

THIRD AMENDMENT TO NOTE PURCHASE AND SECURITY AGREEMENT

THIS THIRD AMENDMENT TO NOTE PURCHASE AND SECURITY AGREEMENT (this "Amendment") is made as of the ____ day of _____, 2016, by and between Washington Trust Bank, Coeur d'Alene, Idaho (the "Purchaser") and the Coeur d'Alene Urban Renewal Agency d/b/a ignite cda (formerly d/b/a Lake City Development Corporation) (the "Issuer").

RECITALS

WHEREAS, the Purchaser and Issuer entered into that certain Note Purchase and Security Agreement dated August 25, 2011 (the "Purchase Agreement"), providing for the issuance by the Issuer and sale to the Purchaser on September 27, 2011, of the Issuer's Revenue Allocation Note, Series 2011 (Lake District Redevelopment Project) in the principal amount of up to \$16,700,000 (the "Original Note");

WHEREAS, the Issuer issued the Original Note to finance a portion of certain costs of (i) improvements to McEuen Park, in Coeur d'Alene, Idaho, (ii) public improvements to the "Education Corridor" located on or adjacent to the North Idaho College campus in Coeur d'Alene, Idaho, and (iii) costs of issuing the Original Note;

WHEREAS, the Original Note was secured by the Issuer's (i) subordinate pledge of the revenue allocation proceeds (the "Revenue Allocation Proceeds") received by the Issuer under the Lake District Second Amended and Restated Urban Renewal Plan (the "Plan"), adopted by the City of Coeur d'Alene, Idaho (the "City") pursuant to Ordinance No. 3337 on August 19, 2008, and (ii) a security interest in a reserve fund established upon issuance of the Original Note initially in the amount of \$1,670,000 (the "Reserve Fund"), which Reserve Fund was reduced to \$1,300,000 by the First Amendment to Note Purchase and Security Agreement dated February 1, 2015 (the "First Amendment to Purchase Agreement," and together with the Purchase Agreement, the "Purchase Agreement") and First Amendment to Revenue Allocation Note, Series 2011 (Lake District Redevelopment Project) dated February 1, 2015 (the "First Note Amendment," and together with the Original Note, the "Original Note");

WHEREAS, the City de-annexed certain of the property in the Lake District by adoption of the First Amendment to the Plan (the "First Plan Amendment"), resulting in a reduction in the Revenue Allocation Proceeds received by the Issuer and pledged to the Purchaser to secure the Original Note and the Purchase Agreement was amended by the Second Amendment to Note Purchase and Security Agreement dated _____, 2016 (the "Second Note Amendment," and together with the Purchase Agreement, as previously amended, the "Purchase Agreement") to reflect that the Original Note is secured by a pledge of the reduced Revenue Allocation Proceeds received by the Issuer as a result of the de-annexation by the City pursuant to the First Plan Amendment;

WHEREAS, Issuer and Purchaser have agreed to further amend the Purchase Agreement to (i) amend the Original Note by the Issuer's issuance to the Purchaser of its Amended and Restated Revenue Allocation Note, Series 2016 (the "Amended and Restated Note") evidencing

the remaining balance due under the Original Note and providing for a decreased interest rate upon its issuance, (ii) further amend the amount required to be held in the Reserve Fund to secure the Amended and Restated Note, and (iii) provide for the annual adjustment of the required amount to be budgeted in the Issuer's Lake District Fund through maturity of the Amended and Restated Note.

THEREFORE, the Issuer and Purchaser agree as follows:

AGREEMENT

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement.

2. Approval of Form of Amended and Restated Note. The Issuer and Purchaser hereby approve the form of the Amended and Restated Note in the principal amount of [\$8,700,000], attached hereto as Exhibit A and incorporated herein by this reference, which provides for interest to accrue on the unpaid principal amount thereof at the rate of 1.25% per annum from the date of issuance.

3. Amendment to Section 5, Security Agreement

Section 5 of the Purchase Agreement entitled "Security Agreement" is amended in its entirety as follows:

The Issuer agrees to and hereby grants and pledges to the Purchaser the Revenue Allocation Proceeds. This pledge is subordinate to the lien created by the Issuer's Limited Recourse Promissory Note in favor of Ledger & Patano LLC (now Gringo Properties, L.L.C.) dated July 20, 2011; the Issuer's Limited Recourse Promissory Note in favor of Ice Plant Development, Inc., dated December 17, 2008; and the Issuer's Limited Recourse Promissory Note in favor of Coeur d'Alene Chamber of Commerce, dated February 20, 2008. This pledge shall be valid and binding from and after the date of issuance of the Note. The lien of this pledge is a lien valid and binding as against all parties, except prior lienholders, having claims of any kind in tort, contract or otherwise against the Issuer (except as herein otherwise provided), irrespective of whether such parties have notice hereof. The Issuer will execute and deliver to the Purchaser such financing statements, amendments to the foregoing and other documents as requested by the Purchaser and in a form satisfactory to the Issuer and the Purchaser to record and perfect the Purchaser's security interest and lien on the Revenue Allocation Proceeds.

Issuer agrees to and hereby grants and pledges to the Purchaser a security interest in the Reserve Fund created pursuant to Section 4.a herein.

4. Amendment to Section 8, Special Covenants. Section 8.f. of the Purchase Agreement entitled "Budget Requirement" is amended in its entirety as follows:

f. Budget Requirement. The annual budget of the Issuer shall provide for continued maintenance of an unencumbered fund balance of the Lake District Fund equal to \$1,000,000, to be decreased by \$200,000 annually on February 1, beginning

February 1, 2017, until the Maturity Date of the Amended and Restated Note.

5. Amendment to Section I, Exhibit A. Section I of Exhibit A of the Purchase Agreement entitled “Reserve Fund” is amended in its entirety as follows:

- I. Reserve Fund. Upon issuance of the Amended and Restated Note, Issuer shall maintain the existing Reserve Fund in the amount of \$[870,000], ten percent (10%) of the principal of the Amended and Restated Note. Beginning February 1, 2017, and on February 1 of each year until maturity of the Amended and Restated Note, the amount held in the Reserve Fund shall be reduced to an amount equal to ten percent (10%) of the outstanding balance of the Amended and Restated Note, and any excess funds exceeding that amount on deposit in the Reserve Fund shall be liquidated, if applicable, and released to the Issuer.

6. Legal Fees. The Issuer agrees to pay Purchaser’s legal counsel fees in the amount of up to \$2,500.

7. Purchase Agreement Remains in Effect. Except as previously amended and as expressly modified in this Amendment, and only as applicable to the Amended and Restated Note, the Purchase Agreement and Exhibit A thereto remain in full force and effect.

8. Cancellation of Original Note. Upon execution and delivery of the Amended and Restated Note, the Purchaser shall cancel the Original Note and deliver it to the Agency.

9. Tax-Exempt Status. To maintain the tax-exempt status of the Amended and Restated Note, upon its issuance, the Issuer shall timely file a new 8038-G and shall amend its Tax Certificate dated September 27, 2011, as necessary, to comply with tax-exempt bond requirements under the Internal Revenue Code.

10. Counterparts. This Amendment may be signed in counterparts, each of which shall be deemed an original and together shall be deemed one instrument.

IN WITNESS WHEREOF, the Issuer and Purchaser have caused this Amendment to be executed by their duly authorized officers, all as of the date first above written.

COEUR D’ALENE URBAN RENEWAL
AGENCY d/b/a IGNITE CDA

WASHINGTON TRUST BANK

By: _____
Chair

By: _____
Vice President

DRAFT

DRAFT

DRAFT

ATTEST:

Executive Director

DRAFT

DRAFT

DRAFT

EXHIBIT A

FORM OF AMENDED AND RESTATED REVENUE ALLOCATION NOTE