PREDEVELOPMENT RETAINER AGREEMENT

THIS PREDEVELOPMENT RETAINER AGREEMENT (the “Agreement”) is entered into as of the 27th day of February, 2019, by and between the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the “Authority”), and Copper Ridge Development, Inc., a Colorado corporation (the “Developer”).

RECITALS:

WHEREAS, Developer is the developer pursuant to the Copper Ridge at Northgate Urban Renewal Plan approved in 2010 (the “Plan”);

WHEREAS, Developer, the Authority and the Copper Ridge Metropolitan District (the “Metro District”) are parties to that certain Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property dated as of September 25, 2013 (as amended, the “Redevelopment Agreement”);

WHEREAS, the Authority, the Metro District and the City of Colorado Springs (the “City”) are parties to that certain Cooperation Agreement dated as of October 22, 2013 (as amended, the “Cooperation Agreement”);

WHEREAS, pursuant to the Redevelopment Agreement and the Cooperation Agreement, the parties acknowledged that additional funding sources would be necessary to service Metro District Improvements Bonds (as defined in the Cooperation Agreement) and construction of the Improvements (as defined in the Cooperation Agreement);

WHEREAS, the Metro District is in the process of issuing the Metro District Improvements Bonds and the Developer and the Metro District have been pursuing additional sources of financing as contemplated by the Redevelopment Agreement and the Cooperation Agreement; and

WHEREAS, the issuance of the Metro District Improvements Bonds and the pursuit of additional financing has required, and will require, additional expenditures by the Authority for additional consulting fees for impact reports, economic analysis, legal, accounting and overhead, and the Developer has agreed to deposit a retainer with the Authority to cover such expenditures;

NOW THEREFORE, in consideration of the above recitals and the covenants and conditions of this Agreement, the parties agree as follows:

1. The Developer shall pay to the Authority, upon the execution of this Agreement, a retainer deposit in the amount of $35,000.00 in immediately available funds (the “Deposit”). The Deposit is intended to secure the obligation of the Developer to compensate the Authority for reasonable costs and expenses of the Authority, in connection with undertaking, without limitation, the costs of consulting fees for impact and economic analysis and reporting, and the negotiation, drafting, execution and performance of (i) amendments to the Redevelopment Agreement and the Cooperation Agreement, (ii) an inter-governmental agreement with El Paso County (the “County”), and (iii) other agreements between the Authority, Developer, City, County and/or the Metro District or other governmental entities related to the foregoing or the Metro District Improvements Bonds (collectively, the “project’s agreements”).

2. The Authority will deposit the Deposit into an account owned by the Authority. If the account is an interest-bearing account, all interest will accrue and be added to the amount of the Deposit.

3. The Authority shall be entitled to withdraw funds from the Deposit from time to time, subject to the provisions of Section 5, for reasonable costs and expenses incurred in connection with the project’s agreements. Such expenses shall include, but shall not be limited to, studies (such as economic impact reports, market feasibility studies, etc.), legal fees, financial review, time allocated by Authority’s staff to the project (billed at the following initial rates, subject to reasonable increases from time to time upon notice to Developer: Executive staff $150.00 per hour, administrative office staff $35.00 per hour, plus 15% of the foregoing hourly rates for office overhead), hard costs and expenses, and other third-party consultants’ fees and expenses.

4. The Authority shall periodically (but no less often than quarterly) send to Developer a written reconciliation summary of its use of the Deposit. At such time as the initial Deposit is less than $3,000.00, (or reasonably projected to be less than $3,000.00 based upon anticipated necessary expenditures in connection with the project’s agreements), the Authority shall notify Developer of the amount of additional funds needed to replenish the Deposit. The Developer shall pay such additional amount within ten (10) days of the date of such notice. Any such payments will be made pursuant to the provisions of Section 5 regarding a scope of work (the “Scope”) agreed to among the parties to this Agreement. The parties to this Agreement understand that the total cost for any Scope may not be known in advance. However, the Authority will provide an estimate of cost for each Scope, which shall not be binding on the Authority but which will provide the Developer with an estimate for its budgeting purposes. The Authority (its staff and consultants) shall be entitled to cease all work on the project until such time as the additional funds have been received. Upon completion of the project agreements, or earlier upon a written agreement which specifically supersedes the payment provisions of this Agreement, any funds remaining in the Authority’s project account shall be returned to the Developer.

5. Upon payment of the Deposit, the parties hereto will proceed with good faith and reasonable diligence to finalize the amendments to the Cooperation Agreement and the Redevelopment Agreement and prepare an intergovernmental agreement with the County setting forth in detail the terms, conditions and obligations of the parties relating to development of all or a portion of the Property, and thereafter proceed with the additional project’s agreements.

The Authority and the Developer agree that work necessary to the documentation and implementation of the Plan should proceed based upon a mutually agreed upon Scope. The purpose is to allow both parties to focus their efforts on the agreements, studies, financial analysis and other work products deemed timely, to direct the financial resources towards the costs associated with each scope of work and to allow the parties to make reasonable estimates regarding the funding requirements of Section 4 above. The initial Scope shall include:

A. Preparation of an impact report and economic analysis to be presented to the County.

B. Preparation and execution of an amendment to the Cooperation Agreement among the City, the Metro District and the Authority.

C. Preparation and execution of an amendment to the Redevelopment Agreement among the Authority, the Metro District and the Developer.

D. Preparation and execution of an inter-governmental agreement among the Authority, the Metro District and the County, as well as other inter-governmental agreements as may be necessary with other taxing authorities related to the foregoing or the Metro District Improvements Bonds.

6. In the event Developer fails or refuses to pay the additional sums required pursuant to Section 4 above, in addition to the Authority’s right to cease all further work on the project, to the extent the Authority is obligated to pay (or entitled to reimbursement of) sums reasonably incurred in furtherance of this Agreement, the Authority shall be entitled to collect all such sums from the Developer, and Developer shall be liable to pay such amounts to the Authority. Additionally, the Authority shall be awarded all costs and expenses incurred by the Authority in connection with such collection action, including its reasonable attorneys’ fees and costs.

7. This Agreement shall specifically survive the execution and performance of the project’s agreements (except as specifically set forth therein), and shall be binding upon the parties hereto and their respective heirs, successors and assigns.

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IN WITNESS WHEREOF the parties have entered into this Agreement effective as of the date first above written.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Wynne Palermo, Chair

Copper Ridge Development, Inc.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_