URBAN RENEWAL AGREEMENT FOR REDEVELOPMENT
OF COPPER RIDGE AT NORTHGATE PROPERTY

THIS AGREEMENT (the "Agreement"), is made as of the _____day of _____, 2013, by and between THE COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority"), COPPER RIDGE LLC, (the "Developer") and COPPER RIDGE METROPOLITAN DISTRICT (the "District") for the redevelopment of the Copper Ridge at Northgate Property.

RECITALS

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

B. The Developer is the owner of approximately 200 acres of real property located in Colorado Springs, El Paso County, Colorado which is known as Copper Ridge at Northgate (the "Project") and which is legally described on the attached Exhibit A. The property is located within the boundaries of the Copper Ridge at Northgate Urban Renewal Plan approved by the City on May 11, 2010, and recorded on May 19, 2010 at reception number 21004077 of the El Paso County Colorado records (the "Urban Renewal Plan").

C. The Developer intends to develop the Project in accordance with the Concept Plan, Development Plan and Service Plan, copies of which are attached to this Agreement or are on file with the City..

D. The District was approved for formation by the City and includes within its boundaries the land to be developed. The District was created to support the planning and construction of various public improvements in support of the Project.

E. The work to be funded with the property and sales tax increment revenues consists of North Powers Blvd. improvements between State Highway 83 and Interstate 25 (the "Improvements") all as set forth in the approved Service Plan**,** the Concept Plan and the Development Plan on file with the City of Colorado Springs.

F. The District, the Authority and the City of Colorado Springs will enter into a separate cooperation agreement (the "Cooperation Agreement") with the Authority providing for the implementation of Tax Increment Financing ("TIF") whereby some of the increases in property taxes (i.e., the Property Tax Increment Revenues more particularly defined and described herein) and/or increases in sales taxes as a result of the redevelopment of the Project will be passed from the Authority to the District in order to meet the objectives of the Copper Ridge at Northgate Urban Renewal Plan. (Such Property Tax Increment Revenues and any increases in sales tax revenues that are the subject of the Cooperation Agreement are referred to herein collectively as the "Tax Increment Revenues.") The Cooperation Agreement will address the procedures and

requirements to be followed to use the TIF in support of the Improvements. The Cooperation Agreement will include approval of the sales tax increment by the City of Colorado Springs.

G. In addition to the Improvements described above, it is anticipated that redevelopment of the Project will require additional public infrastructure (as more particularly defined in Section 3.2 hereof, the "Local Infrastructure"), which is intended to be financed by the District through the issuance of debt payable from revenues resulting from ad valorem property taxes of the District.

H. As a result of the adoption of the Urban Renewal Plan, the parties hereto understand that, by operation of the Colorado Urban Renewal Law, Colorado Revised Statutes 31-25-101 et seq. (the "Act"), the Authority is granted certain rights in revenues constituting "Property Tax Increment Revenues" (as defined in Section 3.3 hereof) and the parties intend to ensure that, in the event that any revenues resulting from imposition of an ad valorem property tax levy by the District constitute Property Tax Increment Revenues, such revenues will continue to be available to the District to fund the costs of the Local Infrastructure and other lawful purposes as provided herein.

The parties to this Agreement intend to cooperate with each other in the redevelopment of the Project.

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

1. **PURPOSE**

The purpose of the Agreement is to further the goals and objectives of the Act and the Urban Renewal Plan adopted and approved by the City of Colorado Springs on the 11th day of May, 2010, for the Project by eliminating blight and providing for the redevelopment of the Project. The Authority has determined that this Agreement and the development of the Project as described in the Service Plan, Concept Plan and Development 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 the development of the Project;

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

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

(d) Provide the incentives necessary to induce private development of the Project;

(e) Effectively use undeveloped land within the Project;

(f) Encourage financially successful projects within the Urban Renewal Plan area;

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

(h) Promote improved traffic, public transportation, public utilities, and community facilities within the Project area and related off site areas; and

(i) Promote the participation of existing owners in the revitalization and redevelopment of the Project.

2. STATUS AND DESCRIPTION OF COPPER RIDGE PROJECT

Redevelopment of the Project is expected to occur in phases as set forth in Exhibit E. The Developer expects to plat and construct appropriate improvements for a commercial development north and south of Powers Blvd. and within the District. Redevelopment shall take place as depicted on the Concept Plan, Service Plan and Development Plan.

The Project is planned as a retail-oriented development that will include stores and tenants that will occupy space appropriate for their retail operations. Selected tenants will be of an anchor nature and offer a range of products. Other facilities will focus on a single retail category and require a lesser amount of space. The retail base will be complemented by related and supporting uses such as food service, entertainment and lodging. A limited amount of residential and office development is also contemplated. The Developer shall advise the Authority, not less than quarterly, about the actual development activity resulting from the sale of parcels, construction of commercial space by the Developer (either alone or in partnership with other parties), leasing of commercial space to tenants and related activities. It is understood that the Concept Plan is representative of the scale and character of development anticipated, but actual market conditions may result in some deviation from any specifics of the Concept Plan.

Subject to the availability of funding therefor, the District agrees to finance and to construct, or, cause to be constructed, the Improvements necessary to develop the Project. The work required of the parties by this Agreement and the Cooperation Agreement shall be undertaken and completed in accordance with 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 amended.

3. PREPARATION OF THE PROJECT FOR REDEVELOPMENT

3.1 Zoning. The Developer has applied for and received such zoning changes as are required to carry out the Project.

3.2 Local Infrastructure. The District shall construct, in the public right-of-way and/or easements, all mains and lines necessary for the Project and necessary to provide water, sanitary sewer, storm sewer, natural gas and electricity. The construction and installation of such utilities

shall conform to the requirements of all applicable laws and ordinances. The District shall also be responsible for the relocation, design and construction and relocation of all new public streets, utilities, sidewalks, alleys, landscaping and street lighting within the public right-of-way shown in the Design Development Documents. The District shall be responsible for the design, construction and cost, if any, of utility and service lines necessary for the construction of the Project, tap connection fees and other City requirements, including the cost of extending such utility lines to the mains in the public right-of-way. The District 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 Urban Renewal Area as may be required by governmental authorities. The foregoing improvements constitute "Local Infrastructure". The District's obligation to construct, install, acquire and otherwise provide the Local Infrastructure is expressly subject to the availability of funding therefor.

3.3 Funding Local Infrastructure.

a. The District will not use Tax Increment Revenues, other than District Tax Revenues to the extent constituting Tax Increment Revenues, for the purpose of funding Local Infrastructure.

b. In order to facilitate the funding by the District of the Local Infrastructure, and in consideration for the provision by the District of the Local Infrastructure in accordance with the provisions hereof, the Authority hereby agrees that it will segregate and promptly remit, on a monthly basis, to or at the direction of the District, all District Property Tax Increment Revenues, Notwithstanding the foregoing, the Authority shall have the obligation to remit such District Property Tax Increment Revenues to the District solely to the extent the Authority receives the same. The Authority hereby irrevocably pledges and assigns to the District all right, title and interest of the Authority in the District Property Tax Increment Revenues and any interest earnings thereon. The Authority hereby covenants that it will not pledge or encumber the District Property Tax Increment Revenues, but notwithstanding any other provision hereof, shall maintain the same for the use and benefit of the District. At such time as the District issues indebtedness payable from the District Property Tax Increment Revenues, the Authority agrees to execute such additional documentation as may be necessary to further evidence such pledge and to implement the disbursement of the District Property Tax Increment Revenues at the direction of the District, but only to the extent not inconsistent with the provisions hereof. The Authority acknowledges and agrees that the effectiveness of the provisions of this Section 3.3 are not conditioned upon any further action of the Authority or the City, including but not limited to, execution of the Cooperation Agreement and, further, is not subject to the prior completion of any Local Infrastructure by the District.

c. The District agrees to use all District Property Tax Increment Revenues to fund the costs of acquiring, installing, constructing, financing, operating and maintaining and otherwise providing the Local Infrastructure and any other costs which may be lawfully funded by the District Property Tax Increment Revenues.

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

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

2) "District Property Tax Increment Revenues" means the portion of Property Tax Increment Revenues attributable to any ad valorem property tax mill levy imposed by the District.

3) "Incremental Valuation" means, with respect to the Project, the amount of assessed valuation, if any, which exceeds the Base Valuation.

4) "Property Tax Increment Revenues" means the ad valorem property tax revenues collected on the Incremental Valuation of all taxable property located within the Project.

d. Any limitation or procedure for the disbursement of Tax Increment Revenues elsewhere in this Agreement, including but not limited to Section 5.3 hereof, shall not apply to the District Property Tax Increment Revenues, the disbursement of which shall be governed solely by this Section 3.3 and any subsequent writing executed by the District and the Authority.

3.4 Access to Project. At all reasonable times, the District and the Developer shall permit representatives of the Authority and the City to access to any part of the Project 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 being conducted on such Project. Any such access or inspection shall not interfere with the use of such Project or construction of the Improvements. 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 such Project pursuant to this section shall restore such Project to its condition prior to any tests or inspections made by such party and shall indemnify and hold harmless the party owning such Project 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 Project at the time of such entry, even where such condition was discovered by virtue of the entry).

3.5 Replat and Dedications. The Authority is not requiring the Developer to replat or resubdivide the Project, but the Developer agrees to comply with all applicable City codes, ordinances and planning requirements with regard to redevelopment of the Project and construction of the Improvements, including, if required by the City, to replat or resubdivide the Project. The Developer shall dedicate, as appropriate, such utility and drainage easements required to properly carry out and maintain the Improvements.

3.6 Antidiscrimination. The District agrees that in the construction and use of the Improvements required by this Agreement, the District will not discriminate against any

employee or applicant for employment because of race, color, creed, religion, sex, marital status, ancestry or national origin.

4. PRELIMINARY FINANCE PLAN

4.1 Finance Plan Approach. The Developer and Authority agree that the Improvements cannot be funded immediately from the initial tax base growth within the Plan area. The Developer has estimated that an initial scope of development must occur prior to creating a tax-increment revenue stream capable of generating a combination of cash and bond proceeds that will support funding of the Improvements. It is understood that the Development is expected to commence and continue for an unspecified period of time before full funding for an initial phase is feasible. Therefore, the finance plan contemplated pursuant to the Cooperation Agreement described in Section 5 below, is designed to allow the parties to that agreement the ability to approve the issuance of bonds secured by the tax-increment revenues at such time that the District deems such an act practical.

4.2 Finance Plan Approval. The District shall submit to the City and the Authority a Finance Plan for any proposed bond issuance for purposes of conducting a due diligence financial review. The Finance Plan, at a minimum, will identify and describe the: (1) sources and uses of funds, (2) timing of funds availability, (3) descriptions of any proposed bond issue, (4) restrictions associated with any funds provided, (5) construction time frame made possible by the plan, (6) any conditions precedent to implementing the plan and (7) management, use and application of all Tax Increment Revenues.

4.3 Preliminary Feasibility Analysis. The District has prepared an initial finance plan designed to demonstrate the capability of the TIF created by the Concept Plan to fund the Improvements. The plan identifies the amount of funding required from sources other than Tax Increment Revenues. A summary of this plan is attached to this agreement as Exhibit D. It is expressly understood that this plan is intended to demonstrate financial feasibility and that any finance plan proposed by the District may be different from this preliminary plan, but must conform to any conditions contained in this Agreement, the Cooperation Agreement and the District's Service Plan.

4.4 Eligible Costs- Attached as Exhibit C is a list of eligible costs for construction of the Improvements to be funded by Tax Increment Revenue.

4,5 Relationship to District Property Tax Increment Revenues. It is acknowledged and agreed that the provisions of Section 4.1 through 4.3 hereof shall not apply to any financing of the District payable from District Property Tax Increment Revenues.

4.6 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 the Agreement to a trustee and the District may be required to assign its right, title and interest in the Agreement (but not duties) in connection with the District's financing or as part of a

transaction to provide the District's financing. If there is a default under the indenture agreement between the Authority and trustee, this Agreement may be enforced by the trustee. If there is a default under a note or any other agreement or document delivered by the District in connection with the District's financing or as part of a transaction to provide the District's financing, this Agreement may be enforced by a mortgagee or other such beneficiary.

5. COOPERATION AGREEMENT

5.1 The Authority, the District. the Developer and the City of Colorado Springs anticipate entering into a Cooperation Agreement. In the interest of advancing the Project and accomplishing the goals of the Urban Renewal Plan and this Agreement, the Authority and the District 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 both the Local Infrastructure and the Improvements.

5.2 Purpose of Cooperation Agreement. The Local Infrastructure and the Improvements will be constructed by the District on right of way dedicated to the City of Colorado Springs. Upon completion, the Powers Boulevard Improvements will be transferred to the Colorado Department of Transportation ("CDOT") pursuant to existing agreements with CDOT and the City. Local Infrastructure shall also be transferred to the City. In light of the multiple parties participating in the development of the Improvements, the Cooperation Agreement is necessary to provide for the procedures to be used in applying theTax Increment Revenues (excluding the District Property Tax Increment Revenues) to the various costs and expenses associated with this undertaking. Accordingly, the Cooperation Agreement addresses:

- The eligible uses of the Tax Increment Revenues;
- Custody of excess Tax Increment Revenues pending their use;
- Procedures to be used to decide on using Tax Increment Revenues for specific purposes;
- Inspection and approval of improvements funded with the Tax Increment Revenues;
- Approval to pledge Tax Increment Revenues in support of debt obligations incurred by the District to fund construction of the Improvements; and
- Other such matters as the parties deem necessary to the planning, management and development of the Improvements.

6. ADDITIONAL FUNDING SOURCES FOR THE IMPROVEMENTS

The Authority, the District and the Developer agree that it will be necessary to secure funds in addition to the Tax Increment Revenues to support construction of the Improvements. Such additional funds will lessen the reliance on Tax Increment Revenues, allow for faster debt

repayment of any TIF supported bonds, avoid costs for the parties and will support the earliest possible dissolution of the tax-increment district. In pursuit of this objective, the Parties agree to cooperate in their efforts to secure such additional funds for the Improvements. The parties commit to seeking the maximum amount of additional funding in the interest of achieving the above referenced benefits.

7. FEES TO BE PAID TO THE AUTHORITY

An Administrative Fee in the amount of $60,000.00 shall be retained annually by the Authority from Tax Increment Revenues 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, this Agreement and the Cooperation Agreement, including, without limitation, collection and disbursement of the Tax Increment Revenues. The fee will remain in effect until the earlier of the expiration of the Urban Renewal Plan in 2035 or the retirement of all obligations payable by the Tax Increment Revenues. In the event that the Tax Increment Revenues in any one year are below the annual administrative fee due, any unpaid amount shall carry forward and be payable from subsequent years' revenue.

8. REPRESENTATIONS AND WARRANTIES

8.1 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 Urban Renewal Plan area are undertaken for the purpose of eliminating and preventing the development or spread of blight as set forth in the Urban Renewal Plan.

(c) The Urban Renewal Plan has been 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 Project, the Agreement or the Improvements

8.2 Representations and Warranties by the District. The District represents and warrants that:

(a) The District is a duly organized and validly existing Title 32 Special District established 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 will not violate any provisions of the governing documents of the District or constitute a default or result in the breach of any term or provision of any contract or agreement to which the District is a party so as to adversely affect the consummation of such transactions.

(c) The District knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority, the Developer or the District with respect to the Project, the Agreement, District's Financing or the Improvements.

8.3 Representations and Warranties by the Developer. The Developer hereby 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 will not violate any provisions of the governing documents of the District or constitute a default or result in the breach of any term or provision of any contract or agreement to which the District 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 or the District with respect to the Project, the Agreement, District's Financing or the Improvements.

9. TERMINATION

9.1 District's and Developer's Option to Terminate. The District or the Developer may terminate this Agreement if:

(a) the City Council of the City fails to approve amendments to the Urban Renewal Plan or zoning changes reasonably acceptable to the District to make possible the redevelopment of the Project in accordance with the Concept Plan; or

(b) after reasonable good faith efforts, the District fails to obtain the District's financing for any portion of the Improvements.

9.2 Authority's Option to Terminate. The Authority may terminate this Agreement, excluding the provisions of Section 3.3 hereof, if:

(a) the District, after a request from the Authority or the City, fails to present evidence that it has complied with the terms of the Cooperation Agreement; or

(b) the City Council of the City fails to approve Amendments to the Urban Renewal Plan or zoning changes to make possible the redevelopment of the Project in accordance with the Concept Plan; or

(c) The City fails to approve the use of sales tax increment for the Project as per the Cooperation Agreement.

(d) The construction of the Improvements is terminated by the District, CDOT or the City.

(e) The project has not secured one anchor within 5 years of the date of the approval of the Urban Renewal Plan by the Colorado Springs City Council and a second anchor by 2018.

9.3 Action to Terminate. If a party wishes to terminate this Agreement written notice of termination, stating the reasons for termination under sections 9.1 or 9.2, as applicable, must be given by the terminating party to the non-terminating party, on or before the expiration of 30 days from the date of such Notice; otherwise, such termination rights are waived with respect to such events, and such events only. Termination is effective on the effective date of such properly given notice.

9.4 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 Tax Increment Revenues until all obligations of the Authority created pursuant to the Urban Renewal Plan are satisfied and apply those funds to such uses or expenses as the Authority deems appropriate.

10. **EVENTS OF DEFAULT; REMEDIES**

10.1 Events of Default by District. "Default" or an "Event of Default" by District or the Developer under the Agreement shall mean one or more of the following events:

(a) the District or the Developer assigns or attempts to assign the Agreement, or the Project, or any rights in either without the prior written consent of the Authority; provided, however, the following assignments and transfers shall not require such consent.

(1) The Developer may lease space in improvements in the Project or sell or otherwise transfer individual lots or buildings to third parties in the ordinary course of business of the Developer
(2) The Developer may transfer this Agreement to any joint venture in which the Developer is the managing member or which is otherwise controlled by the Developer;

(b) there is any change in the ownership of the Developer or in the identity of the parties in control of the District or Developer other than as provided in Section 10.1 (a) (2); or

(c) District or Developer fails to diligently pursue and complete construction of the Improvements ; or

(d) a holder of a mortgage exercises any remedy provided by loan documents, law or equity that materially interferes with the construction of the Improvements; or

(e) District or Developer fails to observe or perform any material and substantial covenant, obligation or agreement required of it under the Agreement or to make good faith efforts to obtain District financing for the Improvements;

and if such Event or Events of Default are not cured within the time provided in section 10.3 then the Authority may exercise any remedy available under section10.4 of the Agreement.

10.2 Events of Default by the Authority. Default or an Event of Default by the Authority under the Agreement shall mean one or more of the following events:

(a) the Authority fails to observe or perform any material and substantial covenant, obligation or agreement required of it under the Agreement;

and if such Event or Events of Default are not cured within the time provided in section 10.3 then the District may exercise any remedy available under section 10.4 of the Agreement.

10.3 Grace Periods. Upon the occurrence of an Event of Default by any party, 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 after receipt of such notice, or such cure shall be commenced and diligently pursued to completion within a reasonable time, but in no event greater than 90 days; provided, however, that the grace periods set forth in section 10.3 shall not be applicable to Events of Default under Sections 10.1(a), (b) or (d).

10.4 Remedies on Default. Whenever any Event of Default occurs and is not cured under section 10.3 of this Agreement, the non-defaulting party may take any one or more of the following actions:

(a) Suspend performance under the 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 the Agreement;

(b) cancel and rescind the Agreement;

(c) in the case of the Authority, retain any Tax Increment Revenues collected from the Urban Renewal Area unless such revenue has been irrevocably pledged to secure obligations issued by the District to fund the Improvements;

(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 and attorney fees.

The Authority agrees that none of the remedies contained in this section will apply to the District Property Tax Revenues payable to the District pursuant to Section 3.3 of this Agreement.

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

10.6 Enforced Delay in Performance for Causes Beyond Control of Party. Neither the Authority, the Developer or the District, 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 parties 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 10.6.

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

11. INDEMNITY

11.1 General Indemnity. The Developer and the District, covenant and agree, at their 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 Project, 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. The indemnification by the District is limited to the extent lawfully permitted.

11.2 Environmental Indemnification. Without limiting the foregoing, the Developer and District hereby agree to indemnify, defend and hold harmless the Indemnified Parties from and against any and all Environmental Liabilities and by whoever asserted.

As used in this Section, "Environmental Liabilities" shall mean any obligations or liabilities (including any claims, demands, actions, suits, judgments, orders, writs, decrees, permits or injunctions imposed by any court, administrative agency, tribunal or otherwise, or other assertions of obligations and liabilities) that are:

(a) related to protection of the environment or human health or safety and involving the Project (including, but not limited to, on-site or off-site contamination by Pollutants and occupational safety and health); and

(b) involving the Project and arising out of, based upon or related to (i) the Environmental Laws, or (ii) any judgment, order, writ, decree, permit or injunction imposed by any court, administrative agency, tribunal or otherwise.

The term "Environmental Liabilities" shall include, but not be limited to: (x) fines, penalties, judgments, awards, settlements, losses, damages (including foreseeable and unforeseeable consequential damages), costs, fees (including attorneys' and consultants' fees), expenses and disbursements; (y) defense and other responses to any administrative or judicial action (including claims, notice letters, complaints, and other assertions of liability); and (z) financial responsibility for (i) cleanup costs and injunctive relief, including any removal, remedial or other response actions, and natural resources damages, (ii) any other compliance or remedial measures, and (iii) bodily injury, wrongful death, and Project damage.

The terms "removal," "remedial" and "response" action shall include the types of activities covered by CERCLA, as amended, and whether the activities are those which might be taken by a government entity or those which a government entity might seek to require of waste generators, storers, treaters, owners, operators, transporters, disposers or other persons under "removal," "remedial," or other "response" actions.

11.3 District's and Developer's Covenants and Indemnity Concerning Americans with Disabilities Act. Developer and District, their successors and assigns, covenant and warrant and represent that the Project shall at all times be in compliance with all applicable requirements of the Americans with Disabilities Act of 1990 (the "ADA"). Without limiting the general indemnities given herein, District and Developer agree to and do hereby protect, defend, indemnify and hold the Indemnified Parties harmless from and against any and all liability threatened against or suffered by the Indemnified Parties by reason of a breach by District of the foregoing representation and warranty. The foregoing indemnity shall include the cost of all alterations to the Project, including but not limited to architectural, engineering, legal and accounting costs; all fines, fees and penalties; and all legal and other expenses including attorney fees, incurred in connection with the Project being violation of the ADA, including defenses of charges and claims that the Project is in such violation of and for the cost of collection of the sums due under this section. The obligations of District and Developer under this section shall survive for five (5) years following the Termination Date.

11.4 Indemnification Procedures.

(a) If any claim relating to the matters indemnified against pursuant to this Agreement is asserted against an Indemnified Party that may result in any damage for which any Indemnified Party is entitled to indemnification under this Agreement, then the Indemnified Party shall promptly give notice of such claim to the District and Developer.

(b) Upon receipt of such notice, the District and Developer shall have the right to undertake, by counsel or representatives of its own choosing, the good faith defense, compromise or settlement of the claim, such defense, compromise or settlement to be undertaken on behalf of the Indemnified Party.

(c) The Indemnified Party shall cooperate with the District and Developer in such defense at the District's and Developer's expense and provide the District and Developer with all information and assistance reasonably necessary to permit the District and Developer to settle and/or defend any such claim.

(d) The Indemnified Party may, but shall not be obligated to, participate at its own expense in a defense of the claim by counsel of its own choosing, but the District and Developer shall be entitled to control the defense unless the Indemnified Party has relieved the District and Developer from liability with respect to the particular matter.

(e) If the District and Developer elect to undertake such defense by their own counsel or representatives, the District and Developer shall give notice of such election to the Indemnified Party within ten (10) days after receiving notice of the claim from the Indemnified Party.

(f) If the District and Developer do not so elect or fails to act within such period of ten (10) days, the Indemnified Party may, but shall not be obligated to, undertake the sole defense thereof by counsel or other representatives designated by it, such defense to be at the expense of the District and Developer.

(g) The assumption of such sole defense by the Indemnified Party shall in no way affect the indemnification obligations of the District and Developer provided, that no settlement of any claim shall be effected without the District's and Developer's consent.

12. MISCELLANEOUS

12.1 Conflicts of Interest. None of the following shall have any interest, direct or indirect, in the 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 Project, or an individual or firm retained by the City or the Authority who has performed consulting services in connection with the Project. None of the above persons or entities shall participate in any decision relating to the 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.

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

12.3 Incorporation of Exhibits. All exhibits attached to the Agreement are incorporated into and made a part of the Agreement.

12.4 No Third-Party Beneficiaries. Except for specific rights in favor of [Mortgagees, and] any lender to the District or the purchaser of or any investor in any indebtedness of District secured by District Property Tax Increment Revenues, or any trustee therefor expressly provided in this Agreement, if any, no third-party beneficiary rights are created in favor of any person not a party to the Agreement.

12.5 Applicable Law. The laws of the State of Colorado.

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

12.7 Integrated Contract. This Agreement is an integrated contract, and 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.

12.8 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.

12.9 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 District as follows:

Copper Ridge LLC
Attn: Mr. Gary Erickson_
13570 Meadowgrass Drive
Suite 200
Colorado Springs, CO 80921

with a copy to:

_____

_____

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

The Colorado Springs Urban Renewal Authority
30 S. Nevada, Suite 604
Colorado Springs, CO 80903

with a copy to:

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

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

Copper Ridge Metropolitan District
13570 Meadowgrass Drive
Suite 200
Colorado Springs, CO 80921

with a copy to:

Mr. Peter Susemihl
660 Southpointe Court
Suite 210
Colorado Springs, CO 80906

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).

12.10 Good Faith of Parties. Except in those instances where the District or Developer may act in its sole discretion, in performance of the 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 any approval required by the Agreement.

12.11 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 therefore shall be extended until the next day on which said banks and said office are open for the transaction of business.

12.12 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 confirm or clarify the intent of the provisions hereof and to effectuate the agreements herein contained and the intent hereof.

12.13 Estoppel Certificate. 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.

12.14 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.

12.15 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 District for any Event of Default by the Authority or for any amount that may become due to the District under the terms of this Agreement. Nothing in this section 12.15 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 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 District shall be personally liable to the Authority for any amount that may become due to the Authority under the terms of the Agreement. Nothing herein is to be construed to limit the liability of any individual, member, manager or transferees who become personal signatories to the Agreement, or any modification thereof.

12.16 Agreement Jointly Drafted. The Agreement shall be construed as if jointly drafted by the parties.

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

12.18 Authority's Limited Reimbursement Obligation. The parties to this Agreement understand and agree the Authority's payment obligation under this Agreement is limited to available Tax Increment Revenues generated by the Project less administration expenses of the Authority;

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

COLORADO SPRINGS URBAN RENEWAL AUTHORITY

_____

Title: _____

ATTEST:

_____

COPPER RIDGE LLC.

_____
President

ATTEST:

_____

COPPER RIDGE METROPOLITAN DISTRICT

_____

ATTEST: Title: _____

_____

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
IMPROVEMENTS

Summary of Improvements

The Improvements to be funded by the tax-increment revenues will include a schedule of roadway construction elements required to complete Powers Boulevard from the current northern terminus at SH83 north and east to an interchange with I-25. The design will be consistent with the Finding of No Significant Impact issued by the Federal Highway Administration in January 1998. The Powers Boulevard corridor has been the focus of ongoing construction of improvements for over a decade.

The design of the road will be a limited access, divided highway designed for continuous high speed travel. It will be consistent with the completed sections of Powers Boulevard south of SH83. The program of construction will include grading and earth work, drainage improvements to include detention facilities, grade separation structures for intersecting roads, off and on ramps at interchanges, four lanes consisting of two lanes each for north and south travel directions, improved shoulders and street lighting. Right of way for the road has been dedicated for the section from SH83 to I-25.

CDOT has performed limited work in the corridor, primarily related to earthwork and grading. CDOT will control final design decisions and will actively participate in the full planning, design and construction process.

The schematics included in this exhibit depict the alignment and design of the Improvements.

EXHIBIT C
ELIGIBLE IMPROVEMENTS COSTS

The attached cost estimate includes those items that are eligible public improvement expenses. The actual costs for individual line items may vary. The contribution from Tax Increment Revenues will be based upon the combination of cash funds and bond proceeds derived from this revenue source.

The amounts shown are estimates of cost. Final costs are dependent upon final design and construction bids.

EXHIBIT D
FINANCE PLAN

The Project, as described in this Agreement, will primarily consist of retail facilities with a limited amount of office development. The public infrastructure necessary to support the development plans have been divided into two basic categories- Local Infrastructure and Improvements. Local Infrastructure will be financed by two sources. The first will be the property tax revenues generated by a mill levy imposed by the Copper Ridge Metropolitan District. These revenues will be excluded from the property tax increment and remitted to the District. A second source will be a public improvement fee recorded as a land covenant and applicable to retail sales by stores within the Project area. This revenue has been assigned to the Copper Ridge Metropolitan District for Local Infrastructure. The Local Infrastructure will consist of access roads, water and sewer lines, traffic control signals, street painting, traffic signage, street lighting and storm drainage facilities.

The funding for Powers Boulevard will come from the Tax Increment Revenues generated from within the Copper Ridge Urban Renewal Plan area. The sales tax increment will be based upon 1.0% City of Colorado Springs sales tax levied for the City's General Fund. A portion (1.0%) of the City's General Fund sales tax and dedicated sales taxes levied by the City will be excluded from the increment. The property tax increment will be based upon all ad valorem property taxes levied within the plan area but excluding any levy imposed by the Copper Ridge Metropolitan District.

Development of the Project has commenced and some Tax Increment Revenues are being generated. The plan of finance is to capture hold the Funds in a restricted account. As development of the Project continues, these funds may be spent on eligible costs of the Improvements. At some point in the development progression, annual revenues will be sufficient to support a bond issue by the District to provide funds for construction of the Improvements. All Improvements construction will require the review and approval of the City of Colorado Springs and the Colorado Department of Transportation together with any other required approvals.

The forecast of Tax Increment Revenues is based upon a projected schedule of development, a portion of which has already commenced. The schedules included in this exhibit present the annual and cumulative receipt of property and sales tax growth. All forecasted development is consistent with the land use approved by the City of Colorado Springs. Actual results will vary, but the plan of delaying debt issuance until a requisite level of development has occurred will accommodate variations in the development assumptions.

EXHIBIT E
PHASES MAP