

## AMENDED AND RESTATED REDEVELOPMENT AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT (Agreement) is made and entered into as of February 1, 2008, by and between the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (Authority), and UNIVERSITY VILLAGE DEVELOPERS, LLC, a Colorado limited liability company (Developer).

### RECITALS

A. Initially capitalized phrases, terms, and words in this Agreement are defined or referenced in Section 1 of this Agreement.

B. In furtherance of the Act, the City has approved, and the Authority is carrying out, the North Nevada Avenue Corridor Urban Renewal Plan dated December 2004. The Property is located in the Urban Renewal Area.

C. The Authority has determined that the acquisition, assembly, and redevelopment of the Property in accordance with the Act and the Plan is necessary to eliminate or prevent the spread of physical blight in the Urban Renewal Area. In cooperation with the Authority, the Developer has been using its reasonable best efforts to acquire title to thirty parcels of real property that constitute the Property for the purpose of voluntarily redeveloping the Property in accordance with the Plan and the Development Plan.

D. The Developer owns or has all of the Property under contract. In addition, the Developer has agreed to construct a portion of the Public Improvements as set forth herein.

E. In accordance with the Act, the Authority intends to issue the Bonds to finance its activities and undertakings pursuant to the Plan, and to apply the Pledged Property Tax Revenues and Pledged Sales Tax Revenues to payment of the Bonds. The Authority will use the proceeds of the Bonds to reimburse the Developer for the Advanced Funds, pay the Eligible Expenditures, and for construction or other provision of a portion of the Public Improvements.

F. In accordance with the provisions of Section 31-25-107(4)(g) of the Act, the Authority has selected the Developer to develop and rehabilitate the Property and to construct or otherwise provide a portion of the Public Improvements set forth in the Development Plan. The Parties have entered into a Pre-Development Agreement dated January 19, 2006. Pursuant to the terms of the Pre-Development Agreement, the Developer has paid a Non-refundable Fee to the Authority as a condition of entering into this Agreement. In addition, the Parties recognize and acknowledge that the Developer has incurred costs and liabilities, and will incur additional costs and liabilities, in furtherance of and reliance upon the obligations and covenants of the Parties set forth herein.

G. In accordance with the Act and the Plan, the Parties desire to enter into this Agreement to provide for the orderly acquisition, assembly, and redevelopment of the Property

and the construction of the Public Improvements and the Private Improvements. This Agreement replaces in their entirety the Agreement between the Parties dated July 26, 2007, and any and all amendments thereto.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the Parties and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows.

### SECTION 1. DEFINITIONS

In this Agreement, the following terms shall have the meanings defined below:

Act means the Colorado Urban Renewal Law, Part I of Article 25 of Title 31, C.R.S.

Administrative Fee means the annual fee payable to the Authority pursuant to Section 5.02 for administration of the Plan.

Advanced Funds means funds advanced or paid to or on behalf of the Authority from time to time by the Developer for any purpose under this Agreement or the Pre-Development Agreement, including, without limitation, the Excess Land Assembly and Relocation Costs, other funds advanced to or paid on behalf of the Authority, and the Non-refundable Fee. The Advanced Funds shall be Eligible Expenditures included in Exhibit C, secured by and payable by the Authority to the Developer pursuant to the Advanced Funds Note, attached to and made a part hereof as Exhibit E.

Advanced Funds Note means the note attached as Exhibit E to this Agreement.

Agreement means this Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified.

Authority Financing means issuance of the Senior Bonds in a net amount of not less than \$40,000,000 (to be applied to the Public Improvements listed on Exhibit C), Subordinate Bonds in the net amount of approximately \$8,624,000, and the other revenues listed in Section 5.02.

Bonds means the tax increment revenue bonds (which may be issued as Senior Bonds in a net amount of not less than \$40,000,000, and Subordinate Bonds, in the net amount of approximately \$8,624,000) to be issued by the Authority pursuant to Section 5.02 and any bonds issued to refund or refinance the Bonds.

Certificate of Occupancy shall have the same meaning as set forth in the Colorado Springs Municipal Code.

City means the City of Colorado Springs, Colorado.

Commence Construction and Commencement of Construction mean the obtaining of a building, excavation, grading or similar permit for the construction of any portion of the Public Improvements or the Private Improvements and the commencement and diligent prosecution of physical construction operations on the Property in a manner necessary to Complete Construction.

Complete Construction and Completion of Construction mean (a) for the Private Improvements, the issuance of a Certificate of Occupancy by the City so that the Private Improvements described in such certificate may open for initial retail sales or other permanent operations, and (b) for the Public Improvements, construction acceptance by the City or by the appropriate public body or public utility that construction is complete in accordance with applicable laws, ordinances and regulations.

Construction Documents means the documents described in Section 4.09.

Cooperation Agreement means the agreement between the Authority and the City whereby the City agrees to collect and transfer to the Authority all of the Pledged Sales Tax Revenues in accordance with the Act and to take other action to help carry out this Agreement.

Developer means University Village Developers, LLC, a Colorado limited liability company or any successor in interest that acquires an interest in the Property in accordance with and subject to the terms and conditions of this Agreement. Developer also includes certain entities that, by agreement with University Village Developers, LLC, hold fee title to some of the Property for tax purposes until Completion of Construction of the Improvements.

Developer Financing means a firm commitment for construction financing to be obtained by the Developer pursuant to Section 4.04.

Development Plan means the preliminary site layout and development plan for the Improvements described in Exhibit B.

Eligible Expenditure or Eligible Expenditures means the reasonable and necessary expenditures documented in accordance with this Agreement for the Public Improvements constructed or otherwise provided by the Developer, provided that, the Advanced Funds Note, shall be paid from the proceeds of the Bonds without the need for further documentation.

Environmental Law or Environmental Laws means any and all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, grants, franchises, licenses or agreements relating to the environment or the Release (as defined in any such Environmental Law) of any Hazardous Substance into the environment.

Excess Land Assembly and Relocation Costs means costs paid or to be paid by the Developer to acquire and assemble the Property in excess of \$4.50 per square foot multiplied by 70 acres of net usable area included in the Property for uses in accordance with the Development Plan, plus interim interest and associated soft costs stipulated and agreed to by the Authority as the amount the Authority would be required to pay if the Authority undertook such acquisition, financing, relocation activities and other activities described herein. The Parties agree that such financing arrangements are necessary for the Developer to assemble the Property in lieu of eminent domain acquisition by the Authority. The amount listed as the Excess Land Assembly and Relocation Costs are included in the Advanced Funds, and the full amount listed in Exhibit C shall be included in the Advanced Funds Note.

Hazardous Substance means any substance, material or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste” or words of similar import in any Environmental Law.

Improvements mean the Public Improvements and the Private Improvements.

Indenture means the indenture by and between the Authority and Trustee governing the Bonds.

Non-refundable Fee means the fee to be paid to the Authority pursuant to Section 4.16.

Party or Parties means a party or the parties to this Agreement.

Plan and Urban Renewal Plan mean the Urban Renewal Plan described in Recital B.

Pledged Property Tax Revenues means that portion of the annual ad valorem property tax revenues in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the base assessed value of taxable property in the Urban Renewal Area calculated and adjusted from time to time in accordance with Section 31-25-107(9) of the Act and the regulations implementing the Act. Such base value is estimated to be \$1,956,020.

Pledged Sales Tax Revenues means that portion of the City sales tax revenue produced by a levy of 2.0% on all transactions that are subject to municipal sales taxes in the Urban Renewal Area in excess of the base value of such municipal sales taxes calculated and adjusted from time to time by the Authority and the City in accordance with Section 31-25-107(9) of the Act. Such base value is estimated to be \$421,682. The City Council of the City has committed the Pledged Sales Tax Revenues to payment of the Bonds.

Pre-Development Agreement means the agreement described in Recital F.

Private Improvements means the improvements subject to ad valorem property taxes to be constructed on the Property by the Developer or an approved transferee of the Developer in accordance with the Development Plan and within the time specified in the Schedule of Performance.

Property means the real property owned or to be acquired by the Developer in accordance with this Agreement and described in Exhibit A.

Public Improvements means the improvements or activities and undertakings listed in Exhibit C that the Developer or the Authority will construct in accordance with this Agreement.

Reimbursement Obligation means the obligation described in Section 5.03 and Exhibit C whereby the Authority will pay directly or reimburse the Developer for Eligible Expenditures, including, without limitation, the Advanced Funds, paid or otherwise incurred by the Developer.

Schedule of Performance means Exhibit D, the schedule that governs the times of performance by the Parties.

Senior Bonds means the first series of Bonds in the net amount of \$40,000,000 to be issued by the Authority on or before the date specified in Exhibit D.

Special Fund means the fund described in Section 5.04.

Subordinate Bonds means the second series of Bonds in the approximate net amount of \$8,624,000 to be issued by the Authority on or before the maturity date in the Advanced Funds Note.

Trustee means a nationally-recognized and financially-qualified trustee approved by the Parties and any successor trustee under the Indenture.

Urban Renewal Area means the entire area included in and subject to the provisions of the Plan.

## **SECTION 2. DESCRIPTION OF REDEVELOPMENT**

This Agreement sets forth the respective duties of the Parties for financing, designing, constructing, or otherwise providing the Improvements described in the Development Plan and other services set forth herein. The respective duties of the Parties are expected to further the purposes and goals of the Plan and afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation and redevelopment of the Urban Renewal Area by private enterprise.

### SECTION 3. CONDITIONS PRECEDENT

3.01 Conditions Precedent. The respective obligations of the Parties under this Agreement are conditioned upon the following events, which, unless a different date is specified for a particular condition, must be satisfied or waived by the date for each event set forth in the Schedule of Performance. It is the understanding of the Parties that the Agreement may be terminated by either Party if any of such condition is not satisfied or waived.

a. The Developer must obtain and the Authority must approve the Developer Financing.

b. The Authority must obtain and the Developer must approve the Authority Financing, including, without limitation, the timing and terms related to release of funds from the proceeds of the Bonds for payment of the Reimbursement Obligation, including the Advanced Funds Note.

c. The Developer and the Authority must obtain the approvals of the components of the Construction Documents described in Section 4.09.

d. The Developer must obtain title to the Property in accordance with this Agreement.

e. Before the date specified in the Schedule of Performance for Commencement of Construction of the Private Improvements the City must approve or waive all conditions precedent to issuance of building permits for at least three large-profile retailers included in the Private Improvements so that sufficient funds can be released from the proceeds of the Bonds to comply with the requirements of the lenders providing the Authority Financing and the Developer Financing related to construction of the Improvements.

3.02 Failure of Conditions. If all of the foregoing conditions precedent have not been satisfied or waived in writing on or before the respective dates listed for each event in the Schedule of Performance, either Party may terminate this Agreement by giving written notice to the other. Thereafter, except for the obligation set forth in Section 4.02, this Agreement will terminate and become null and void within thirty (30) days after receipt of such notice of termination unless the Parties have otherwise agreed in writing.

### SECTION 4. OBLIGATIONS OF THE DEVELOPER

4.01 Advanced Funds. In furtherance of its obligations under this Agreement to (a) assemble the Property, (b) undertake relocation, (c) demolish and clear improvements, (d) conduct soils and environmental tests, (e) prepare the Property for redevelopment in accordance with the Plan, (f) provide interim financing to the Authority for such activities, and (g) design and construct Public Improvements, the Developer has either paid or contracted to pay on behalf

of the Authority the Excess Land Assembly and Relocation Costs and the Non-refundable Fee as Advanced Funds. From time to time, upon request from the Authority, the Developer may elect to advance in the future additional Advanced Funds reasonably required by the Authority for fees and costs related to its operations.

4.02 Reimbursement of Advanced Funds. The Parties agree that the Advanced Funds being provided to the Authority by the Developer are required for public uses and purposes and have been advanced for the benefit of the Authority without the conditions and expense normally required to obtain interim financing for such activities. Accordingly, unless the Parties agree otherwise in writing, notwithstanding any language in this Agreement to the contrary, including, without limitation, termination of the Agreement for any reason, the Authority agrees to execute the Advanced Funds Note on or before the date specified in the Schedule of Performance and reimburse the Developer for the Advanced Funds by paying in full the Advanced Fund Note in accordance with the terms thereof.

4.03 Property Acquisition. The Authority recognizes and agrees that the Developer has negotiated in good faith with the current and former owners of the Property for redevelopment in accordance with the Plan. The Developer (either in its own name or through affiliates) owns or has entered into option contracts to acquire the parcels of real property that constitute the Property, and, subject to the conditions precedent set forth in Section 3.01, agrees to use reasonable efforts to close on such option contracts and acquire title to all of the Property on or before the date or dates set forth in the Schedule of Performance. The total acquisition price paid or to be paid by the Developer to current and former owners of the Property includes an amount attributable to the Excess Land Assembly and Relocation Costs as an Eligible Expenditure for Advanced Funds.

a. Notwithstanding the foregoing, a survey of the Property has revealed that the conveyances of two adjacent parcels thereof has created a gap (the Gap) between such parcels that creates a technical cloud on the title to a portion of the Property described as: any portion of the northwest quarter of the southeast quarter and of the northeast quarter of the southwest quarter of section 19, township 13 south, range 66 west of the 6<sup>th</sup> p.m. as may lie north of the north line of the tract of land described in deed recorded June 1, 1946, in Book 1095 at page 270, south of the south line of that tract of land described in the deed recorded August 19, 1941, in book 981 at page 527, east of the centerline of Monument Creek, and west of the westerly right of way line of N. Nevada Avenue, all in the City of Colorado Springs, El Paso County, Colorado. Notwithstanding the Gap, the Parties have obtained a title insurance commitment committing to insure fee simple title in the Developer pursuant to the legal doctrine of adverse possession by Developer's predecessors in title. Nevertheless, the Authority has commenced eminent domain proceedings to acquire the interest, if any, of the North Colorado Springs Land and Improvement Company (the Claimant) in the Gap. The Authority, with the cooperation of the Developer and its affiliates, agrees to pursue and complete such condemnation action so that a final rule and order shall be entered in such eminent domain action in favor of the Authority conveying

whatever interest Claimant asserts in the Gap, or the Claimant's interest is either acquired or extinguished by settlement approved by the Parties.

b. If the eminent domain actions is not otherwise settled, at such time as the Developer may direct, before or after entry of immediate possession in favor of the Authority, the Authority shall convey to the Developer by special warranty deed reasonably acceptable to the Developer, whatever interest, if any, it acquires in the Gap from the Claimant. The Authority has determined that the provisions of Sections 38-1-101(1) and (2); Sections 31-25-105.5(2), (3), and (4), Section 31-25-106; Section 31-25-107(3)(b); Section 31-25-107(4.5), C.R.S., do not apply to such conveyance to the Developer because the Developer or its affiliates have consented to such eminent domain action as legal owner of the Gap. Upon settlement on terms acceptable to the Developer or entry of such final rule and order, any amounts paid in connection therewith by the Developer shall be included in Advanced Funds and added to and shall increase the amount payable to the Developer by the Authority under the Advanced Funds Note.

4.04 Developer Financing. In accordance with the Schedule of Performance, the Developer will use its reasonable best efforts to obtain and submit to the Authority for approval, the Developer Financing to carry out the Development Plan including the Completion of Construction of the Private Improvements. For the purposes of this Agreement, Developer Financing means (a) the obtaining of a firm commitment from a financially sound construction lender for construction of the Private Improvements, (b) reasonable commitments from those retailers and commercial users who will take title to pad sites on the Property to construct their own improvements, and (c) the right to receive the Reimbursement Obligation from the Authority, including timely payment of the Advanced Funds Note by the Authority. The Authority will deliver its approval or disapproval of the Developer Financing and the reasons therefor within the time specified in the Schedule of Performance. The Developer Financing may be submitted in components and shall include any Advanced Funds.

4.05 Demolition, Clearance, and Preparation of the Property for Redevelopment. In accordance with the Schedule of Performance, the Developer will demolish and clear the existing improvements from the Property and undertake all filling and grading activities and relocation of existing utilities required to prepare the Property for redevelopment. All demolition, clearance, filling and grading activities, and utility relocations shall conform with all City requirements and the provisions of this Agreement and are Eligible Expenditures.

4.06 Reports and Surveys. Except as may be agreed otherwise, the Developer will be responsible for obtaining any and all reports and surveys concerning the Property, construction of the Improvements (except for those Public Improvements that are the responsibility of the Authority), and applicable building and use requirements that it may require to carry out its duties under this Agreement.

4.07 Zoning; Replatting, and Dedications. The Developer is responsible to obtain any zoning changes to accommodate the development and construction of the Improvements and uses



contemplated hereunder (except for those Public Improvements that are the responsibility of the Authority). The Parties covenant and agree that they will not seek any zoning changes that interfere with such construction or otherwise preclude construction of the Improvements. The Developer will be responsible for any replatting of the Property that may be required by the City. Except for those items listed in Exhibit C as Eligible Expenditures, the Developer shall dedicate, as appropriate, all easements and rights of way required to properly carry out the Development Plan.

4.08 Soils and Environmental Tests. As between the Parties, the Developer is responsible for compliance with all Environmental Laws as they apply to the Property. Within the times specified in the Schedule of Performance, the Developer shall complete all soils and environmental tests on the Property as it or its lenders may require in connection with the Agreement. Copies of all soils reports and environmental surveys obtained on the Property shall be provided to the Authority upon written request. All such tests shall be Eligible Expenditures hereunder.

4.09 Construction Documents. The Authority has approved the Development Plan. In accordance with the Schedule of Performance, the Parties shall submit the following Construction Documents to one another for review and approval: Final building construction plans, final site plans, landscape plans, contracts, and subcontracts for the Public Improvements that each Party is required to construct. The cost of any such Construction Documents may be paid directly from the proceeds of the Bonds. Components of Construction Documents approved by the City for site work shall be sufficient for the Developer to comply with its time obligations under Items 10, 11, and 12 of the Schedule of Performance.

a. Each Party shall review and approve or disapprove the Construction Documents within the times established in the Schedule of Performance. Any disapproval shall state in writing the reasons for disapproval and specify changes requested by the disapproving Party. Unless deviations are specifically approved in writing by the reviewing Party, the Construction Documents shall conform with and shall be a logical development of the Development Plan and shall meet the requirements of all applicable laws, codes and ordinances. All Construction Documents shall be prepared by the Parties to assure that they are compatible and best serve the redevelopment of the Property in accordance with the Development Plan. The Parties shall submit new or corrected Construction Documents that conform with the requirements of the Agreement within the time specified in the Schedule of Performance. The construction of the Improvements shall conform with the Construction Documents as approved by the Parties and the City.

b. After such approval, no further approval of the Development Plan, the PUD, or the Construction Documents by the Parties shall be required except with respect to any material change. A material change shall mean any change in the PUD, the items included in Eligible Expenditures, changes that materially alter the design and construction schedule for the Public Improvements, and the exterior treatment of the Improvements such as color, materials,

finishes, and roof elements. The Party proposing such change shall submit the proposed material change to the other for approval. Approvals (which shall not be unreasonably withheld, conditioned or delayed) or rejections (with written explanation of the reasons therefor) of proposed changes shall be delivered within 14 days of such submittal. Notification of disapproval shall specify the reasons therefore and what corrective action is required to obtain approval of such proposed material change. The Party requesting the change shall have 14 days after receipt of notice of disapproval to make corrections.

4.10 Construction of Improvements. Each Party shall Commence Construction and Complete Construction of the Improvements for which it is responsible on or before the dates specified for each in the Schedule of Performance. All such construction requirements shall conform with the requirements of this Agreement.

a. Cost savings within the line items listed in Exhibit C may be applied to cost overruns in other line items regardless of which Party has achieved such cost savings, provided the total Reimbursement Obligation is not increased.

b. If the total costs of the Eligible Expenditures are projected to exceed the total Reimbursement Obligation, the Parties will make good faith efforts to reduce such costs through phased construction, redesign, or other cost saving steps; provided, however, the Reimbursement Obligation is subject to increase in accordance with Sections 4.03b and 5.03.

4.11 Restrictions on Assignment and Transfer. During the period between execution of the Agreement and the issuance of a Certificate of Completion for Completion of Construction of the Private Improvements, the Developer will promptly notify the Authority of any and all changes in the ownership of interests, legal or beneficial, in the Developer (as defined herein) or of any change in the majority control of such interests.

a. The Developer shall not assign all or any part of or any interest in this Agreement or the Property without the prior written approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, no approval shall be required prior to transfer or lease of the parcels of the Property designated in the Development Plan for the Costco, Lowes, and Kohl's stores or for collateral assignment of the Agreement, in whole or in part, and related documents required for the Developer Financing. Mortgages or deeds of trust related to construction of the Improvements and approved as part of the Developer Financing and transfer of pad sites or leases of space in the Private Improvements in the ordinary course of the business of the Developer shall not be deemed to be a transfer for the purposes hereof. Provided, however, no such transfer or lease permitted hereunder shall give any transferee or lessee any rights under this Agreement. For the purposes of this Agreement, transfer shall include a change in the identity of the parties in control of the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Approval of a transfer by the

Authority shall not relieve the Developer of its obligations under this Agreement unless the Authority agrees in writing.

b. The provisions of this Section shall terminate upon Completion of Construction of any part of the Private Improvements described in the certificate of occupancy issued by the City.

4.12 Compliance with Laws; Progress Reports. The Improvements shall be constructed in accordance with all applicable laws, ordinances, standards, warranties, and policies. Until Completion of Construction of the Improvements, the Parties shall consult with one another and provide drafts of construction, site, and landscape plans and drawings for review and comment by the other Party in the early stages of preparation; provided, however, the Parties agree that time is of the essence of this Agreement and that all interim reviews and comments shall be completed in a timely manner so that the Parties are able to comply with the Schedule of Performance and the limitations and requirements of the lenders and other third parties providing the Authority Financing and Developer Financing. The Parties shall make reports in such detail and at such times as may reasonably be requested by the other and the City, as to actual progress with respect to the preparation of the Construction Documents, Commencement of Construction, the progress of construction and the Completion of Construction of the Improvements.

4.13 Eligible Expenditures; Certificates. Exhibit C contains a list of the items included in definition of Public Improvements and Eligible Expenditures. The expenditures by the Developer (including the Advanced Funds) to provide the Public Improvements for which the Developer is responsible in accordance with this Agreement and specified in Exhibit C shall be Eligible Expenditures. The procedure for (i) documentation and certification of the Eligible Expenditures, (ii) requisition of payment for approved Eligible Expenditures from the proceeds of the Bonds by the Authority and (iii) payment of approved Eligible Expenditures to the Developer either directly from the Trustee or by the Authority is set forth in Section 5.03c. The Authority agrees to pay or cause the Eligible Expenditures to be paid within fourteen (14) days of receipt by the Authority of the documentation described in Section 5.03c. The Advanced Funds Note shall be paid in accordance with the terms thereof. The form of such certificates shall be approved by the Trustee and signed by a representative of the Developer who is acceptable to the Trustee. At the expense of the Authority, the Eligible Expenditures are subject to reasonable audit requirements to be established by the Authority and the Trustee, except for the Advanced Funds, which have been documented and approved for payment by the Authority pursuant to the Advanced Funds Note.

4.14 Insurance. At all times while this Agreement is in effect, the Developer will provide the Authority with proof of payment of premiums and certificates of insurance showing that the Developer is carrying, or causing its contractors to carry, builder's risk insurance, comprehensive general liability and worker's compensation insurance policies in amounts and coverages reasonably required by the Authority and the City. Such policies of insurance shall be placed with financially sound and reputable insurers, require the insurer to give at least 30 days

advance written notice of cancellation to the Authority and will include the Authority and the City as additional insureds on such policies.

4.15 Maintenance and Inspection of Records. The Developer will keep, and cause all architects, consultants, engineers, contractors, and subcontractors to keep, proper and current books, records, accounts, and reports in connection with the design and construction of the Public Improvements for which the Developer is responsible and the Advanced Funds. All such books, records, contracts, and reports shall be, at all reasonable times and subject to reasonable notice, open to inspection by such accountants or other agents as the Authority or the Trustee may from time to time designate. All such inspections shall be at the expense of the Authority.

4.16 Non-refundable Fee. The Developer has advanced \$20,000 to the Authority as the Non-refundable Fee to be used by the Authority for the purpose of paying, in part, its costs and expenses required by this Agreement. The Non-refundable Fee shall be retained by the Authority in the event the Agreement is terminated prior to issuance of the Bonds for any reason specified in this Agreement. If the Agreement is not so terminated the Developer may recover the Non-refundable Fee as part of the Advanced Funds.

## **SECTION 5. OBLIGATIONS OF THE AUTHORITY**

5.01 Cooperation Agreement. In accordance with the Schedule of Performance, the Authority will enter into a Cooperation Agreement with the City to deliver the Pledged Sales Tax Revenues in accordance with the Act and to take other actions to facilitate construction of the Improvements. The Cooperation Agreement is subject to review and approval by the Developer within the times set forth in the Schedule of Performance.

5.02 Authority Financing; Refinancing. In accordance with the Schedule of Performance, the Authority will use its reasonable best efforts to obtain the Authority Financing. The Authority Financing shall be (1) the proceeds of the Bonds, which shall be issued as Senior Bonds in a net amount of not less than \$40,000,000 and Subordinate Bonds in the net amount of approximately \$8,624,000, (2) interest earned under the Indenture and on funds deposited in the Special Fund, (3) any other funds deposited in the Special Fund pursuant to the Indenture, and (4) any funds recovered from third parties who may be required to pay a portion of the cost of the Public Improvements. The terms and conditions of the Authority Financing shall be subject to approval by the Developer in accordance with the Schedule of Performance. Provided there is sufficient capacity for issuing the Bonds, the Indenture shall provide for payment of the Administrative Fee each year after payment of debt service on the Bonds, replenishment of reserve funds, and other required deposits. The Indenture shall permit and the Authority shall refinance the Bonds at such time as financing capacity exists to pay for construction of those Public Improvements that cannot be paid from the proceeds of the Senior Bonds and the Subordinate Bonds.

5.03 The Reimbursement Obligation. In consideration of the obligations of the Developer, including, without limitation, provision of the Advanced Funds and a portion of the Public Improvements, the Authority agrees to pay or to cause the payment of the Reimbursement Obligation to the Developer on a priority basis from the proceeds of the Bonds. The Advanced Funds Note is an approved Eligible Expenditure hereunder and shall be paid as described in Section 4.02. The Indenture and the documents incidental thereto shall be subject to review and approval by the Developer within the times specified in the Schedule of Performance. In addition to payment of the Advanced Funds Note, the Authority shall requisition funds from the Trustee pursuant to the Indenture so that upon receipt of reasonable cost certification documentation for the balance of the Eligible Expenditures submitted by the Developer from time to time as provided herein, the Trustee shall release funds to the Authority, to pay directly or reimburse the Developer for such Eligible Expenditures within 14 days after submission of such documentation to the Authority. The total Reimbursement Obligation shall not exceed the total listed in Exhibit C.

a. If the Agreement is terminated pursuant to Section 3.02, the Reimbursement Obligation of the Authority shall become payments to the Developer from the Special Fund to the Developer for the Advanced Funds. Such payments shall be a lien on the Pledged Property Tax Revenues and Pledged Sales Tax Revenue.

b. Notwithstanding any language herein to the contrary, upon agreement of the Parties, the Authority may assume responsibility for construction of and payment for a portion of the Public Improvements, in which case, the obligation of the Developer to construct such portion of the Public Improvements shall cease and a portion of the proceeds of the Bonds shall be applied to payment of that portion of the Public Improvements constructed by the Authority. The Parties will coordinate the design and construction of the Public Improvements for the benefit of the Private Improvements. For those Public Improvements to be constructed by the Authority, the Developer shall have the right to review and approve the Authority's Construction Documents for consistency with the Improvements to be designed and constructed by the Developer and, provided further, notwithstanding any language herein to the contrary, and in addition to any other right or remedy, upon the failure of the Authority to undertake Commencement of Construction and Complete Construction of any or all of the Public Improvements listed in Exhibit C as the Authority Responsibility, including the Comcor Relocation, within the time or times required by the owners or tenants of the Private Improvements, or the lenders, financial institutions, or other third parties providing the Developer Financing or the Authority Financing, the Developer shall have the right, but not the obligation, to undertake and complete any of such Public Improvements upon providing notice to the Authority as provided herein.

c. Unless the Developer otherwise agrees, the Indenture shall permit disbursement of the proceeds of the Bonds in the following order or priority: (1) paying costs of issuance of the Bonds; (2) paying the Advanced Funds Note as provided therein; (3) requisition of funds by the Authority to reimburse the Developer for any Eligible Expenditures (not included

in the Advanced Funds Note) incurred and documented by the Developer; (4) disbursement to the Authority for direct payment or reimbursing the Developer (as provided herein), as the case may be, for design and construction of any other Public Improvements. Each month, or for such other period as the Parties may agree, the Developer shall submit to the Authority an itemized statement of costs incurred or paid by the Developer for any Eligible Expenditures. Such statement shall be certified as true and accurate by the Developer and, at the request of the Authority, may be supplemented by invoices, lien waivers and other backup documents. Upon receipt of such certification of costs the Authority shall forthwith requisition the amounts included therein from the Trustee and pay, or cause the Trustee to pay, such amounts to the Developer within fourteen (14 days) of receipt of such certification by the Authority.

5.04 The Special Fund. The Authority agrees to create and maintain the Special Fund to pay the Reimbursement Obligation. The Authority shall deposit the Pledged Property Tax Revenues, the Pledged Sales Tax Revenues, and all other revenues described in Section 5.02. in the Special Fund when and as received, and, subject to the requirements of law, the Special Fund shall be maintained by the Authority until the Reimbursement Obligation has been paid in full. The Authority shall take all reasonable steps to collect in a timely manner the Pledged Property Tax Revenues, the Pledged Sales Tax Revenues, and all other revenue required to be deposited in the Special Fund.

5.05 No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Developer to receive the Reimbursement Obligation.

5.06 Books and Records. All books, records and reports (except those required by applicable law to be kept confidential) in the possession of the Authority relating to the Public Improvements, the Reimbursement Obligation, Eligible Expenditures, and deposits to and expenditures from the Special Fund, shall at all reasonable times be open to inspection by such accountants or other agents as the Developer may from time to time designate.

5.07 Cooperation With Developer and Others. The Authority agrees to cooperate with the Developer in a timely manner so that the respective obligations of the Parties may be accomplished in accordance with the Schedule of Performance. In addition, the Authority agrees to use its reasonable best efforts to enter into agreements with other parties, including, without limitation, the City and departments of the City, to cooperate in the expeditious processing and approval of the Construction Documents and reasonable relief from or modification of requirements, policies, and procedures in accordance with Section 112 of the Act in order to maximize the net proceeds of the Bonds available for the orderly and timely redevelopment of the Property and the Urban Renewal Area.

a. The Parties will cooperate to provide a phasing plan for improvements to Nevada Avenue, including landscaping in the public right of way, access management to properties affected by roadway improvements, and undergrounding of power lines.

b. In the design and building of the North Nevada Avenue roadway from Austin Bluffs to I-25 the Authority shall (1) incorporate the directional cross-section and median specifications required by the City in the three travel lanes and bike lanes for each direction and (2) include City standard directional islands and three traffic signals for site access points. The lane configurations for the Property at their intersections with Nevada Avenue will be finalized through the street plan and profile process.

c. Provided there is sufficient debt service coverage to meet the additional bonds test in any Indenture or other agreement governing the Authority Financing and issuance of the Bonds, the Developer shall cooperate with the Authority to provide public art in the design of the Private Improvements and those Public Improvements that it is required to design and construct under this Agreement. The Parties shall cooperate to provide public art in the Urban Renewal Area when and as may be financially feasible without impairing the Developer Financing, the Authority Financing, issuance of the Bonds, or Commencement of Construction and Completion of Construction of the Public Improvements and the Private Improvements in accordance with the Schedule of Performance. Such cooperation shall include cooperation and collaboration with community art groups to provide displays of art on the Property and in public areas adjacent to the Property. Public art includes original creations of visual art, including, without limitation, sculpture, mosaics, ceramics, audio stained glass, fiber art, woodworking, and metal work. Artwork may also include unique and artistic landscaping features and ornamental architectural embellishments, not necessarily part of the basic design of a structure or building. Public art may be approved by the Authority and/or the Art Commission of the Pikes Peak Region and will exhibited or installed on public and private property in the Urban Renewal Area in accordance with the policy of the Authority.

5.08 Authority's Right to Enforce Agreements. Subject to the agreement of the Developer's Lenders, the Authority shall have the right, but not the obligation, to cure defaults by the Developer under any agreement to purchase the Property and Developer's loan agreements and related documents.

5.09 Comcor Relocation. The Authority has assumed responsibility to make relocation payments and provide other relocation assistance to Comcor. The Authority agrees to perform such duties in a timely manner so that construction of the Improvements may proceed in accordance with the Schedule of Performance. The Authority shall defend, indemnify, assume all responsibility for and hold the Developer, its members, officers, employees, and agents harmless from all claims, suits, and damages (including, without limitation, for attorney fees and costs) related to such Comcor relocation. If the Authority defaults in its obligations to Comcor, the Developer shall have the right, but not the obligation, to cure such defaults by the Authority. All expenditures by the Developer to cure such defaults, protect itself from claims and suits by the Developer, and in enforcing its rights under this Agreement shall automatically become Eligible Expenditures hereunder. Eligible Expenditures incurred and paid by the Developer under this Section 5.09 shall bear interest at the rate of 12% per annum from the date paid or advanced by the Developer until the date the Developer is reimbursed for such expenditure.

## SECTION 6. REPRESENTATIONS AND WARRANTIES

6.01 Representations and Warranties by the Authority. The Authority represents and warrants as follows:

a. The Authority is an urban renewal authority duly organized and existing under applicable law and has the right, power, legal capacity and the authority to enter into the Agreement and has authorized the execution, delivery and performance of this Agreement by proper action of its Board of Commissioners.

b. The Authority knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority or its officials with respect to this Agreement or the Improvements that has not been disclosed to the Developer.

c. The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by the Agreement will not (1) violate any law, rule, order or regulation applicable to the Authority or the governing documents of the Authority; (2) result in the breach or default under any agreement or other instrument to which the Authority is a party or by which it may be bound or affected; or (3) permit any party to terminate any such agreement or instrument or to accelerate the maturity of any indebtedness or other obligation of the Authority.

d. This Agreement constitutes a valid and binding obligation of the Authority, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Authority will defend the validity of this Agreement in the event of any litigation arising hereunder that names the Authority as a party or challenges the right of the Authority to enter into or perform its obligations hereunder. Should the foregoing representation and warranty of the Authority prove to be inaccurate, in whole or in part, such inaccuracy shall constitute a default by the Authority under this Agreement. However, damages for such default shall be limited to those amounts that would have been payable under this Agreement had this Agreement been valid and binding as represented and warranted by the Authority. The Authority recognizes that the Developer has and intends in the future to expend substantial monies in reliance upon the accuracy of the representation and warranty of the Authority as set forth in this Section 6.01d.

6.02 Representations and Warranties by the Developer. The Developer represents and warrants on behalf of itself as pertains to itself as follows:

a. University Village Developers, LLC is a duly organized, validly existing limited liability company and is in good standing under the laws of the State of Colorado. The Developer has the right, power, legal capacity and authority and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.



b. The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by the Agreement will not (1) violate any law, rule, order or regulation applicable to the Developer or to the governing documents of the Developer; (2) result in the breach or default under any agreement or other instrument to which the Developer is a party or by which it may be bound or affected; or (3) permit any party to terminate any such agreement or instrument or to accelerate the maturity of any indebtedness or other obligation of the Developer.

c. The Developer knows of no action, suit, proceeding or investigation that is threatened or pending against the Developer or its principals that has not been disclosed to the Authority that materially impairs the ability of the Developer to perform its obligations under the Agreement. The filing or service of any such suit affecting this Agreement prior to Completion of Construction of the Improvements shall be disclosed immediately to the Authority by the Developer.

d. Subject to obtaining financing (including payment to the Developer of the Reimbursement Obligation by the Authority) for the Advanced Funds and construction of the Improvements, the Developer has the necessary financial and legal ability to construct the Improvements and perform the Agreement and the other agreements incidental to such performance as contemplated by this Agreement.

## **SECTION 7. DEFAULT; REMEDIES**

7.01 Default by the Developer. Default by the Developer in its obligations to the Authority under the Agreement shall mean one or more of the following events:

a. The Developer, in violation of this Agreement, assigns this Agreement, the Private Improvements or any part of the Property, or any rights in the same; or

b. The Developer fails to commence, diligently pursue, and Complete Construction of the Improvements; or

c. The Developer fails to observe or perform any other covenant or obligation required of it under this Agreement or any representation or warranty made by the Developer under this Agreement is materially false when made;

and if any Default is not cured within the time provided in Section 7.03, then the Authority may exercise any remedy available under Sections 7.04 and 7.05.

7.02 Default by the Authority. Default by the Authority under the Agreement shall mean one or more of the following events: The Authority fails to observe or perform any covenant or obligation required of it under this Agreement or any representation or warranty made by Authority under this Agreement is materially false when made. If any Default is not

cured within the time provided in Section 7.03, then the Developer may exercise any remedy available under Section 7.04 and 7.05. In addition, in the event of a default by the Authority under Section 5.03b, the Developer may exercise the remedy set forth therein.

7.03 Grace Periods. Upon a Default by any Party, such Party, upon written notice from any other Party injured by such Default, shall proceed immediately to cure or remedy such Default. Any Default shall be cured within thirty (30) days (ninety (90) days if the Default relates to the date for Completion of Construction) 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).

7.04 Remedies on Default. Whenever any Default occurs and is not cured under Section 7.03 of this Agreement, the non-defaulting Party injured by such Default and having a remedy under this Agreement may take any one or more of the following actions:

a. 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; or

b. Take whatever legal or administrative action or institute such proceedings as may be necessary or desirable in its opinion to enforce observance or performance of this Agreement, including, without limitation, specific performance or to seek any other right or remedy at law or in equity, including damages.

7.05 Other Rights and Remedies. The Authority and the Developer shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Section 7. If a Party must commence legal action to enforce its rights and remedies under this Agreement, the prevailing Party shall be entitled to receive, in addition to any other relief, its costs and expenses, including reasonable attorney fees, of such action or enforcement.

7.06 Delays; Waivers. Any delay by a Party in pursuing any right or remedy available to such Party under the Agreement shall not operate as a waiver of such right or remedy in any way; nor shall any waiver made by such Party be considered or treated as a waiver of any right or remedy with respect to any other Default by any other Party 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 the right or remedy by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.

7.07 Enforced Delay in Performance for Causes Beyond Control of Party. Anything in the Agreement to the contrary notwithstanding, no Party shall be considered in Default in the event of enforced delay in the performance of obligations under the Agreement 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 or failure to act of the Federal, State or local government, discovery of any Hazardous Substance on the Property, acts of the Party against whom such Party has a right or remedy under this Agreement, acts of third parties (including the effect of any petitions for initiative or referendum), the effect of any condition precedent to any obligation of a Party over which such Party has no control, the effect of litigation, acts of courts, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors or materialmen due to such causes, it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Party claiming such delay, shall be extended for the period of the enforced delay; provided, that the Party seeking the benefit of the provisions of this Section shall, within thirty (30) days after such Party knows of, or should have known by the exercise of reasonable diligence of any such enforced delay, first notify the other Party thereof in writing of the cause or causes thereof, and claim the right to an extension for the period of the enforced delay.

7.08 Rights and Remedies Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by a Party of any such remedy shall not preclude the exercise by it, at the same or different times, of any other remedy for any other Default by any other Party.

7.09 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, in whole or in part, under present or future laws, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement, a provision as similar in terms, to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid and enforceable and this Agreement shall be deemed reformed accordingly.

a. Without limiting the foregoing, if all or any portion of the payments required by this Agreement are determined, by a court of competent jurisdiction in a final non-appealable judgment, to be contrary to public policy or otherwise precluded, the Parties shall utilize their reasonable best, good faith efforts to promptly restructure and/or amend this Agreement, or to enter into a new agreement, and to assure, to the extent legally permissible, that all payments shall be made to the Developer as specified in this Agreement.

b. Notwithstanding the foregoing and without limiting any other rights or remedies of the Developer under the terms of this Agreement, if any provision of this Agreement relating to such payments is found to be invalid or unenforceable, in whole or in part, in a final non-appealable judgment, and such provision is not subject to reformation in accordance with this Section 7.09 so that the Developer receives substantially all of the benefits and payments contemplated by this Agreement, then the Developer shall have the right, in its sole discretion, to immediately terminate this Agreement, in which case this Agreement shall be deemed void ab

initio, or, at the Developer's option, the Developer's construction obligations or obligations to provide the Advanced Funds under this Agreement shall be reduced (and this Agreement deemed reformed accordingly) so that the amount expended, or required to be expended, by the Developer is equal to the portion of the Reimbursement Obligation actually received by the Developer under this Agreement.

c. If this Agreement is declared to be illegal, invalid or unenforceable, in whole or in part, the Developer shall retain all of its rights, at law or in equity, to seek recovery of all monies expended by the Developer in connection with the Advanced Funds or Eligible Expenditures under theories of quantum meruit, restitution, quasi-contract, or under any similar or other theory of recovery.

## SECTION 8. MISCELLANEOUS

8.01 Conflicts of Interest. None of the following shall have any personal interest, direct or indirect, in the Agreement: a member of the governing body of the Authority or the City; an employee of the Authority or the City who exercises responsibility concerning the urban renewal project or the Plan. None of the above persons or entities shall participate in any decision relating to the Agreement that effects his or her personal interests or the interests of any entity in which he or she is directly or indirectly interested.

8.02 Antidiscrimination. The Developer, for itself and its successors and assigns, agrees that in the construction of and in the use and occupancy of the Property and the Private Improvements, 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.

8.03 Title 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.

8.04 No Third-Party Beneficiaries. Except for the Trustee and any lender that provides all or any part of the Developer Financing, no third-party beneficiary rights are created in favor of any person not a Party to the Agreement.

8.05 Venue and Applicable Law. Any action arising out of the 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 the Agreement.

8.06 Nonliability of Officials, Agents and Employees. Except for wilful and wanton actions or omissions or fraud, no council member, board member, commissioner, member of the Developer, official, employee, consultant, attorney or agent of the Authority, the Developer, or the City shall be personally liable under the Agreement or in the event of any Default or for any amount that may become due to any Party.

8.07 Authority or City not a Partner; Developer not Agent. Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, neither the Authority nor the City shall be deemed or constituted a partner or joint venturer of the Developer. The Developer shall not be the agent of the Authority or the City and neither the Authority nor the City shall be responsible for any debt or liability of the Developer or any contractor, operator or manager of the Improvements. The Developer shall not be responsible for any debt or liability of the Authority or the City.

8.08 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 unless the Parties otherwise agree in writing to an amendment.

8.09 Counterparts. The Agreement is executed in counterparts, each of which shall constitute one and the same instrument.

8.10 Notices. A notice, demand or other communication under the Agreement by any Party to the other shall be in writing and sufficiently given if delivered in person or if it is delivered by overnight courier service with guaranteed next-day delivery or by certified mail, return receipt requested, postage prepaid, and

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

University Village Developers, LLC  
c/o Kevin Kratt  
102 N. Cascade Avenue, Suite 250  
Colorado Springs, CO 80903

with a copy to:

University Village Developers, LLC  
c/o Tom Cone  
102 N. Cascade Avenue, Suite 250  
Colorado Springs, CO 80903

with a copy to:

Paul C. Benedetti  
2730 Iliff Street  
Boulder, CO 80305

b. in the case of the Authority, is addressed to or delivered to the Authority as follows:

The Colorado Springs Urban Renewal Authority  
Attention: Executive Director  
104 S. Cascade Avenue, Suite 75  
Colorado Springs, CO 80903

with a copy to:

Dan Hughes  
524 S. Cascade Avenue, Suite 2  
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.

8.11 Good Faith of Parties. In performance of the Agreement or in considering any requested extension of time or in the giving of any approval, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold, delay or condition any approval required by the Agreement.

8.12 Exhibits Merged. All Exhibits annexed to the Agreement shall be deemed to be expressly integrated herein.

8.13 Days. If the day for any performance or event provided for herein is a Saturday, Sunday, a day on which national banks are not open for the regular transaction of business, or a legal holiday pursuant to Section 24-11-101(1), C.R.S., such day therefor shall be extended until the next day on which said banks or state offices are open for the transaction of business.

8.14 Further Assurances. Each Party agrees to execute such documents and take such action as shall be reasonably requested by the other Party to confirm, clarify or effectuate the provisions of this Agreement. The Parties agree to cooperate with each other during the term of this Agreement by granting to each other such reciprocal easements, cross easements and rights of way for pedestrian and vehicular ingress and egress, walkways, parking and such other matters as may be reasonably required for the proper development and use of the Property in accordance with this Agreement; provided, however, nothing herein shall impair the right of the Developer to be reimbursed for Eligible Expenditures.

8.15 Certifications. Each Party agrees to execute such documents as any other Party may 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 may reasonably request.

8.16 Amendments. This Agreement shall not be amended except by written instrument signed and delivered by the Parties.

8.17 Representations and Warranties. No representations or warranties whatever are made by any Party except as specifically set forth in this Agreement.

8.18 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 and the attached Exhibits as they have considered necessary. 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.

8.19 Jointly Drafted. The Parties acknowledge that this Agreement is the result of negotiations between the Parties and further agree that this Agreement shall not be construed or interpreted against either Party on the basis of sole or primary authority.

8.20 Authority. The persons executing this Agreement on behalf of the Parties covenant and warrant that each is fully authorized to execute this Agreement on behalf of such Party.

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

AUTHORITY:

THE COLORADO SPRINGS URBAN RENEWAL  
AUTHORITY

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

Chair

ATTEST:

\_\_\_\_\_  
*[Handwritten signature]*

DEVELOPER:

UNIVERSITY VILLAGE DEVELOPERS, LLC, a  
Colorado limited liability company

By: KRATT MANAGEMENT COMPANY,  
LLC, a Colorado limited liability company,  
its executive manager

By: \_\_\_\_\_  
*[Handwritten signature: Kratt]*, manager

**EXHIBIT A**

**Legal Description of the Property**

Lots 1 through 5 and Tracts A and F and Tract G, by easement, inclusive,  
University Village Colorado, Filing No. 1,  
according to the recorded plat thereof, Reception No. 208712737,  
City of Colorado Springs,  
County of El Paso,  
State of Colorado



## **EXHIBIT B**

### **Development Plan**

The Development Plan for the Property is depicted in the PUD Development Plan, Lots 1 through 5 & Tracts A through G, University Village Colorado, Filing No.1, Colorado Springs, Colorado, dated March 15, 2007 approved by City of Colorado Springs on October 11, 2007, and any subsequent revisions approved by the City.

**EXHIBIT C**  
**Public Improvements**

<u>Item</u>	<u>Estimated Eligible Expenditure</u>
A. Advanced Funds	\$ 15,997,000
B. Drop Structure	312,000
C. Box Culvert	1,757,181
D. Demolition of Existing Structures	2,443,556
E. Project Coordination	100,000
F. Professional Consultants	50,000
G. Authority Fee Reimbursement	20,000
H. Monument Creek Retaining Wall	3,421,619
I. Earthwork (Import Fill)	5,916,598
J. Wet Utilities (Sanitary Sewer)	33,377
K. Paving & Concrete (Rosemont Entry)	15,933
L. Landscaping (Trails)	172,116
M. Landscaping (Onsite Retaining Wall)	<u>545,440</u>
Subtotal (Developer)	\$ 30,784,820
N. Nevada Avenue Improvements	
Roadway	\$ 4,658,327
Underpass & Storm Sewer	2,343,063
Sidewalks	487,060
Street Lights	164,208
Traffic Signals	544,907
Sidewalk Lights	33,000
Landscaping	537,867
Storm Sewer	480,550
Utility Relocation (Electric Distribution & Fiber)	914,635
Soft Costs (Engineering, Testing, Project Manager)	101,636
Contingency (10%)	1,016,362
Matrix Road Engineering Fees	596,441
O. Comcor Relocation	2,270,000
P. 115 Kv. Fiber (Transmission Line on UVC)	1,350,000
Q. Distribution Line (East-West on UVC)	663,421
R. Transmission Line (East Side of Nevada)	1,000,000
S. School District 11 Payment	500,000
T. UCCS Planning & Site Improvement	200,000
U. UCCS Loan Interest	<u>255,876</u>
Subtotal - Authority	\$ 18,117,353
Total - Public Improvements	\$ 48,902,173

Items A through M are Developer's responsibility. Items N through U are Authority's responsibility. All Items are to be paid from Bond proceeds and cost savings. Except for Item A (which shall be paid in accordance with the Advanced Funds Note without further documentation), all Eligible Expenditures shall be subject to reasonable cost certification procedures.

## EXHIBIT D

### Schedule of Performance

<u>Event</u>	<u>Estimated Date</u>
1. Authority and City agree on Cooperation Agreement	Completed
2. Authority submits terms of Authority Financing to Developer and executes Advanced Funds Note	Completed
3. Developer approves/disapproves Authority Financing	Approved
4. Developer submits Developer Financing to Authority	Completed
5. Authority approves/disapproves Developer Financing	Approved
6. Final date for approval of Developer Financing and Authority Financing	Approved
7. Final Date for Acquisition of Property	Completed
8. Final date for rezoning, City development plan approval, subdivision & replatting	Completed
9. Authority issues Bonds	February 28, 2008
10. Developer submits Construction Documents for site work to Authority	1st Quarter of 2008
11. Authority approves/disapproves Construction Documents for site work	1st Quarter of 2008
12. Final date for approval of Construction Documents for site work	1st Quarter of 2008
13. Developer demolishes & clears existing improvements	2 <sup>nd</sup> Quarter of 2008
14. Parties Commence Construction of Improvements	2 <sup>nd</sup> Quarter of 2008
15. Parties Complete Construction of all Improvements, subject to phasing of certain buildings on the Property based on lease absorption	June, 2010

## EXHIBIT E

### ADVANCED FUNDS NOTE

U.S. \$15,997,000.00

Colorado Springs, Colorado  
February 1, 2008

FOR VALUE RECEIVED, the COLORADO SPRINGS URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the Authority) hereby promises to pay to UNIVERSITY VILLAGE DEVELOPERS, LLC, Colorado limited liability company or order (the Note Holder), the principal sum of Fifteen Million Nine Hundred Ninety Seven Thousand and No/100 U.S. Dollars (\$15,997,000.00), without interest prior to maturity. After maturity, interest shall accrue at the rate of six and one-half percent per annum (6.50 %) on the unpaid balance hereof.

This Note is issued pursuant to the Colorado Urban Renewal Law, Title 31, Article 25, Part 1, C.R.S., and shall be payable in full on or before December 31, 2010 (the Maturity Date). Partial Payment of \$13,497,000 shall be made by the Authority from the initial draw by the Authority on the proceeds of the Senior Bonds to be issued by the Authority pursuant to the Amended and Redevelopment Agreement by and between the Authority and the Note Holder dated as of February 1, 2008 (the Agreement). The balance of \$2,500,000 shall be paid on the first to occur of the initial draw on the proceeds of the Subordinate Bonds defined in the Agreement or on or before the Maturity Date. The Agreement shall constitute the contract between the Authority and the Note Holder and contains the complete statement of such contract, including, without limitation, the obligation to issue the Bonds (including the Senior Bonds and the Subordinate Bonds) as defined therein and to pay the Reimbursement Obligation to the Note Holder, including, without limitation, this Advanced Funds Note from the proceeds of the Pledged Property Tax Revenues and Pledged Sales Tax Revenues defined in the Agreement.

Payment shall be made to the Note Holder at the office of Note Holder, 102 N. Cascade Avenue, Suite 250, Colorado Springs, Colorado 80903, or such other place as the Note Holder may designate.

This Note may not be transferred or exchanged without the prior written approval of the Authority. Such approval will not be unreasonably withheld, conditioned, or delayed, but may be conditioned upon compliance with reasonable conditions related to the status of any transferee as a sophisticated and knowledgeable investor.

No commissioner, officer, employee, or agent of the Authority shall have any personal liability for any obligation of the Authority under the Note or for any claim based on any such obligation or its creation.

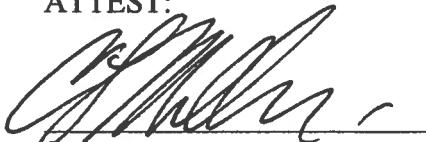
The Authority may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty.

Presentment, notice of dishonor, and protest are hereby waived by the Authority and all other makers, sureties, guarantors and endorsers hereof. The Note Holder shall be entitled to collect all reasonable costs and expense of collection and/or suit, including, but not limited to reasonable attorney fees in the event of a Default (as defined in the Redevelopment Agreement) on this Note by the Authority.

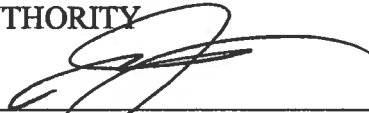
It is hereby certified, recited, and declared that all acts and conditions required by law to exist, happen, and be performed precedent to the issuance of this Note have existed, happened, and been performed in due time, form, and manner as required by law.

THE COLORADO SPRINGS URBAN RENEWAL  
AUTHORITY

ATTEST:

  
Secretary

By:

  
Name: Brian D. James  
Title: Chair  
Address: 104 S. Cascade Avenue, Suite 250  
Colorado Springs, Colorado 80903