

URBAN RENEWAL AGREEMENT FOR DEVELOPMENT
OF THE GOLD HILL MESA COMMERCIAL URBAN RENEWAL AREA

THIS URBAN RENEWAL AGREEMENT (the “Agreement”) FOR DEVELOPMENT OF THE GOLD HILL MESA COMMERCIAL URBAN RENEWAL AREA is made as of the 15th day of November, 2023, by and among the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the “Authority”), GOLD HILL DEVELOPMENT, LLC, a Washington limited liability company, registered to do business in Colorado as a foreign limited liability company (the “Developer”), GOLD HILL NORTH METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 1”), and GOLD HILL NORTH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“District No. 2,” and together with District No. 1, the “Metro Districts”), and GOLD HILL NORTH BUSINESS IMPROVEMENT DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “BID,” and together with the Metro Districts, the “Districts”) (the Authority, Developer and the Districts are also referred to herein collectively as the “Parties” or individually as a “Party”).

RECITALS

A. The Authority is an Urban Renewal Authority formed and created by the City Council, City of Colorado Springs, County of El Paso, Colorado.

B. The Developer owns, or through its Affiliates (as defined below) controls, certain real property located in Colorado Springs, El Paso County, Colorado which is depicted (or consists of the parcels listed) on the attached Exhibit A (the “Property”). The Property is located within the boundaries of the Gold Hill Mesa Commercial Urban Renewal Plan adopted by the City Council of the City of Colorado Springs, Colorado (the “City”) on October 24, 2023 (the “Urban Renewal Plan”).

C. Each of the Metro Districts is a metropolitan district with boundaries within the Urban Renewal Plan boundaries, organized and authorized pursuant to Colorado Revised Statutes §§32-1-101 et seq. (the “Metro District Act”), for the purposes set forth in its Service Plan. The BID is a business improvement district with boundaries within the Urban Renewal Plan boundaries, organized and authorized pursuant to Colorado Revised Statutes §§31-25-1201 et seq. (the “BID Act”), for the purposes set forth in its Operating Plan.

D. The Developer and the Districts, as applicable, intend to develop the Property, or cause the Property to be developed, as a mixed-use residential and commercial development (the “Project”) substantially in accordance with the Concept Plan depicted in Gold Hill Mesa Concept Plan dated October 20, 2021, File No. CPC CP04-00127-A7MJ21, consisting of one page, on file with the City (the “Concept Plan”), which Concept Plan is incorporated in and made a part of this Agreement by this reference.

E. The Public Improvements and Reimbursable Project Costs (as defined below) are listed on Exhibit B, attached to and made a part hereof. The Urban Renewal Plan allocates property tax increment revenue (“Property Tax TIF”) and municipal general fund sales tax increment

revenue (“City Sales Tax TIF”), as well as all other revenues available, to the Authority to carry out the redevelopment of the Plan Area defined in the Urban Renewal Plan. This Agreement shall, among other things, allocate the Property Tax TIF and the City Sales Tax TIF produced from increases in municipal sales tax and ad valorem property taxes levied on real and personal property within the Plan Area to the Developer (and its Affiliates as defined herein) or the Districts, as applicable, and approved assigns in accordance with this Agreement.

F. The Authority and the City have entered into that certain Cooperation Agreement dated as of October 24, 2023 (as the same may be amended from time to time, the “Cooperation Agreement”) providing for, among other things, the distribution and pledge of the City Sales Tax TIF produced by taxable sales on and within the Plan Area to the Developer (and its Affiliates and approved assigns) and the Districts in accordance with this Agreement.

G. The Parties to this Agreement intend to cooperate with each other in the development of the Property in accordance with the Urban Renewal Plan and payment of the Property Tax TIF and Sales Tax TIF to or on behalf of the Developer or the Districts, as applicable, as provided herein.

NOW THEREFORE, based upon the mutual covenants and considerations contained herein, the Parties agree as follows:

1. PURPOSE

The purpose of this Agreement is to further the goals and objectives of the Colorado Urban Renewal Law, Colorado Revised Statutes §§ 31-25-101 et seq. (the “Act”) and the Urban Renewal Plan for the Property by eliminating blight and providing for the development and redevelopment of the Property. The Authority has determined that this Agreement and the development and redevelopment of the Property as described in the Concept Plan are consistent with and conform to the Urban Renewal Plan and the public purposes and provisions of applicable state and local laws, including the Act. Specifically, but without limitation, this Agreement is intended to promote and facilitate the following objectives:

- (a) Remediate and prevent blighted conditions on the Property;
- (b) Encourage and protect existing development on the Property;
- (c) Renew and improve the character and environment of the Plan Area;
- (d) Enhance the current sales tax base and property tax base of the Plan Area;
- (e) Provide the incentives necessary to induce private development and redevelopment of the Plan Area;
- (f) Effectively use undeveloped land within the Plan Area;
- (g) Encourage financially successful projects within the Property;
- (h) Stabilize and upgrade property values within the Plan Area;

- (i) Accommodate and provide for the voluntary environmental cleanup of the Plan Area;
- (j) Promote improved traffic, public transportation, public utilities, recreational and community facilities within the Plan Area; and
- (k) Promote the participation of existing owners in the revitalization and development of the Property.

2. CERTAIN DEFINITIONS

2.1. “ACI” shall mean AIPA Colorado Investments, LLC, a Washington limited liability company and an Affiliate of Developer.

2.2. “Act” shall have the meaning set forth in Section 1.

2.3. “Affiliate” shall mean any entity in which the Developer or its manager or members serves as manager or general partner or otherwise is in control, directly or indirectly, of such entity.

2.4. “Agreement” shall have the meaning set forth in the Preamble.

2.5. “Authority” shall have the meaning set forth in the Preamble.

2.6. “Authority Administrative Fee” shall have the meaning set forth in Section 7.13.

2.7. “Authority’s Reimbursement Obligation” shall have the meaning set forth in Section 7.5.

2.8. “Available Revenues” shall mean the TIF Revenue remaining in the Special Fund each year after the Authority (i) makes payments to the Taxing Entities pursuant to the Taxing Entity Agreements, and (ii) subject to the provisions of Section 7.13, collects the Authority Administrative Fee.

2.9. “BID” shall have the meaning set forth in the Preamble.

2.10. “BID Act” shall have the meaning set forth in Recital C.

2.11. “City” shall have the meaning set forth in Recital B.

2.12. “City Sales Tax TIF” shall have the meaning set forth in Recital E, as further described in Section 6.1.

2.13. “Commence Construction” shall have the meaning set forth in Section 9.1.

2.14. “Commencement of Construction” shall have the meaning set forth in Section 9.1.

2.15. “Complete Construction” shall have the meaning set forth in Section 9.1.

2.16. “Completion of Construction” shall have the meaning set forth in Section 9.1.

- 2.17. “Concept Plan” shall have the meaning set forth in Recital D.
- 2.18. “Cooperation Agreement” shall have the meaning set forth in Recital F.
- 2.19. “County” means El Paso County, Colorado, a political subdivision of the State of Colorado.
- 2.20. “County Agreement” means that certain Tax Increment Revenue Agreement by and between the County and the Authority dated as of February 7, 2023, as the same may be amended from time to time.
- 2.21. “County Sales Tax TIF” shall mean, for each Plan Year (as defined in the County Agreement), the revenues received by the Authority from the County Sales Tax (as defined in the County Agreement) within the boundaries of the Plan Area which are in excess of that portion of the County Sales Tax collected within the boundaries of the Plan Area in the twelve-month period ending on the last day of the month prior to the effective date of approval of the Urban Renewal Plan.
- 2.22. “D11” means Colorado Springs School District No. 11, a political subdivision of the State of Colorado.
- 2.23. “D11 MOU” shall have the meaning set forth in Section 6.4.
- 2.24. “Default” shall have the meaning set forth in Sections 12.1, 12.2 and 12.3.
- 2.25. “Developer” shall have the meaning set forth in the Preamble.
- 2.26. “Developer’s Account” shall have the meaning set forth in Section 7.5.
- 2.27. “Developer’s Financing” shall have the meaning set forth in Section 7.6.
- 2.28. “Development Plan” shall have the meaning set forth in Section 4.1.
- 2.29. “District No. 1” shall have the meaning set forth in the Preamble.
- 2.30. “District No. 2” shall have the meaning set forth in the Preamble.
- 2.31. “District Bonds” shall have the meaning set forth in Section 7.2.
- 2.32. “District Debt Service Mill Levy” shall have the meaning set forth in Section 3.3(c).
- 2.33. “District Debt Service Mill Levy Tax Increment Revenues” shall have the meaning set forth in Section 3.3(c).
- 2.34. “District Operating Mill Levy” shall have the meaning set forth in Section 3.3(c).
- 2.35. “District Operating Mill Levy Tax Increment Revenues” shall have the meaning set forth in Section 3.3(c).

2.36. “District Property Tax Increment Revenues” shall have the meaning set forth in Section 3.3(c).

2.37. “District Reimbursement Agreement” shall have the meaning set forth in Section 3.2.

2.38. “Districts” shall have the meaning set forth in the Preamble.

2.39. “Duration” means the twenty-five (25) year period that the tax increment or tax allocation provisions will be in effect as specified in §31-25-107(9)(a) of the Act and the Urban Renewal Plan.

2.40. “Event of Default” shall have the meaning set forth in Sections 12.1, 12.2 and 12.3.

2.41. “Improvements” shall have the meaning set forth in Section 4.1.

2.42. “Indemnified Parties” and “Indemnified Party” shall have the meaning set forth in Section 13.1.

2.43. “Metro Districts” shall have the meaning set forth in the Preamble.

2.44. “Metro District Act” shall have the meaning set forth in Recital C.

2.45. “Operating Plan” means the Operating Plan and Budget filed by the BID from time to time with the City Clerk of the City pursuant to the BID Act. As of the date of this Agreement, the 2022-2023 Operating Plan and Budget for Gold Hill North Business Improvement District is the most recent Operating Plan which has been so filed by the BID.

2.46. “Parties” and “Party” shall have the meanings set forth in the Preamble.

2.47. “Phase” shall have the meaning set forth in Section 4.1.

2.48. “Plan Area” shall have the meaning set forth in the Urban Renewal Plan.

2.49. “PPLD” means the Pikes Peak Library District, a political subdivision of the State of Colorado.

2.50. “Private Improvements” means the improvements subject to ad valorem property taxes to be constructed on the Property by the Developer or its Affiliates, [or financed by the Developer], or an approved transferee of the Developer in accordance with the Concept Plan and within the time specified in the Schedule of Performance.

2.51. “Project” shall have the meaning set forth in Recital D.

2.52. “Property” shall have the meaning set forth in Recital B.

2.53. “Property Tax TIF” shall have the meaning set forth in Recital E. The Property Tax TIF revenues shall be those revenues, if any, from the property tax levy of those taxing bodies that levy such taxes against the increment portion of the property tax assessment roll attributable

to the Property, if any, received by the Authority from the entire Plan Area pursuant to the Urban Renewal Plan, the Act, applicable regulations and the Taxing Entity Agreements.

2.54. “Public Improvements” shall mean the improvements or activities and undertakings listed in Exhibit B or other improvements statutorily authorized to be built by the Districts that will be constructed in accordance with this Agreement.

2.55. “Reimbursable Project Costs” shall mean the reasonable and necessary expenditures, including Soft Costs, documented in accordance with this Agreement for the Public Improvements constructed or otherwise provided by the Districts and shown on Exhibit B attached hereto and made a part hereof or other improvements statutorily authorized to be built or acquired by the Districts.

2.56. “Sales Tax TIF” shall mean, collectively, the City Sales Tax TIF and the County Sales Tax TIF.

2.57. “Schedule of Performance” shall mean the Schedule of Performance attached hereto as Exhibit C and made a part hereof.

2.58. “SECWCD” means the Southeastern Colorado Water Conservancy District, a political subdivision of the State of Colorado.

2.59. “Service Plan” means the Service Plan filed by the Metro Districts from time to time with the City Clerk of the City pursuant to the Metro District Act. As of the date of this Agreement, the 2023 Amended and Restated Service Plan for Gold Hill North Metropolitan District Nos. 1 and 2 is the most recent Service Plan which has been so filed by the Metro Districts.

2.60. “Soft Costs” means the reasonable and necessary soft costs incurred by the Developer or the Districts related to the Public Improvements, the Urban Renewal Plan, and the Project for the Plan Area, including, without limitation, impact reports, financing projections, studies, surveys, agreements with the Taxing Entities, this Agreement, architects, consultants, financial advisors, surveyors, engineers, lawyers, accountants, governmental fees and permits, utility fees and costs, and related interest and finance charges.

2.61. “Special Fund” shall have the meaning set forth in Section 7.5.

2.62. “Taxing Entities” means any county, special district, or other public body that levies an ad valorem property tax on property within the Plan Area subject to a tax allocation provision. The Taxing Entities are the City, the County, D11, PPLD and SECWCD.

2.63. “Taxing Entity Agreements” means those certain property tax (and sales tax, as applicable) revenue agreements by and between the Authority and each of the Taxing Entities made pursuant to C.R.S. § 31-25-107(9.5), including, without limitation, the Cooperation Agreement and the County Agreement, as the same may be amended from time to time. This Agreement shall constitute the Taxing Entity Agreement between the Authority and the Districts.

2.64. “TIF Revenue” shall mean, collectively, the Property Tax TIF and the Sales Tax TIF revenues.

2.65. “Urban Renewal Plan” shall have the meaning set forth in Recital B.

3. THE DISTRICTS

3.1. Purpose. Pursuant to the City’s Resolution No. 49-23 and the Service Plan, the Metro Districts’ primary purpose is to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the public improvements necessary to support the development of the Project, as well as to finance the construction of the public improvements. Both Metro Districts contain property classified for assessment as residential and contain no property classified for assessment as nonresidential. The Service Plan authorized the Metro Districts to impose a debt service mill levy not to exceed fifty (50) mills and an operations and maintenance mill levy not to exceed (20) mills. Pursuant to the City’s Ordinance No. 21-62 and the Operating Plan, the BID’s primary purpose includes financing, acquisition, construction, completion, installation, replacement, and/or operating and maintenance of all of the services and public improvements allowed under Colorado law for business improvement districts. The BID contains property classified for assessment as nonresidential and contains no property classified for assessment as residential. The Operating Plan authorized the BID to impose a debt service mill levy not to exceed fifty (50) mills and an operations and maintenance mill levy not to exceed ten (10) mills.

3.2. District Reimbursement Agreement. Each of the Districts and the Developer entered into a Facilities Funding and Acquisition Agreement dated as of December 16, 2021, as may be amended and supplemented (the “District Reimbursement Agreements”), wherein the Developer agreed to either initially construct certain public infrastructure improvements to convey to the Districts, or to initially fund the construction of the improvements by the Districts, which improvements include but are not limited to water, sanitary sewer, park and recreation facilities, roadways, street and safety protection improvements, drainage improvements, and any other public improvements authorized, as applicable, by the Service Plan or Operating Plan, as amended, which shall be Public Improvements hereunder. The Districts and the Developer determined that for reasons of economic efficiency and timeliness it is in the best interests of the Districts to establish a means by which either (1) the Developer will construct or cause to have constructed by a general contractor the Public Improvements which the Districts will acquire or which will be dedicated to the City after they have been completed; or (2) the Developer will initially fund the construction and installation of the Public Improvements subject to reimbursement as provided in the District Reimbursement Agreements. As an alternative to the Developer’s construction of and the Districts’ subsequent acquisition of the Public Improvements, at the Developer’s election, the Districts may construct all or a portion of the Public Improvements and acquire related real property interests.

3.3. District Property Tax Increment Revenues.

(a) In order to facilitate the funding by the Districts of the costs of the Public Improvements and of operations and maintenance services, the Authority hereby agrees that it will segregate and promptly remit, on a monthly basis, to the Districts, all District Property Tax Increment Revenues. Notwithstanding the foregoing, the Authority shall have the obligation to remit such District Property Tax Increment Revenues to the respective Districts solely to the extent the Authority receives the same.

(b) The Districts agree to use all District Operating Mill Levy Tax Increment Revenues to fund the costs of operations and maintenance services.

(c) The Districts agree to use all District Debt Service Mill Levy Tax Increment Revenues to fund the costs of design and construction of the Public Improvements as provided herein.

For purposes of this Section 3.3, the following capitalized terms shall have the following meanings:

(i) “Base Valuation” means, with respect to the Property, the total assessed valuation of all taxable property last certified by the assessor prior to the effective date of the approval of the Urban Renewal Plan, as the same may be subsequently adjusted in accordance with the Act.

(ii) “District Debt Service Mill Levy Tax Increment Revenues” means the portion of Property Tax Increment Revenues attributable to the respective Districts’ District Debt Service Mill Levy.

(iii) “District Operating Mill Levy Tax Increment Revenues” means the portion of Property Tax Increment Revenues attributable to the respective Districts’ District Operating Mill Levy.

(iv) “District Property Tax Increment Revenues” means, collectively, the District Debt Service Mill Levy Tax Increment Revenues and the District Operating Mill Levy Tax Increment Revenues.

(v) “District Debt Service Mill Levy” means the debt service mill levy described in the Service Plan and the Operating Plan for each of the respective Districts.

(vi) “District Operating Mill Levy” means the operations and maintenance mill levy described in the Service Plan and the Operating Plan for each of the respective Districts.

(vii) “Incremental Valuation” means, with respect to the Property, the amount of assessed valuation, if any, which exceeds the Base Valuation.

(viii) “Property Tax Increment Revenues” means the ad valorem property tax revenues collected on the Incremental Valuation of all taxable property located within the Property.

(d) Any limitation or procedure for the disbursement of Property Tax TIF funds elsewhere in this Agreement shall not apply to the District Property Tax Increment Revenues, the disbursement of which shall be governed solely by this Section 3.3 and any subsequent writing executed by the Districts and the Authority.

4. DEVELOPMENT OF THE PROPERTY

4.1. Improvements. Development of the Property may occur in phases (each a “Phase”) as set forth in the Concept Plan. Development will consist of (i) the Private Improvements, which shall consist of the commercial and residential uses more particularly described in the Concept Plan, and (ii) the Public Improvements on the Property (collectively, the “Improvements”). Development shall take place as depicted on the Concept Plan, as updated and completed by agreement of the Parties, and as contemplated in any development plan approved as provided in this Agreement (each a “Development Plan”), and the provisions of this Agreement, as applicable. Neither Developer nor any of its Affiliates shall undertake any amendment to the Concept Plan without the prior written consent of the Authority.

4.2. Developer Responsibility. Developer shall construct, or cause to be constructed, on the Property the Private Improvements required to carry out the Concept Plan as it applies to the Property. Subject to the terms and conditions of this Agreement, the Developer agrees to finance and to construct, or cause to be constructed, all Improvements necessary to develop the Property in accordance with the Concept Plan and the Schedule of Performance. All construction required of the Parties by this Agreement shall be undertaken and completed in accordance with all applicable laws and regulations, including City codes and ordinances, and the Urban Renewal Plan and shall be performed in accordance with and subject to the terms and conditions of this Agreement.

4.3. Districts’ Responsibility. The Districts shall construct on the Property or acquire the Public Improvements required to be carried out by the Concept Plan as it applies to the Property. In furtherance thereof, to the extent permitted by law, the Districts agree to finance and to construct or acquire all Public Improvements necessary to develop the Property in accordance with the Concept Plan and the Schedule of Performance [to the extent the Districts have funds available to do so]. All construction required of the Districts by this Agreement shall be undertaken and completed in accordance with all applicable laws and regulations, including City codes and ordinances, and the Urban Renewal Plan and shall be performed in accordance with and subject to the terms and conditions of this Agreement.

4.4. Specific Commercial Requirements. Developer acknowledges that its Affiliate, ACI, currently owns the commercial portion of the Property. The Authority acknowledges that ACI will transfer the portion of the Property owned by ACI to Developer prior to any development activity occurring on such Property. The Authority hereby consents to such transfer for purposes of Section 11.2 below provided that Developer notifies the Authority in writing in advance of the closing thereof. Alternatively, ACI is considering transfer of a portion of such Property directly to a third-party developer. In the event that ACI or any other Affiliate intends to transfer any portion of the Property to a third party, any such transfer will be subject to the provisions of Section 11.2. Developer will be responsible for the design, development and construction of the Private Improvements on the commercial portion of the Property in accordance with this Agreement, and will cause any sale contract with an approved third-party transferee to require construction Private Improvements in accordance with this Agreement. Any such contract will provide that the Authority is an express third-party beneficiary with respect to the provisions hereof. Developer acknowledges that it specifically represented to certain Taxing Entities in connection with securing their respective Taxing Entity Agreements that the commercial portion of the Property would

include a hotel and public amphitheater or other public gathering space, as well as the items described on Exhibit D attached hereto and made a part hereof. In furtherance thereof, Developer agrees to use its commercially reasonable efforts to include in the commercial portion of the Project a public gathering space that serves residents in the surrounding area. In addition to the other requirements of this Agreement, Developer will cause the Private Improvements to be constructed substantially in accordance with the provisions of this Section 4.4. Any material deviation from the provisions of this Section 4.4, whether by Developer or an approved third party, including, without limitation, the items listed on Exhibit D, shall require the prior written consent of the Authority. Without limiting the foregoing, Developer specifically agrees that no portion of the Property shall be used for a skilled nursing facility, assisted living, gas station, car wash or a marijuana business.

5. PREPARATION OF THE PROJECT FOR DEVELOPMENT

5.1. Zoning. Because the Property is already zoned to allow the Project, the Authority is not requiring the Developer to rezone the Property, but the Developer agrees to comply with all applicable City codes, ordinances and planning requirements with regard to development of the Property and construction of the Improvements, including if required by the City, to rezone part of the Property.

5.2. Public Improvements. The Districts shall design and construct or acquire the designed and constructed of the Public Improvements for the Property within a reasonable period of time as established in the Schedule of Performance. The Districts shall acquire or construct, in the public right-of-way and/or easements, all mains and lines necessary for the Public Improvements and necessary to provide water, sanitary sewer, storm sewer, natural gas and electricity for the Improvements. The acquisition or construction and installation of such utilities shall conform with the requirements of all applicable laws and ordinances. The Districts shall also be responsible for the acquisition of or relocation, design and construction of all new public streets, utilities, sidewalks, alleys, excavation for and design and construction of parking facilities, landscaping and street lighting within the public right-of-way shown in the Concept Plan, as it may be refined and updated. The Districts shall be responsible for the acquisition of, or the design, construction and cost, if any, of utility and service lines necessary for the construction of the Public Improvements within and outside the Property, tap connection fees and other City requirements, including the cost of extending such utility lines from the Public Improvements to the mains in the public right-of-way. The Districts shall be responsible for the acquisition or construction of improvements to existing facilities or improvements and construction of new facilities or improvements on locations outside the boundaries of the Property as may be required by agreement between the Districts and applicable governmental authorities.

5.3. Access to Property. At all reasonable times, any Party shall permit representatives of any other Party to have access to any part of the Property for the purpose of obtaining data, engineering studies, and/or carrying out or determining compliance with this Agreement, the Urban Renewal Plan or any City code or ordinance, including, but not limited to, inspection of any work required to construct the Improvements on the Property. Any such access or inspection shall not interfere with the use of the Property or any construction on the Property. No compensation shall be payable to the Parties nor shall any charge be made in any form by any Party for the access provided in this section. A Party entering upon the Property pursuant to this section shall restore

such Property to its condition prior to any tests or inspections made by such Party and shall indemnify and hold harmless the Party owning such Property for any loss or damage or claim for loss or damage (including reasonable legal fees) resulting from any such entrance, tests or surveys (but this indemnity shall not apply to conditions existing on such Property at the time of such entry, even where such condition was discovered by virtue of the entry).

5.4. Replat and Dedications. The Authority is not requiring the Developer to replat or resubdivide the Property, but the Developer agrees to comply with all applicable City codes, ordinances and planning requirements with regard to development of the Property and construction of the Public Improvements, including if required by the City, to replat or resubdivide part of the Property. The Developer shall dedicate, as appropriate, such utility and drainage easements required to properly carry out and maintain the Public Improvements. In the event of any replat or subdivision that results in the elimination or consolidation of tax parcel numbers and/or the issuance of new tax parcel numbers for parcels within the Area, Developer will promptly inform the Authority of any such changes and cooperate with the Authority and the El Paso County Assessor to update applicable administrative records.

5.5. Antidiscrimination. The Developer, for itself and its successors and assigns, agrees that in the construction of and in the use and occupancy of the Property, the Developer will not discriminate against any employee or applicant for employment because of race, color, creed, gender, religion, sexual orientation, disability, marital status, ancestry or national origin.

5.6. Signage.

(a) Upon Commencement of Construction, and until Completion of Construction, the Developer shall display temporary signage at the Property approved by the Authority and relating to the Authority's participation in the redevelopment of the Property. Such signage shall be connected to the primary signage identifying the redevelopment and visible to the general public. The Authority will submit a logo or other artwork to be incorporated into the approved signage at the Developer's expense. Developer will maintain the approved signage at the Developer's sole expense and promptly repair or replace damaged, missing or stolen signage.

(b) Developer agrees to involve the Authority in any press releases as they relate to the Project and to mention that the Project is an urban renewal project when contacted by the media.

6. TAXING ENTITY AGREEMENTS

6.1. Cooperation Agreement. The Authority and the City have entered into the Cooperation Agreement. The Cooperation Agreement provides for, among other things, allocation by the City of one hundred percent (100%) of the City Sales Tax TIF (i.e., two percent (2.00%)) collected on or within the Plan Area to the Authority for the Duration. In the interest of providing part of the financing of the redevelopment of the Property and accomplishing the goals of the Urban Renewal Plan and this Agreement, the Authority, the Developer and the Districts agree to work with the City and dedicate such time and resources as may be required to implement this

agreement to facilitate the timely planning and development of the Improvements. The primary purpose of the Cooperation Agreement is to pledge to distribute to the Districts the City Sales Tax TIF to carry out the Concept Plan and in furtherance of the Urban Renewal Plan. Developer and the Districts acknowledge that the Cooperation Agreement includes certain limitations on the use of City Sales Tax TIF and agree to comply with such limitations.

6.2. County Agreement. The Authority and the County have entered into the County Agreement. The County Agreement provides for, among other things, allocation by the County of one hundred percent (100%) of the County Sales Tax TIF (i.e., one percent (1.00%)) for the Duration. The County Sales Tax TIF shall be included in TIF Revenue and Available Revenues when and as received by the Authority pursuant to the County Agreement and paid over to the Developer as Available Revenues pursuant to this Agreement.

6.3. Taxing Entity Agreements. The Authority has entered into the Taxing Entity Agreements with each of the Taxing Entities pursuant to C.R.S. § 31-25-107(9.5). Pursuant to the Taxing Entity Agreements, each of the Taxing Entities has agreed to allocate some or all of its portion of the Property Tax TIF to the Authority pursuant to the Urban Renewal Plan in support of the Project. The Authority shall establish separate accounts for and make all payments of TIF Revenue, but not Available Revenues, required to be made to Taxing Entities pursuant to the Taxing Entity Agreements. Developer has reviewed each of the Taxing Entity Agreements and agrees to take no action that would be inconsistent with any of the Taxing Entity Agreements or would cause the Authority to be in breach of any of the Taxing Entity Agreements.

6.4. D11 MOU. ACI and D11 are parties to that certain Memorandum of Understanding dated as of January 1, 2023 (the “D11 MOU”). Developer acknowledges that the MOU was a condition to gaining D11’s approval of its Taxing Entity Agreement. Developer agrees to cause ACI to comply with the D11 MOU and Developer will promptly notify the Authority of any notices received from D11 under the D11 MOU. The D11 MOU expressly provides that it is subject to annual review between ACI and D11. Developer agrees to keep the Authority informed of any updates or revisions to the D11 MOU and provide copies of the same.

7. PROJECT FINANCING

7.1. Authority Financing. The sole financing provided by the Authority for the redevelopment of the Property shall be the reimbursement of actual Reimbursable Project Costs from the Available Revenues. Reimbursable Project Costs are estimated on Exhibit B.

7.2. District Bonds. In furtherance of the foregoing, for the purpose of financing all or a portion of the Public Improvements (including paying amounts due under the District Reimbursement Agreement), the Districts intend to issue bonds (the “District Bonds”) in accordance with the Schedule of Performance. The Authority will cooperate with the Districts and the Developer in the issuance of the District Bonds. The Authority acknowledges that in connection with the District Bonds, the Districts expect to pledge their interest in the Available Revenues for payment of the District Bonds. The Authority agrees to execute and deliver reasonable and customary documents and instruments supporting the issuance of the District Bonds, including, without limitation, a pledge agreement or other instrument pledging the Available Revenues in support of the District Bonds. Developer and the Districts hereby agree to

comply with all obligations of the Developer and the Districts, as applicable, in any applicable bond documents and otherwise reasonably cooperate with the Authority as necessary and appropriate to allow the Authority to comply with its obligations under such bond documents, as applicable.

7.3. Payment Requests. The Developer or Districts shall submit payment requests in accordance with the following procedure. Reimbursable Project Costs may include, without limitation, reasonable and customary expenditures, including Soft Costs, for design and construction of the Public Improvements, demolition, site clearance, streets, sidewalks, curbs, gutters, landscape, drainage improvements and amenities, parks, land assembly, site grading, and similar costs authorized under the Act and listed on Exhibit B. Any payment request shall indicate the applicable portion of the Reimbursable Project Costs for the Public Improvements completed and to be reimbursed by the Authority and such other information as the Authority may from time to time reasonably require, including, but not limited to evidence satisfactory to the Authority of the proper application of past disbursements and evidence substantiating any and all of the Reimbursable Project Costs indicated in such notice. The payment request shall further include a certification by an engineering professional engaged by the Authority at the Developer's expense that all Reimbursable Project Costs were actually incurred and not previously reimbursed to the Developer or the Districts pursuant to a payment request and that the Improvements made or the costs incurred therewith were constructed or incurred in compliance with applicable laws, ordinances and regulations, this Agreement and the Urban Renewal Plan. Prior to payment, the Authority has the right to require adequate documentation of expenditures from the Developer or the Districts to include lien releases from contractors completing the work and included on the payment request. In addition to the foregoing requirements, prior to disbursement of any District Bond proceeds, the Developer or Districts agree to provide the documentation and certifications that satisfy the requirements of the trustee, the Authority and any bond documents. The Authority agrees to promptly review such payment requests that comply with the requirements of this Section 7.3. The Developer and the Districts agree to promptly provide any additional documentation as may be reasonably requested by the Authority relating to any payment requests. Upon approval the amounts approved for payment shall be payable from the Developer's Account in accordance with Section 7.7. Such approval shall be deemed a full and final accounting for the Reimbursable Project Costs submitted within such payment request.

7.4. Appointment of Trustee or Escrow Agent. Authority may, from time to time, designate one or more trustees or escrow agents to act as its collection and disbursing agent for the Available Revenues.

7.5. Authority's Reimbursement Obligation. Subject to the provisions of Section 7.13 below, the Authority's payment obligation to the Developer under this Agreement shall be limited to the aggregate amount of Available Revenues actually received and legally available for such purpose (the "Authority's Reimbursement Obligation"), which Available Revenues the Authority shall take all commercially reasonable steps to calculate, review, and collect each year, including enforcement of available remedies in connection therewith as described in this Section 7.5. If, after exhaustion of such remedies, there are insufficient Available Revenues to pay the Authority's Reimbursement Obligation in any one year, those certified, approved but unpaid Reimbursable Project Costs shall accrue and payment shall be made to the Developer when and as such Available Revenues are available to pay such unpaid Reimbursable Project Costs, without interest, provided

that interest payable pursuant to Developer's Financing approved in accordance with this Agreement shall be a Reimbursable Project Cost. Nothing in this Agreement shall be construed to require the Authority to make any payments to the Developer on a periodic and aggregate basis, in excess of such amount, or, in the aggregate, in excess of the Available Revenues described in this Agreement. The Authority's Reimbursement Obligation hereunder shall terminate on the first to occur of (a) payment in full of the Authority's Reimbursement Obligation or (b) the right of the Developer to receive the Available Revenues under the Act or any revenues legally available as a payment obligation in lieu of or as replacement of such Available Revenues. The Developer acknowledges that the generation of Available Revenues is totally dependent upon the production and collection of Available Revenues from the Plan Area in accordance with the Act, and agrees that the Authority is in no way responsible for the amount of Available Revenues actually generated; provided, however, the Authority shall be responsible for monitoring and working with the City, the County and the El Paso County Assessor to correct mistakes in calculating Available Revenues and payment of the Authority's Reimbursement Obligation available each year and to comply with reasonable requirements and covenants in connection with the Developer's Financing. The Parties acknowledge that the right to amend or modify the Urban Renewal Plan is the legal right and responsibility of the City, but the Authority shall not request, support, suffer or recommend such an amendment or modification be made unless the Authority shall have received an opinion of qualified bond counsel to the effect that such amendment or modification would not (a) result in a failure of the Urban Renewal Plan, as so amended or modified, to comply with the requirements of this Agreement, (b) result in an Event of Default by the Authority under this Agreement, or (c) adversely and materially affect the Available Revenues and the Authority's Reimbursement Obligation. To the extent permitted by law, the Authority covenants and agrees to preserve and protect the Available Revenues and the rights of the Developer and any approved successors in interest of the right to receive payment of the Available Revenues, and to defend such rights with respect to receipt of the Available Revenues under and against all claims and demands of third parties not authorized to receive such Available Revenues in accordance with this Agreement and the Act as in effect on the date of this Agreement. The Authority covenants and agrees to take no action which would result in Available Revenues required to be paid hereunder to be withheld from the Developer or any authorized bond trustee. Subject to the foregoing the Developer therefore agrees to assume the risk that insufficient Available Revenues will be generated to reimburse all Reimbursable Project Costs. The Authority's Reimbursement Obligation under this section will commence upon approval of a payment request pursuant to Section 7.3 or the issuance of the District Bonds.

7.6. Cooperation Regarding Financing. In accordance with the Schedule of Performance, the Developer will obtain and submit to the Authority for approval, evidence, in a form and substance acceptable to the Authority, of the debt and equity financing necessary to carry out the Concept Plan and any Development Plan, including the Completion of Construction of the Improvements (the "Developer's Financing"). The Developer shall obtain the Authority's prior written consent to such Developer's Financing, which consent shall not be unreasonably withheld, conditioned, or delayed. The Parties agree to cooperate with one another in obtaining the Developer's Financing by providing one another with such information, certifications, assurances, opinions and by amending or modifying agreements, including this Agreement, as may be reasonably required in connection with such financing, provided, that neither Party shall be required to make amendments or modifications that substantially or materially change the rights or obligations of the Parties under this Agreement.

7.7. Special Fund; Developer's Account. In accordance with the provisions of this Agreement and the Act, except as otherwise provided in this Agreement, the Authority agrees to establish and make deposits of all tax increment revenue it receives pursuant to the Urban Renewal Plan and the Taxing Entity Agreements, including the Available Revenues, into the special fund as provided in the Act (the "Special Fund"). In addition, the Authority shall establish an account (the "Developer's Account") and shall segregate and pay into the Developer's Account all of the Available Revenues described in this Agreement, when and as received by the Authority. The Developer's Account shall be applied to payments in accordance with this Agreement and the Taxing Entity Agreements, and shall be used for no other purpose. Unless the Parties otherwise agree in writing, all Available Revenues in the Developer's Account shall be paid to the Districts annually in December of each year up to the full amount of any and all Available Revenues eligible for payment pursuant to the conditions of Section 7.3 and as otherwise provided in this Agreement, provided that the payment provisions of any bond documents agreed by the Authority relating to the issuance of District Bonds shall take precedence over this provision.

7.8. Pledge of TIF Revenue. At the time of issuance of the District Bonds, the Authority will by a separate instrument irrevocably pledge to pay the Available Revenues in support of the District Bonds; provided, however, that the Authority shall not be required to pledge Available Revenues from any portion of the Property that is not owned or controlled by the Developer or its approved Affiliates at the time of such pledge. From and after such pledge, the Available Revenues, when and as received by the Authority shall be subject to the lien of such pledge without any physical delivery, filing, or further act. The Authority shall transfer the amounts in the Developer's Account as specified in Section 7.7 or as required by the District Bonds. The Authority shall keep, maintain, and apply the Available Revenues as required to pay the Authority's Reimbursement Obligation. The Authority's Reimbursement Obligation established by this Agreement is and shall be an obligation of the Authority pursuant to Section 31-25-107(9), C.R.S. The Authority has elected to apply the provisions of Section 11-57-208, C.R.S., to this Agreement. Creation, perfection, enforcement and priority of the pledge of the Available Revenues as provided herein, if and when applicable, shall be governed by Section 11-57-208, C.R.S. and this Agreement. From and after the pledge described herein, the lien of such pledge on the Available Revenues and the obligation to perform the contractual provisions made herein shall have priority over any of all other obligations and liabilities of the Authority with respect to the Available Revenues.

7.9. Opinion. At the time of any issuance of District Bonds, the Authority shall deliver an opinion of counsel addressed to the Districts, which opinion shall state in substance that this Agreement has been duly authorized, executed, and delivered by the Authority, constitutes a valid and binding agreement of the Authority, enforceable according to its terms, subject to any applicable bankruptcy, reorganization, insolvency, moratorium, or other law affecting the enforcement of creditors' rights generally and subject to the application of general principles of equity.

7.10. Books and Accounts; Financial Statements. The Authority will keep proper and current itemized records, books, and accounts in which complete and accurate entries shall be made of the receipt and use of all amounts of Available Revenues and such other calculations required by this Agreement, the District Bonds and any applicable law or regulation. The Authority shall prepare after the close of each fiscal year, a complete financial statement prepared

in accordance with generally accepted accounting principles accepted in the United States of America for such year in reasonable detail covering the above information, by a certified public accountant, and shall furnish a copy of such statement to Developer (or Districts as applicable) within two hundred seventy (270) days after the close of each fiscal year of the Authority or upon such earlier date as may be required by any bond documents relating to District Bonds.

7.11. Inspection of Records. All records (except those allowed or required by applicable law to be kept confidential) in the possession of the Authority relating to this Agreement, including, without limitation, those relating to the Available Revenues, the Public Improvements and the Special Fund shall at all reasonable times be open to inspection by such accountants or other agents as the respective Parties may from time to time designate.

7.12. No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Parties under this Agreement, including, without limitation, the right to receive and apply any revenue to the Authority's Reimbursement Obligation described in this Agreement.

7.13. Authority Administrative Fee; Retainer. Commencing in the calendar year 2023 and continuing through calendar year 2047, an administrative fee (the "Authority Administrative Fee") in the annual amount of \$70,000, escalating at a rate of two percent (2%) annually in each subsequent year, as more particularly shown on Exhibit E, of the total annual TIF Revenue shall be retained and collected annually by the Authority from the total TIF Revenue initially deposited in the Special Fund, the proceeds of which shall be used, among other things, to defray the Authority's costs of administering the Urban Renewal Plan, including, but not limited to, overhead, administration, accounting and reporting of the collection and disbursement of TIF Revenues. Commencing in 2023 and until such time as the TIF Revenue is annually in excess of an amount required to fund an Authority Administrative Fee of not less than the applicable amount provided on Exhibit D, and in any other year in which the TIF Revenue falls below the amount sufficient to pay the Authority Administrative Fee in full, Developer shall pay the Authority Administrative Fee (or the applicable unfunded balance thereof) not later than June 30 of such year. Any unpaid amount shall accrue interest thereon at an annual rate of eight percent (8.0%) simple interest. In addition to the Authority Administrative Fee, Developer agrees to fund and maintain on retainer with the Authority an amount equal to \$15,000, to be used by the Authority pay extraordinary direct expenses of the Authority relating to Developer's project, outside the normal duties of the Authority in administering this Agreement, such extraordinary direct expenses include, but are not limited to, legal and accounting costs related to any future financing of project costs, legal costs associated with defending the Authority's ability to collect the Available Revenues, legal costs associated with defending the terms of this Agreement, and any other costs incurred that are not outlined by this Agreement (plus fifteen percent (15%)). If the Authority applies any funds from such retainer, the Authority will provide an invoice to Developer showing the funds applied and the applicable costs, and Developer agrees to replenish the funds in the retainer account to the initial amount within ten (10) days thereafter. In the event that the Developer fails to replenish the retainer or pay any other amount advanced by the Authority and reimbursable by the Developer under this Agreement, the Authority may apply interest to such amount at a rate equal to the greater of (i) Wall Street Journal Prime plus two percent (2.0%) or (ii) eight percent (8.0%) per annum. The Authority may further offset any such obligation against Available Revenues as available.

8. PLAN REVIEW PROCEDURE

The Developer will submit its Development Plans, design standards, the construction documents, and the uses it proposes for the redevelopment of the Property (collectively, the “Plans and Specifications”) for each Phase or component thereof, which shall conform to the Concept Plan and the approvals by the City, as applicable. The Authority shall review the Plans and Specifications and, if approved, no further approval by the Authority shall be required except for any substantial change in the Plans and Specifications. The Authority shall submit its comments to Developer within thirty (30) days after receipt of said Plans and Specifications by the Authority. If the Authority rejects Plans and Specifications in whole or in part, it shall deliver its rejection to the Developer in writing, specifying the reasons for rejection. The Developer shall submit new or corrected Plans and Specifications for each Phase, or portion thereof, that conforms to the requirements of this Agreement. The construction of the Improvements shall substantially conform to the Plans and Specifications as approved by the Authority. If the Developer desires to make any substantial changes in the Plans and Specifications for each Phase, or portion thereof, after their approval, the Developer shall submit the proposed changes to the Authority for approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Approvals or rejections of Plans and Specifications or proposed changes shall be made by the Authority as provided herein and should approval or rejection not be timely made, then it shall be deemed that Approval has been given.

During the period of construction of each Phase of the redevelopment of the Property, the Developer shall provide quarterly to the Authority an updated construction budget with a schedule of values in form and substance reasonably acceptable to the Authority.

The Developer shall provide to the Authority a quarterly report reflecting number of leases signed and data regarding occupancy of the Project.

9. CONSTRUCTION AND MAINTENANCE OF IMPROVEMENTS

9.1. Agreement to Commence and Complete Construction. The Developer and the Districts, as applicable, shall promptly commence and diligently prosecute to completion, or cause to be promptly continued and diligently prosecuted to completion, the design and construction of the Improvements described in the applicable plans and specifications in accordance with the Concept Plan and Schedule of Performance. The Developer and the Districts, as applicable, shall use their reasonable best efforts to commence and complete construction of the Improvements on the Property for all Phases of the redevelopment thereof (or portion thereof as approved by the Authority). For purposes of this Agreement, (i) “Commence Construction” or “Commencement of Construction” means the visible commencement by the Developer and the Districts, as applicable, of actual physical construction and operations on the Property for the erection of any of the Improvements, including, without limitation, obtaining all required permits and licenses and installation of a permanent required construction element, such as a caisson, footing, foundation or wall; and (ii) “Complete Construction” or “Completion of Construction” means (a) for the Private Improvements, the issuance of a Certificate of Occupancy by the City so that the Private Improvements described in such certificate may open for permanent operations, and (b) for the Public Improvements, construction acceptance in accordance with applicable laws, ordinances and

regulations of the City and any other governmental entity or public utility with jurisdiction, subject to any applicable conditions of maintenance and warranty.

9.2. Progress Reports. Until Completion of Construction of the Improvements, the Developer and the Districts shall make quarterly reports, in such detail and at such times as may reasonably be requested by the Authority, as to their actual progress with respect to construction of the Improvements.

9.3. Insurance Prior to Completion of Construction. At all times while the Developer is engaged in preliminary work on the Property, and until Completion of Construction, the Developer shall maintain or cause to be maintained, and upon request, shall provide the Authority with proof of payment of premiums and certificates of insurance as follows:

(a) Builder's risk insurance (with a deductible in an amount comparable to the deductibles carried by the Developer on builder's risk insurance policies for similar projects) in an amount equal to one hundred percent (100%) of the replacement value of the Improvements at the date of Completion of Construction.

(b) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors completed operations and contractual liability insurance) and umbrella liability insurance with a combined single limit for both bodily injury and property damage of not less than \$2,000,000. Such insurance may carry a deductible in an amount comparable to deductibles carried by the Developer on liability insurance policies for similar projects.

(c) Worker's compensation insurance, with statutory coverage, including the amount of deductible permitted by statute.

(d) The policies of insurance required under subparagraphs (a) through (c) above shall be reasonably satisfactory to the Authority, placed with financially sound and reputable insurers.

9.4. Insurance after Completion of Construction. From the Completion of Construction of the Improvements and throughout the Duration, the Developer shall maintain or cause to be maintained, and upon request of the Authority shall furnish proof of the payment of the premiums on, insurance against loss and/or damage to the Improvements covering such risks as are ordinarily insured against by similar businesses, including (without limitation) fire, extended coverage, vandalism and malicious mischief, boiler explosion, water damage, and collapse in an amount not less than full insurable replacement value of the Improvements (determined by the Developer with the carrier on an "agreed-amount" basis); provided, such policy may have a deductible in an amount comparable to deductibles carried by the Developer on such insurance policies for similar projects. All such insurance policies shall be issued by responsible companies selected by the Developer. The Developer will deposit annually with the Authority copies of policies or certificates evidencing or stating that such insurance is in force and effect. Notwithstanding the foregoing, any default under any provision of Article 9 shall not impair in any manner the irrevocable pledge of revenues under this Agreement, including, without limitation, the provisions of Section 7.8, above.

9.5. Repair or Reconstruction of Improvements. The Developer shall immediately notify the Authority of any damage to the Improvements exceeding \$10,000. If the Improvements are damaged or destroyed by fire or other casualty prior to the issuance of a Certificate of Completion, the Developer, within one hundred twenty (120) days after such damage or destruction, shall proceed forthwith to repair, reconstruct and restore the damaged Improvements to substantially the same condition or value as existed prior to the damage or destruction, and the Developer will apply the proceeds of any insurance relating to such damage or destruction to the payment or reimbursement of the costs of such repair, reconstruction and restoration (unless other terms and disposition are agreed to between the Developer and the Authority).

9.6. Delivery of Financial Information. Developer agrees to provide to the Authority copies of the annual financial statements of the Developer, audited, if available, and prepared in accordance with generally accepted accounting principles and relating to the redevelopment of the Property as such financial statements become available, but in all events, within one hundred twenty (120) days after the end of each of Developer's fiscal years prior to Completion of Construction. The Authority agrees to keep such information confidential and to the extent legally permissible, to treat it as proprietary commercial and financial information, not subject to disclosure under any applicable law. In the event that the Authority is compelled, by a Court of competent jurisdiction to disclose such information, it shall provide prompt notice to the Developer and provide reasonable assistance, at Developer's expense, including the Authority's reasonable attorney fees, to the Developer in seeking a protection order.

9.7. Delivery of Ownership Information. Developer agrees to provide to the Authority the name and address of all controlling shareholders, controlling members or general partners, as applicable, of the Developer or Affiliates. This information shall be provided to the Authority within ten (10) days from the date of the signing of this Agreement.

9.8. Maintenance of Improvements. The Developer or the Districts, as applicable, shall maintain, repair and replace, as necessary, or cause to be maintained, repaired or replaced, at the Developer's sole expense, the Improvements for the Duration. In the event that the Developer or the Districts, as applicable, fails to fulfill this covenant, the Authority, after written notice and opportunity to cure as provided in Section 12.3 below, may, but shall not be obligated to, enter the Property and maintain, repair or replace the Improvements and charge the expense to the Developer or the Districts, as applicable, jointly and severally, provided that in the event of an emergency no prior notice shall be required. The Developer or the Districts, as applicable, shall pay such charges within fifteen (15) days of submittal of an invoice with supporting documentation by the Authority.

10. REPRESENTATIONS AND WARRANTIES

10.1. Representations and Warranties by the Authority. The Authority represents and warrants that:

- (a) The Authority is an urban renewal authority duly organized and existing under the Act. Under the provisions of the Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority in the redevelopment of the Property are undertaken for the purpose of eliminating and preventing the development or spread of blight.

(c) The Urban Renewal Plan has been validly adopted in accordance with the Act and is in full force and effect and has not been repealed.

(d) The Authority knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority or its officials with respect to the redevelopment of the Property, this Agreement or the Public Improvements.

10.2. Representations and Warranties by the Developer. Developer represents and warrants that:

(a) It is a duly organized and validly existing limited liability company under the laws of the State of Colorado in good standing under the laws of Colorado, has the power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement.

(b) The consummation of the transactions contemplated by this Agreement and the performance of its obligations hereunder will not violate any provisions of the governing documents of it or constitute a default or result in the breach of any term or provision of any contract or agreement to which it is a party so as to adversely affect the consummation of such transactions.

(c) It knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority, the Developer with respect to the Property, this Agreement or the Improvements.

10.3. Representations and Warranties by the Districts. Each District represents and warrants that:

(a) It is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado, has the power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement.

(b) The consummation of the transactions contemplated by this Agreement and the performance of its obligations hereunder will not violate any provisions of the governing documents of such District or constitute a default or result in the breach of any term or provision of any contract or agreement to which such District is a party so as to adversely affect the consummation of such transactions.

(c) It knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of such District or its officials with respect to the redevelopment of the Property, this Agreement or the Public Improvements.

11. RESTRICTIONS ON ASSIGNMENT AND TRANSFER

11.1. Representations as to Development. Developer represents and agrees that its undertakings under this Agreement are for the purpose of development of the Property. Developer further represents and agrees that:

- (a) the development of the Property is important to the general welfare of the Authority and the City;
- (b) upon approval of Reimbursable Project Costs, the Available Revenues will be expended to make such development possible; and
- (c) the qualifications and identity of the Developer is of particular concern to the Authority. Developer recognizes that it is because of such qualifications and identity that the Authority is entering into this Agreement with the Developer, and is willing to accept and rely on the obligations of the Developer for the faithful performance of all of its undertakings and covenants under this Agreement.

11.2. Restrictions against Transfer of Agreement. Except in connection with the District Bonds, neither Developer nor the Districts will make, create, or suffer to be made or created, any total or partial sale or transfer in any form of this Agreement, the Property or any part thereof or any interest therein or any agreement to do the same, without prior written approval of the Authority. Such approval shall not be unreasonably withheld, conditioned, or delayed. For the purposes of this Agreement, transfer shall also include a merger or acquisition transaction in which Developer is not the surviving entity.

12. EVENTS OF DEFAULT; REMEDIES

12.1. Events of Default by Developer. “Default” or an “Event of Default” by Developer or the Owner under this Agreement shall mean one or more of the following events:

- (a) the Developer, in violation of this Agreement, assigns or attempts to assign or transfer this Agreement or control of the Property, or any rights in either;
- (b) there is any change in the ownership of the Developer or in the identity of the parties in control of the Developer that violates this Agreement;
- (c) subject to the grace period described in Section 12.4, Developer fails to provide the evidence of Developer’s Financing as required;
- (d) subject to the grace period described in Section 12.4, Developer fails to commence, diligently pursue and complete construction of the Improvements for each Phase of the redevelopment of the Property as required;
- (e) a holder of a mortgage or deed of trust exercises any remedy provided by loan documents, law or equity that materially interferes with the construction of the Improvements; or

(f) subject to the grace period described in Section 12.4, Developer fails to observe or perform any material and substantial covenant, obligation or agreement required of it under this Agreement.

12.2. Events of Default by District. “Default” or an “Event of Default” by a District under this Agreement shall mean, subject to the grace period described in Section 11.4, the District fails to observe or perform any material and substantial covenant, obligation or agreement required of it under this Agreement.

12.3. Events of Default by the Authority. “Default” or an “Event of Default” by the Authority under this Agreement shall mean, subject to the grace period described in Section 12.4, the Authority fails to observe or perform any material and substantial covenant, obligation or agreement required of it under this Agreement.

12.4. Grace Periods. Upon the occurrence of a Default or an Event of Default by any Party which is subject to the grace period described in this section, such Party shall, upon written notice from another Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days (ninety (90) days if the Default relates solely to the date for Completion of Construction of Improvements) after receipt of such notice, or such cure shall be commenced and diligently pursued to completion within a reasonable time, not to exceed sixty (60) days, if curing cannot be reasonably accomplished within thirty (30) days (or ninety (90) days if the Default relates solely to the date for Completion of Construction of Improvements).

12.5. Remedies on Default. Whenever any Default or Event of Default occurs and, if applicable, is not cured under Section 12.4 of this Agreement, a non-defaulting Party may take any one or more of the following actions:

(a) Except as otherwise provided in this Agreement, suspend performance under this Agreement until it receives assurances from the defaulting Party, deemed adequate by the non-defaulting Party, that the defaulting Party will cure its Default and continue its performance under this Agreement, except that the Authority may not withhold payment of the Available Revenues as a remedy to the extent the same have been pledged to District Bonds;

(b) Prior to the issuance of District Bonds, if the Authority is the non-defaulting Party, the Authority may terminate this Agreement as to any portion of the Property where Commencement of Construction has not occurred; or

(c) take whatever legal or administrative action or institute such proceedings as may be necessary or desirable in its opinion to enforce observance or performance, including, but not limited to, specific performance or to seek any other right or remedy at law or in equity, including damages.

12.6. Delays/Waivers. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such right or deprive it of or limit such rights in any way; nor shall any waiver in fact made by such Party with respect to any default by another Party under this Agreement be

considered as a waiver of rights with respect to any other Default by the other Party under this Agreement or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.

12.7. Enforced Delay in Performance for Causes Beyond Control of Party. None of the Authority, the Developer, or the Districts, as the case may be, shall be considered in Default of its obligations under this Agreement in the event of enforced delay due to causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal, State or local government, acts of the other Party, acts of third parties (including the effect of any litigation or petitions for initiative and referendum), acts or orders of courts, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors or materialmen due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the enforced delay; provided that the Party seeking the benefit of the provisions of this section shall, within fourteen (14) days after such Party knows of any such enforced delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the enforced delay. Delays due to general economic or market conditions shall not be considered a cause allowing a delay under this Section 12.7.

12.8. Effect of Termination. If this Agreement is terminated the covenants and obligations of this Agreement that survive such termination shall remain in full force and effect the Parties agree to execute such mutual releases or other instruments reasonably required to effectuate and give notice of such termination. If this Agreement is terminated, the Authority shall retain all TIF Revenues except the District Property Tax Increment Revenues until all obligations of the Authority created pursuant to the Urban Renewal Plan are satisfied and apply those funds to such uses or expenses as the Authority deems appropriate.

12.9. Rights and Remedies Cumulative. The rights and remedies of the Parties to this Agreement are cumulative and the exercise by any Party of any one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other right or remedies for any other Default by another Party.

13. INDEMNITY

13.1. General Indemnity. The Developer, and, to the extent they legally may, the Districts, covenant and agree, at their respective expense, to pay, and to indemnify, defend and hold harmless the Authority, and its board of commissioners, officers, agents, employees, engineers and attorneys (collectively, "Indemnified Parties" or singularly, each an "Indemnified Party") of, from and against, any and all claims, damages, demands, expenses (including reasonable attorneys' fees and court costs), and liabilities resulting directly or indirectly from the Developer's or the Districts', as applicable, development, construction, repair, maintenance, management, leasing, sale, and any other conduct or activities with respect to the Property or the Improvements, unless such claims, damages, demands, expenses, or liabilities, arise solely by reason of the negligent act or omission of the Authority or other Indemnified Parties.

14. MISCELLANEOUS

14.1. Conflicts of Interest. None of the following shall have any interest, direct or indirect, in this Agreement: a member of the governing body of the Authority or of the City, an employee of the Authority or of the City who exercises responsibility concerning the Urban Renewal Plan, or an individual or firm retained by the City or the Authority who has performed consulting services in connection with the Urban Renewal Plan. None of the above persons or entities shall participate in any decision relating to this Agreement that affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is directly or indirectly interested.

14.2. Titles of Sections. Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

14.3. Incorporation of Recitals and Exhibits. All Recitals to this Agreement and the exhibits attached hereto are incorporated into and made a part of this Agreement.

14.4. No Third-Party Beneficiaries. No third-party beneficiary rights are created in favor of any person not a party to this Agreement.

14.5. Venue and Applicable Law. Any action arising out of this Agreement shall be brought in the El Paso County District Court and the laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

14.6. Binding Effect. This Agreement shall be binding on the Parties hereto, and their successors and assigns.

14.7. Integrated Contract; Severability. This Agreement constitutes the entire agreement among the Parties and supersedes any prior agreement, written or oral. The invalidation of any of its provisions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

14.8. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute but one and the same instrument.

14.9. Notices. A notice, demand, or other communication under this Agreement by any party to the other shall be sufficiently given if delivered in person or if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally or by electronic mail with confirmation of receipt, and

(a) in the case of the Developer, is addressed to or delivered to the Developer as follows:

Gold Hill Development, LLC
Attn: Robert M. Hadley
10500 NE 8th St., Suite 1760
Bellevue, WA 98004
Email: robert.hadley@hadleyproperties.com

with a copy to:

Monte C. McKeehen
10500 NE 8th St., Suite 1760
Bellevue, WA 98004
Email: monte.mckeehen@hadleyproperties.com

(b) in the case of the Districts, is addressed to or delivered to the Districts as follows:

Gold Hill North Metropolitan District Nos. 1 and 2; Gold Hill North
Business Improvement District
Attn: Russ Dykstra
Spencer Fane, LLP
1700 Lincoln St, Suite 2000
Denver, CO 80203
Email: rdykstra@spencerfane.com

(c) in the case of the Authority, is addressed to or delivered personally to the Authority as follows:

Colorado Springs Urban Renewal Authority
P.O. Box 1575, MC 640
Colorado Springs, CO 80901-1579
Attn: Executive Director
E-mail: jariah.walker@coloradosprings.gov

with a copy to:

Kraemer Deen Neville Gebauer LLC
Attn: David M. Neville, Esq.
430 N. Tejon, Suite 300
Colorado Springs, CO 80903
E-mail: dneville@k2blaw.com

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the others as provided in this section. Notice is deemed to be given on the date received (if mailed according to this section), or on the date delivered (if

personally delivered or electronically mailed with confirmed receipt in accordance with this section).

14.10. Good Faith of Parties. In performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold, condition, or delay any approval required by this Agreement.

14.11. Days. If the day for any performance or event provided for herein is a Saturday, Sunday, or other day on which either national banks or the office of the Clerk and Recorder of El Paso County, Colorado are not open for the regular transaction of business, such day therefor shall be extended until the next day on which said banks and said office are open for the transaction of business.

14.12. Further Assurances. The Parties hereto agree to execute such documents, and take such action, as shall be reasonably requested by any other party hereto to, supplement, define, update, confirm, and clarify the intent of the provisions hereof and to effectuate the agreements herein contained and the intent hereof.

14.13. Estoppel Certificate and Approvals. The Parties hereto agree to execute such documents as any other party hereto shall reasonably request to verify or confirm the status of this Agreement and of the performance of the obligations hereunder and such other matters as the requesting party shall reasonably request. Any approvals required in this Agreement shall be in writing.

14.14. Amendments. This Agreement shall not be amended except by written instrument. Each amendment hereof, which is in writing and signed and delivered by the Parties hereto shall be effective to amend the provisions hereof, and no such amendment shall require the consent or approval of any other party.

14.15. Non-Liability of Certain Officials, Employees and Individuals. Except for willful and wanton actions, no City Council member, Authority Board member, official, attorney for the Authority or City Attorney, or employee of the Authority or the City shall be personally liable to the Developer for any Event of Default by the Authority or for any amount that may become due to the Developer under the terms of this Agreement. Nothing in this Section 14.15 or this Agreement is to be construed as a waiver of any limitations upon or immunity from suits against the City or the Authority, or City or Authority Board or Council members, officials, above-named agents or employees of the Authority or the City, as may be provided by law. Except for willful and wanton actions, no member or manager, shareholder, director, partner, officer, employee or attorney of the Developer shall be personally liable to the Authority for any amount that may become due to the Authority under the terms of this Agreement. Nothing herein is to be construed to limit the liability of any individual, member, manager or transferees who become personal signatories to this Agreement, or any modification thereof.

14.16. Agreement Jointly Drafted. This Agreement shall be construed as if jointly drafted by the Parties.

14.17. No Partnership; Developer Not Agent. Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, the Authority shall not be deemed or constituted a partner or joint venturer of the Developer or the Districts, the Developer shall not be the agent of the Authority or the Districts, neither the Authority nor the Districts shall be responsible for any debt or liability of the Developer and neither the Authority nor the Districts shall be responsible for any debt or liability of the other Party.

14.18. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In the event that any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed Agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. Unless prohibited by applicable laws, the Parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

14.19. Minor Changes. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing the Agreement have been authorized to make, and may have made, minor changes in the Agreement. So long as such changes were consistent with the intent and understanding of the Parties at the time of approval by the governing bodies, the execution of the Agreement shall constitute conclusive evidence of the approval of such changes by the respective Parties.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority, the Developer and the Districts have caused this Agreement to be duly executed as of the day first above written.

ATTEST:

Secretary or Assistant Secretary

AUTHORITY:

COLORADO SPRINGS URBAN RENEWAL
AUTHORITY

By: _____
Maureen Juran, Chair

DEVELOPER:

GOLD HILL DEVELOPMENT, LLC, a
Washington limited liability company, registered to
do business as a Colorado foreign limited liability
company

By: _____
Name: _____
Its: _____

DISTRICTS:

GOLD HILL NORTH METROPOLITAN
DISTRICT NO. 1

ATTEST:

By: _____
Name: _____
Its: _____

GOLD HILL NORTH METROPOLITAN
DISTRICT NO. 2

ATTEST:

By: _____
Name: _____
Its: _____

GOLD HILL NORTH BUSINESS
IMPROVEMENT DISTRICT

ATTEST:

By: _____
Name: _____
Its: _____

EXHIBIT A

DEPICTION OF PROPERTY

The Plan Area is comprised of 19 parcels on approximately 106.7 acres of land plus adjacent right-of-way (ROW). The boundaries of the Plan Area include Highway 24 to the northeast, South 21st Street to the west, and existing Villa De Mesa and Gold Hill Mesa residential developments to the south as shown below.



EXHIBIT B

PUBLIC IMPROVEMENTS AND REIMBURSABLE PROJECT COSTS

Environmental Remediation	\$ 11,948,867
Regional Storm Water Control	\$ 1,550,000
Retaining Walls	\$ 1,651,200
Intersection Improvements @ 21st and Broadway	\$ 250,000
21st Street Widening	\$ 1,275,750
Smokestack Repair	\$ 1,500,000
Amphitheater Landscapes	\$ 250,000
Amphitheater Terracing	\$ 1,500,000
Trails	\$ 250,000
Play Structures	\$ 225,000
Monuments/Signage	\$ 450,000
Residential Lot overdig and contouring	\$ 3,876,000
NAD CAP and Cert	\$ 804,667
Open Space Land Aq	\$ 4,545,714
Soft Costs	\$ 6,925,127
	\$ 37,002,325

Cost savings in any line item on the list of Reimbursable Project Costs may be applied to cost overruns in any other line item.

In order to be eligible for reimbursement from CSURA, Reimbursable Project Costs must be certified in accordance with the Agreement.

EXHIBIT C

SCHEDULE OF PERFORMANCE

<u>Event</u>	<u>Date</u>
Construction Timeline	See attachment
Districts issue District Bonds	Initial bonding estimated 4th Quarter, 2024, subject to market conditions
Developer submits evidence of Developer Financing to Authority, approved in accordance with the provisions of the Agreement	1st Quarter, 2024

Attachment 1 to Exhibit C Construction Timeline

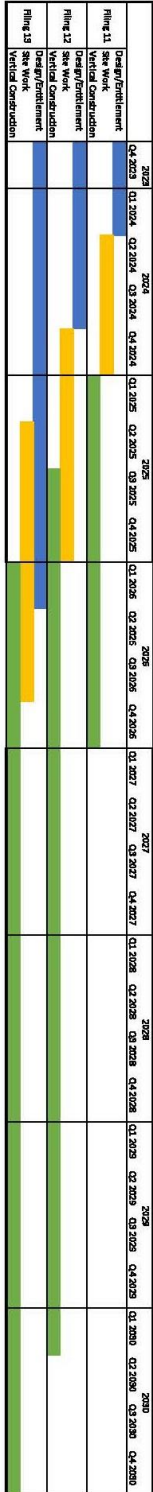


EXHIBIT D
SPECIFIC USES

DESCRIPTION	PROGRAM/GROSS SQUARE FEET
Single Family	212 Units
Townhome/Paired Homes	148 Units
Apartments	190 Units
Hotel	100 Rooms
General Retail	10,000 Sq. Ft.
Restaurant	35,400 Sq. Ft.
Grocery/Market	25,810 Sq. Ft.

EXHIBIT E

AUTHORITY ADMINISTRATIVE FEE

Year	Fee
2023	\$70,000.00
2024	\$71,400.00
2025	\$72,828.00
2026	\$74,284.56
2027	\$75,770.25
2028	\$77,285.66
2029	\$78,831.37
2030	\$80,408.00
2031	\$82,016.16
2032	\$83,656.48
2033	\$85,329.61
2034	\$87,036.20
2035	\$88,776.93
2036	\$90,552.46
2037	\$92,363.51
2038	\$94,210.78
2039	\$96,095.00
2040	\$98,016.90
2041	\$99,977.24
2042	\$101,976.78
2043	\$104,016.32
2044	\$106,096.64
2045	\$108,218.58
2046	\$110,382.95
2047	\$112,590.61