URBAN RENEWAL AGREEMENT FOR DEVELOPMENT
OF THE SOUTH NEVADA AVENUE AREA URBAN RENEWAL PLAN AREA

THIS URBAN RENEWAL AGREEMENT (the "Agreement") FOR DEVELOPMENT OF THE SOUTH NEVADA AVENUE AREA URBAN RENEWAL PLAN AREA (the "Area") is made as of the day of December 16, 2015, by and between the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority"), and SNA DEVELOPMENT LLC, a Colorado limited liability company (the "Developer") (the Authority and the Developer 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 or its Affiliate is the owner or contract purchaser of 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 South Nevada Avenue Area Urban Renewal Plan adopted by the City Council of the City of Colorado Springs, Colorado (the "City") on November 24, 2015 (the "Urban Renewal Plan").

C. The Developer intends to develop the Property substantially in accordance with the Concept Plan (as it applies to the Property and any additions to the Property as the Parties may agree are to be included in this Agreement) depicted in the report prepared by Thomas & Thomas RTA Architects entitled "Urban Renewal South Nevada Avenue Corridor" dated November 24, 2015, consisting of 41 pages (the "Concept Plan"), which Concept Plan is incorporated in and made a part of this Agreement by this reference. The Concept Plan will be supplemented, updated, and clarified in accordance with Section 5.12 as to its more specific application to the Property, subject to approval by the Authority.

D. The Public Improvements and Reimbursable Project Costs (as defined below) are listed in preliminary form on Exhibit B, attached to and made a part hereof, which exhibit may be clarified in accordance with Section 4. The Urban Renewal Plan allocates both property tax increment revenue ("Property Tax TIF") and municipal sales tax increment revenue ("Sales Tax TIF") to the Authority to carry out the redevelopment of the Area defined in the Urban Renewal Plan. This Agreement shall allocate and pledge the Property Tax TIF produced from ad valorem property taxes levied on real and personal property within and on the Property to the Developer (and its Affiliates as defined herein) and approved assigns in accordance with this Agreement.

E. The Authority and the City of Colorado Springs will enter into a separate cooperation agreement (the "Cooperation Agreement") providing for the distribution of the Sales Tax TIF produced by taxable sales on and within the Property to the Developer (and its Affiliates and approved assigns) in accordance with this Agreement.

F. The Parties to this Agreement intend to cooperate with each other in the development of the Property and pledge and payment of the Property Tax TIF and Sales Tax TIF to or on behalf of the Developer 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) Encourage and protect existing development on the Property;

(b) Renew and improve the character and environment of the Area;

(c) Enhance the current sales tax base and property tax base of the Area;

(d) Provide the incentives necessary to induce private development and redevelopment of the Area;

(e) Effectively use undeveloped land within the Area;

(f) Encourage financially successful projects within the Property;

(g) Stabilize and upgrade property values within the Area;

(h) Accommodate and provide for the voluntary environmental cleanup of the Area;

(i) Promote improved traffic, public transportation, public utilities, recreational and community facilities within the Area; and

(j) Promote the participation of existing owners in the revitalization and development of the Property.

## 2. CERTAIN DEFINITIONS

2.1. "Act" shall have the meaning set forth in Section 1.

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

2.3. "Agreement" shall have the meaning set forth in the Preamble.

2.4. "Area" shall have the meaning set forth in the Urban Renewal Plan.

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. "Certificate of Completion" shall have the meaning set forth in Section 10.1.

2.9. "City" shall have the meaning set forth in Recital B.

2.10. "Commence Construction" shall have the meaning set forth in Section 9.1.

2.11. "Commencement of Construction" shall have the meaning set forth in Section 9.1.

2.12. "Complete Construction" shall have the meaning set forth in Section 9.1.

2.13. "Completion of Construction" shall have the meaning set forth in Section 9.1.

2.14. "Concept Plan" shall have the meaning set forth in Recital C.

2.15. "Cooperation Agreement" shall have the meaning set forth in Recital E.

2.16. "Default" shall have the meaning set forth in 13.1 and 13.2.

2.17. "Developer" shall have the meaning set forth in the Preamble.

2.18. "Developer's Account" shall have the meaning set forth in Section 7.8.

2.19. "Developer Financing" shall have the meaning set forth in Section 7.1.

2.20. "District" shall have the meaning set forth in Section 7.1.

2.21. "District Bonds" shall have the meaning set forth in Section 7.2.

2.22 "Excess Costs" shall have the meaning set forth in Section 7.1.

2.22. "Event of Default" shall have the meaning set forth in Section 13.1 and 13.2.

2.23. "Improvements" shall have the meaning set forth in Section 4.

2.24. "Indemnified Parties" and "Indemnified Party" shall have the meaning set forth in Section 14.1.

2.25. "Parties" and "Party" shall have the meanings set forth in the Preamble.

2.26. "Phase" shall have the meaning set forth in Section 4.

2.27. "Pledged Revenues" shall have the meaning set forth in Section 7.3.

2.28. "Property" shall have the meaning set forth in Recital B.

2.29. "Property Tax TIF" shall have the meaning set forth in Recital D.

2.30. "Public Improvements" shall have the meaning set forth in Section 4.

2.31. "Reimbursable Project Costs" shall have the meaning set forth in Section 7.3.

2.32. "Sales Tax TIF" shall have the meaning set forth in Recital D.

2.33. "Schedule of Performance" shall have the meaning set forth in Section 4.

2.34. "Urban Renewal Plan" shall have the meaning set forth in Recital B.

## 3. CONDITIONS PRECEDENT

The respective obligations of the Parties under this Agreement are conditioned upon the following events, each of which must be satisfied or waived by the date specified for each event. It is the understanding of the Parties that the Agreement may be terminated by the Party identified in each subsection if such condition is not satisfied or waived.

3.1. Allocation of Sufficient Sales Tax TIF. The City must agree to allocation of not less than 1.75% for the first five years and thereafter for the remaining term of the Authority's Reimbursement Obligation, 1.5% of the Sales Tax TIF collected on or within the Property to the Developer in the Cooperation Agreement, which Cooperation Agreement must be approved and executed by the City and the Authority on or before December 31, 2015 or the Developer may terminate this Agreement.

3.2. Developer Financing. The Developer must obtain the Authority's approval of the Developer Financing for the first phase or component of the first phase in accordance with the Schedule of Performance or either Party may terminate the Agreement. The Schedule of Performance shall provide that December 31, 2018 shall be the Developer's first required Developer Financing submission date.

3.3. Failure of Conditions; Termination. If all of the foregoing conditions precedent have not been satisfied or waived in writing on or before the respective dates (or any written extension of such dates executed by the Parties) listed for each event, the designated Party or Parties may terminate this Agreement by giving written notice to the other. Thereafter this Agreement will terminate and become null and void and of no effect within thirty (30) days after receipt of such notice of termination unless the Parties have otherwise agreed in writing. Upon such termination no action, claim or demand may be based on any term or provision of this Agreement, and each Party shall pay its own costs and expenses related to this Agreement. In addition, the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination and to accomplish the terms hereof.

## 4. DESCRIPTION OF DEVELOPMENT AND PUBLIC IMPROVEMENTS

Development of the Property may occur in phases (each a "Phase") as set forth in the Concept Plan. On or before March 31, 2016, the Developer shall submit for review and approval by the Authority (a) a Schedule of Performance setting forth target dates for redevelopment of the Property and financing and construction of the Improvements; provided, however, the Developer is authorized to undertake development or redevelopment of any part of the Property prior to such date if Developer obtains the Developer Financing for such development or redevelopment and is otherwise ready, willing and able to proceed in accordance with this Agreement, (b) a more comprehensive and detailed version of the Concept Plan as it applies to the Property, and (c) if agreed to by the Parties, a more detailed list of Reimbursable Project Costs. Development will consist of mixed-use commercial and residential uses and 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 any Service Plan (if applicable) and the provisions of this Agreement.

Developer shall construct on the Property the Improvements required to carry out the Concept Plan as it applies to the Property. Such improvements are generally described in Exhibit B attached hereto and made a part hereof ("Public Improvements" or "Improvements" and "Reimbursable Project Costs"). Subject to the terms and conditions of this Agreement, the Developer agrees to finance and to construct, or, cause to be constructed, all Public Improvements necessary to develop the Property in accordance with the Concept Plan. 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 as it may be supplemented and clarified in accordance with Section 15.12.

## 5. PREPARATION OF THE PROJECT FOR DEVELOPMENT

5.1. Zoning. 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 Developer shall design and construct the Public Improvements for the Property within a reasonable period of time as established in the Schedule of Performance. With respect to each Phase, the Developer shall 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 construction and installation of such utilities shall conform with the requirements of all applicable laws and ordinances. The Developer shall also be responsible for the relocation, design and construction of all new public streets, utilities, sidewalks, alleys, landscaping and street lighting within the public right-of-way shown in the Concept Plan, as it may be refined and updated. The Developer shall be responsible for the design, construction and cost, if any, of utility and service lines necessary for the construction of the Public Improvements within 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 Developer shall be responsible for 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 Developer and applicable governmental authorities.

5.3. Access to Property. At all reasonable times, either Party shall permit representatives of the other to have access to any part of the Property for the purpose of installing signs, obtaining data, making tests, surveys, borings, engineering studies, 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.

5.5. Antidiscrimination. The Developer, for itself and its successors and assigns, agrees that in the construction of an 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. As soon as reasonably practicable, 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. In addition, the Developer shall attach to the Public Improvements, at street level, or in or adjacent to a primary entrance to the Property, a permanent sign acceptable to the Authority not less than ninety (90) square inches acknowledging that the redevelopment was financed and constructed in cooperation with the Authority.

## 6. COOPERATION AGREEMENT

6.1. Cooperation Agreement. The Authority and the City must enter into a Cooperation Agreement that meets the requirements of Section 3.1 and is otherwise acceptable to the Developer. 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 and the Developer 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.

6.2. Purpose of Cooperation Agreement. The primary purpose of the Cooperation Agreement is to pledge to distribute to or on behalf of the Developer, sufficient Sales Tax TIF to meet the requirements of the Developer's Financing and such other reasonable and necessary terms reasonably acceptable to the Parties to carry out the Concept Plan.

## 7. PROJECT FINANCING

7.1. Developer's Financing. Developer may obtain financing commitments for construction of the Public Improvements which are acceptable to it and to the Authority. It is understood that Developer has the option to assign, in whole or in part, the Pledged Revenue described in Section 7.3 to a business improvement district or similar district (the "District") or to retain the right to receive all or any part of the Pledged Revenue and use it as a part of its financing for redevelopment of the Property. The Developer's Financing may include participation by the District in the obligation to construct the Public Improvements. In accordance with the Schedule of Performance, the Developer shall deliver to the Authority evidence, in a form and substance acceptable to the Authority, of the debt and equity financing necessary to develop the Property (the "Developer's Financing") and shall obtain the Authority's prior written consent to such financing, which consent shall not be unreasonably withheld, conditioned, or delayed. It is agreed and understood by the Parties that the Developer's Financing may include costs in excess of a fair allocation of both the cost of Public Improvements or Reimbursable Project Costs ("Excess Costs"). In such an event, it is agreed that any Sales Tax TIF revenue and Property Tax TIF revenue that is not subject to a prior pledge pursuant to a development agreement or other prior financing pledge shall be automatically added to the Pledged Revenue defined in this Agreement and subject in all respects to the priority pledge and payment provisions of this Agreement. Upon compliance with the requirements of Section 7.2, such uncommitted revenue shall be deposited in the Developer's Account when and as received in the same manner and subject to the same protections as all other Pledged Revenue.

7.2. Payment Requests. The Developer (or, if applicable, the District) may submit payment requests in accordance with the following procedure. The payment request shall indicate the all or any portion of the Reimbursable Project Costs for the Improvements. 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, curb, gutters, landscape, drainage improvements and amenities, parks, land assembly, site grading, and similar costs authorized under the Act, listed on Exhibit B, or otherwise eligible to be reimbursed pursuant to the Act, 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 a professional agreed to by the Parties that all Reimbursable Project Costs were actually incurred and not previously reimbursed to the Developer or the District 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 and/or the District to include lien releases from contractors completing the work and included on the payment request. If the District issues bonds, notes, or otherwise pays the costs of any such Public Improvements (the "District Bonds"), the Parties agree that reasonable documentation and certification requirements that satisfy the requirements of the District and any bond documents issued by the District in connection with such District Bonds will be substituted for the requirements of this Section. The Authority agrees to promptly review and approve such payment requests as comply with the requirements of this Section 7.2. Upon such approval the amounts approved for payment shall be payable from the Developer's Account in accordance with Section 7.8. Further, the Parties agree that to the extent the Developer has incurred Reimbursable Project Costs or has constructed Public Improvements that are in whole or part the obligation of third party owners or developers, the Developer shall be reimbursed for such Excess Costs as provided in Section 7.1.

7.3. Authority Financing. The sole financing provided by the Authority for the redevelopment of the Property shall be the reimbursement of actual reimbursable project costs ("Reimbursable Project Costs") from the Property Tax TIF and the Sales Tax TIF described in the Cooperation Agreement that are generated by or from the Property and Improvements thereon (the Property Tax TIF and Sales Tax TIF are defined herein as the "Pledged Revenues") plus such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1. In addition to the cost of Public Improvements, Reimbursable Project Costs are listed on Exhibit B. 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 as calculated and allocated by the Authority to the Property each year as part of the total property tax increment revenue, if any, received by the Authority from the entire Area described in the Urban Renewal Plan in accordance with the Act and applicable regulations. The Sales Tax TIF revenues shall be those revenues, if any, described in the Cooperation Agreement generated from taxable sales on or from the Property and Improvements thereon, if any, as calculated and allocated by the Authority to the Property and Improvements each year as part of the total municipal sales tax increment revenue, if any, received by the Authority from the entire Area described in the Urban Renewal Plan in accordance with the Act and Cooperation Agreement.

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 Pledged Revenues.

7.5. Authority's Reimbursement Obligation. The Authority's payment obligation under this section shall be limited to the amount of Pledged Revenues (plus such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1) actually received and legally available for such purpose less any annual administration fees owing to the Authority (the "Authority's Reimbursement Obligation"). In the event there are insufficient Pledged 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 such Pledged Revenue (plus interest thereon as contained in the Developer's approved

Developer's Financing) is available to pay such unpaid Reimbursable Project Costs, plus interest. 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 maximum Reimbursable Project Costs from the Pledged Revenues described in this Agreement, including such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1. 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 Pledged Revenues under the Act or any revenues legally available as a payment obligation in lieu of or as replacement of such Pledged Revenues. The Developer acknowledges that the generation of Pledged Revenues is totally dependent upon the production and collection of Pledged Revenues from the Property in accordance with the Act, and agrees that the Authority is in no way responsible for the amount of Pledged Revenues actually generated; provided, however, the Authority shall be responsible for monitoring and working with the City and the El Paso County Assessor to correct mistakes in calculating Pledged Revenues and payment of the Authority's Reimbursement Obligation available each year and to comply with reasonable requirements and covenants in connection with any District Bonds. The Parties acknowledge that the right to amend or modify the 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 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 Pledged Revenues and the Authority's Reimbursement Obligation. To the extent permitted by law, the Authority covenants and agrees to preserve and protect the Pledged Revenues and the rights of the Developer and any approved successors in interest of the right to receive payment of the Pledged Revenues, and to defend such rights with respect to receipt of the Pledged Revenues under and against all claims and demands of third parties not authorized to receive such Pledged 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 Pledged Revenues required to be paid hereunder to be withheld from the Developer, the District or any authorized bond trustee. Subject to the foregoing the Developer therefore agrees to assume the risk that insufficient Pledged Revenues will be generated to reimburse all Reimbursable Project Costs. The Authority's Payment Obligation under this section will commence upon approval of a payment request pursuant to Section 7.2.

7.6. Cooperation Regarding Financing. 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. Opinion. At the time of any issuance of District Bonds, the Authority shall deliver an opinion of counsel addressed to the District, 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.

7.8. Special Fund; Developer's Account. In accordance with the provisions of this Agreement and the Act, the Authority agrees to establish and make deposits of all tax increment revenue it receives pursuant to the Urban Renewal Plan and Cooperation Agreement, including the Pledged Revenue, into the special fund as provided in the Act. 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 Pledged Revenues described in this Agreement, including such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1, when and as received by the Authority. The Developer's Account shall be applied to payments in accordance with this Agreement, the Cooperation Agreement, and shall be used for no other purpose. Unless the Parties otherwise agree in writing, all Pledged Revenues in the Developer's Account shall be paid to the Developer on or before the 20th of each month up to the full amount of any and all amounts due and owning on any payment requests certified and approved in accordance with Section 7.2.

7.9. Pledge of TIF Revenue. The Authority hereby irrevocably pledges the Pledged Revenues to payment of the Authority's Reimbursement Obligation. The Pledged 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, including such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1. The Authority shall transfer the amounts in the Developer's Account as specified in Section 7.8 or in any bond documents required in connection with issuance of any District Bonds. The Authority shall keep, maintain, and apply the Pledged Revenues as required to payment of 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 Pledged Revenues as provided herein, including such additional Pledged Revenue payable for Excess Costs as provided in Section 7.1, shall be governed by Section 11-57-208, C.R.S. and this Agreement. The lien of such pledge on the Pledged 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 Pledged Revenues.

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 Pledged Revenues and such other calculations required by this Agreement, and District Bond documents, 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, and if required by statute, certified by a public accountant, and shall furnish a copy of such statement to the Developer (or District as applicable) within 220 days after the close of each fiscal year of the Authority or upon such earlier date as may be required by any District Bond documents.

7.11. Inspection of Records. All books, records and reports (except those allowed or required by applicable law to be kept confidential) in the possession of the Authority, including, without limitation, those relating to the Pledged Revenues, the Authority Administration Fee, the Public Improvements, the special fund, and any District Bonds, including the books and accounts described in this Section 7.11, 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 payment of the Authority's Reimbursement Obligation described in this Agreement.

7.13. Authority Administrative Fee. Commencing in the calendar year 2016, an administrative fee (the "Authority Administrative Fee") in the amount of $60,000 shall be retained annually by the Authority from the total TIF revenue deposited in the special fund, but not from the Developer's Account, which fee, to the extent not reimbursed from other sources, includes all amounts required to pay collection, enforcement, disbursement, and administrative fees and costs required to carry out the Urban Renewal Plan, including, without limitation, collection and disbursement of all of the TIF revenue in the special fund, including the Pledged Revenue. If the Authority is able to demonstrate to the reasonable satisfaction of the Developer that the Authority is or will be unable to collect the full amount of the Authority Administrative Fee for any of the three full fiscal years of the Authority commencing in 2016, the Developer shall advance Seventy-five percent (75%) of the shortfall of the annual Authority Administrative Fee to the Authority for that year not later than June 30 of such year. The Authority shall determine the extent to which the Authority Administrative Fee for each of such three fiscal years of the Authority is available from funds allocated to it pursuant to Section 31-25-107(9)(a)(II), C.R.S., based on calculations provided by the El Paso County Assessor. Notwithstanding the foregoing (a) in no event is the Developer obligated to advance the Authority Administrative Fee for any year commencing after 2018; (b) the amount advanced by the Developer for the Authority Administrative Fee shall not exceed $45,000 in any one year; (c) the total amount that Developer is required to advance for all Authority Administrative Fees shall not exceed $135,000; (d) each such advance of the annual Authority Administrative Fee, plus accrued interest, made by the Developer shall be paid on a priority basis from funds available in the special fund; and (e) shall bear interest at the rate of eight percent (8%) per annum from the date it is advanced. Any accrued but unpaid balance of the Authority Administrative Fee shall bear interest at the rate of eight percent (8%) per annum from the date it became due.

## 8. PLAN REVIEW PROCEDURE

The Developer will submit its 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 any plan required for the District, if applicable, the Concept Plan and the approvals by the City. The Authority shall review and approve the Plans and Specifications and 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 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 (including tenant name, location and size of leased area), parcels sold and price of parcels sold and the number of parcels still available for sale.

## 9. CONSTRUCTION OF IMPROVEMENTS

9.1. Agreement to Commence and Complete Construction. The Parties agree that the Developer has commenced and completed studies and proposed designs in preliminary form required for design and construction of the Public Improvements and has otherwise incurred Reimbursable Project Costs in support of the Plan and with the prior approval of the Authority (which approval was conditioned upon approval and adoption of the Plan by the City Council and compliance with the proper documentation and approval of such costs as Reimbursable Project Costs in accordance with Section 7.2). Subject to the Developer obtaining additional Developer's Financing, the Developer 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 Plans and Specifications (as may be further defined and detailed in the updated Concept Plan). The Developer shall use its 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 District or the Developer 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 construction acceptance in accordance with applicable laws, ordinances and regulations of the City, the District 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 shall make quarterly reports, in such detail and at such times as may reasonably be requested by the Authority, as to its 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, 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 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 until the issuance of a Certificate of Completion, the Developer shall maintain, 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.

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 the termination date of this Agreement. 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 members having an ownership interest in the Property. Further Developer shall provide to the Authority the name and address of each member of the Developer. This information shall be provided to the Authority within ten (10) days from the date of the signing of this Agreement.

## 10. CERTIFICATE OF COMPLETION

10.1. Completion of Construction of Improvements. Not later than thirty days after Completion of Construction of Improvements (or portion thereof), the Authority will furnish the Developer with a Certificate of Completion in the form attached as Exhibit C ("Certificate of Completion"). Such Certificate of Completion for all improvements shall be a conclusive satisfaction and termination of the agreements and covenants in this Agreement obligating the Developer to construct the particular Improvements and the dates for the beginning and completing such construction.

10.2. Recordation and Notice. Each Certificate of Completion shall be in such form as will enable it to be recorded. If the Authority refuses or fails to provide any such certification within thirty (30) days after written request for such by the Developer, the Authority shall, within such thirty (30) day period, provide the Developer with a written statement specifying in what respect the Developer has not achieved Completion of Construction or is otherwise in Default (as defined below), and what measures or acts will be necessary, in the reasonable opinion of the Authority, for the Developer to take or perform in order to obtain such certification. Approval or delivery of a Certificate of Completion shall not be unreasonably withheld.

## 11. REPRESENTATIONS AND WARRANTIES

11.1. 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.

11.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer 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 the Developer or constitute a default or result in the breach of any term or provision of any contract or agreement to which the Developer is a party so as to adversely affect the consummation of such transactions.

(c) The Developer 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, Developer's Financing or the Improvements.

## 12. RESTRICTIONS ON ASSIGNMENT AND TRANSFER

12.1. Representations as to Development. The Developer represents and agrees that its undertakings under this Agreement are for the purpose of development of the Property. The 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 Pledged Revenues will be available to make such development possible; and

(c) the qualifications and identity of the Developer and its principals are of particular concern to the Authority. The 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.

12.2. Restrictions against Transfer of Agreement Prior to Completion of Construction. The Developer further covenants and agrees that:

(a) Except to an Affiliate or as security for obtaining the Developer's Financing or to the District for the purpose of constructing some or all of the Public Improvements, the Developer will not, prior to the Completion of Construction of the Improvements as certified by the Authority, 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, except in the ordinary course of business or to related responsible entities, 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 transfer of a majority of the ownership or voting interests in the Developer; provided, however, that any such transfer shall not be prohibited hereunder to the extent it is to (i) any other member of the Developer on the date hereof; (ii) a trust solely for the benefit of the transferring member or an immediate family member for estate planning purposes; or (iii) a corporation, limited liability company, partnership or other entity in which the transferring member, or trusts solely for the benefit of such member own all of the voting interests.

(b) The Authority shall be entitled to require the following as conditions to any such approval:

(i) Any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the Authority, necessary to fulfill the obligations of the Developer under this Agreement (or, if the transfer is of or related to part of the obligations under this Agreement, such obligations to the extent that they relate to such part).

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority, shall assume all of the obligations of the Developer under this Agreement and agree to be subject to the conditions and restrictions to which the Developer is subject (or, if the transfer is part of the Agreement or Property, such obligations, conditions and restrictions as they apply to such part) or such different obligations approved by the Authority. The fact that any such transferee or successor has not assumed such obligations or so agreed shall not relieve such transferee or successor from such obligations, conditions or restrictions, or limit any rights or remedies of the Authority with respect to the Agreement or the construction of the Improvements. No transfer of ownership in all or any part of the Agreement or the Property, or any interest therein, however occurring and whether voluntary or involuntary, shall limit the Authority's rights, remedies or controls provided in this Agreement.

(iii) The Developer shall submit to the Authority for review all instruments and other legal documents involved in effecting transfers; and, unless the Authority gives notice of disapproval of a transfer within thirty (30) days after such Developer submittal, such transfer shall be deemed approved by the Authority.

(iv) The Developer and its transferee shall comply with such other reasonable conditions as the Authority may reasonably require to safeguard the purposes of the Act and the Urban Renewal Plan. The Developer may enter into any agreements to sell, lease or transfer all or part of the rights under the Agreement, the Property or the Improvements after the issuance of a Certificate of Completion. Unless the Developer otherwise agrees in writing, upon the written approval of the Authority of a transfer of all or part or any interest in the Property, this Agreement or the Developer, the Developer or any other party bound by this Agreement shall be relieved of its obligations under this Agreement to the extent of such transfer or the interest in the Property, Agreement or Developer included in such transfer.

12.3. Information as to Interest Holders. During the period between execution of this Agreement and Completion of Construction of the Improvements as certified by the Authority, the Developer will promptly notify the Authority of any and all changes in the ownership of interests, legal or beneficial, or of any other transaction resulting in any change in the ownership of such interests or in the relative distribution thereof, or with respect to the identity of the parties in control of the Developer or the degree thereof, of which it or any of its parties have been notified or otherwise have knowledge or information. The Developer shall furnish to the Authority a copy of any amendments to its articles of organization required to be filed with appropriate authorities in Colorado.

## 13. EVENTS OF DEFAULT; REMEDIES

13.1. Events of Default by Developer. "Default" or an "Event of Default" by Developer 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 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 13.3, Developer fails to provide the evidence of Developer's Financing as required;

(d) subject to the grace period described in Section 13.3, 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 13.3, Developer fails to observe or perform any material and substantial covenant, obligation or agreement required of it under this Agreement or to make good faith efforts to obtain Developer' s Financing.

13.2. 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 13.3, the Authority fails to observe or perform any material and substantial covenant, obligation or agreement required of it under this Agreement.

13.3. Grace Periods. Upon the occurrence of a Default or an Event of Default by either party which is subject to the grace period described in this section, such party shall, upon written notice from the other, 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 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 if curing cannot be reasonably accomplished within thirty (30) days (or ninety (90) days if the Default relates to the date for Completion of Construction of Improvements).

13.4. Remedies on Default. Whenever any Default or Event of Default occurs and, if applicable, is not cured under Section 13.3 of this Agreement, the 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;

(b) Prior to Commencement of Construction by the Developer, terminate this Agreement as to any portion of the Property where Commencement of Construction has not occurred;

(c) in the case of the Authority, withhold the Certificate of Completion; or

(d) 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.

13.5. Delays/Waivers. Except as otherwise expressly provided in this Agreement, any delay by either 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 the other 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.

13.6. Enforced Delay in Performance for Causes Beyond Control of Party. Neither the Authority nor the Developer, 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 13.6.

13.7. 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 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.

13.8. Rights and Remedies Cumulative. The rights and remedies of the Parties to this Agreement are cumulative and the exercise by either 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 the other party.

## 14. INDEMNITY

14.1. General Indemnity. The Developer covenants and agrees, at its 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 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.

## 15. MISCELLANEOUS

15.1. 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.

15.2. 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.

15.3. 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.

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

15.5. 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.

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

15.7. 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.

15.8. 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.

15.9. 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, and

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

SNA Development LLC
90 South Cascade Avenue, Suite 1500
Colorado Springs, CO 80903

with a copy to:

Paul Benedetti
2730 Iliff Street
Boulder, CO 80305

(b) 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 528
Colorado Springs, CO 80901-1579

with a copy to:

Kraemer Kendall Rupp Deen Neville LLC
Attn: David M. Neville, Esq.
430 N. Tejon, Suite 300
Colorado Springs, CO 80903

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 other 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 in accordance with this section).

15.10. Good Faith of Parties. Except in those instances where the Developer may act in its sole discretion, 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.

15.11. 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.

15.12. Further Assurances. The Parties hereto agree to execute such documents, and take such action, as shall be reasonably requested by the 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, including, without limitation, updating and clarifying the Concept Plan, Schedule of Performance, and supplementing or clarifying Reimbursable Project Costs.

15.13. Estoppel Certificate and Approvals. The Parties hereto agree to execute such documents as the 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.

15.14. 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.

15.15. 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 or 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 15.15 or this Agreement is to be construed as a waiver of any limitations upon or immunity from suits against the City, 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, 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.

15.16. Agreement Jointly Drafted. The Agreement shall be construed as if jointly drafted by the Parties.

15.17. Assignment of Agreement Pledge or Payments. The Parties mutually represent and agree that the Authority may assign its right, title and interest (but not its duties) in this Agreement to a trustee as part of any financing by the Authority and the Developer may be required to (and in the case of a District or District bond trustee shall be permitted to) assign its right, title and interest in this Agreement (but not duties) in connection with the Developer's Financing or as part of a transaction to provide the Developer's Financing. If there is a default under any indenture agreement between the Authority and a trustee, this Agreement may be enforced by the trustee on behalf of mortgagees or bondholders. If there is a default under a note or any other agreement or document delivered by the Developer in connection with the Developer's Financing or as part of a transaction to provide the Developer's Financing, this Agreement may be enforced by a Mortgagee or other such beneficiary.

15.18. Authority Not A Partner; Developer Not Authority's 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, the Developer shall not be the agent of the Authority and the Authority shall not be responsible for any debt or liability of the Developer.

15.19. 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.

15.20. 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 and the Developer have caused this Agreement to be duly executed as of the day first above written.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

By: _____
Wynne Palermo, Chair

ATTEST:

_____

SNA DEVELOPMENT LLC

By: _____
Manager

**Exhibit A**
**SNA DEVELOPMENT LLC**
**Property List**

| Schedule Number | Property Address | Acreage | Square Footage |
|---|---|---|---|
| 6430212003 | 1801 St. Elmo Ct | 0.091827 | 4000 |
| 6430212007 | 1803 St. Elmo Ct. | 0.091827 | 4000 |
| 6430212010 | 1805 St. Elmo Ct. | 0.091827 | 4000 |
| 6430212012 | 1807 St. Elmo Ct. | 0.091827 | 4000 |
| 6430212013 | 1809 St. Elmo Ct. | 0.091827 | 4000 |
| 6430212011 | 1808 St. Elmo Ct. | 0.142332 | 6200 |
| 6430212006 | 1806 St. Elmo Ct. | 0.110101 | 4796 |
| 6430212004 | 1804 St. Elmo Ct. | 0.117677 | 5126 |
| 6430212005 | 1827 Mt. Washington | 0.505051 | 22000 |
| 6430212022 | 110 E. Cheyenne Rd | 0.172176 | 7500 |
| 6430212020 | 1833 Mt. Washington | 0.114784 | 5000 |
| 6430212032 | 100 E. Cheyenne Rd. | 0.161616 | 7040 |
| 6430213003 | 1818 Mt. Washington Ave | 0.252525 | 11000 |
| 6430213001 | 1812 Mt. Washington | 0.183655 | 8000 |
| 6430213002 | 55 E. St. Elmo Ave | 0.198347 | 8640 |
| 6430212037 | 130 E. Cheyenne Rd | 0.573921 | 25000 |
| 6430212036 | 118-124 E. Cheyenne Rd | 1.15 | 50094 |
| 6430212019 | 1831 Mt. Washington Ave | 0.126263 | 5500 |
| 6430212035 | 108 & 104 E. Cheyenne Rd | 0.678604 | 29560 |
| 6430212023 | 114 E. Cheyenne Rd. | 0.160698 | 7000 |
| 6430213010 | 1838 Mt. Washington | 0.142332 | 6200 |
| 6430213009 | 1832 Mt. Washington Ave. | 0.229568 | 10000 |
| 6430213013 | 12 E Cheyenne Road | 0.13545 | 5900 |
| 6430213014 | 1844 Mount Washington | 0.12167 | 5300 |
| 6430213015 | 1842 Mount Washington | 0.10331 | 4,500 |
| 6430211021 | 1778 S. Nevada Ave | 0.474793 | 20682 |
| 6430211016 | 1780 S. Nevada | 0.229568 | 10000 |
| 6430212033 | 1800 S. Nevada Ave | 1.61 | 70131.6 |
| 6430209024 | 125 E. Ramona Ave | 0.254821 | 11100 |
| 6430209023 | 115 W. Ramona Ave | 0.222681 | 9700 |
| 6430211020 | 1731 Mt. Washington | 0.700551 | 30516 |
| 6430209018 | 1716 Mt. Washington | 0.482094 | 21000 |
| 6430209003 | 105 E. Ramona Ave | 0.505051 | 22000 |
| 6430209002 | 109 E. Ramona Ave | 0.151974 | 6620 |
| 6430209017 | 1724 Mt. Washington | 0.215794 | 9400 |
| 6430209016 | 130 Metzler St. | 0.308838 | 13453 |
| 6430209015 | 116 Metzler St. | 0.254821 | 11100 |

| | | | |
|---|---|---|---|
| 6430209029 | E St. Elmo Ave. | 0.344353 | 15000 |
| 6430210001 | 121 Metzler St. | 1.101928 | 48000 |
| 6430210007 | 1717 Metzler St. | 0.15365 | 6693 |
| 6430210006 | 1707 Metzler St. | 0.145271 | 6328 |
| 6430210005 | 1720 Metzler | 0.192837 | 8400 |
| 6430210004 | 1710 Metzler | 0.192837 | 8400 |
| 6430100006 | 1647 S Nevada Ave | 0.665748 | 29000 |
| 6430100005 | 1639 S Nevada Ave | 0.59938 | 26109 |
| 6430121001 | 1629 S Nevada Ave | 0.420661 | 18324 |
| 6419413065 | 1623 S Nevada Ave | 1.4 | 60984 |
| 6419413069 | 1621 S Nevada Ave | 1.11 | 48351.6 |
| 6419413068 | 1611 S Nevada Ave | 0.950758 | 41415 |
| 6430100030 | 1703 S Nevada Ave | 1.530601 | 66673 |
| 6430100046 | 1725 S Nevada Ave | 0.249082 | 10850 |
| 6430100047 | 214 St Elmo Ave | 0.083792 | 3650 |
| 6430100038 | 300 St Elmo Ave | 5.87 | 255697.2 |
| 6419412009 | 1401 S Nevada Ave | 0.69371 | 30218 |
| 6419412010 | 1411 S Nevada Ave | 0.647406 | 28201 |
| 6419412029 | 1455 S Nevada Ave | 0.392562 | 17100 |
| 6419412016 | 1422 Ohio Street | 0.160698 | 7000 |
| 6419412015 | 220 E Brookside St | 0.163223 | 7110 |
| 6419412017 | 226 E Brookside St | 0.137741 | 6000 |
| 6419412018 | 1424 Ohio Street | 0.137741 | 6000 |
| | | 28.59 | 1,245,562 |

**Exhibit B**
**SNA DEVELOPMENT LLC**
**Public Improvements and Reimbursable Project Costs**

| | |
|---|---|
| **Underground Utilities – Colorado Springs Utilities** | $2,441,225 |
| **Underground Utilities – Third Party Property Owners** | 300,000 |
| **Public Sidewalks, Road Improvements, Signalization Costs & Street Lighting** | |
| South Nevada Avenue (Cheyenne Road to Arvada/Motor Way) | 890,000 |
| Traffic Signalization @ Brookside Street | 250,000 |
| Traffic Signalization @ Ramona Avenue | 250,000 |
| Cheyenne Road (South Nevada Avenue to South Cascade Avenue) | 248,193 |
| Traffic Signalization @ Roanoke Street | 250,000 |
| Cascade Avenue (Cheyenne Road to St Elmo Avenue) | 140,000 |
| Brookside Street (South Nevada Avenue to Ohio Street) | 85,000 |
| **Landscaping, Streetscape Improvements, Signage** | 1,250,000 |
| **Subtotal** | **6,104,418** |
| Contingency @ 15% | 915,663 |
| Engineering @ 15% | 915,663 |
| **Total Public Improvements** | **$7,935,744** |
| **{Rounded}** | **$8,000,000** |

| | |
|---|---|
| **Excess Land Costs** | |
| Total Projected Land Costs (28.59 Acres) | $46,461,372 |
| Undeveloped Land Equivalent Credit @ $6 per square foot | ($7,473,372) |
| **Total Excess Land Costs** | **$38,988,000** |

| | |
|---|---|
| **Other Eligible TIF Expenses** | |
| Demolition / Environmental | $2,812,052 |
| Relocation Expenses | $394,050 |
| Other Direct/Indirect Costs | $6,844,426 |

| | |
|---|---|
| **Total Eligible Public Improvements and Reimbursable Project Costs** | **$56,974,272** |

**Other Direct/Indirect Costs**

| | |
|---|---|
| Land Planning | $350,000 |
| Traffic Studies | $50,000 |
| Appraisals | $50,000 |
| Developer Fee | $500,000 |
| Erosion Control | $109,426 |
| Construction Management | $250,000 |
| URA Management Fee | $135,000 |
| Carrying Cost (Interest) | $5,400,000 |
| | $6,844,426 |

EXHIBIT C

CERTIFICATE OF COMPLETION

The Colorado Springs Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "Authority"), whose street address is 30 S. Nevada Avenue, Suite 502, Colorado Springs, Colorado 80903, hereby certifies that the improvements ("Improvements") constructed on the Property described in Exhibit A, attached hereto and hereby made a part hereof, conform with (1) the uses specified in the South Nevada Avenue Area Urban Renewal Plan dated November 24, 2015, which Urban Renewal Plan, as amended is incorporated herein by reference and (2) the requirements set forth in the Urban Renewal Agreement for Development of the South Nevada Avenue Urban Renewal Plan Area (the "Agreement") between the Authority and the Developer dated December 16, 2015 which Agreement is incorporated herein by reference, with respect to agreement to commence and complete construction of the Improvements on the Property (as defined in the Agreement).

This Certificate of Completion shall be a conclusive determination that the Improvements comply with the requirements for Completion of Construction of Improvements contained in the Agreement.

Signed and delivered this ____ day of _____, 20___

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

By: _____
_____, Chair

ATTEST:

_____
Secretary

STATE OF COLORADO )
) ss.
COUNTY OF EL PASO )

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as Chair, and _____, as Secretary of the Colorado Springs Urban Renewal Authority, a body corporate and politic.
My commission expires:

WITNESS my hand and official seal.

_____
Notary Public