

---

**INTERGOVERNMENTAL TAX SHARING AGREEMENT**

---

**BETWEEN**

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY**

**AND**

**GOLD HILL MESA METROPOLITAN DISTRICT NO. 2**

## **INTERGOVERNMENTAL TAX SHARING AGREEMENT**

This Intergovernmental Tax Sharing Agreement (this "Agreement") is dated as of the 10 day of JANUARY, 2011, between **GOLD HILL MESA METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO**, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the "District"), and the **COLORADO SPRINGS URBAN RENEWAL AUTHORITY**, a body corporate and politic duly organized and existing as an urban renewal authority under the constitution and laws of the State of Colorado (the "Authority"):

### **RECITALS**

**WHEREAS**, the Authority was established pursuant to Section 31-25-101 *et seq.*, C.R.S., (the "Urban Renewal Law") by resolution adopted by the City of Colorado Springs, Colorado (the "City"), on February 24, 1970; and

**WHEREAS**, pursuant to the Urban Renewal Law, on May 25, 2004, the Authority adopted the Gold Hill Mesa Urban Renewal Plan (the "Plan") for a geographic area described in the Plan (the "Plan Area") for an urban renewal project; and

**WHEREAS**, the Urban Renewal Law provides that the Authority may: (1) undertake urban renewal projects and make and execute any and all contracts and other instruments which it may deem necessary or convenient to the exercise of its powers under the Urban Renewal Law, and (2) make such appropriations and expenditures of its funds and to set up, establish, and maintain such general, separate, or special funds and bank accounts or other accounts as it deems necessary to carry out the purposes of the Urban Renewal Law; and

**WHEREAS**, pursuant to the Plan, ad valorem taxes levied after the effective date of the approval of the Plan upon taxable property in the Plan Area are divided between the entity levying the tax and the Authority for a period of 25 years, ending on May 25, 2029, as provided in the Plan; and

**WHEREAS**, under the Plan, the property tax revenues on the Plan Area's assessed valuation in excess of the assessed valuation as of the effective date of the Plan will be paid to the Authority, and pursuant to the Urban Renewal Law, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, an urban renewal project within the Plan Area; and

**WHEREAS**, the property within the District is included within the Plan Area;  
and

**WHEREAS**, the District has determined to issue bonds or other obligations in an aggregate maximum original principal amount not in excess of \$18,000,000 (with certain exceptions for refunding bonds as set forth herein) for the purpose of financing the costs of constructing public improvements for the District; and

**WHEREAS**, pursuant to that certain Urban Renewal Agreement for Redevelopment of Gold Hill Mesa Property Residential Phase, dated as of May 10, 2007, between the Authority and Gold Hill Mesa Partners, LLC, including that certain Addendum dated as of June 26, 2009 (the "Redevelopment Agreement"), it is contemplated that the Authority will make certain tax increment moneys available for the payment of the costs of improvements consistent with the Plan; and

**WHEREAS**, the Authority has determined and hereby determines that the public improvements to be financed by the District are consistent with and in furtherance of the purposes of the Plan and the urban renewal project described therein, and that in order to provide revenues sufficient to finance such improvements, it should create an indebtedness in favor of the District pursuant to this Agreement; and

**WHEREAS**, the Authority is not a "district" within the meaning of Article X, Section 20 of the Colorado Constitution, and thus may enter into multiple fiscal year financial obligations without an election; and

**NOW, THEREFORE**, in consideration of the mutual covenants and stipulations hereinafter set forth, the parties agree as follows:

**ARTICLE I  
DEFINITIONS AND INTERPRETATION**

**Section 1.01 Definitions.** Unless the context otherwise indicates, capitalized terms used herein and not otherwise defined shall have the following meanings:

Agreement: this Intergovernmental Tax Sharing Agreement, as it now exists or may hereafter be amended.

Authority: the Colorado Springs Urban Renewal Authority, a body corporate and politic, and its successors and assigns.

Authority Deduction: collectively, the following amounts:

(i) the amount of \$50,000 or such lesser amount as may be available from the Gross Tax Revenue, each Fiscal Year beginning in the year in which the amount of Gross Tax Revenue first equals or exceeds \$50,000, and ending in the tenth (10th) year after such occurrence; and

(ii) a dollar amount each Fiscal Year equal to the amount of Gross Tax Revenue multiplied by the Mill Levy Ratio.

City: the City of Colorado Springs, Colorado, and its successors and assigns.

District: Gold Hill Mesa Metropolitan District No. 2, El Paso County, Colorado, and its successors and assigns.

District Bonds: any bonds, notes, contracts, or other financial obligations issued or incurred by or on behalf of the District for the purpose of financing, refinancing, reimbursing, or otherwise paying the costs of public improvements within the District, which obligations are secured by the Pledged Tax Revenue; provided that the aggregate principal amount of District Bonds shall not exceed \$18,000,000 (not including the principal amount of District Bonds issued to pay the costs of refunding or refinancing any other District Bonds).

District Property: real and personal taxable property which is within the boundaries of the District, as such boundaries now exist or as they may be extended or otherwise modified, and including property which was excluded from the boundaries of the District but against which the District is required or obligated to impose a debt service mill levy.

Effective Date: the date on which this Agreement becomes effective, which shall be the first date on which any District Bonds are issued.

Event of Default: any one or more of the events described in Section 3.01 hereof.

Fiscal Year: the twelve (12) months commencing January 1 of any year and ending December 31 of said year.

Gross Tax Revenue: all property tax revenue derived by the Authority pursuant to the Plan from property taxes imposed on District Property, excluding investment income thereon while such revenue is held and invested by the Authority.

Mill Levy Ratio: the percentage obtained by dividing 5 mills by the total mill levy of all entities imposing a property tax on the District Property, excluding the mill levy of the District, which ratio shall be determined as of the mill levy imposition date next preceding the Effective Date. Once determined, the Mill Levy Ratio shall remain unchanged.

Minimum Mill Levy: an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) to be imposed by the District upon all taxable property of the District each year in an amount not less than 20 mills; provided however, that:

(i) In the event the method of calculating assessed valuation is changed after the Effective Date, the 20 mills referred to above will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

(ii) Notwithstanding anything herein to the contrary, in no event may the Minimum Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Minimum Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected

in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Minimum Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Plan: the Gold Hill Mesa Urban Renewal Plan approved by the Authority for the Plan Area on May 25, 2004, and including any amendments made thereto in accordance herewith.

Plan Area: the area within which the Plan is to be implemented, as described in the Plan.

Pledged Tax Revenue: the Gross Tax Revenue less the Authority Deduction.

Pledged Tax Revenue Fund: a special fund of the District created by this Agreement into which Pledged Tax Revenue is to be credited or deposited as provided herein.

Public Improvements: the public improvements which the District is authorized to provide pursuant to the Service Plan.

Redevelopment Agreement: that certain Urban Renewal Agreement for Redevelopment of Gold Hill Mesa Property Residential Phase, dated as of May 10, 2007, between the Authority and Gold Hill Mesa Partners, LLC, including that certain Addendum dated as of June 26, 2009, and that certain Addendum dated as of Jan. 20, 2011.

Service Plan: the service plan for the District, as approved by the City pursuant to the Title 32, Part 1, C.R.S., including any amendments or supplements hereafter approved.

Termination Date: the date upon which this Agreement terminates, which shall be the earlier of: (i) the date after the Effective Date upon which no District Bonds are outstanding under the documents pertaining thereto, provided that if the District has no outstanding District Bonds but has not at that time issued the maximum principal amount of \$18,000,000 as determined by the definition of District Bonds herein, this Agreement shall not terminate pursuant to this clause (i) unless the District certifies to the Authority that it has no intent to issue the remaining District Bonds; or (ii) the date after which no further Gross Tax Revenue is to be collected pursuant to the Plan.

Trustee: any bank or other financial institution acting as trustee for the holders or owners of the District Bonds.

**Section 1.02 Interpretation**. In this Agreement, unless the context otherwise requires:

(a) the terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar term, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof;

(b) the term "heretofore" means before the Effective Date, the term "now" means the Effective Date, and the term "hereafter" means after the Effective Date;

(c) the term "parties" or "party" refer either collectively or singly to the District or the Authority, and do not include any other person or entity;

(d) words of the masculine gender include correlative words of the feminine and neuter genders and words importing the singular number include the plural number and vice versa;

(e) the captions or headings of this Agreement, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement; and

(f) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

## **ARTICLE II PLEDGE OF PLEDGED TAX REVENUE**

**Section 2.01 Nature of Obligation; Lien.** The Authority hereby acknowledges itself indebted and promises to deposit the Pledged Tax Revenue to the Pledged Tax Revenue Fund as provided herein. The obligations of the Authority to credit Pledged Tax Revenue to the Pledged Tax Revenue Fund as provided herein shall be an irrevocable multiple fiscal year financial obligation of the Authority. The District shall have an irrevocable and exclusive lien on the Pledged Tax Revenue and the Pledged Tax Revenue Fund.

### **Section 2.02 Pledged Tax Revenue Fund.**

(a) *Creation of Pledged Tax Revenue Fund.* The Pledged Tax Revenue Fund is hereby created and established by the District, to be held, invested, and maintained by the District in accordance with the terms hereof.

(b) *Deposit of Pledged Tax Revenue.* As soon as is practicable after the receipt of any Gross Tax Revenue by the Authority after the Effective Date, the Authority will determine the portion thereof, if any, which is Pledged Tax Revenue hereunder, and shall credit or deposit such amount to the Pledged Tax Revenue Fund. The District will provide the Authority with such wiring or deposit instructions as may be necessary to effectuate the above credit or deposit. The entire amount defined herein as the Authority Deduction for the Fiscal Year in which any Gross Tax Revenue is received may be deducted from the Gross Tax Revenue prior to any credit or deposit to the Pledged Tax Revenue Fund for that Fiscal Year.

(c) *Use of Moneys in the Pledged Tax Revenue Fund.* The District may draw upon or otherwise use the moneys in the Pledged Tax Revenue Fund solely for the purpose of paying debt service and other charges in connection with the financing or refinancing of District Bonds.

(d) *Investments.* Moneys in the Pledged Tax Revenue Fund may be invested by the District in securities or obligations which are lawful investments for District moneys.

**Section 2.03 Covenants of Authority.** The Authority agrees and covenants with the District as follows:

(a) The Authority will take such actions as may be practicable to enforce and collect all Gross Tax Revenue in accordance with the Plan.

(b) The Authority will keep and maintain accurate records of the receipts and expenditures of the Gross Tax Revenue and the Pledged Tax Revenue so that the amounts thereof can be readily and accurately determined, and shall make such records available to the District or the Trustee upon request.

(c) The Authority will not incur any obligations payable in whole or in part from the Pledged Tax Revenue or the Pledged Tax Revenue Fund, nor will it create or permit to be created any lien, encumbrance, or pledge upon the Pledged Tax Revenue or Pledged Tax Revenue Fund other than the lien created hereby in favor of the District.

(d) At least once a year in the time and manner provided by law, the Authority will cause an audit to be performed of the records relating to the revenues and expenditures of the Gross Tax Revenue and the Pledged Tax Revenue. Such audit may be made part of and included within the general audit of the City, and made at the same time as the City's general audit.

(e) Each Authority official, agent, or employee having custody of any Gross Tax Revenue or Pledged Tax Revenue, or responsible for the handling of such funds, shall be insured at all times, which insurance shall be conditioned upon the proper application of said funds.

(f) The Authority will not amend, repeal, or otherwise alter the Plan or the Plan Area in any manner which would materially adversely affect the amount of Pledged Tax Revenue which might otherwise be collected without the prior written consent of the District.

(g) The Authority will not unreasonably object to the issuance of obligations as District Bonds. It is the intent hereof that up to Eighteen Million Dollars (\$18,000,000.00) of District Bonds (not including the principal amount of District Bonds issued to pay the costs of refunding or refinancing any other District Bonds) will be issued and secured by the Pledged Revenue, and the Authority hereby agrees that it will not object to the issuance of obligations as District Bonds so long as it can determine to its satisfaction that (1) with respect to District Bonds not issued for refunding purposes, the Public Improvements proposed to be financed by such issue of District Bonds are in conformance with Exhibit C of the Redevelopment Agreement, and (2) with respect to District Bonds issued to pay the costs of refunding or refinancing any other District Bonds, that the refunding or refinancing does not materially adversely affect the Authority.

**Section 2.04 Covenants of District.** The District agrees and covenants with the Authority as follows:

(a) The District will apply all moneys credited or deposited to the Pledged Tax Revenue Fund only to the payment of the costs of providing the Public Improvements, including without limitation payment of debt service and other charges in connection with the financing or refinancing of District Bonds issued to provide Public Improvements.

(b) The District Authority will keep and maintain accurate records of the receipts and expenditures of moneys in the Pledged Tax Revenue Fund, and shall make such records available to the Authority upon request.

(c) At least once a year in the time and manner provided by law, the District will cause an audit to be performed of the records relating to the revenues and expenditures of the moneys in the Pledged Tax Revenue Fund. Such audit may be made part of and included within the general audit of the District, and made at the same time as the District's general audit.

(d) Each District official, agent, or employee having custody of any Pledged Tax Revenue or the Pledged Tax Revenue Fund, or responsible for the handling of such funds, shall be fully bonded or insured at all times, which bond or insurance shall be conditioned upon the proper application of said funds.

(e) On every annual tax levy date (currently, on or prior to each December 15) occurring prior to the Termination Date, the District covenants to impose the Minimum Mill Levy for the purpose of paying the District Bonds.

(f) Not less than 30 days prior to the issuance of any obligations constituting District Bonds (including District Bonds issued to pay the costs of refunding or refinancing any other District Bonds), the District shall provide written notice to the Authority of such proposed issuance. If the Authority objects to such issuance, in writing, not less than 20 days after such notice, then such obligations shall not be issued as District Bonds and shall not be secured by the Pledged Revenue. If the Authority does not object, in writing, not less than 20 days after such notice, then the right of the District to issue such obligations as District Bonds secured by the Pledged Revenue shall be conclusively established. Any such objection by the Authority shall note the grounds for the objection.

**Section 2.05 Obligations Absolute.** The Authority's obligations to credit the Pledged Tax Revenue to the Pledged Tax Revenue Fund as provided herein shall be absolute and unconditional under any and all circumstances, and irrespective of any setoff, counterclaim, or defense to payment which any party hereto may have against any other party hereto or any other person whatsoever, including, without limitation, any defense based on the failure of any party to perform hereunder or under any other agreement or obligation, and irrespective of the legality, validity, regularity, or enforceability of any other agreement or obligation (including without limitation the Redevelopment Agreement), and any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.



**ARTICLE III  
DEFAULTS AND REMEDIES**

**Section 3.01 Events of Default.** The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body):

(a) The Authority fails or refuses to credit the Pledged Tax Revenue to the Pledged Tax Revenue Fund in accordance with the provisions of Article II hereof;

(b) Any party defaults in the performance or observance of any other of the covenants, agreements, or conditions hereof to be performed or observed by such party, and fails to remedy the same after notice thereof pursuant to Section 3.06 hereof.

**Section 3.02 Remedies.** It is hereby agreed that there shall be no remedy for any claimed default that has not become an Event of Default, and that the only remedies for Events of Default shall be as described in this Section:

(a) Upon an Event of Default under Section 3.01(a) hereof, the District may proceed to protect and enforce its rights by such suit, action, or special proceedings as the District shall deem appropriate under the circumstances, including without limitation an action in mandamus or for specific performance.

(b) Upon an Event of Default under Section 3.01(b) hereof, any party hereto may ask a court of competent jurisdiction to enter a writ of mandamus to compel the breaching party to perform its duties under this Agreement, and such writ of mandamus shall be the only remedy available for an Event of Default under Section 3.01(b) hereof. No action for damages shall lie for an Event of Default under Section 3.01(b) hereof.

**Section 3.03 Delay or Omission No Waiver.** No delay or omission of any party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

**Section 3.04 No Waiver of One Default to Affect Another; All Remedies Cumulative.** No waiver of any Event of Default hereunder by any party shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the parties provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

**Section 3.05 Discontinuance of Proceedings; Position of Parties Restored.** In case any party shall have proceeded to enforce any right hereunder and such proceedings shall

have been discontinued or abandoned for any reason, or shall have been determined adversely to such party, then and in every such case the parties shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the parties shall continue as if no such proceedings had been taken.

**Section 3.06 Notice of Default; Opportunity to Cure Defaults.** No default under Section 3.01(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by one or more of the parties to the defaulting party, and the defaulting party shall have had ninety (90) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

#### **ARTICLE IV MISCELLANEOUS**

**Section 4.01 Representations and Warranties.** Each party hereby represents and warrants to the other parties as follows:

(a) No litigation of any nature is now pending against the party or, to the best of the party's knowledge, threatened, which if determined adversely to such party would materially adversely affect such party's legal or practical ability to perform its obligations hereunder.

(b) To the best of such party's knowledge, the execution of this Agreement and performance of the party's obligations hereunder do not conflict with or constitute a breach of or default under, any indenture, commitment, agreement, or other instrument to which the party is subject or by which the party is bound or under any existing law, rule, regulation, resolution, judgment, order, or decree to which the party is subject.

(c) The party has legal authority to execute this Agreement and upon due execution by such party this Agreement shall be a valid and binding obligation of the party, legally enforceable in accordance with the terms hereof.

**Section 4.02 Relationship of Parties; Third Party Beneficiaries; Trustee.** This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the parties. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the parties and any Trustee any right, remedy, or claim under or by reason of this Agreement or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Agreement by and on behalf of any party shall be for the sole and exclusive benefit of the parties and any Trustee. It is the intent of the parties hereto that except for the Trustee, there shall be no third party beneficiaries of this Agreement.

**Section 4.03 Assignment.** Neither this Agreement, nor any party's rights, obligations, duties, or authorities hereunder may be assigned in whole or in part without the prior written consent of the other parties, and any purported assignment otherwise shall be void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment. Notwithstanding the foregoing or anything else herein to the contrary, the District may assign any of its rights hereunder to a Trustee, and allow such Trustee to act as the agent of the District for any purpose hereunder.

**Section 4.04 Modification.** This Agreement may not be modified, amended, changed, or terminated, in whole or in part, except by an agreement in writing duly authorized and executed by the parties hereto. It is acknowledged by the parties that the District expects to covenant to withhold its agreement to certain modifications or changes hereto in the documents authorizing the issuance of District Bonds.

**Section 4.05 Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

**Section 4.06 Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

**Section 4.07 Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 4.08 Notices; Waiver.**

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Agreement shall be in writing, shall be given either in person or by certified or registered mail, and if mailed, shall be deemed received three (3) days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

**Authority:** Colorado Springs Urban Renewal  
Authority  
104 S. Cascade Avenue, Suite 205  
Colorado Springs, Colorado 80909  
Attention: Charles Miller

With a copy to:

Dan S. Hughes, Esq.  
524 S. Cascade, Suite 2  
Colorado Springs, Colorado 80903

**District:** Gold Hill Mesa Metropolitan District  
No. 2  
142 South Raven Mine Drive  
Suite 200  
Colorado Springs, Colorado 80905  
Attention: President

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent, and may agree that notices to such person may be sent by facsimile transmission in lieu of or in addition to notice as provided in (a) above.

(c) Where this Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

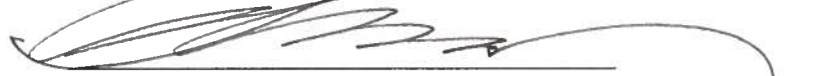
**Section 4.09 Holidays.** If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday, with the same force and effect as if done on the nominal date provided in this Agreement.

**Section 4.10 Effective Date; Termination Date.** This Agreement shall take effect upon the Effective Date and shall remain in effect until the Termination Date.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

( S E A L )

**COLORADO SPRINGS URBAN  
RENEWAL AUTHORITY**

  
\_\_\_\_\_

Chairman

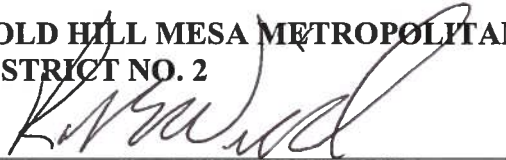
ATTESTED:

  
\_\_\_\_\_

Authorized Officer

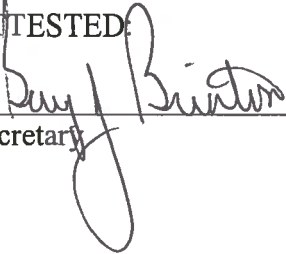
( S E A L )

**GOLD HILL MESA METROPOLITAN  
DISTRICT NO. 2**

  
\_\_\_\_\_

President

ATTESTED:

  
\_\_\_\_\_

Secretary

## ADDENDUM

This Addendum is dated as of the 20<sup>th</sup> day of January, 2011, between and among **COLORADO SPRINGS URBAN RENEWAL AUTHORITY**, duly organized and existing as an urban renewal authority under the constitution and laws of the State of Colorado (the "Authority"), **GOLD HILL MESA PARTNERS, LLC**, a Colorado limited liability company ("Original Redeveloper"), and **GOLD HILL NEIGHBORHOOD, LLC**, a Colorado limited liability company, (the "Successor Redeveloper"):

### RECITALS

**WHEREAS**, the Original Redeveloper and the Authority have heretofore executed that certain Urban Renewal Agreement for Redevelopment of Gold Hill Mesa Property Residential Phase, dated as of May 10, 2007, including that certain Addendum dated as of June 26, 2009 (the "Redevelopment Agreement"); and

**WHEREAS**, the Redevelopment Agreement provides for, *inter alia*, the payment to the Original Redeveloper of certain tax increment revenues as more particularly described therein; and

**WHEREAS**, the Redevelopers have created Gold Hill Mesa Metropolitan District No. 2 (the "District") for the purpose of financing certain public improvements consistent with the Gold Hill Mesa Urban Renewal Plan; and

**WHEREAS**, the District has proposed, and the Authority has approved, that certain Intergovernmental Tax Sharing Agreement, dated Jan. 20, 2011 (the "Tax Sharing Agreement"), pursuant to which certain tax increment revenues will be paid to the District for the purpose of allowing the District to finance the aforementioned improvements; and

**WHEREAS**, certain provisions of the Redevelopment Agreement conflict with the provisions of the Tax Sharing Agreement, and it is the intent of the parties that the Tax Sharing Agreement shall control; and

**WHEREAS**, the Successor Redeveloper is the lawful successor to the Original Redeveloper, and the parties wish to memorialize such succession:

**NOW, THEREFORE**, in consideration of the mutual covenants and stipulations hereinafter set forth, the parties agree as follows:

**Section 1. Tax Sharing Agreement Controls.** It is hereby agreed by the parties that the provisions of the Tax Sharing Agreement shall control over conflicting provisions of the Redevelopment Agreement. Specifically, but not by way of limitation, the provisions of the Tax Sharing Agreement providing for the payment of Pledged Tax Revenue shall replace and supersede all provisions of the Redevelopment Agreement providing for the payment to the Original Redeveloper of tax increment revenues.

**Section 2. Successor Redeveloper.** It is hereby agreed by the parties that the Successor Redeveloper shall be the successor of the Original Redeveloper for all purposes under the Redevelopment Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Addendum as of the day and year first above written.

( S E A L )

**COLORADO SPRINGS URBAN  
RENEWAL AUTHORITY**

  
Chairman

ATTESTED:

  
\_\_\_\_\_  
Authorized Officer

**GOLD HILL MESA PARTNERS, LLC**

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

As:   
\_\_\_\_\_

**GOLD HILL MESA NEIGHBORHOOD,  
LLC**

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

As:   
\_\_\_\_\_