

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (the Cooperation Agreement) is made as of January 24, 2012 by and between the CITY OF COLORADO SPRINGS, COLORADO (the City) and the COLORADO SPRINGS URBAN RENEWAL AUTHORITY (the Authority).

RECITALS

- A. The City is a municipal corporation organized and existing as a home rule city under and pursuant to Article XX of the Colorado Constitution and the charter (the Charter) of the City.
- B. The Authority is a body corporate and politic, and has been organized and authorized by the City to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law section, 31-25-101, et seq., C.R.S. (the Act).
- C. In accordance with the Act, an urban renewal plan, known as the Ivywild Neighborhood Urban Renewal Plan (the Plan), was duly and regularly approved by the City Council (the Council) of the City on June 28, 2011, by Resolution No. 119-11, for the Ivywild Neighborhood Urban Renewal Project (the Project) in the area (the Project Area) described in the Plan.
- D. The Plan authorizes , subject to the approval of the City, the allocation of municipal sales tax revenues in excess of the base amount established in accordance with the provisions of Section 31-25-107(9) of the Act to the Authority for uses in accordance with the Act and the Plan, and this Cooperation Agreement is entered into for the purpose of evidencing such approval, but solely with respect to sales tax increment revenues relating to the City's general fund sales tax imposed pursuant to Chapter 2 Article 7 Part 2 of the City's Code and permitted to be deposited to the City's general fund (the General Fund Sales Tax), and implementing the collection and payment process for the same. The General Fund Sales Tax is presently imposed at the rate of 2.0%. The base amount of General Fund Sales Tax revenues for purposes of the Plan and the Act is \$62,963.15 (as the same may be adjusted from time to time in accordance with the Act, the Base Amount). For purposes of this Cooperation Agreement, "Sales Tax Increment Revenues" means revenues derived by the City in each fiscal year from levy of the General Fund Sales Tax in the Project Area in excess of the Base Amount.
- E. To carry out the Plan, the Authority will enter into a Redevelopment Agreement with the redeveloper(s) of the Project. To fund, in part, the Authority's financial obligation under such Redevelopment Agreement, the Authority intends to enter into a Loan Agreement with a third party investor/financial institution (the Loan Agreement). Payment of the Loan Agreement is anticipated to be made in part from the Sales Tax Increment Revenues allocated to the Authority in accordance with the Plan, the Act and this Cooperation Agreement, and in accordance with the terms outlined in the Loan Agreement.

F. The City and the Authority desire to enter into this Cooperation Agreement to facilitate the redevelopment of the Project Area.

## AGREEMENT

NOW THEREFORE, in consideration of the foregoing the City and the Authority agree as follows:

Section 1. Cooperation Regarding the Project, Plan, and Agreements. The Authority agrees to carry out the Project in accordance with the Act and the Plan. The City agrees to cooperate with the Authority to achieve the timely and successful construction of public and private improvements required to complete the Project, including, without limitation, the duties and obligations of the Authority pursuant to redevelopment agreements that may from time to time be entered into between the Authority and property owners and developers for redevelopment of the Project Area in accordance with the Plan.

Section 2. Project Financing. Pursuant to the Act, the Authority shall use its reasonable best efforts to issue financial instruments to finance its activities, operations and duties to carry out the Plan and the Project by means of tax allocation financing utilizing both property tax increment revenues (Property Tax Increment Revenues) and Sales Tax Increment Revenues.

Section 3. Commitment of Sales Tax Increment Revenues. Pursuant to the Plan and Section 31-25-107(9) of the Act, the City agrees to allocate and pay to the Authority, all Sales Tax Increment Revenues collected in the Project Area for the period beginning January 24, 2012 through June 28, 2036. Such payments shall be paid to the Authority or its designated depository as and when collected by the City in accordance with the terms and conditions of the Loan Agreement.

Section 4. Changes in the Rate of City Sales Tax Percentage. If there shall occur a change in the City General Fund Sales Tax percentage levied in the City, including all or any part of the Project Area, the portions of City sales taxes allocated between the City and the Authority (as Sales Tax Increment Revenues) shall be proportionately adjusted in accordance with such change. The Authority and the City agree that increases in City sales tax proceeds derived by reason of (a) any change in the percentage of such City taxes generally, (b) any change in the percentage of such City taxes with regard to specific taxable items, or (c) any extension of such City taxes to items or transactions that are not currently taxable, shall be allocated proportionally between the Authority and the City.

Section 5. Collection of Revenues; Continuing Cooperation. The City hereby agrees to assist the Authority by pursuing all of the lawful procedures and remedies available to the City in order to collect the Sales Tax Increment Revenues, and to cause such revenues to be applied in accordance with this Cooperation Agreement and the Indenture. If any further cooperation or other agreement shall be necessary or appropriate (a) in order to accomplish the collection of the

Sales Tax Increment Revenues and the payment thereof to the Authority in accordance with this Cooperation Agreement or (b) to carry out the Project in accordance with the Plan and the Act, the City agrees to exercise its reasonable best efforts to secure the approval of all such cooperation agreements.

Section 6. Amendment of Urban Renewal Plan. The City covenants and agrees that it shall cooperate with the Authority in carrying out and continuing to completion, with all practicable dispatch, the Project in accordance with the Plan and the Act. The Plan may be amended, but no amendment shall be approved by the City unless the Authority shall determine that such amendment will not substantially impair the security or tax exemption for any outstanding obligation of the Authority, including the Authority Bonds, or pledge of Sales Tax Increment Revenues or the ability of the Authority to perform its obligations with respect thereto.

Section 7. Permits and Licenses. Consistent with all applicable laws, codes and ordinances, the City shall cooperate with the Authority and any designated developer or redeveloper in the Project Area by issuing from time to time as required by a redevelopment agreement or for construction of any of the improvements, public or private, contemplated by such agreement, such permits and licenses as may be reasonably required for such purposes.

Section 8. Review of Plans. The City shall cooperate with the Authority and any designated redeveloper in the Project Area by expeditiously reviewing all plans, plats, agreements and other submissions required to be reviewed by the City in connection with the construction of the public and private improvements contemplated by such redevelopment agreement and the Plan. The City agrees to implement any and all expedited review and approval procedures permitted by applicable law and expedite the implementation of the Plan.

Section 9. Vacations; Dedications. The City, subject to applicable laws, will initiate and pursue appropriate action as may be required to vacate streets, alleys, and other rights of way requested by the Authority to carry out the Plan; grant and alter easements in and through public rights of way; and to accept dedication of rights of way and easements in connection with the Project.

Section 10. Severability. Any provision of this Cooperation Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or lack of authorization without affecting the validity, enforceability or legality of such provisions in any other jurisdiction.

Section 11. Governing Law. This Cooperation Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado.

Section 12. Headings. Section headings in this Cooperation Agreement are for convenience of reference only and shall not constitute a part of this Cooperation Agreement for any other purpose.

Section 13. Additional or Supplemental Agreements. The parties mutually covenant and agree that they will execute, deliver and furnish such other instruments, documents, materials, and information as may be reasonably required to carry out this Cooperation Agreement, the Project, and the Plan or in connection with the execution and delivery by the Authority of the Loan Agreement or other financial instruments.

IN WITNESS WHEREOF, the parties hereto have caused this Cooperation Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

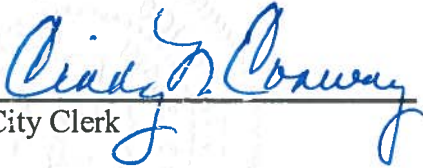
CITY OF COLORADO SPRINGS

BY: \_\_\_\_\_



Steve Bach, Mayor

ATTEST:



Interim City Clerk

COLORADO SPRINGS URBAN RENEWAL  
AUTHORITY

BY: \_\_\_\_\_



ATTEST:

