shall be itemized using the appropriate and agreed upon schedule of values, including any work, material, or service. Change Orders to the contract will be reviewed by the Construction

Committee for cost reasonableness before any addition or deletion to the contract; provided, however, if the total of all change orders approved by the Construction Committee increases the Contract Sum (as defined in the prime contract) by 3.5% or more, all subsequent change orders shall be forwarded to the Oversight Committee for approval. Pay requests shall be processed by the Construction committee as specified above before forwarding to the Oversight Committee for review and Certification of Payment.

CHANGE ORDERS

The Construction Committee may authorize change orders, based upon guidelines established by mutual agreement between the Oversight Committee and the Construction Committee at the time of the review of each contract by the Oversight Committee. Changes in the Work may be accomplished after execution of the contract by change order; provided, however, if the total of all change orders approved by the Construction Committee increases the Contract Sum (as defined in the prime contract) by 3.5% or more, all subsequent change orders shall be forwarded to the Oversight Committee for approval. Change orders may include: 1) a change in scope of work; 2) a change in the Contract Sum; 3) a change in the contract time. All change orders shall be brought to the Construction Committee by the Architect and be authorized based upon a written agreement among the PURA Construction Manager, Contractor, and Architect. All authorized change orders will subsequently be delivered to the Oversight Committee at their next regularly scheduled meeting.

MINOR CHANGES IN WORK

The Architect, with the concurrence of the PURA Construction Manager, will have the authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the contract Time and not inconsistent with the intent of the contract Documents. The architect and Construction manager will document all Minor Changes in Work and make the Construction Committee aware of same at the next meeting of the Construction Committee.