



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

To: Mark Heller, Golden Urban Renewal Authority
From: Alan Matlosz
Date: January 20, 2005
Re: Refinancing Plans

George K. Baum & Company has prepared two refinancing plans for you to review related to the Authority's outstanding financial obligations. Attached are two summary pages for each plan. The idea is to pay off both the loan from the City and the loan from Wells Fargo Bank, refinance at a lower interest rate, and remove any liens or mortgage on the parking garage. The refinancing would be accomplished through the issuance of revenue bonds by the Urban Renewal Authority. These bonds would be secured by the revenues of the Authority without any additional collateral. The bonds would include a debt service reserve fund, which is a standard provision in all revenue bonds. This reserve fund is funded through the bond issue and invested so that there is no net cost to the Authority.

The attached pages include the "Sources and Uses of Funds" which show how all the money from the bond issue is allocated. Also included is the "Refunding Savings Schedule" which compares the new payments with the old payments.

Plan B - The first plan keeps the new payments about the same as the existing payments and gives the Authority savings in 2014 at the end of the bond issue. Total savings after payment of fees is about \$100,000.

Plan C - The second plan provides level annual savings to the Authority. The total savings after payment of fees is about \$60,000.

There are many other versions of the refinancing that we could prepare, but I thought these would give you a general understanding of the options. If this approach to refinancing makes sense, the next step is to discuss any legal issues with Paul Benedetti and get the process started.

I appreciate the opportunity to work with you and do not hesitate to call with any questions.