



PUBLIC MEETING

**April 18, 2017, 8:00 pm
100 North Wilcox Street, Second Floor Council Chambers
Castle Rock, Colorado**

AGENDA

***THIS MEETING IS OPEN TO THE PUBLIC. PLEASE NOTE THAT ALL TIMES INDICATED ON THE AGENDA ARE APPROXIMATE. INTERESTED PARTIES ARE ENCOURAGED TO BE PRESENT EARLIER THAN THE SCHEDULED TIME.**

8:00 Call to Order / Roll Call:

8:00 *Unscheduled Public Comment* *(During this time, members of the public are invited to address the Authority on items which are **NOT** scheduled on the agenda. Comments are limited to four (4) minutes per speaker.)*

Discussion and Action Items

8:05 Approval of 1-17-17 Minutes

8:05 A RESOLUTION APPROVING A PUBLIC FINANCE AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK, CITADEL DEVELOPMENT, LLC, THE MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT AND THE CASTLE ROCK URBAN RENEWAL AUTHORITY AND URBAN RENEWAL PROJECT IN FURTHERANCE OF THE CITADEL STATION-CASTLE MEADOWS URBAN RENEWAL PLAN

8:15 Adjourn

Description	Castle Rock Urban Renewal Authority (CRURA) Board of Commissioners Meeting January 17, 2017 – Castle Rock Town Council Chambers	
Time	Speaker	Note
5:34 pm	Green	Called the Meeting to Order at 5:34 PM. All Commissioners were present with the exception of Commissioners Valentine.
		Pledge of Allegiance
		<u>Unscheduled Public Comment</u>
		There was no public comment
		Commissioner Valentine Arrived
5:35 pm		<u>Minutes of the December 15, 2016 Meeting</u>
	Teal	<i>Moved to approve the Minutes of the December 15, 2016 CRURA meeting as presented</i>
	Ford	<i>Seconded motion to approve Minutes as presented. Motion passed by a vote of 7-0.</i>
5:36 pm	Green	<u>Discussion – Citadel Station/Castle Meadows URA Plan Update</u>
	Detweiler	Provided Overview
6:00 pm		The meeting was adjourned



Meeting Date: April 18, 2017

AGENDA MEMORANDUM

To: Chair Green and URA Board of Commissioners

From: Bill Detweiler, Executive Director
Bob Slentz, Legal Counsel
Trish Muller, Treasurer

Title: A RESOLUTION APPROVING A PUBLIC FINANCE AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK, CITADEL DEVELOPMENT, LLC, THE MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT AND THE CASTLE ROCK URBAN RENEWAL AUTHORITY AND URBAN RENEWAL PROJECT IN FURTHERANCE OF THE CITADEL STATION-CASTLE MEADOWS URBAN RENEWAL PLAN

Executive Summary

Staff is seeking URA Board action on a Resolution for the Citadel Station – Castle Meadows URA Plan (project titled Millers Landing). Approval of the Resolution triggers the capture of property tax increment (TIF) collected by the County Assessor. Following collection and distribution of TIF from the Assessor's office to the Town, TIF funds will be placed in the special fund and distributed to the Business Improvement District (BID) for the purpose of retiring the BID Bonds. TIF does not go directly to the property owner or development team.

Background

The Board and Town Council adopted an Urban Renewal Authority (URA) program in April 2013. The goal of the Town wide URA program is to eliminate and prevent the spread of blight within the Town and to stimulate growth and investment through construction of public infrastructure and other public improvements authorized in the State URA Act.

On September 2, 2014, Town Council approved the Citadel Station – Castle Meadows Urban Renewal Plan consisting of approximately 65 acres of land located at the northwest corner of I-25 and Plum Creek Parkway (**Attachment B**). Approval of the URA Plan entitled collection of TIF to remove and eliminate blight, specifically removal of an abandoned municipal dump site and abandoned clay mines, and to provide funding for construction of public infrastructure within and adjacent to the site.

To date, both properties in the URA Plan have remained undeveloped. Although the Town completed construction of the I-25 / Plum Creek Parkway interchange and Plum Creek Parkway road and infrastructure improvements, development of the property will require remediation of the dump site and clay mines and significant infrastructure improvements prior to creating developable lots. Use of property tax TIF will aid with



remediation of the abandoned dump and clay mines, a significant financial barrier to development, and allow for construction of public infrastructure and other improvements in accordance with the URA Act.

URA Board members are aware the Economic Development Partnership has consistently identified a need for deliverable properties and new and expanded employment based business space. Vacancy rates in Castle Rock show the market is currently underserved for office and employment based business when compared to neighboring jurisdictions in the Denver Metro area, which offer finished floor product at competitive prices and a variety of office space configurations and square feet for lease or purchase. According to <https://onthemap.ces.census.gov/> the 2014 census showed that 21,440 residents live in Castle Rock, but work in other communities, while only 4,615 residents live and work in Town. Since 2014 the Town population has increased by approximately 7,000 residents while a limited variety of finished floor product has become available. Clearly there is a need for additional developable land and finished floor product for the Town to remain competitive in the south metro area. Use of property tax TIF will enable the development team to sell bonds to finance dump remediation and public infrastructure improvements to create an opportunity for additional developable land in the central core of Castle Rock.

Use of Tax Increment Financing

The Citadel Station – Castle Meadows URA Plan adopted in September 2014, included language defining project financing and use of tax increment. The approved Plan stated 100% of the property tax TIF was pledged to the project as noted in Section 7.3.3 as follows, *“One hundred percent of property tax increment revenue shall be deposited into the Special Fund as provided in the Act and this Section.”* The URA Plan approval did not however define the percentage of municipal sales tax as follows, *“The Plan may be amended in the future to include all or a portion of the municipal sales tax as additional tax increment in accordance with the Act.”* The approved URA Plan language is the basis for staff seeking approval, through resolution, to deposit 100% of the property tax TIF into the Special Fund to finance eligible improvements in accordance with the URA Act.

Amending the Plan to determine the percentage of municipal sales tax TIF requires the Town to comply with the recently adopted HB1348 for URA programs across the State. That means a reopening and re-evaluation of the approved Citadel Station – Castle Meadows URA Plan, expanding the URA Board beyond Council members to include representation from all tax entities within the Town and to seek written approvals from the County and tax entities for TIF share. The process to amend the URA Plan would require at least 6+ months to complete, considerably more time to act than the Sales Tax Public Finance Agreement approved by Council on first reading on February 21. That is the basis for staff asking Council to approve a separate municipal sales tax share back agreement, versus use of the URA Plan municipal sales tax TIF. The project financing section of the approved URA Plan reads as follows:



Section 7.0

Project Financing

7.1 Public Investment Objective

Public and private sector participation is needed for the Plan to succeed. Public infrastructure investments for the Plan will include constructing streets, public spaces, and new infrastructure, improving access from Plum Creek Parkway and Prairie Hawk and remediation of the abandoned municipal dump site and abandoned clay mines. All public and private investments shall be made in accordance with the Act.

7.2 Authorization

The Authority may finance undertakings authorized under the Act including issuance of notes, bonds and other obligations as defined in the Act in an amount sufficient to finance all or part of the Plan. The Authority may borrow funds and create indebtedness, and approve advances and reimbursement agreements in accordance with the Act. The principal, interest, costs and fees on any indebtedness are to be paid for with any lawfully available funds of the Authority. Debt may include bonds, refunding bonds, notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, or any other obligation lawfully created.

7.3 Tax Increment Financing

Activities may be financed by the Authority using TIF. Tax Incremental Revenues may be used for a period not to exceed the statutory limitations, calculated in accordance with applicable rules of the Property Tax Administrator of the State of Colorado. The Authority will only pay TIF increment if TIF exists. The Authority is not bound to make payments if a financial issue arises and TIF stops.

7.3.1 Special Fund

In accordance with the requirements of the Act, the Authority shall establish a tax increment revenue fund for the deposit of all funds generated pursuant to the division of ad valorem property tax revenue described in this section.

7.3.2 Base Year Revenues

The Base Year Revenues shall be paid into the funds of each public body as are all other taxes collected by or for said public body. All of the taxes levied upon the taxable property in the Area shall be paid into the funds of the respective public bodies.

7.3.3 Increment Amount

Property Tax Increment Revenue shall be used to finance projects in the Plan area pursuant to Section 31-25-107(9), C.R.S. One hundred percent of property tax increment revenue shall be deposited into the Special Fund as provided in the Act and this Section. The Plan may be amended in the future to include all or a portion of the municipal sales tax as additional tax increment in accordance with the Act.



The Authority may expend, pledge, or refund tax increment in any manner authorized or required by the Act. The Authority reserves the right to enter into Cooperation Agreements with the Town and select taxing jurisdictions relative to allocation of incremental tax revenues.

Property taxes collected with in the Area shall be divided as follows:

- a) That portion of the taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation for assessment of taxable property in the Area, shall be paid into the funds of each such public body as are all other taxes collected by or for such public body, but the amount of the payment shall not exceed the Base Year Revenues.*
- b) The approved portion of property taxes in excess of the Base Year Revenue shall be allocated to and, when collected, paid into the special fund to finance obligations with respect to Urban Renewal Projects in the Area, including payment of the principal of, the interest on, and any premiums due in connection with the bonds, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, whole or in part, Urban Renewal Projects in the Area or to make payments under an agreement executed pursuant to Section 31-25-107(11), C.R. S.*
- c) When such bonds, loans, advances and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, but in no event later than 25 years (or such other period as may be authorized by the Act) following the adoption of this Plan, any excess property tax collections not allocated pursuant to this paragraph or any Cooperation Agreement between the Authority and the Town or other taxing jurisdiction, shall be paid into the funds of said jurisdiction or public body. Unless and until the total property tax collections in the Area exceed the base year property tax collections in the Area, all such property tax collections shall be paid into the funds of the appropriate public body based upon Cooperation Agreements between the Authority and the Town or other taxing jurisdiction.*
- d) In the event that there is a general reassessment of taxable property valuations in Douglas County, which are subject to division of valuation for assessment between base and increment, as provided above, the portions of valuations for assessment to be allocated as provided above shall be proportionately adjusted in accordance with the Act.*

If there is any conflict between the Act and the Plan with respect to TIF at the time this Plan is approved, the provisions of the Act shall control and the language in the Plan will be automatically deemed to conform to the Statute.



7.4 Other Financing Mechanisms and Structures

The Plan is designed to use TIF as one tool to facilitate investment within the Area. The Authority shall be authorized to finance implementation of the Plan by any method authorized by the Act. The Authority is committed to making a variety of strategies and mechanisms available and encourages use of multiple resources either independently or in various combinations depending on the needs of individual Urban Renewal Projects within its boundaries and area of impact. The Authority recognizes that solutions and resources be put in place that are comprehensive, flexible and creative.

Discussion

The Development Plan

The proposed development plan includes a variety of land uses, all consistent with the approved Citadel Station – Castle Meadows URA Plan. The applicant updated the Plan following its initial meeting with Council and after gaining control of the 18-acre parcel owned by the Stapleton Group and zoned IOZ. This is good news for the Town because the 18-acre site was part of the initial URA Plan and allows staff to work with one property owner for the entire 65-acre tract.

The initial phase of construction includes remediation of the abandoned municipal dump site, which was a main objective of the URA Plan, along with installation of utilities and widening of Plum Creek Parkway to two lanes the entire length of the project. Installation of utilities and road improvements to Prairie Hawk Drive on the east end of the property will allow for proper access to the site and provide a north / south frontage road connection from the industrial park to the north through the property and connecting to Plum Creek Parkway for easy access to I-25. Construction of a parking structure located adjacent to the hotel site will provide additional parking for public use, which will assist with overflow from P.S. Miller Park. The east side of the property is shown as phase two and is planned for high rise office buildings. The central portion of the property is noted in phases three and four and planned for retail, office and mixed use in accordance with the proposed IOZ zone district approved by Town Council.

The proposed development plan addresses URA Plan goals approved by Council:

- Elimination of blight on the property;
- Remediation of the abandoned municipal dump site and construction of road and utility infrastructure to improve conditions adjacent to and within the site;
- Development will generate property tax TIF to assist with paying off Bonds necessary to complete site improvements; and
- Construction of a parking structure on the west side of the property assists with parking needs and access to Miller Park.



The Finance Plan

Staff sought assistance from the consultant firm EPS to provide third party analysis of the proposed finance plan. Highlights of the study include a “but-for” analysis of the project if no public funding is provided. Use of public financing allows for:

- Remediation of the abandoned municipal dump;
- Providing a location for Class A office space to attract corporate and professional tenants;
- Attracting a full-service hotel with conference, meeting and banquet space; and
- Developing destination retail/entertainment and recreation uses that bring new customers and that do not compete with existing retailers in the Town.

The Developer of Miller’s Landing has requested a public finance package from the Town of Castle Rock and the Castle Rock URA including the following components:

Tax Increment Financing – 100 percent of the URA property tax increment as enabled by the URA plan, including Douglas County, Douglas County School District, Douglas County Library District, Cedar Hill Cemetery and the Town of Castle Rock. The Town’s URA approved an urban renewal Plan on the site on September 2014, making the Project eligible for TIF for which the 25-year clock was triggered in 2015. As a result, each subsequent year without development the Town loses potential development incentives. This “ticking clock” adds a sense of urgency to the Project.

- **Credit Public Improvement Fee (PIF)** – A 2.4 percent “credit” PIF, which results in a 60 percent reduction of the Town’s 4 percent sales tax rate.
- **Business Improvement District (BID)** – A 50 mill property tax levy against all property owners for eligible capital improvements, as well as an additional 10 mill levy for operations and maintenance (O&M).
- **Add-on PIF** – A 1.25 percent “add-on” PIF to be applied over and above the existing sales tax and credit PIF.

The success of the development likely depends on the Developer’s ability to attract large hotel and office anchor tenants. Without attracting a large anchor tenant and relying instead on the historic trends in Castle Rock, the Project will take longer to absorb.

In its analysis, EPS calculated the Developer’s returns without public investment to determine if (1) “but for” the public investment the Project is financially infeasible and (2) with the public investment the Project is feasible with a reasonable rate of return given current financial conditions and the associated level of Developer risk.

Board approval to use property tax TIF allows the development team to secure bonds and finance public improvements. Generation of TIF is the sole responsibility of the development team. If development does not generate sufficient TIF to pay off the



Bonds the development team is responsible for making up the financial difference. If development activity stops, the URA is not bound to make payments if a financial issue arises and generation of TIF stops. That is the benefit of the URA program. TIF funding only occurs if the project succeeds and site assessments rise.

The URA clock started with approval of the Plan in September, 2014, and is valid for 25 years, meaning the property tax TIF clock runs out September 2039. Tax Increment Revenues may be used for a period not to exceed the statutory limitations. Whether or not enough TIF is generated by 2039 to pay off the Bonds is the responsibility of the development team. On the other hand if the project exceeds expectations and enough TIF is generated to pay off the bonds prior to 2039 then the bonds are retired and 100% of tax increment generated by project goes to the noted tax entities.

Next Steps

As noted at the URA Board meeting on July 19, 2016, staff and the development team envisioned a two-step process to move forward. The initial meeting with the URA Board was to review the proposed development plan and provide feedback on land use and development themes. Board members agreed the proposed Miller's Landing development plan was consistent with the approved Citadel Station – Castle Meadows URA Plan. The second step is Board consideration and action on use of property tax TIF to pay off bonds needed to construct eligible public improvements.

Conclusion

The purpose of the URA Board meeting is to seek Board action on the attached Resolution to share 100% of the property tax TIF generated by development on the Citadel Station – Castle Meadows URA Plan. Board action will follow Council action on this issue.

Proposed Motion

"I move to approve the Resolution as introduced by title."

Attachments

Attachment A: Resolution

Attachment B: Citadel Station – Castle Meadows URA Plan

Attachment A:

Resolution

**CASTLE ROCK URBAN RENEWAL AUTHORITY
RESOLUTION NO. 2017-**

**A RESOLUTION APPROVING A PUBLIC FINANCE AGREEMENT BETWEEN THE
TOWN OF CASTLE ROCK, CITADEL DEVELOPMENT, LLC, THE MILLER'S
LANDING BUSINESS IMPROVEMENT DISTRICT AND THE CASTLE ROCK
URBAN RENEWAL AUTHORITY AND URBAN RENEWAL PROJECT IN
FURTHERANCE OF THE CITADEL STATION-CASTLE MEADOWS URBAN
RENEWAL PLAN**

WHEREAS, by Resolution 2014-76 the Town Council of the Town of Castle Rock approved the Citadel Station-Castle Meadows Urban Renewal Plan ("Plan"),

WHEREAS, as required by the Urban Renewal Law, in approving the Plan the Town Council found certain blight conditions exist on the 65-acres subject to the Plan ("Property") including an abandoned landfill and inadequate public improvements and utilities,

WHEREAS, by Ordinance 2016-027 the Town Council approved formation of the Miller's Landing Business Improvement District ("District") which enabled the utilization of District financing to mitigate blight conditions on the Property if authorized through a Public Finance Agreement with the Castle Rock Urban Renewal Authority ("Authority"),

WHEREAS, Citadel Development, LLC ("Developer") is the contract purchaser of the Property and proposes to develop a mixed-use commercial project in one or more phases on the Property ("Project"), which will result in the remediation of the landfill on the Property and the installation of necessary public improvements and utilities to the Project,

WHEREAS, the development of the Project will result in remediation of the landfill, installation of necessary public infrastructure and otherwise ameliorate other blight conditions on the Property and accordingly such elements of the Project constitute an Urban Renewal Project under Urban Renewal Law and the Plan,

WHEREAS, section 31-25-112 of the Urban Renewal Plan authorizes the Authority to coordinate and contract with other public bodies such as the District to accomplish an Urban Renewal Project, and

WHEREAS, the Developer, Town, District and Authority have negotiated a Public Finance Agreement that comprehensively addresses the utilization of property tax increment accruing to the Authority under the Plan to support the issuance of debt by the District to accomplish the goals and objectives of the Plan in compliance with the Urban Renewal Law,

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE CASTLE ROCK URBAN RENEWAL AUTHORITY AS FOLLOWS:**

Section 1. Approval. The Public Finance Agreement between Citadel Development, LLC, the Town of Castle Rock, Miller’s Landing Business Improvement District and the Castle Rock Urban Renewal Authority, in the form attached as ***Exhibit 1*** is hereby approved. The URA Chairperson and other proper URA officials are authorized to execute the PFA by and on behalf of the Castle Rock Urban Renewal Authority.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2017 by the Board of Directors of the Castle Rock Urban Renewal Authority on first and final reading by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Secretary

Jennifer Green, Chairperson

Approved as to form:

Approved as to content:

Robert J. Slentz, General Counsel

Bill Detweiler, Executive Director

PUBLIC FINANCE AGREEMENT

This PUBLIC FINANCE AGREEMENT (this “**Agreement**”) dated as of _____, 2017, is made by and among CITADEL DEVELOPMENT, LLC, a Delaware limited liability company (“**Developer**”), the TOWN OF CASTLE ROCK, a municipal corporation (“**Town**”), MILLER’S LANDING BUSINESS IMPROVEMENT DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District**”), and the CASTLE ROCK URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (“**Authority**”). Developer, Town, District, and Authority are sometimes collectively called the “**Parties**,” and individually, a “**Party**.”

RECITALS

All capitalized terms used, but not defined, in these Recitals, have the meanings ascribed to them in this Agreement. The Recitals are incorporated into this Agreement as though fully set forth in the body of this Agreement.

WHEREAS, Developer is the contract purchaser of the real property described in **Exhibit A** (the “**Property**”) and desires to develop the Property by constructing a mixed-use commercial project in one or more phases, which may include office, retail, restaurant, bar, hospitality, and accessory uses, but not residential uses, together with related amenities and uses on the Property (the “**Project**”).

WHEREAS, Developer is an affiliate of P3 Advisors, LLC (“**P3**”), a real estate development company that specializes in public private partnerships, with an emphasis on brownfield redevelopment. P3 brings years of real estate development experience to the Project, and has the expertise necessary to develop a mixed-use commercial project with the magnitude and complexity of the Project, including remediation of the Landfill (defined below).

WHEREAS, Developer has engaged the Town process for entitlement of the Project and accordingly the Town and Fenway Partners, LLC, the contract seller of the Property, have entered into the Miller’s Landing Development Agreement, dated December 6, 2016 (the “**Development Agreement**”) that addresses development of the Property and Project.

WHEREAS, the District will issue one or more series of District Bonds to finance all or a portion of the costs of the Eligible Improvements (defined below).

NOW THEREFORE, in consideration of the mutual covenants and promises of the Parties contained in this Agreement, and other valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree to the terms and conditions in this Agreement.

AGREEMENT

1. DEFINITIONS AND QUALIFICATIONS. In this Agreement, unless a different meaning clearly appears from the context, capitalized terms mean:

“**Act**” means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes.

“Add-On PIF” means the public improvement fee in the amount of up to 1.25% on Taxable Transactions, as set forth in the Add-On PIF Covenant, which will be (i) collected in accordance with the terms of the Add-On PIF Covenant and (ii) accounted for and spent in accordance with this Agreement.

“Add-On PIF Covenant” means a declaration of covenants by Developer imposing and implementing the Add-On PIF within the Property.

“Add-On PIF Revenue” means the revenue derived from the imposition of the Add-On PIF in accordance with the Add-On PIF Covenant and this Agreement.

“Agreement” means this Public Finance Agreement, as it may be amended or supplemented in writing, from time to time. References to sections or exhibits are to this Agreement unless otherwise qualified. All Exhibits are incorporated to this Agreement.

“Authority” means the Castle Rock Urban Renewal Authority, a body corporate and politic of the State of Colorado, and its successors and assigns.

“Authority Administrative Fee” means a fee up to a maximum of 0.5% of the gross Pledged Property Tax Increment Revenue received by the Authority from the Douglas County Treasurer each year, which fee includes all amounts required to pay collection, enforcement, disbursement, and administrative fees and costs required to carry out the Plan, including, without limitation, collection and disbursement of the Pledged Property Tax Increment Revenue.

“Complete Construction” or **“Completion of Construction”** means, for any Eligible Improvement, initial acceptance in accordance with the Town Requirements, applicable laws, ordinances, and regulations of the Town and any other governmental entity or public utility with jurisdiction, subject to any applicable conditions of maintenance and warranty, or if such Eligible Improvement would require a certificate of occupancy, the issuance of a certificate of occupancy by the Town in accordance with Town Regulations.

“Costs of Issuance” means, collectively, the reasonable and necessary costs incurred in connection with the issuance of the District Bonds, including, without limitation, underwriter’s compensation, financial consultant fees, fees and expenses of bond counsel, counsel to the underwriter, counsel to the Town, and counsel to any party or entity from which an opinion of counsel is required, fees and expenses of any provider of credit enhancement, bond insurance, or guaranty, fees and expenses of the District Bond Trustee, bond registrar, paying agent, and transfer agent and rating agency fees. Costs of Issuance may be paid from the proceeds of the District Bonds.

“Credit PIF” means the public improvement fee in the amount of 2.4% on all Taxable Transactions, as set forth in the Credit PIF Covenant, which will be (i) collected in accordance with the terms of the Credit PIF Covenant and (ii) accounted for and spent in accordance with this Agreement. Except as set forth in Section 3.3, the Credit PIF shall not apply to any Taxable Transactions originating from within a Restricted Grocery Store or Relocated Retailer.

“Credit PIF Covenant” means a declaration of covenants by Developer imposing and implementing the Credit PIF within the Property.

“**Credit PIF Revenue**” means the revenue derived from the imposition of the Credit PIF in accordance with the Credit PIF Covenant and this Agreement.

“**CRMC**” means the Castle Rock Municipal Code, as the same may be amended or supplemented.

“**Default**” or “**Event of Default**” means any of the events described in Section 15; provided, however, that such events will not give rise to any remedy until effect has been given to all notice requirements, grace periods, cure periods, Force Majeure Events, and periods of enforced delay provided for in this Agreement.

“**Developer**” means Citadel Development, LLC, a Delaware limited liability company, and any successors and assigns approved or allowed in accordance with this Agreement.

“**Developer Advances**” means, collectively, amounts advanced or incurred by Developer to pay any Eligible Costs. Developer Advances shall include, without limitation, (a) Eligible Costs paid directly or advanced by Developer, (b) advances to the District for engineering, design, and construction by the District of Eligible Improvements pursuant to a Reimbursement Agreement; and (c) Pre-Financing Costs.

“**Development Agreement**” means the Miller’s Landing Development Agreement, dated December 6, 2016, by and between the Town and Fenway Partners, LLC [recorded in the public records of Douglas County, Colorado on _____ at Reception No. _____](#).

“**District**” means Miller’s Landing Business Improvement District, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §31-25-1201, *et seq.*, and its successors and assigns.

“**District Administrative Account**” means an account established by the Authority into which the Authority shall deposit all of the District Operating Revenue received by the Authority from time to time pursuant to the rules and regulations of the Property Tax Administrator of the State of Colorado.

“**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness issued or incurred by the District to finance or refinance the Eligible Costs in accordance with the terms and provisions of this Agreement, including any bonds, other financial obligations or securities issued by the District to refund the District Bonds, but specifically exclusive of any Reimbursement Agreement entered into between the Developer and the District.

“**District Bond Documents**” means, collectively, the District Bond Indenture and any other documents pursuant to which the District Bonds are issued.

“**District Bond Indenture**” means any indenture or similar documents pursuant to which the District Bonds are issued.

“**District Bond Requirements**” means the principal, premiums, and interest due on the District Bonds, any amounts required to replenish any Reasonably Required Reserve, any amounts required to repay any bond insurer or other guarantor of the debt service on the District Bonds,

fees and expenses of the District Bond Trustee, bond registrar, paying agent, authenticating agent, and any other amounts approved in writing by the Town.

“District Bond Trustee” means the trustee in connection with the issuance of any District Bonds.

“District Debt Service Mill Levy” means a property tax levy of a minimum of 50 mills which will be levied by the District on the taxable property of such District, except as provided herein; provided, however, that such rates may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such District Debt Service Mill Levy is neither diminished nor enhanced as a result of such changes. The District Debt Service Mill Levy shall not be less than 50 mills during the term of this Agreement unless the District obtains approval of a lower amount from the Town, which determination shall be in the discretion of the Town.

“District Pledged Revenue” means, collectively, the revenue produced by (a) the District Debt Service Mill Levy, (b) the District Specific Ownership Taxes, and (c) Pledged PIF Revenue.

“District Operating Revenue” means revenue produced by the District’s imposition of a mill levy to pay the operations and maintenance expenses of the District and other revenue designated by the District for such purpose, and any Remaining Add-On PIF Revenue, as allowed under the District Bond Documents from time to time.

“District Specific Ownership Taxes” means the specific ownership tax revenues received by the District in each year from the levy of the District Debt Service Mill Levy.

“EDC” means the Castle Rock Economic Development Council.

“Effective Date” has the meaning provided in Section 11.

“Eligible Accrued Interest” means interest accrued on unreimbursed Developer Advances as follows:

(a) If the Developer constructs Eligible Improvements or finances Eligible Costs from money it does not borrow, including any Developer Advances made to the District to acquire or construct Eligible Improvements from non-borrowed money, interest shall accrue at a rate equal to Prime plus 4% (but not to exceed 9%), and shall be simple per annum interest, and shall not compound.

(b) If the Developer constructs Eligible Improvements or finances Eligible Costs from money that it borrows, including any Developer Advances made to the District to acquire or construct Eligible Improvements from borrowed money, interest shall accrue at a rate equal to the rate of interest that the Developer is paying to the Developer’s lender under the applicable loan documents (but not to exceed 10%).

Eligible Accrued Interest shall begin to accrue on Developer Advances on the date the Developer makes such Developer Advance, provided that in no event shall Eligible Accrued Interest accrue on Developer Advances made to pay for Pre-Financing Costs.

“**Eligible Costs**” means, collectively, (a) the reasonable and customary expenditures for engineering, design, and construction of Eligible Improvements and investigation and remediation of the Landfill, including necessary and reasonable soft costs, as certified and approved in accordance with **Exhibit C** or the District Bond Documents, (b) Land Acquisition Costs, (c) Eligible Accrued Interest, (d) Pre-Financing Costs, and (e) Town Fees paid by the Developer or District.

“**Eligible Improvements**” means the improvements described in **Exhibit B**. Notwithstanding anything to the contrary in this Agreement, Eligible Improvements shall not include any Retail surface parking lots.

“**Escrow Agent**” means a state or national bank or trust company in good standing located in the State of Colorado that is authorized to exercise trust powers, which is selected by the Developer, with the prior written approval of the Town Manager, and is authorized pursuant to an escrow agreement, which shall also be subject to the prior written approval of the Town Manager, to undertake the duties of the Escrow Agent in accordance with Section 4.7.

“**Exhibits**” The following Exhibits are a part of this Agreement:

- Exhibit A:** Legal Description of the Property
- Exhibit B:** Eligible Improvements
- Exhibit C:** Procedure for Documenting, Certifying and Paying Eligible Costs and Town Costs
- Exhibit D:** List of Prohibited Uses
- Exhibit E:** Conceptual Depiction of Project Parking
- Exhibit F:** Form of Sales Tax Credit Ordinance
- Exhibit G:** List of Existing Retailers

“**Existing Retailer**” means a retailer listed on **Exhibit G**.

“**Force Majeure Event**” means any one or more of the following events or circumstances that, alone or in combination, directly or indirectly adversely affects a Party’s performance of an obligation pursuant to this Agreement: fire, earthquake, storm or other casualty; strikes, lockouts, or other labor interruptions or shortages; war, rebellion, riots, acts of terrorism, or other civil unrest; acts of God or of any government (except that, as to any obligation of the Town, any acts of the Town itself shall not be considered Force Majeure Events); disruption to local, national, or international transport services; prolonged shortages of materials or equipment, epidemics; severe adverse weather; the discovery of previously unknown facilities, improvements, or other features or characteristics of the Property (including the Landfill); any other event, similar to the above, beyond the applicable Party’s reasonable control.

“**Full-Service Hotel**” means a hotel that is generally recognized in the hotel industry as such, that offers at least a selection of the following amenities: on-site mid-range to high-end

restaurant(s) and bar(s), group meeting spaces, banquet facilities, spas, doormen, valet parking, extended room service, concierge services, retail stores, pools, business center, and fitness center. Examples of Full-Service Hotels include, without limitation, the brands: Conrad Hotels, Hyatt, Regent Hotels & Resorts, Marriott, InterContinental, Renaissance, Crowne Plaza, Luxury Collection, Ritz-Carlton, DoubleTree, Le Meridien, Sheraton, Embassy Suites, Preferred Hotels & Resorts, St. Regis, Hilton, Holiday Inn, Radisson, W Hotels, Red Lion, Weston, and Peabody.

“GLA” means gross leasable area measured in square feet in the usual and customary manner in commercial leasing.

“Grocery Store” means any conventional grocery store or supermarket that primarily sells: (a) food and beverages for offsite consumption and (b) household supplies. Examples of grocery stores doing business in the Denver area as of the Effective Date include Safeway, King Soopers, Albertsons, Kroger, Super Target, Walmart Supercenter, Whole Foods, Sprouts and Natural Grocers. The following uses are not Grocery Stores for purposes of this Agreement: craft or specialty food retailers, marketplaces (including without limitation, Tony’s Market, Cook’s Fresh Market, The Denver Central Market), butchers, mongers, liquor stores, businesses primarily selling premade meals, restaurants, bars, vitamin stores, nutritional stores, any store that is primarily for pick-up of items purchased online or from a different location, convenience stores, and wholesalers and warehouse stores (including, without limitation, Amazon, Costco, or Sam’s Club).

“Intergovernmental Agreement” means the Intergovernmental Agreement between the Town and District approved by the Town concurrently with the Operating Plan.

“Land Acquisition Costs” means the costs incurred by Developer in connection with the acquisition of land or easements required for Eligible Improvements based upon an appraisal of such land or easements, including without limitation costs related to due diligence, title and survey, brokerage commissions, and attorneys’ fees.

“Landfill” means Citadel Landfill on the Property as more particularly described in the VCUP.

“Legal Requirements” means all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directions and requirements of all government and governmental authorities applicable to the Project.

“Non-Hotel Retail Uses” means Retail uses that are not: (a) within, attached to, or situated closer than 300 feet from the building foundation of the main Required Hotel and on the same lot as the Required Hotel; or (b) owned or operated by the Hotel User or an entity that is controlled by or otherwise affiliated with the Hotel User.

“Office” means commercial office uses, including commercial offices, medical offices, educational facilities, and Qualified Flex Users.

“Operating Plan” means the annual operating plan adopted by the District and approved by the Town Council pursuant to §31-25-1211 C.R.S., as such plan may be modified or amended

from time to time, including any amendment required in connection with approving the Plan of Finance.

“**Party**” or “**Parties**” means one or all of the parties to this Agreement.

“**PIF Collection Agent**” means an entity or entities retained by the Developer, as declarant under the Add-On PIF Covenant and Credit PIF Covenant, with the reasonable approval of the District, for the purpose of collecting, accounting for, and disbursing the Add-On PIF Revenue in accordance with the Add-On PIF Covenant, the Credit PIF Revenue in accordance with the Credit PIF Covenant, or both.

“**PIF Collection Agreement**” means, collectively, an agreement or agreements related to the collection and remittance of the Add-On PIF Revenue and/or the Credit PIF Revenue between the Developer and the PIF Collection Agent. The District may also be a party to the PIF Collection Agreement.

“**Plan**” and “**Urban Renewal Plan**” mean the Citadel Station – Castle Meadows Urban Renewal Plan adopted and approved by the Town in September 2014, as it may hereinafter be amended from time to time.

“**Plan of Finance**” means a plan approved by Town in accordance with the Operating Plan which sets forth the sources and uses of District Bonds, the proposed District Bond Requirements, and the projected District Pledged Revenue, including the assumptions supporting the plan. The Plan of Finance may also include projections of District Operating Revenue and operating and maintenance expenses.

“**Pledged PIF Revenue**” means (a) prior to the issuance of any District Bonds, all of the Add-On PIF Revenue and Credit PIF Revenue, and (b) after the issuance of any District Bonds, all of the ~~Add-On PIF Revenue, except any Remaining Add-On PIF Revenue, and all of the~~ Credit PIF Revenue, and the portion of the Add-On PIF Revenue that is required to be pledged to the District Bonds pursuant to the District Bond Documents.

“**Pledged Property Tax Increment Revenue**” means the annual ad valorem property tax revenue received by the Authority from the Douglas County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in the TIF Area in accordance with the Act and the regulations of the Property Tax Administrator of the State of Colorado, but not including, (a) the District Operating Revenue, (b) the Authority Administrative Fee, and (c) any offsets collected by the Douglas County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Act.

“**Pledged Revenue**” means, collectively, the District Pledged Revenue and the Pledged Property Tax Increment Revenue.

“**Pre-Financing Costs**” means the reasonable and necessary costs incurred by the Developer and the District in forming the District and drafting, negotiating, and obtaining approval of the Operating Plan and Plan of Finance, drafting and negotiating this Agreement, drafting and negotiating documentation necessary or appropriate for the issuance of the District Bonds

(including, without limitation, the District Bond Documents, Add-On PIF Covenant, Credit PIF Covenant, and PIF Collection Agreement), drafting and negotiating loan documents for construction loans for Eligible Improvements, and closing costs for such construction loans. Pre-Financing Costs shall include, without limitation, reasonable attorneys' fees incurred by the District and Developer related to the above items.

"Prime" means the prime rate as published in the Wall Street Journal on the first business day of each calendar month, which shall be adjusted on a current monthly basis as of the first business day of each calendar month.

"Property" means the real property described in Exhibit A. Such Property is either owned by Developer, Developer is under contract to purchase such Property, or Developer otherwise has the right or will have the right to develop the Property.

"Property Tax Base Valuation" means \$ 229,370, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the Plan. The Property Tax Base Amount and increment value shall be calculated and adjusted from time to time by the Douglas County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado.

"Project" means a mixed-use commercial project constructed in one or more phases, which may include office, retail, restaurant, bar, hospitality, and accessory uses, but no residential uses, together with related amenities and uses on the Property. This Agreement prescribes certain required elements and parameters for the Project.

"Qualified Flex User" means a business: (a) engaged in light manufacturing, production, assembly, laboratory, research and development, warehouse, scientific, distribution, industrial flex, or such other uses as are reasonably approved in writing by the Town Manager after consultation with the CEO of the EDC in accordance with Section 2.4, and (b) at least 50% of whose GLA within the Project is initially designated for traditional commercial office uses.

"Reasonably Required Reserve" means any bond reserve fund held by the District Bond Trustee, which may be funded by the proceeds of the District Bonds at the discretion of the District Bond Trustee or as required by the District Bond Documents.

"Reimbursement Agreement" means, collectively, one or more agreements between the Developer and the District setting forth terms and conditions under which the Developer will be reimbursed for Developer Advances made by the Developer to the District for construction or acquisition of the Eligible Improvements, which Reimbursement Agreements must be in conformance with applicable terms and conditions of this Agreement.

"Relocated Retailer" means an Existing Retailer that completes a Relocation.

"Relocation" means the opening to the general public of a Retail use of more than 25,000 GLA by an Existing Retailer within ~~the Project either 12 months before or~~ 12 months after the closing to the general public ~~of a location~~ of the same Retail use within the corporate boundaries of the Town ~~that was more than 25,000 GLA~~; provided, however, that the following shall not

constitute a Relocation: (a) any closures resulting from casualty, expiration of the lease, landlord termination of the lease, or, as certified to the Town by the Existing Retailer, that were scheduled prior to the Effective Date, or (b) the opening of a different brand or product type in the Project from the retail store that closed. For example, it shall not be a Relocation if a Walmart opens a Sam's Club after closing an existing Walmart.

"Remaining Add-On PIF Revenue" means the Add-On PIF Revenue that is not pledged to the District Bonds or dedicated to a specific purpose, as required by ~~under~~ the District Bond Documents.

"Restricted Grocery Store Costs" means Eligible Costs: (a) incurred to construct Eligible Improvements that serve ~~only~~ a Restricted Grocery Store; or (b) resulting from any increases in the size or capacity of specific Eligible Improvements if such increases are required to accommodate a ~~-~~Restricted Grocery Store.

"Restricted Grocery Store" means a Grocery Store exceeding 1027,000 GLA.

"Retail" means businesses selling goods or services to the general public that are subject to the Town's Sales Tax, which may include, without limitation goods, restaurant, bar, or lounge. Retail expressly does not include conference center, lodging, hotel, or motel uses, but does include restaurant, bar, lounge, private or membership facilities, food and beverage service, catering, gift shop, convenience store, equipment and furniture rental uses within or accessory to such conference center, lodging, hotel, and motel uses.

"Sales Tax" means the municipal sales tax of the Town on sales of goods and services that are subject to municipal sales taxes at such rate and on such terms and conditions as prescribed in the CRMC, as amended from time to time.

"Sales Tax Credit" means the credit against the Town's Sales Tax in an amount equal to the Credit PIF imposed and collected on Taxable Transactions, in the amount of 2.4%, as implemented pursuant to the Sales Tax Credit Ordinance. Except as set forth in Section 3.3, the Sales Tax Credit shall not apply to any Taxable Transactions originating from within a Restricted Grocery Store or Relocated Retailer.

"Sales Tax Credit Ordinance" means the ordinance adopted by the Town Council of the Town approving the Sales Tax Credit.

"Special Fund" means the fund defined in Section 107(9)(a)(II) of the Act.

"Taxable Transactions" means the sale or provision of goods within the Project that are subject to the Town's Sales Tax, as amended from time to time.

"TIF Area" means the Property described on Exhibit A, within which the tax increment provisions of Section 31-25-107(9) of the Act apply, as such area may be expanded or contracted from time to time by the Authority in compliance with the Act.

"Town" means the Town of Castle Rock, Colorado, a home rule municipal corporation.

“**Town Contribution Cap**” means \$56,000,000, which is the maximum amount of the Sales Tax Credit that shall be granted by the Town against Sales Tax collectible on Taxable Transactions.

“**Town Costs**” means the Town’s reasonable and necessary third-party out of pocket fees, costs and expenses incurred in drafting, reviewing or negotiating this Agreement, the Operating Plan, the Plan of Finance, the Add-On PIF Covenant, the Credit PIF Covenant, the Sales Tax Credit Ordinance, the PIF Collection Agreement, the District Bond Documents, and all other related documents, certificates or agreements, including without limitation legal fees and consultant fees. Town Costs shall be paid or reimbursed from proceeds of the District Bonds in accordance with the District Bond Documents or from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8 and **Exhibit C**.

“**Town Fees**” means any fee or charge imposed under the CRMC as a condition to the applicant’s entitlement to issuance of a Town permit for the development or construction of Eligible Improvements or private improvements.

“**Town Requirements**” means, collectively, (i) the CRMC, (ii) Town regulations and (iii) obligations imposed through the Miller’s Landing IOZ (as defined in Section 2.2 hereof), the applicable site plans required for the Project and/or (iv) requirements or restrictions imposed on development of the Property under this Agreement.

“**VCUP**” means the voluntary cleanup plan for the Landfill submitted by the Developer and approved by the Colorado Department of Public Health and Environment pursuant to its letter dated September 26, 2016 signed by Fonda Apostolopoulos, as such plan may be amended from time to time with approval of the Colorado Department of Public Health and Environment.

Any reference to a section or article number, without further qualification, shall mean such section or Article in this Agreement.

2. PROJECT, LAND USE APPROVALS.

2.1 **Project Attributes.** The Parties intend for the Project to reflect a design and build quality that will maximize the ability of Developer to attract national and regional tenants and end-users to the Project. However, Town acknowledges that Developer has not committed to secure any particular tenant mix as of the Effective Date.

2.2 **Entitlement.** On December 6, 2016, the Town Council adopted Ordinance No. 2016-042, An Ordinance Amending the Town’s Zone District Map by Approving the Miller’s Landing Interchange Overlay Planned Development Plan; the Miller’s Landing Interchange Overlay Planned Development Zoning Regulations; the Miller’s Landing Development Agreement; and Vesting a Site Specific Development Plan through December 31, 2036 (collectively, the “**Miller’s Landing IOZ**”). The development of the Project also requires additional land use approvals mandated by the CRMC, and public works and construction permits for public improvements (inclusive of Eligible Improvements) and private improvements (collectively, “**Town Approvals**”). Developer will submit applications to the Town for the Town Approvals as necessary for the development of the Project. The Town agrees to review and expeditiously process and act

on applications for Town Approvals in accordance with its standard practice and applying applicable standards for review and approval.

2.3 Office Uses. Developer shall obtain certificates of occupancy for at least 150,000 GLA of Office uses in the Project (“**Minimum Office GLA**”) prior to obtaining final certificates of occupancy for more than 250,000 GLA of Retail uses in the Project. If Developer desires to obtain final certificates of occupancy for more than 250,000 GLA of Retail uses prior to obtaining certificates of occupancy for at least the Minimum Office GLA, then Developer must obtain the prior written consent of the Town, which determination shall be in the absolute discretion of the Town Council. Should the Town Council approve a relaxation of the Minimum Office GLA, it shall do so by adoption of a Town Council resolution, after finding that additional retail uses will better serve the public interests than additional office uses.

2.4 Qualified Flex Users. The Developer shall provide written notice to the Town of any tenant or occupant that desires to locate within the Project which Developer asserts is a Qualified Flex User (“**Notice**”), and the Town shall respond in writing to the Notice within 30 days after receipt thereof stating whether such tenant or occupant is a Qualified Flex User, which statement shall be binding upon the Town and Developer for purposes of this Agreement. Town may consult with the EDC in making such determination. Developer shall furnish Town with reasonable documentation evidencing the qualification of the user as a Qualified Flex User. If the Town fails to respond in writing with such a statement within such 30-day period, such tenant or occupant shall be deemed to be Qualified Flex User for purposes of this Agreement. Once certificates of occupancy have been issued for a Qualified Flex User and such Qualified Flex User has occupied its space, the GLA of such Qualified Flex User shall thereafter be included in the calculation of Minimum Office GLA, regardless of whether such business continues to be a Qualified Flex User (for example, if the business changes its use or does not use at least 50% of its GLA for traditional commercial office uses).

3. DEVELOPER.

3.1 Construction of Eligible Improvements. Developer or the District, as applicable, in accordance with the provisions of this Agreement, will be responsible for (i) financing and constructing all Eligible Improvements, (ii) compliance in all material respects with the Town Requirements, (iii) payment of Town Fees related to development of the Property, and (iv) developing the Project as required by this Agreement and the CRMC. Subject to the requirement of 3.6, Developer may, in its sole discretion, elect to undertake all or only certain phases of the Project and Developer and the District are only responsible to finance and construct those Eligible Improvements required to serve the phase(s) of the Project which Developer so elects to undertake, as required under the Development Agreement and the CRMC. Developer or the District shall commence construction or cause commencement of construction of the Eligible Improvements required for each phase of development as required by any applicable subdivision improvement agreements and site development plans approved by the Town, and shall reasonably proceed with or require such construction until Completion of Construction of such Eligible Improvements, all in accordance with the approved applicable subdivision improvement agreements and site development plans, this Agreement, Development

Agreement, and the CRMC. In the event of any conflict between this Agreement and the Development Agreement with regard to construction of the Eligible Improvements (including without limitation any requirements as to when specific Eligible Improvements are required to be constructed), this Agreement shall control; provided, however, that upon approval of a subdivision improvement agreement and site development plan for all or any portion of the Property, such subdivision improvement agreement and site development plan shall control with respect to the portion of the Property that is the subject of such subdivision improvement agreement and site development plan. The Parties acknowledge that construction of the Prairie Hawk Improvements (as defined in the Development Agreement) is an important goal for the Town.

3.2 Compliance with Design and Construction Regulations; Payment of Fees and Costs. The design and construction of all Eligible Improvements will comply in all material respects with all applicable codes and regulations of entities having jurisdiction, including the Town Requirements. As required by the Development Agreement, CRMC and Town Requirements, Developer will enter into one or more subdivision improvements and/or public improvement agreement(s) with the Town as required under the CRMC. Also, Developer or the District will pay or cause to be paid all required fees and costs, including the Town Fees, in connection with the design, construction, applicable warranty requirements, and use of the Eligible Improvements.

3.3 Relocated Retailers and Restricted Grocery Stores. This Agreement provides significant economic assistance to enable construction of the Eligible Improvements necessary for the opening and development of the Project. A material inducement for such assistance is the representation by Developer that it will attempt to attract to the Project national and regional retailers and other businesses which are not currently located in the Town. In addition to providing additional retail options for the community, these new retail and entertainment venues will significantly increase municipal revenues. However, if the Project is leased or sold to any Relocated Retailer or any Restricted Grocery Store, the public benefit and rationale for these economic incentives will be significantly undermined. Accordingly, notwithstanding anything to the contrary in this Agreement, the Credit PIF and Sales Tax Credit shall not apply to Taxable Transactions that originate from within any Relocated Retailer or Restricted Grocery Store. Further, notwithstanding anything to the contrary in this Agreement, no Credit PIF Revenue shall be used to pay for or reimburse Restricted Grocery Store Costs, and the District Bond Documents shall contain such prohibition.

The Developer shall have the right (but not the obligation) to a determination as to whether any tenant or occupant that the Developer desires to locate within the Project would qualify as a Relocated Retailer or a Restricted Grocery Store by providing written notice to the Town setting forth information concerning such proposed tenant or occupant. The Town shall respond in writing to such notice within 30 days after receipt thereof stating whether such tenant or occupant qualifies as an Existing Retailer or Restricted Grocery Store, which statement shall be binding upon the Town for purposes of this Agreement. If the Town fails to respond in writing with such information within such 30-day period, such tenant or occupant shall be conclusively determined to not be an Existing Retailer or Restricted Grocery Store for purposes of this Agreement. In the event that the Developer does not send such notice to the Town, this shall not preclude the Town's right to determine

that a tenant or occupant within the Project constitutes a Relocated Retailer or a Restricted Grocery Store. Upon any such determination by the Town, the Town shall notify the Developer of its determination that a particular tenant or occupant qualifies as a Relocated Retailer or a Restricted Grocery Store, as applicable. In the event that the Developer does not respond in writing to such notice within 30 days after receipt thereof disputing the Town's classification, such tenant or occupant shall be conclusively determined to be a Relocated Retailer or a Restricted Grocery Store, as applicable, for purposes of this Agreement.

Notwithstanding the foregoing, the Town Council may approve development of a Relocated Retailer or Restricted Grocery Store within the Project upon receipt of written request for the same from the Developer, in which event the Credit PIF and Sales Tax Credit shall apply to Taxable Transactions that originate from within such approved Relocated Retailer or Restricted Grocery Store, and Credit PIF Revenue may be used to pay for or reimburse Restricted Grocery Store Costs related to such approved Restricted Grocery Store. Should the Town Council approve the location or relocation of a Relocated Retailer or a Restricted Grocery Store within the Project, it shall do so by adoption of a Town Resolution. Such determination shall be in the absolute discretion of the Town Council.

3.4 Add-On PIF and Credit PIF. Developer agrees to impose the Add-On PIF and Credit PIF and to irrevocably assign the Pledged PIF Revenue to the District, through and until the payment in full of the District Bonds contemplated hereunder. Prior to the issuance of any District Bonds, the Developer or the District agrees to cause all Add-On PIF Revenue and Credit PIF Revenue to be remitted to the Escrow Agent in accordance with Section 4.7. Upon the issuance of any District Bonds, the District agrees to pledge the Pledged PIF Revenue exclusively to the District Bonds until the District Bonds are paid in full or defeased, [Remaining Add-On PIF Revenue shall be remitted to the Developer, which may use any Remaining Add-On PIF Revenue for any lawful purpose.](#)

The Developer shall terminate the Credit PIF upon the earlier to occur of (a) payment in full or defeasance of all outstanding District Bonds, (b) the aggregate Credit PIF Revenue received by the PIF Collection Agent and offset by the Sales Tax Credit equals the Town Contribution Cap, or (c) December 31, 2042. The Developer, at its election, may discontinue, continue, increase, or decrease the Add-On PIF following payment in full of the District Bonds and use such revenues for any legal purpose.

3.5 PIF Collection Agreement. The Developer shall engage ~~the~~ one or more PIF Collection Agent(s) to collect, disburse, and account for the Add-On PIF Revenue and Credit PIF Revenue pursuant to one or more mutually acceptable PIF Collection Agreement(s). The Town shall have the right to review the PIF Collection Agreement to [ensure](#)~~insure~~ compliance with the terms and provisions of this Agreement.

3.6 Remediation of Landfill. The Developer or the District shall substantially complete all on-site physical work necessary to remediate the Landfill in accordance with the VCUP as the initial phase of Eligible Improvement (the "**Remediation**"), and provide to Town a certificate of such completion from the contractor performing the Remediation (the "**Certification**") prior to and as a condition to the Town's issuance of any final

certificates of occupancy for any commercial building or use on the Property. Notwithstanding the foregoing, the Developer, or third parties shall have the right to apply for temporary certificates of occupancy prior to issuance of the Certification, and the Town shall review and process such applications in accordance with the Town Regulations, but the Town shall not issue such final certificates of occupancy until the completion of the Remediation has been certified as provided above. Any such temporary certificate(s) of occupancy issued prior to completion of the Remediation shall have a term of no longer than 180 days.

3.7 Prohibited Uses. During the period in which taxes are authorized to be divided in the TIF Area pursuant to the Act, Developer shall not lease or sell any portion of the Property to users who intend to initially operate for any of the uses listed on Exhibit D.

3.8 Publicly Accessible Parking. As part of the Project, Developer intends to construct parking as generally depicted on Exhibit E (“**Parking Lots**”), which will be constructed as needed to serve the applicable phases of the Project. The Parking Lots shall be owned, operated, and maintained by the District or individual property owners, and the Town shall have no responsibility therefor. All Parking Lots owned or maintained by the District shall be generally available to the public, subject to reasonable restrictions on time, place, and manner of use. At least 60% of the parking spaces in the structured Parking Lot generally depicted on Exhibit E shall be generally available to the public, subject to reasonable restrictions on time, place, and manner of use. Each site development plan for the Project shall depict the parking spaces on the subject portion of the Property that will be generally available to the public, if any.

4. **DISTRICT.** The District agrees to comply with the following provisions:

4.1 Compliance with Operating Plan and Applicable Law. At all times the District will comply with the requirements of the Operating Plan, as it may be amended from time to time. The Operating Plan includes (i) provisions for the District to have the flexibility required to implement this Agreement; (ii) limitations as to the District Debt Service Mill Levy that may be imposed for payment of District Bonds and other District Obligations (as defined in the Operating Plan), subject to adjustment for changes in the manner in which assessed valuation is calculated; and (iii) no limitation on the mill levy imposed for operations. To the extent authorized by the Operating Plan, the District may design, construct, finance, own, acquire, maintain, and operate Eligible Improvements in accordance with all applicable laws, ordinances, standards, policies, and specifications of the State of Colorado, the Town, ~~any~~^{the} Intergovernmental Agreement and any other entity with jurisdiction. The District shall submit its annual Operating Plan to the Town for its approval, as required by statute.

4.2 District Pledged Revenue. The District covenants to impose the District Debt Service Mill Levy in the amount of not less than 50 mills beginning on the Effective Date and for so long as any District Bonds remain outstanding, and further covenants to pledge and cause remittance of the District Debt Service Mill Levy to the District Bond Trustee for such outstanding District Bonds, to the extent that the District receives such revenues. The Town shall be entitled to an order of mandamus to compel the District to

certify such levy, as well as any other remedies of law or in equity. The District further covenants that so long as any District Bonds remain outstanding, that the District will remit all District Specific Ownership Taxes to the District Bond Trustee for payment of outstanding District Bonds. Notwithstanding expiration of the time or times that the Pledged Property Tax Increment Revenue may be collected pursuant to the Act, the District agrees that the full amount of the District Debt Service Mill Levy shall at all times remain pledged to the payment of any outstanding District Bonds to the extent required by the District Bond Documents or to the payment of any outstanding District Bonds to the extent required by the District Bond Documents.

After the issuance of any District Bonds, the District Pledged Revenue shall be pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the District Bonds, and may also be pledged to the payment of any other District Bond Requirements. Prior to the issuance of any District Bonds, the District Pledged Revenue shall be remitted to the Escrow Agent in accordance with Section 4.7 hereof and applied to the payment or reimbursement of Eligible Costs and Town Costs in accordance with Section 4.8 and Exhibit C.

4.3 District Bonds.

(a) District Bonds may be issued in one or more series by the District to pay for Eligible Costs or reimburse the Developer for Eligible Costs and to apply the proceeds of the District Bonds as authorized under this Agreement, including without limitation, payment of the Costs of Issuance and Town Costs. ~~It is the intention of the Parties that all~~ All Pledged Revenues shall be pledged to the payment of outstanding District Bonds. The proceeds of such District Bonds will be subject to requisition by the Developer to pay or reimburse Eligible Costs and to requisition by the Town to pay or reimburse Town Costs upon receipt of a requisition substantially in accordance with the requirements set forth in the District Bond Documents.

(b) The District Bonds shall be issued in one or more series in an aggregate principal amount not exceeding an amount that can be serviced by the then-projected Pledged Revenue, as reasonably determined by the District. The Parties shall use commercially reasonable efforts to maximize the amount of District Bonds that may be issued as bonds, the interest on which is excluded from gross income for federal income tax purposes ("tax-exempt bonds"), but only to the extent the District's bond counsel delivers an opinion to the District that some or all of the District Bonds may be issued as tax-exempt bonds under the laws in effect at the time of the proposed issuance of the District Bonds. The portion of the Add-On PIF Revenue that shall be pledged to the payment of the District Bonds under the District Bond Documents shall be the maximum amount that may be pledged thereunder without adversely impacting the tax-exempt status of interest on the District Bonds, as determined by the District's bond counsel.

(c) Prior to the issuance of any District Bonds, the substantially final drafts of the District Bond Documents shall be provided to the Town, which shall be accompanied by a Plan of Finance. The Town shall be permitted to review the

District Bond Documents and Plan of Finance to confirm compliance with this Agreement, the Operating Plan, and related documents. The Town will have ten (10) business days after receipt of such District Bond Documents and Plan of Finance by the Town Attorney and the Town's bond counsel to notify the District in writing if it objects to any provisions set forth in such District Bond Documents and Plan of Finance setting forth its specific objections. If the Town does not object in writing to such District Bond Documents and Plan of Finance within such ten (10) business day period, then the Town will be deemed to have consented to the form and substance of such District Bond Documents and Plan of Finance. If the Town objects in writing to any provisions of such District Bond Documents and Plan of Finance, the District Bonds shall not be issued until Town approves such District Bond Documents. The Town's right to object to the District Bond Documents and Plan of Finance shall be limited to objections necessary to ensure compliance with the terms and conditions of this Agreement.

(d) Unless the Town agrees otherwise in writing, the District Bond Documents shall provide that in each year the Pledged Revenue shall be used as follows: (i) first to pay the District Bond Requirements, (ii) second to pay any other administrative costs related to the District Bonds, including without limitation, payment of rebate consultants and analysts, the reasonable fees and expenses of the PIF Collection Agent, and any rating maintenance fees, (iii) any remaining Pledged Revenue shall be used to redeem as much principal of the District Bonds as possible in inverse order of maturity or if the District Bonds are not then subject to redemption, shall be irrevocably set aside for redemption of the District Bonds on the earliest redemption date, if any; provided, however, that the District may pledge such remaining Pledged Revenue to one or more series of subordinate bonds issued by the District.

(e) The Parties acknowledge that under current federal tax rules and regulations, that pledging Add-On PIF Revenue to the repayment of District Bonds may result in one or more series of the District Bonds being initially issued as taxable bonds. The Parties acknowledge that the structure for the District Bonds will be based on current market conditions and current tax law and that in determining the appropriate structure that due consideration will be given to the overall financing cost.

4.4 Conditions Precedent to Issuance of District Bonds. The following conditions must be satisfied on or prior to the issuance of the District Bonds, unless waived in writing by the Town:

- (a) Town ~~approval~~ Approval of the Operating Plan for the District;
- (b) Town approval or deemed approval of the District Bond Documents and Plan of Finance, as provided in Section 4.3;
- (c) Recording of the Add-On PIF Covenant and Credit PIF Covenant against the Property in the real estate records of Douglas County, Colorado; and

(d) District imposition of the District Debt Service Mill Levy upon the Property.

Upon satisfaction of the above conditions, the District may issue the District Bonds in one or more series, at the District's sole and absolute discretion. Notwithstanding anything to the contrary in this Agreement, the District may issue other bonds and debt that are supported by revenues other than the Pledged Revenue, at its sole and absolute discretion.

4.5 District Operating Revenue. The District Operating Revenue will be used to pay the normal and reasonable operating and maintenance expenses of the District or for any other lawful purpose. ~~The District will use its best efforts to use any Remaining Add-On PIF Revenue as District Operating Revenue, unless prohibited from doing so by the District Bond Documents.~~

4.6 No Impairment. The District will not enter into any agreement or transaction that impairs the rights of the Parties, including, without limitation, the right to receive and apply Pledged Revenue to payment of the District Bonds.

4.7 Disposition of Pledged Revenue Prior to Issuance of District Bonds. To the extent that the Pledged Revenue is being generated prior to the issuance of any District Bonds, the following provisions shall apply:

(a) the Developer or District shall require that all Add-On PIF Revenue and Credit PIF Revenue shall be remitted to the Escrow Agent;

(b) The Authority shall remit the Pledged Property Tax Increment Revenues to the Escrow Agent; and

(c) The District shall remit the District Specific Ownership Taxes to the Escrow Agent.

The Escrow Agent shall hold all Pledged Revenue in segregated accounts and shall invest all such amounts so held as directed by the District and in accordance with applicable law. The Escrow Agent shall keep accurate books and records of all deposits of Pledged Revenue and investment earnings thereon, which books and records shall be available for inspection during regular business hours by the Developer, the District, the Authority, and the Town.

Except as hereinafter provided, upon the issuance of any District Bonds, all Pledged Revenue on deposit with the Escrow Agent shall be remitted by the Escrow Agent to the District Bond Trustee and applied to one or more of the following purposes: (i) deposited in an interest payment fund for the District Bonds, (ii) deposited in a Reasonably Required Reserve Fund or supplemental reserve fund for the District Bonds, (iii) applied to the payment of Eligible Costs, Costs of Issuance, and Town Costs, or (iv) applied to the payment of District Bond Requirements. After the issuance of any District Bonds, all Pledged Revenue shall thereafter be deposited with the District Bond Trustee in accordance with the terms and provisions of the District Bond Documents. To the extent that any Add-

On PIF Revenue is on deposit with the Escrow Agent and not pledged to the payment of any outstanding District Bonds, the Escrow Agent shall continue to hold such Add-On PIF Revenue until District Bonds are issued that are payable from such Add-On PIF Revenue, or until the Parties hereto provide written instructions to the Escrow Agent to apply such Add-On PIF Revenue to the payment or reimbursement of Eligible Costs and Town Costs in accordance with Section 4.8 and Exhibit C.

4.8 Application of Pledged Revenue Prior to Issuance of District Bonds. To the extent no District Bonds have been issued, Pledged Revenue on deposit with the Escrow Agent shall be applied to the payment or reimbursement of Eligible Costs and Town Costs upon receipt of a requisition substantially in accordance with the requirements set forth in Exhibit C.

5. THE AUTHORITY. The Authority agrees to carry out the Plan and to comply with the following provisions:

5.1 Special Fund; Application of Pledged Revenues. In accordance with the provisions of this Agreement and the Act, the Authority shall establish the Special Fund and deposit the Pledged Property Tax Increment Revenues into the Special Fund upon receipt. All moneys on deposit in the Special Fund, and any other District Pledged Revenues received by the Authority, shall be applied as follows: (a) so long as any District Bonds remain outstanding, such amounts shall be remitted to the District Bond Trustee in accordance with the terms and provisions of the District Bond Documents; or (b) in the event that no District Bonds are issued or outstanding, such amounts shall be remitted to the Escrow Agent to reimburse the District and/or Developer for Eligible Costs and the Town for Town Costs in accordance with Section 4.8 and Exhibit C. Notwithstanding anything to the contrary in this Agreement, upon repayment in full of all District Bonds, the Authority shall have no obligation under this Agreement to pledge the Pledged Property Tax Increment Revenues to the District or deposit the Pledged Property Tax Increment Revenues into the Special Fund.

5.2 District Operating Revenue. The Authority hereby irrevocably pledges all District Operating Revenue it receives to the District. The District Operating Revenue, when and as received by the Authority shall be subject to the lien of such pledge without any physical delivery, filing, or further act. The Authority shall deposit into the District Administrative Account all of the District Operating Revenue received by the Authority from time to time in accordance with Section 31-25-107(9)(a)(II) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado from the levy of the District on taxable property within the TIF Area. The Authority shall transfer all of the revenue in the District Administrative Account to the District on or before the 20th day of each month. The obligation of the Authority to make deposits in the District Administrative Account and to transfer such revenue to the District shall expire when the Authority's right to receive such revenue expires pursuant to the Act. The District shall use the District Operating Revenue to pay its normal and reasonable operating and maintenance expenses.

5.3 Multi- Fiscal Year Obligation. The Parties acknowledge that, according to the decision of the Colorado Court of Appeals in *Olson v. City of Golden*, 53 P.3d 747

(2002), an urban renewal authority is not a local government and therefore is not subject to the provisions of Article X, Section 20 of the Colorado Constitution. Accordingly, the Authority's obligation to remit the Pledged Property Tax Increment Revenues and the District Operating Revenue in accordance with the terms and provisions of this Agreement does not require voter approval in advance and is not subject to annual appropriation.

5.4 No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Parties under this Agreement or prohibits or restricts the Authority's performance of any of its obligations under this Agreement, including, without limitation, the right and obligation to receive and apply Pledged Property Tax Increment Revenue and the District Operating Revenue in accordance with the terms and provisions of this Agreement.

5.5 Cooperation with District and Developer. The Authority agrees to cooperate in a reasonable manner to assist the District in issuing District Bonds and to the pledge of the Pledged Property Tax Increment Revenue to the payment of such District Bonds and to payment of the District Operating Revenue to the District and/or Developer for payment of Eligible Costs, in accordance with this Agreement.

6. THE TOWN.

6.1 Entitlements. The Town agrees to cooperate with the Developer and the District in reviewing, scheduling hearings for, and acting upon all other entitlements necessary for the Project in a timely manner. The Miller's Landing IOZ prohibits development of any residential uses on the Property. In the event the Developer, or its successors or assigns, desires to develop any residential uses on the Property, Developer must submit an application to rezone the applicable portion of the Property.

6.2 Sales Tax Credit Ordinance. The Town shall adopt the Sales Tax Credit Ordinance to implement the Sales Tax Credit in substantially the form set forth in Exhibit F. Provided this Agreement is in effect, the Town will authorize, grant and implement the Sales Tax Credit pursuant to the Sales Tax Credit Ordinance in order for the Credit PIF to be collected for payment of the District Bonds and payment and reimbursement of Eligible Costs and Town Costs in accordance with the Credit PIF Covenant and this Agreement. Except as hereinafter provided, the Sales Tax Credit shall terminate upon the earlier of (a) payment in full or defeasance of all outstanding District Bonds, (b) the aggregate Sales Tax Credit granted by the Town to offset the Credit PIF Revenue imposed and collected by the Credit PIF Collection Agent equals the Town Contribution Cap, or (c) December 31, 2042.

(a) Post Credit PIF Period. Notwithstanding any language in any agreement to the contrary, if the Town determines that termination of the Sales Tax Credit in accordance with the terms and provisions of this Agreement may be precluded by or require a refund of the Sales Tax under Article X, Section 20 of the Colorado Constitution, the Town may elect to continue the Sales Tax Credit and submit a written request to Developer to continue to impose the Credit PIF. Upon receipt of such request, the Credit PIF shall remain in full force and effect and the full amount derived from imposition of the Credit PIF that is offset by the Town's

Sales Tax Credit shall be paid to the Town as a substitute for the Sales Tax revenue it is unable to collect.

(b) Town Contribution Cap. Notwithstanding anything to the contrary in this Agreement, the maximum amount of Credit PIF Revenue that shall be collected pursuant to the ~~Credit~~ PIF Collection Agreement and pledged to the payment of the District Bonds or available to pay or reimburse Eligible Costs or Town Costs in accordance with Section 4.8 shall not exceed the Town Contribution Cap.

(c) Extent of Sales Tax Credit. In adopting the Sales Tax Credit Ordinance, the Town is agreeing that it will grant a credit against the Town's Sales Tax in the maximum amount of 2.40% ~~against the Town's Sales Tax collected~~ on Taxable Transactions within the Property only to the extent that the Credit PIF is imposed and collected.

6.3 Hotel Milestone. Notwithstanding anything to the contrary in this Agreement, the Credit PIF Revenue shall not be pledged to the repayment of any District Bonds, and the District shall not issue any District Bonds payable in whole or in part from Credit PIF Revenue, unless and until the owner-operator of a Full-Service Hotel ("**Hotel User**") with at least ~~150-250~~ rooms and at least 10,000 GLA of conference space (the "**Required Hotel**") has (a) acquired ownership of, or executed a ground lease for, the portion of the Property upon which the Required Hotel will be developed, and (b) delivered to the Town evidence of the Hotel User's financial capability to commence development of the Required Hotel (such evidence to be in a form approved by the underwriter of the District Bonds as sufficient to issue the District Bonds, which may include, by way of example, any combination of the following: the construction loan closing, equity commitment, design and bid construction costs, construction contract execution, issuance of Town construction permits and approvals, and other forms of evidence as reasonably acceptable to the underwriter), and (c) delivered to the Town either a letter of intent outlining the conceptual site and building plan for the Required Hotel or an application for approval of a site development plan for the Required Hotel (the "**Hotel Milestone**"). Upon satisfaction of the Hotel Milestone and without need for additional notice hereunder, all Credit PIF Revenue collected since the Effective Date and not already used to reimburse the Developer or District for Eligible Costs or the Town for Town Costs pursuant to Section 4.8 shall be pledged to the repayment of the District Bonds and the District may issue District Bonds payable in whole or in part from Credit PIF Revenue. The Town shall not issue final certificates of occupancy for more than 100,000 GLA of Non-Hotel Retail Uses ("**Non-Hotel Retail Cap**") unless and until the Town issues a final certificate of occupancy for the Required Hotel ("**Hotel Certificate**"); provided, however, that upon written request from the Developer the Town Council, in its sole discretion, may increase or waive the Non-Hotel Retail Cap or approve the issuance of individual final certificates of occupancy for Non-Hotel Retail Uses in excess of the Non-Hotel Retail Cap. Notwithstanding the foregoing, the Developer, or third parties shall have the right to apply for temporary certificates of occupancy for Non-Hotel Retail Uses in excess of the Non-Hotel Retail Cap prior to issuance of the Hotel Certificate, and the Town shall review and process such applications in accordance with the Town Regulations. Each such temporary certificate of occupancy issued prior to issuance of the Hotel Certificate shall have a term of no longer

than 180 days, after which such temporary certificate of occupancy shall terminate. No structure may remain open for longer than 180 consecutive days on the basis of a temporary certificate of occupancy.

6.4 Water and Sewer Serving the Property. The Town represents and warrants that it provides water and sewer services to the Property and will provide water and service in connection with the Project upon compliance with Town Requirements.

6.5 Town Fees. Developer and all permittees shall pay all Town Fees at the time prescribed by the Town Requirements. However, the Parties acknowledge that individual future potential users of the site may propose reimbursements, discounts, or other similar incentive arrangements as part of their individual site selection choices. The Town agrees to consider such proposals in accordance with its normal practices and policies.

6.6 Town Costs. The Town shall be entitled to be reimbursed for the Town Costs from the District Bond proceeds in accordance with the District Bond Documents or from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8 and Exhibit C.

6.7 Compliance with Law. Nothing set forth in this Agreement is intended or shall be construed to constitute or to require (a) an unlawful delegation of authority by the Town; (b) an unlawful restraint on the legislative discretion of future Town Councils; or (c) the undertaking of any multiple fiscal year obligation by the Town except as permitted by applicable law. Nothing in this Agreement is intended to nor shall be construed to create any multiple-fiscal year direct or indirect debt or financial obligation on the part of the Town within the meaning of the Constitution or laws of the State of Colorado, or the Town's home rule charter, and any such financial obligation of the Town created by this Agreement is expressly subject to annual appropriation by the Town.

6.8 Change in Sales Tax. Nothing in this Agreement shall impair the right of the Town Council to modify the imposition of sales tax through the CRMC including the reduction in the rate of taxation or adding exemptions from taxation provided such modifications shall not have retroactive effect.

7. **REIMBURSEMENT OF ELIGIBLE COSTS AND TOWN COSTS.** Upon compliance with the requisition process set forth in Exhibit C if no District Bonds have been issued or [upon compliance](#) with the District Bond Documents if any District Bonds have been issued, Developer and the District will be paid or reimbursed for Eligible Costs and the Town will be paid or reimbursed for Town Costs, in accordance with the terms of this Agreement. Any such payment or reimbursement of Eligible Costs or Town Costs pursuant to this Agreement shall be made: (a) from the proceeds of the District Bonds in accordance with the District Bond Documents, or (b) with Pledged Revenue in accordance with Section 4.8 and Exhibit C to the extent that no District Bonds have been issued. If such payment or reimbursement is to be made from the proceeds of District Bonds, the Developer, the District and the Town will not be subject to any additional conditions for payment or reimbursement of Eligible Costs or Town Costs, as the case may be, except as provided in the District Bond Documents. If no District Bonds have been issued, all Eligible Costs or Town Costs shall be certified by the District, the Developer or the Town, as the

case may be, in accordance with procedures set forth in Exhibit C. Cost savings in the line items listed in Exhibit B may be allocated to cost overruns in any other line item.

8. BOOKS AND ACCOUNTS; FINANCIAL STATEMENTS. The District and the Authority shall keep proper and current itemized records, books, and accounts in which complete and accurate entries will be made of the receipt and use of all amounts of revenue received from any and all sources and such other calculations required by this Agreement, the District Bond Documents, and any applicable law or regulation. The District and Authority shall each prepare, after the close of each fiscal year, a complete financial statement prepared in accordance with generally accepted accounting principles accepted in the United States of America for such year in reasonable detail covering the above information, and if required by statute, certified by a public accountant, and will furnish a copy of such statement to the other Parties within two hundred and ten (210) days after the close of each fiscal year, or upon such earlier date as may be required by the District Bond Documents.

No later than sixty (60) days after the end of each fiscal year, the District shall prepare, or cause to be prepared, and delivered to the Town, a report setting forth the amount of Credit PIF Revenues collected by the PIF Collection Agent during the preceding fiscal year and the total amount of Credit PIF Revenue collected by the PIF Collection Agent from the Effective Date through the end of the preceding fiscal year.

All books, records and reports (except those allowed or required by applicable law to be kept confidential) in the possession of the Town, the Authority, and the District, including, without limitation, those relating to the Pledged Revenue, Eligible Improvements, Eligible Costs, District Operating Revenue, and District Bonds will at all reasonable times be open to inspection by such accountants or other agents as the respective Parties may from time to time designate.

9. INDEMNIFICATION. Developer agrees to indemnify, defend and hold harmless the Town, its officers, agents and employees, from and against all liability, claims, demands, and expenses, including fines imposed by any applicable state or federal regulatory agency, court costs and attorney fees, on account of any injury, loss, or damage, which arise out of or are in any manner connected with any of the work to be performed by Developer, any subcontractor of Developer, or any officer, employee, agent, successor or assign of Developer under this Agreement, if such injury, loss, or damage is caused in whole or in part by, the negligent act or omission, error, professional error, mistake, accident, or other fault of Developer, any subcontractor of Developer, or any officer, employee, agent, successor or assign of Developer, but excluding any injuries, losses or damages which are due to the negligence, breach of contract, or willful misconduct of the Town. Developer's obligation to indemnify the Town pursuant to this Agreement shall survive termination of this Agreement but only for a period of two years after the date of completion of construction of the improvement or completion of the activity to which the claim relates.

10. REPRESENTATIONS AND WARRANTIES.

10.1 Representations and Warranties by the District. The District represents and warrants as follows:

(a) The District is a quasi-municipal corporation and political subdivision of the State of Colorado, organized and existing in accordance with

Title 32, Article 25, section 1211, C.R.S., and has the legal capacity and the authority to enter into and perform its obligations under this Agreement and the documents to be executed and delivered pursuant hereto.

(b) The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action on its part, and such documents and such performance and observance are valid and binding upon the District.

(c) The execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to the District or to the District's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the District is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the District.

(d) The District knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any of the same contesting the powers of the District or any of its officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(e) The District Pledged Revenue is not subject to any other or prior pledge or encumbrance, and the District will not pledge or encumber it except as specified herein or as may be provided in the District Bond Documents or the documents related to the issuance of the District Bonds.

(f) This Agreement constitutes a valid and binding obligation of the District, 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.

10.2 Representations and Warranties by Developer. Developer represents and warrants as follows:

(a) Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and in good standing and authorized to do business in the State of Colorado and has the power and the authority to enter into and perform in a timely manner its obligations under this Agreement.

(b) The execution and delivery of this Agreement have been duly and validly authorized by all necessary action on its part to make this Agreement and are valid and binding upon Developer.

(c) The execution and delivery of this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to Developer or to Developer's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which Developer is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of Developer.

(d) Developer knows of no litigation, proceeding, initiative, referendum, or investigation or threat or any of the same contesting the powers of Developer or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the other Parties.

This Agreement constitutes a valid and binding obligation of the Developer, 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.

10.3 Representations and Warranties by the Town. The Town represents and warrants as follows:

(a) The Town is a body corporate and politic and a home rule municipality of the State of Colorado, and has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations under this Agreement.

(b) The Town knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the Town or its officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(c) The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not: (i) conflict with or contravene any law, order, rule or regulation applicable to the Town or to its governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Town is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Town.

(d) This Agreement constitutes a valid and binding obligation of the Town, 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, except to the extent limited by the subsequent exercise of its retained governmental powers.

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

(e) The Authority is a body corporate and politic of the State of Colorado, duly organized under the Act, and has the legal capacity and the authority to enter into and perform its obligations under this Agreement and the documents to be executed and delivered pursuant hereto.

(f) The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action on its part, and such documents and such performance and observance are valid and binding upon the Authority.

(g) The execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to the Authority or to the Authority's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Authority is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority.

(h) The Authority knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any of the same contesting the powers of the Authority or any of their officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(i) The Pledged Property Tax Increment Revenue is not subject to any other or prior pledge or encumbrance, and the Authority will not pledge or encumber them except as specified herein or as may be provided in the District Bond Documents or the documents related to the issuance of the District Bonds.

(j) 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.

11. COMMENCEMENT, TERM, AND TERMINATION. The term of this Agreement ("Term") shall commence upon the later to occur of ("Effective Date"): (a) the date that the Town Council ordinance approving this Agreement is final and no longer subject to referendum, or (b) the date upon which the Developer (or an entity created by Developer to acquire the Property) has acquired fee ownership of the entirety of the Property. This Agreement shall terminate upon the later to occur of: (i) the date of payment in full of the District Bonds, or (ii) the full performance of the covenants of this Agreement. Provided further, if Developer has not acquired title to the Property on or before December 31, 2017, the Town shall have the right to terminate this Agreement by written notice to the other parties and this Agreement shall thereafter be of no further

force or effect, except for those provisions that expressly survive termination of this Agreement. This Agreement may also be terminated pursuant to the provisions set forth in Section 17 hereof.

12. CONFLICTS OF INTEREST. None of the following will have any personal interest, direct or indirect, in this Agreement: a member of the governing body of the Town or an employee of the Town who exercises responsibility concerning the Town Requirements, or an individual or firm retained by the Town who has performed consulting services to the Town or this Agreement. None of the above persons or entities will participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

13. ANTIDISCRIMINATION. Developer, for itself and its successors and assigns, agrees that in the construction of the Eligible Improvements and in the use and occupancy of the Property and the Eligible Improvements, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual preference, disability, marital status, ancestry, or national origin.

14. NOTICES. Any notice required or permitted by this Agreement will be in writing and will be deemed to have been sufficiently given for all purposes if delivered in person, by prepaid overnight express mail or overnight courier service, by certified mail or registered mail, postage prepaid return receipt requested, addressed to the Party to whom such notice is to be given at the address set forth on the signature page below or at such other or additional addresses as may be furnished in writing to the other Parties. Additionally, the Parties agree to provide concurrent notice via electronic mail.

15. EVENTS OF DEFAULT. The following event shall constitute an Event of Default under this Agreement: any Party fails in the performance of any covenant in this Agreement, (except for those events allowing the termination of this Agreement as set forth herein) and such failure continues for thirty (30) days after written notice specifying such default and requiring the same to be remedied is given by a non-defaulting Party to the defaulting Party. If such default is not of a type which can be cured within such thirty (30) day period and the defaulting Party gives written notice to the non-defaulting Party or Parties within such thirty (30) day period that it is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of such thirty (30) day period to cure such default, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure in good faith.

16. REMEDIES. Upon the occurrence and continuation of an Event of Default, the non-defaulting Party's remedies will be limited to the right to enforce the defaulting Party's obligations by an action for injunction, specific performance, or other appropriate equitable remedy or for mandamus, or by an action to collect and enforce payment of sums owing hereunder, and no other remedy (unless otherwise expressly authorized by this Agreement), and no Party will be entitled to or claim damages for an Event of Default by the defaulting Party, including, without limitation, lost profits, economic damages, or actual, direct, incidental, consequential, punitive or exemplary damages. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in such litigation or other proceeding will receive, as part of its judgment or award, its reasonable attorneys' fees and costs.

17. TERMINATION. This Agreement may be terminated by the Developer at any time prior to the earlier to occur of (a) the issuance of any District Bonds, (b) the reimbursement or payment of any Eligible Costs or Town Costs from Pledged Revenue on deposit with the Escrow Agent, or (c) commencement of construction of any of the Eligible Improvements.

To terminate this Agreement, the Developer shall provide written notice of such termination to the other Parties. Such termination will be effective thirty (30) days after the date of such notice unless prior to such time, the Parties are able to negotiate in good faith to reach an agreement to avoid such termination. Upon such termination, this Agreement will be null and void and of no effect, and no action, claim or demand may be based on any term or provision of this Agreement, except as otherwise expressly set forth herein. In addition the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

Provided that no District Bonds have been issued, this Agreement may be terminated by Town if the District or Developer has not, on or before June 30, 2020: (a) executed a contract for the Remediation; (b) issued a notice to proceed for the Remediation; and (c) obtained the required state permits to commence the Remediation. Such termination shall be initiated by Town with written notice to all Parties and shall take effect thirty (30) days thereafter provided that if the District or Developer satisfies requirements (a)-(c) above within such thirty (30) day period, the Town's notice of termination shall be null and void and of no force or effect.

Upon any termination pursuant to this Section 17, this Agreement will be null and void and of no effect, and no action, claim or demand may be based on any term or provision of this Agreement, except as otherwise expressly set forth herein. In addition the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

If this Agreement is terminated pursuant to the provisions of this Section 17, any Credit PIF Revenue on deposit with the Escrow Agent shall be remitted to the Town.

18. NONLIABILITY OF OFFICIALS, AGENTS, MEMBERS, AND EMPLOYEES. Except for willful or wanton actions, no trustee, board member, commissioner, official, employee, consultant, manager, member, shareholder, attorney or agent of any Party, nor any lender to any Party or to the Project, will be personally liable under this Agreement or in the event of any default or for any amount that may become due to any Party.

19. ASSIGNMENT. This Agreement shall not be assigned in whole or in part by any Party without the prior written consent of the other Parties; provided, however, Developer may assign, pledge, collaterally assign, or otherwise encumber all or any part of this Agreement, including its right to receive any payment or reimbursement, without any Party's consent but after written notice to the Town containing the name and address of the assignee: (a) to any lender or other party that provides acquisition, construction, working capital, tenant improvement or other financing to Developer in connection with development of the Property, acquisition of the Property, and/or construction of the Eligible Improvements; (b) to one or more special purpose entities formed by Developers or with its investors or partners created to develop, own, and/or operate all or a portion of the Property or of the Eligible Improvements to be constructed thereon; (c) to a joint venture entity with another developer or investor; or (d) to a national or regional developer with at least 10

years' experience developing projects similar to the Project and with a net worth equal to or better than Developer's.

20. **COOPERATION REGARDING DEFENSE.** In the event of any litigation or other legal challenge involving this Agreement, the District Bonds, or any other material part or provision of this Agreement or the ability of any Party to enter into this Agreement, the Parties will cooperate and jointly defend against such action or challenge, to the extent permitted by law.

21. **SECTION CAPTIONS.** The captions of the sections are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

22. **ADDITIONAL DOCUMENTS OR ACTION.** The Parties agree to execute any additional documents or take any additional action, including but not limited to estoppel documents requested or required by lenders, that is necessary to carry out this Agreement or is reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement and to effectuate the agreements and the intent. Notwithstanding the foregoing, however, no Party shall be obligated to execute any additional document or take any additional action unless such document or action is reasonably acceptable to such Party. If all or any portion of this Agreement, or other agreements approved in connection with this Agreement are asserted or determined to be invalid, illegal or are otherwise precluded, the Parties, within the scope of their powers and duties, will cooperate in the joint defense of such documents and, if such defense is unsuccessful, the Parties will use reasonable, diligent good faith efforts to amend, reform or replace such precluded items to assure, to the extent legally permissible, that each Party substantially receives the benefits that it would have received under this Agreement.

23. **AMENDMENT.** This Agreement may be amended only by an instrument in writing signed by the Parties.

24. **WAIVER OF BREACH.** A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement must be in writing and will not operate or be construed as a waiver of any subsequent breach by any Party.

25. **GOVERNING LAW.** The laws of the State of Colorado govern this Agreement. The District Court of Douglas County will be the exclusive venue for any litigation.

26. **BINDING EFFECT, ENTIRE AGREEMENT.** This Agreement will inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors, heirs, and assigns, provided that nothing in this paragraph permits the assignment of this Agreement except as set forth in Section 19. This Agreement represents the entire Agreement among the Parties and supersedes any prior written or oral agreements or understandings with regard to the Property or Project not specifically set forth in this Agreement.

27. **EXECUTION IN COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which will constitute but one and the same instrument.

28. LIMITED THIRD-PARTY BENEFICIARIES. This Agreement is intended to describe the rights and responsibilities only as to the Parties to this Agreement. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party to this Agreement, provided that the Bond Trustee and the Escrow Agent shall be deemed to be third party beneficiaries hereunder. Notwithstanding anything in this Agreement to the contrary, and except as otherwise provided in the District Bond Documents, (a) no third party beneficiary's consent or approval shall be required for any amendment, modification or termination of this Agreement entered into by the Parties or for any waivers or consents granted hereunder by any Party, and (b) the rights of said third party beneficiaries may be amended, modified or terminated by the mutual agreement of the Parties, and waivers and consents granted, without the consent or approval of said third party beneficiaries.

29. NO PRESUMPTION. The Parties and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement will be construed without regard to any presumption or other rule of construction against the Party causing this Agreement to be drafted.

30. SEVERABILITY. If any provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be void or unenforceable, the same will in no way affect any other provision of this Agreement, the application of any such provision in any other circumstances or the validity, or enforceability of this Agreement as a whole.

31. MINOR CHANGES. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing this Agreement are authorized to make and may have made, minor changes to this Agreement and 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 this Agreement will constitute the approval of such changes by the respective Parties.

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

33. RECORDING. This Agreement will not be recorded in the real property records of Douglas County, Colorado.

34. GOOD FAITH OF PARTIES. In the performance of this Agreement or in considering any requested approval, consent, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

35. PARTIES NOT PARTNERS. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties will not be deemed to be partners or joint venturers, and no Party is responsible for any debt or liability of any other Party.

36. **NO WAIVER OF IMMUNITY**. Nothing contained in this Agreement constitutes a waiver of sovereign immunity or governmental immunity by any Party under applicable state law.

37. **SUBORDINATION**. Developer shall cause any mortgagee or deed of trust beneficiary to subordinate its interest in the Property to this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of _____, 2017.

TOWN:

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Town Clerk

Jennifer Green, Mayor

(SEAL)

Approved as to form:

Notice Address:
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, Colorado 80104
Attention: Robert Slentz, Town Attorney
Email: BSlentz@CRgov.com
Fax: 303-660-1028

Robert J. Slentz, Town Attorney

AUTHORITY:

CASTLE ROCK URBAN RENEWAL AUTHORITY

By: _____
Name: _____
Title: _____

DEVELOPER:

CITADEL DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

DISTRICT:

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION:

PARCEL ONE:

A PARCEL OF LAND SITUATED IN THE COUNTY OF DOUGLAS, STATE OF COLORADO AND IS DESCRIBED AS FOLLOWS:

LOT 2, BLOCK 7, CITADEL STATION FILING NO. 6, COUNTY OF DOUGLAS STATE OF COLORADO, LESS AND EXCEPT THE FOLLOWING WHICH WAS RELEASED BY PARTIAL RELEASE RECORDED NOVEMBER 12, 2008 AT RECEPTION # 2008075749,

A PARCEL OF LAND BEING A PORTION OF THE NORTHEAST 1/4 OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., IN DOUGLAS COUNTY, COLORADO, ALSO BEING A PORTION OF LOT 2, BLOCK 7, CITADEL STATION FILING NO. 6, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER 1/4 CORNER OF SAID SECTION 10, A 3 1/2 ALUMINUM CAP (LS 12046) ALSO BEING THE TRUE POINT OF BEGINNING;

1. THENCE SOUTH 89°27'29" EAST ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 10 A DISTANCE OF 1,303.43 FEET;
2. THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A DISTANCE OF 263.73 FEET, SAID CURVE HAS A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 17°28'53", AND A LONG CHORD THAT BEARS NORTH 80°43'05" WEST A DISTANCE OF 262.74 FEET;
3. THENCE NORTH 89°27'31" WEST A DISTANCE OF 548.00 FEET;
4. THENCE ON THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 655.56 FEET, SAID CURVE HAS A RADIUS OF 500.50 FEET, A CENTRAL ANGLE OF 75°02'48", AND A LONG CHORD THAT BEARS NORTH 51°56'07" WEST A DISTANCE OF 609.69 FEET TO A POINT ON THE SOUTHERLY LINE OF OUTLOT B OF SAID CITADEL STATION FILING NO. 6;
5. THENCE ALONG SAID LINE SOUTH 70°14'23" WEST A DISTANCE OF 21.53 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION;
6. THEN ALONG SAID LINE SOUTH 00°35'37" EAST A DISTANCE OF 403.88 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO:

A PARCEL OF LAND IN THE SOUTHEAST ¼ OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., IN DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 10, A 2 ½" ALUMINUM CAP (LS 6935), THENCE WESTERLY ALONG THE NORTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 10, NORTH 89°27'29" WEST, A DISTANCE OF 587.50 FEET TO THE TRUE POINT OF BEGINNING;

1. THENCE ALONG SAID NORTH 89° 27'29" WEST, A DISTANCE OF 725.68 FEET;
2. THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A DISTANCE OF 214.59 FEET, SAID CURVE HAS A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 14°13'19", AND A DISTANCE OF 214.04 FEET;
3. THENCE NORTH 32°14'41" EAST, A DISTANCE OF 6.00 FEET;
4. THENCE SOUTH 57°45'19" EAST, A DISTANCE OF 380.82 FEET;
5. THENCE NORTH 83°29'12" EAST, A DISTANCE OF 33.31 FEET;
6. THENCE NORTH 32°14'41" EAST, A DISTANCE OF 274.89 FEET;
7. THENCE ON THE ARC OF A CURVE TO THE LEFT A DISTANCE OF 53.16 FEET TO THE TRUE POINT OF BEGINNING, SAID CURVE HAS A RADIUS OF 790.00 FEET, A CENTRAL ANGLE OF 3°51'20", AND A LONG CHORD THAT BEARS NORTH 30°10'01" EAST, A DISTANCE OF 53.15 FEET;

COUNTY OF DOUGLAS,

STATE OF COLORADO.

EXHIBIT B

ELIGIBLE IMPROVEMENTS

Exhibit B – Eligible Improvements and Eligible Costs

The following are estimated Eligible Costs for the Eligible Improvements only. Payments and reimbursement will be based upon actual Eligible Costs incurred for the Eligible Improvements, in accordance with the Public Finance Agreement.

Estimated Cost

Public Infrastructure. All costs associated with the investigation, remediation and certification of the former landfill. Construction costs for the public improvements including (but are not limited to) Prairie Hawk Extension, Plum Creek Parkway, and public utilities. This includes associated engineering/design costs and applicable approval/permitting fees.	\$56,220,537
Grading	\$3,747,610.5
Parking	\$19,842,970.4
Retaining Walls	\$1,660,807.1
Sewer	\$1,037,192.3
Water	\$2,407,919.7
Roadways (External - PH, PCP, I-25)	\$9,420,799.6
Roadways (Internal)	\$2,852,413.9
Stormwater	\$2,167,619.2
Industrial Tributary Improvements	\$2,510,350.8
Landfill Cleanup	\$10,572,853.9
Public Amenities. Costs to provide public amenities within the Project. Improvements include (but are not limited to) trails/walkways, signage, playgrounds, fountains/fireplaces, artwork, seating, shade structures, technology, and other amenities meant to enhance the enjoyment of the Property. This includes associated engineering/design costs, applicable approval/permitting fees, etc	\$583,846
Land Acquisition. Costs incurred in connection with the acquisition of land and easements required for the Eligible Improvements	\$5,896,707
Fees. Any other applicable permitting, impact or connection fees necessary to develop the Project.	\$4,029,189

Cost savings in the line items listed for Eligible Improvements on this Exhibit B may be allocated to cost overruns in any other line item.

Exhibit B – Eligible Improvements and Eligible Costs

The following are estimated Eligible Costs for the Eligible Improvements only. Payments and reimbursement will be based upon actual Eligible Costs incurred for the Eligible Improvements, in accordance with the Public Finance Agreement.

Estimated Cost

Public Infrastructure. All costs associated with the investigation, remediation and certification of the former landfill. Construction costs for the public improvements including (but are not limited to) Prairie Hawk Extension, Plum Creek Parkway, and public utilities. This includes associated engineering/design costs and applicable approval/permitting fees.	\$56,220,537
Public Amenities. Costs to provide public amenities within the Project. Improvements include (but are not limited to) trails/walkways, signage, playgrounds, fountains/fireplaces, artwork, seating, shade structures, technology, and other amenities meant to enhance the enjoyment of the Property. This includes associated engineering/design costs, applicable approval/permitting fees, etc	\$583,846
Land Acquisition. Costs incurred in connection with the acquisition of land and easements required for the Eligible Improvements	\$6,720,788
Fees. Any other applicable permitting, impact or connection fees necessary to develop the Project.	\$4,029,189

Cost savings in the line items listed for Eligible Improvements on this Exhibit B may be allocated to cost overruns in any other line item.

EXHIBIT C

PROCEDURE FOR DOCUMENTING, CERTIFYING AND PAYING ELIGIBLE COSTS

1. Applicability. All capitalized terms that are not specifically defined in this **Exhibit C** will have the same meaning as defined in this Agreement. The Parties recognize and acknowledge that in connection with issuance and sale of District Bonds, the District Bond Documents related to such District Bonds shall establish a procedure for the requisition of District Bond proceeds, in which event that procedure shall be substituted for the procedure in this **Exhibit C** to the extent that they conflict with the procedures in this **Exhibit C**; provided, however, the Parties agree to cooperate so that the District Bond Documents or bond documents related to District Bonds will include a procedure for certifying the Eligible Costs payable under in-process construction and other contracts to permit District Bond proceeds to be applied to direct payments under such contracts.

2. Engineer. The District will select an independent licensed engineer experienced in the design and construction of public improvements in the Denver metropolitan area (the “**Engineer**”). The Engineer shall be responsible for reviewing, approving, and providing the certificate required by paragraph 3.

3. Documentation. The District or Developer will be responsible for documenting all Eligible Costs. Eligible Costs may be certified when a pay application has been submitted by a contractor that complies with the procedure set forth in this **Exhibit C** or upon Completion of Construction of an Eligible Improvement. All such submissions shall include a certification signed by both the Engineer and an authorized representative of the District or Developer, as applicable. The certificate shall state that the information contained therein is true and accurate to the best of each individual’s information and belief and, to the best knowledge of such individual, qualifies as Eligible Costs. Such submissions will include copies of backup documentation supporting the listed cost items, including bills, statements, pay request forms from first-tier contractors and suppliers, conditional lien waivers, and copies of each check issued by the District or Developer for each item listed on the statement. Unless required by the District or Developer construction contract then being performed, statements for payment of Eligible Costs shall not include advance payments of any kind for unperformed work or materials not delivered and stored on the Property.

4. Verification, Submission and Payment from Pledged Revenue on Deposit with the Escrow Agent. To the extent that no District Bonds have been issued, Eligible Costs may be paid from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8. In such event, each such payment request shall be submitted to the District Representative and the Escrow Agent for review within ten (10) business days. In the case of Pre-Financing Costs, such payment request shall include supporting documentation verifying that the Developer or District, as the case may be, has incurred such Pre-Financing Costs. Such review is for the purpose of verifying that the work or Pre-Financing Costs represented in each payment request and supporting documentation complies with the requirements of this Agreement. Upon the earlier of approval of such documentation or expiration of the ten (10) business day period, the Escrow Agent will allocate the Eligible Costs applicable to the Eligible Improvements according to the category for each listed in **Exhibit C** and compile an aggregate running total of Eligible Costs paid from Pledged Revenue to the District or to the Developer as provided in this Agreement. So long as the payment

request is properly certified according to this procedure, payment will be made within twenty (20) days of submission of the payment request.

To the extent that no District Bonds have been issued, Town Costs may be paid from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8. In the case of Town Costs, the Town Representative may submit a request for the payment of Town Costs to the District Representative and the Escrow Agent for review within ten (10) business days. Such payment request shall include supporting documentation verifying that the Town has submitted the required supporting documentation. Upon the earlier of approval of such documentation or expiration of the ten (10) business day period, the Escrow Agent will pay or reimburse the Town for Town Costs from Pledged Revenue on deposit with the Escrow Agent.

Notwithstanding the foregoing provisions, the Parties acknowledge and agree that Pledged Revenue on deposit with the Escrow Agent may be insufficient to make the payments or reimbursements permitted by Section 4.8 and this **Exhibit C**. In the event that there are insufficient Pledged Revenue to make such payments or reimbursements that have been requested by the Developer, the District, or the Town, this shall not constitute an event of default under this Agreement any such payments or reimbursements shall be made only from available Pledged Revenue and any unpaid request, or portion thereof, shall be made when Pledged Revenue is thereafter received by the Escrow Agent. In the event that the Escrow Agent receives multiple requests for payment or reimbursement of Eligible Costs, Town Costs, or Pre-Financing Costs and the Pledged Revenue is insufficient to make all such requested payments, the Pledged Revenue shall be applied to the payment of such requisitions pro rata based on the applicable amounts requested.

EXHIBIT D

LIST OF PROHIBITED USES

1. Any public or private nuisance;
2. Any obnoxious odor, except odors customarily emanating from a restaurant;
3. Any use which permits the use of hazardous materials beyond legal limits on, about, under, or in its tract, except in the ordinary course of its usual business operations conducted thereon and in compliance with all environmental laws;
4. Any mobile home or trailer court, labor camp, junk yard, stock yard, or animal raising (provided that the foregoing shall not prohibit any pet stores or animal grooming shops or the rental or sale of mobile homes or trailers incidental to another use such as a Cabela's or Bass Pro Shops);
5. Any dumping of garbage or refuse except in containers designated for garbage or refuse;
6. Any massage parlor (provided that the foregoing shall not prohibit a so-called day spa, health spa, chiropractor, beauty or hair salon, physical therapy center, health club, or other business that offers massage therapy as part of its services, or a massage provider common in first-class shopping centers such as a Massage Envy);
7. Any establishment selling or exhibiting marijuana or paraphernalia for use with marijuana; and
8. Any establishment selling, renting, or exhibiting so-called adult entertainment, adult videos or pornographic materials, except such incidental materials associated with the operation of a traditional book or video store or convenience store.

EXHIBIT E

CONCEPTUAL DEPICTION OF PROJECT PARKING

Parking Exhibit F



EXHIBIT F

FORM OF SALES TAX CREDIT ORDINANCE

ORDINANCE NO. 2017-[003](#)

**AN ORDINANCE AMENDING CHAPTER 3.04 OF THE CASTLE ROCK
MUNICIPAL CODE CONCERNING THE TOWN'S SALES TAX,
BY PROVIDING FOR A SALES TAX CREDIT AGAINST CERTAIN
PUBLIC IMPROVEMENT FEES PAID AT MILLER'S LANDING**

WHEREAS, the Town of Castle Rock, Colorado (the "Town") has entered into a Public Finance Agreement (the "Public Finance Agreement") with Citadel Development, LLC, Millers Landing Business Improvement District and the Castle Rock Urban Renewal Authority, concerning the finance and construction of certain public improvements in association with the development of a mixed-use project known as Miller's Landing (the "Property"); and

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Public Finance Agreement; and

WHEREAS, pursuant to Section 6.2 of the Public Finance Agreement, the Town Council of the Town has agreed to consider adoption of an ordinance granting a Sales Tax Credit in the amount of 2.4% against the collection of Taxable Transactions to the extent that a public improvement fee in the amount of 2.4% (the "Credit PIF") has been collected on Taxable Transactions occurring within the Property, subject to the terms and limitations set forth in the Public Finance Agreement; and

WHEREAS, providing for such Sales Tax Credit against the Credit PIF collected and paid on Taxable Transactions occurring within the Property will substantially aid in the finance and development of necessary public improvements that will benefit the residents of the Town and patrons of the Property, and will protect and promote the public health, safety and general welfare of the residents of the Town.

NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:

Section 1. Amendment. Chapter 3.04 of the Castle Rock Municipal Code, concerning the Town's sales tax, is hereby amended by the addition of a new Section 3.04.152 to read as follows:

3.04.152 Tax Credit Against Payment of Public Improvement Fees in Miller's Landing.

A. Notwithstanding any other provisions of this Chapter to the contrary, and in order to implement the provisions of the Public Finance Agreement entered into by the Town of Castle Rock, Citadel Development, LLC, the Miller's Landing Business Improvement District and the Castle Rock Urban Renewal Authority (the "Public Finance Agreement"), there is hereby granted to each person

or entity obligated to pay, collect or remit the sales tax on the sale or provision of goods or services which are subject to the Town's sales taxes described in this Chapter occurring within the property known as Miller's Landing, and more particularly described in Exhibit "A" of the Public Finance Agreement (the "Property"), a tax credit against the collection of the sales taxes as hereinafter set forth. All capitalized terms used in this section and not otherwise defined herein shall have the meanings given to them in the Public Finance Agreement, as amended from time to time. Such tax credit shall be granted in the form of a reduction in the applicable sales tax rate in an amount equal to 2.4%, and shall attach to a particular transaction only to the extent that the Credit PIF Revenue is collected and received by the PIF Collection Agent for such transaction. Notwithstanding the foregoing, in the event that the Credit PIF is imposed at a rate less than 2.4%, the tax credit shall be accordingly reduced to the amount of the Credit PIF so imposed. The tax credit shall be automatic and shall take effect immediately upon the occurrence of a Taxable Transaction, but shall be subject to the applicable retailer's remittance to and receipt by the PIF Collection Agent of the Credit PIF Revenue in accordance with the Credit PIF Covenant and the Public Finance Agreement (as reflected on the retailer's periodic sales tax report).

B. Notwithstanding the foregoing, in the event that a Relocated Retailer or Restricted Grocery Store, as defined in the Public Finance Agreement, opens a store on the Property, no Sales Tax Credit shall be granted against any Taxable Transactions occurring at any such Relocated Retailer or Restricted Grocery Store, unless such Sales Tax Credit on a Relocated Retailer or Restricted Grocery Store is authorized by the Town Council and the Credit PIF is imposed all in accordance with the Public Finance Agreement and this Ordinance.

C. The sales tax credit granted pursuant this Section shall remain in effect for the period set forth in the Public Finance Agreement and shall thereafter automatically terminate.

Section 2. Invalidity. In the event the sales tax credit established herein or the Credit PIF is determined by a final court decision to be unconstitutional, void or ineffective for any cause, retailers shall immediately be required to collect and remit the full Town sales tax as provided in Chapter 3.04 of the Castle Rock Municipal Code.

Section 3. Change in Tax Rate. Nothing contained in this Ordinance shall prohibit the Town, after complying with all requirements of law, from increasing or decreasing the Town's sales tax rate.

Section 4. Effect of Credit, Applicability of TABOR. The Town Council hereby determines that the creation or termination of this tax credit does not constitute a tax increase, the imposition of a new tax, or a tax policy change directly causing a net tax revenue gain to the Town, and that nothing herein creates a multiple fiscal year financial obligation or other indebtedness of the Town, nor does the tax credit established by this Ordinance and the termination of such credit

meet any of the other criteria requiring approval by the electors pursuant to Article X, Section 20 of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR).

Section 5. Repealer. Any bylaws, orders, resolutions, ordinances, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revise any bylaw, order, resolution or ordinance or part thereof, heretofore repealed.

Section 6. Effective Date. The amendment to Chapter 3.04 of the Castle Rock Municipal Code shall become effective on the later of: (i) thirty (30) days following publication of this Ordinance, and (ii) the Effective Date of the Agreement.

Section 7. Severability. If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Safety Clause. The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

APPROVED ON FIRST READING this 21st day of February, 2017 by a vote of 4 for and 1 against, after publication in compliance with Section 2.02.100.C of the Castle Rock Municipal Code; and

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this ____ of _____, 2017 by the Town Council of the Town of Castle Rock, Colorado, by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Sally Misare, Town Clerk

Jennifer Green, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney

EXHIBIT G

LIST OF EXISTING RETAILERS

Retailer Name	Sq. Footage
Walmart Supercenter #984	205,707
Sam's Club #4853	136,454
Target Store #1326	125,374
Lowe's Home Centers LLC	117,132
Home Depot	116,417
King Soopers (Promenade)	114,742
Kohls #728	88,043
King Soopers 71	69,281
Safeway Store #1877	68,113
King Soopers 132	59,509
AMC Theatres Castle Rock 12	45,255
Medved Chevrolet South	40,880
Medved Ford Lincoln Mercury Inc	40,880
24 Hour Fitness (Promenade)	40,000
Sprouts Farmers Markets	28,793
Bubbles Liquor World	27,395
TJ Maxx/Home Goods	22,000
Tractor Supply Company	21,702
Michaels Stores Inc.	21,235
PetSmart #1183	19,464
Kids R Kids	17,494
Office Depot #2192	16,172
Nike Factory Store	15,069
Polo Ralph Lauren Factory Store	14,527
Walgreens #06514	14,399
Walgreens #06987	14,300
212 Pizza Co.	14,387
Gap Outlet #7760	13,094
Petco #2449	12,500
Restoration Hardware	12,500
Tuesday Morning	11,141
Natural Grocers by Vitamin Cottage	10,556
Discount Tire Co. Inc.	10,556
Big 5 Sporting Goods #401	10,251

RESOLUTION NO. 2014-76

**A RESOLUTION APPROVING THE
CITADEL STATION – CASTLE MEADOWS URBAN RENEWAL PLAN**

WHEREAS, the Town Council approved the formation of the Castle Rock Urban Renewal Authority (CRURA) on June 4, 2013; and

WHEREAS, by Resolution No. 2014-74, the Town Council found the Citadel Station – Castle Meadows Urban Renewal Plan area includes conditions of blight consistent with definitions in the State of Colorado Urban Renewal Act; and

WHEREAS, the Town of Castle Rock Planning Commission found the Citadel Station – Castle Meadows Urban Renewal Plan is consistent with the Town of Castle Rock Comprehensive Master Plan; and

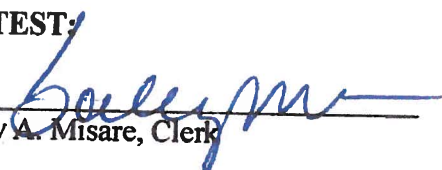
WHEREAS, the Town Council finds the Citadel Station - Castle Meadows Urban Renewal Plan is consistent with the State of Colorado Urban Renewal Act.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK AS FOLLOWS:

Section 1. Approval. The Citadel Station – Castle Meadows Urban Renewal Plan dated September 2014 attached as *Exhibit 1* is hereby approved.

PASSED, APPROVED AND ADOPTED this 2nd day of September 2014, by the Castle Rock Town Council on first and final reading by a vote of 6 for and 0 against.

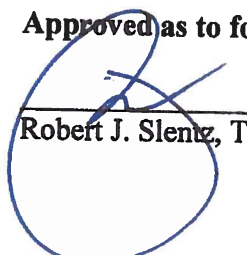
ATTEST:


Sally A. Misare, Clerk

TOWN OF CASTLE ROCK


Paul Donahue, Mayor

Approved as to form:


Robert J. Slentz, Town Attorney

Approved as to content:


Bill Detweiler, Executive Director
CRURA

PUBLIC FINANCE AGREEMENT

This PUBLIC FINANCE AGREEMENT (this “**Agreement**”) dated as of _____, 2017, is made by and among CITADEL DEVELOPMENT, LLC, a Delaware limited liability company (“**Developer**”), the TOWN OF CASTLE ROCK, a municipal corporation (“**Town**”), MILLER’S LANDING BUSINESS IMPROVEMENT DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District**”), and the CASTLE ROCK URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (“**Authority**”). Developer, Town, District, and Authority are sometimes collectively called the “**Parties**,” and individually, a “**Party**.”

RECITALS

All capitalized terms used, but not defined, in these Recitals, have the meanings ascribed to them in this Agreement. The Recitals are incorporated into this Agreement as though fully set forth in the body of this Agreement.

WHEREAS, Developer is the contract purchaser of the real property described in **Exhibit A** (the “**Property**”) and desires to develop the Property by constructing a mixed-use commercial project in one or more phases, which may include office, retail, restaurant, bar, hospitality, and accessory uses, but not residential uses, together with related amenities and uses on the Property (the “**Project**”).

WHEREAS, Developer is an affiliate of P3 Advisors, LLC (“**P3**”), a real estate development company that specializes in public private partnerships, with an emphasis on brownfield redevelopment. P3 brings years of real estate development experience to the Project, and has the expertise necessary to develop a mixed-use commercial project with the magnitude and complexity of the Project, including remediation of the Landfill (defined below).

WHEREAS, Developer has engaged the Town process for entitlement of the Project and accordingly the Town and Fenway Partners, LLC, the contract seller of the Property, have entered into the Miller’s Landing Development Agreement, dated December 6, 2016 (the “**Development Agreement**”) that addresses development of the Property and Project.

WHEREAS, the District will issue one or more series of District Bonds to finance all or a portion of the costs of the Eligible Improvements (defined below).

NOW THEREFORE, in consideration of the mutual covenants and promises of the Parties contained in this Agreement, and other valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree to the terms and conditions in this Agreement.

AGREEMENT

1. DEFINITIONS AND QUALIFICATIONS. In this Agreement, unless a different meaning clearly appears from the context, capitalized terms mean:

“**Act**” means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes.

“Add-On PIF” means the public improvement fee in the amount of up to 1.25% on Taxable Transactions, as set forth in the Add-On PIF Covenant, which will be (i) collected in accordance with the terms of the Add-On PIF Covenant and (ii) accounted for and spent in accordance with this Agreement.

“Add-On PIF Covenant” means a declaration of covenants by Developer imposing and implementing the Add-On PIF within the Property.

“Add-On PIF Revenue” means the revenue derived from the imposition of the Add-On PIF in accordance with the Add-On PIF Covenant and this Agreement.

“Agreement” means this Public Finance Agreement, as it may be amended or supplemented in writing, from time to time. References to sections or exhibits are to this Agreement unless otherwise qualified. All Exhibits are incorporated to this Agreement.

“Authority” means the Castle Rock Urban Renewal Authority, a body corporate and politic of the State of Colorado, and its successors and assigns.

“Authority Administrative Fee” means a fee up to a maximum of 0.5% of the gross Pledged Property Tax Increment Revenue received by the Authority from the Douglas County Treasurer each year, which fee includes all amounts required to pay collection, enforcement, disbursement, and administrative fees and costs required to carry out the Plan, including, without limitation, collection and disbursement of the Pledged Property Tax Increment Revenue.

“Complete Construction” or **“Completion of Construction”** means, for any Eligible Improvement, initial acceptance in accordance with the Town Requirements, applicable laws, ordinances, and regulations of the Town and any other governmental entity or public utility with jurisdiction, subject to any applicable conditions of maintenance and warranty, or if such Eligible Improvement would require a certificate of occupancy, the issuance of a certificate of occupancy by the Town in accordance with Town Regulations.

“Costs of Issuance” means, collectively, the reasonable and necessary costs incurred in connection with the issuance of the District Bonds, including, without limitation, underwriter’s compensation, financial consultant fees, fees and expenses of bond counsel, counsel to the underwriter, counsel to the Town, and counsel to any party or entity from which an opinion of counsel is required, fees and expenses of any provider of credit enhancement, bond insurance, or guaranty, fees and expenses of the District Bond Trustee, bond registrar, paying agent, and transfer agent and rating agency fees. Costs of Issuance may be paid from the proceeds of the District Bonds.

“Credit PIF” means the public improvement fee in the amount of 2.4% on all Taxable Transactions, as set forth in the Credit PIF Covenant, which will be (i) collected in accordance with the terms of the Credit PIF Covenant and (ii) accounted for and spent in accordance with this Agreement. Except as set forth in Section 3.3, the Credit PIF shall not apply to any Taxable Transactions originating from within a Restricted Grocery Store or Relocated Retailer.

“Credit PIF Covenant” means a declaration of covenants by Developer imposing and implementing the Credit PIF within the Property.

“**Credit PIF Revenue**” means the revenue derived from the imposition of the Credit PIF in accordance with the Credit PIF Covenant and this Agreement.

“**CRMC**” means the Castle Rock Municipal Code, as the same may be amended or supplemented.

“**Default**” or “**Event of Default**” means any of the events described in Section 15; provided, however, that such events will not give rise to any remedy until effect has been given to all notice requirements, grace periods, cure periods, Force Majeure Events, and periods of enforced delay provided for in this Agreement.

“**Developer**” means Citadel Development, LLC, a Delaware limited liability company, and any successors and assigns approved or allowed in accordance with this Agreement.

“**Developer Advances**” means, collectively, amounts advanced or incurred by Developer to pay any Eligible Costs. Developer Advances shall include, without limitation, (a) Eligible Costs paid directly or advanced by Developer, (b) advances to the District for engineering, design, and construction by the District of Eligible Improvements pursuant to a Reimbursement Agreement; and (c) Pre-Financing Costs.

“**Development Agreement**” means the Miller’s Landing Development Agreement, dated December 6, 2016, by and between the Town and Fenway Partners, LLC [recorded in the public records of Douglas County, Colorado on _____ at Reception No. _____](#).

“**District**” means Miller’s Landing Business Improvement District, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §31-25-1201, *et seq.*, and its successors and assigns.

“**District Administrative Account**” means an account established by the Authority into which the Authority shall deposit all of the District Operating Revenue received by the Authority from time to time pursuant to the rules and regulations of the Property Tax Administrator of the State of Colorado.

“**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness issued or incurred by the District to finance or refinance the Eligible Costs in accordance with the terms and provisions of this Agreement, including any bonds, other financial obligations or securities issued by the District to refund the District Bonds, but specifically exclusive of any Reimbursement Agreement entered into between the Developer and the District.

“**District Bond Documents**” means, collectively, the District Bond Indenture and any other documents pursuant to which the District Bonds are issued.

“**District Bond Indenture**” means any indenture or similar documents pursuant to which the District Bonds are issued.

“**District Bond Requirements**” means the principal, premiums, and interest due on the District Bonds, any amounts required to replenish any Reasonably Required Reserve, any amounts required to repay any bond insurer or other guarantor of the debt service on the District Bonds,

fees and expenses of the District Bond Trustee, bond registrar, paying agent, authenticating agent, and any other amounts approved in writing by the Town.

“District Bond Trustee” means the trustee in connection with the issuance of any District Bonds.

“District Debt Service Mill Levy” means a property tax levy of a minimum of 50 mills which will be levied by the District on the taxable property of such District, except as provided herein; provided, however, that such rates may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such District Debt Service Mill Levy is neither diminished nor enhanced as a result of such changes. The District Debt Service Mill Levy shall not be less than 50 mills during the term of this Agreement unless the District obtains approval of a lower amount from the Town, which determination shall be in the discretion of the Town.

“District Pledged Revenue” means, collectively, the revenue produced by (a) the District Debt Service Mill Levy, (b) the District Specific Ownership Taxes, and (c) Pledged PIF Revenue.

“District Operating Revenue” means revenue produced by the District’s imposition of a mill levy to pay the operations and maintenance expenses of the District and other revenue designated by the District for such purpose, and any Remaining Add-On PIF Revenue, as allowed under the District Bond Documents from time to time.

“District Specific Ownership Taxes” means the specific ownership tax revenues received by the District in each year from the levy of the District Debt Service Mill Levy.

“EDC” means the Castle Rock Economic Development Council.

“Effective Date” has the meaning provided in Section 11.

“Eligible Accrued Interest” means interest accrued on unreimbursed Developer Advances as follows:

(a) If the Developer constructs Eligible Improvements or finances Eligible Costs from money it does not borrow, including any Developer Advances made to the District to acquire or construct Eligible Improvements from non-borrowed money, interest shall accrue at a rate equal to Prime plus 4% (but not to exceed 9%), and shall be simple per annum interest, and shall not compound.

(b) If the Developer constructs Eligible Improvements or finances Eligible Costs from money that it borrows, including any Developer Advances made to the District to acquire or construct Eligible Improvements from borrowed money, interest shall accrue at a rate equal to the rate of interest that the Developer is paying to the Developer’s lender under the applicable loan documents (but not to exceed 10%).

Eligible Accrued Interest shall begin to accrue on Developer Advances on the date the Developer makes such Developer Advance, provided that in no event shall Eligible Accrued Interest accrue on Developer Advances made to pay for Pre-Financing Costs.

“**Eligible Costs**” means, collectively, (a) the reasonable and customary expenditures for engineering, design, and construction of Eligible Improvements and investigation and remediation of the Landfill, including necessary and reasonable soft costs, as certified and approved in accordance with **Exhibit C** or the District Bond Documents, (b) Land Acquisition Costs, (c) Eligible Accrued Interest, (d) Pre-Financing Costs, and (e) Town Fees paid by the Developer or District.

“**Eligible Improvements**” means the improvements described in **Exhibit B**. Notwithstanding anything to the contrary in this Agreement, Eligible Improvements shall not include any Retail surface parking lots.

“**Escrow Agent**” means a state or national bank or trust company in good standing located in the State of Colorado that is authorized to exercise trust powers, which is selected by the Developer, with the prior written approval of the Town Manager, and is authorized pursuant to an escrow agreement, which shall also be subject to the prior written approval of the Town Manager, to undertake the duties of the Escrow Agent in accordance with Section 4.7.

“**Exhibits**” The following Exhibits are a part of this Agreement:

- Exhibit A:** Legal Description of the Property
- Exhibit B:** Eligible Improvements
- Exhibit C:** Procedure for Documenting, Certifying and Paying Eligible Costs and Town Costs
- Exhibit D:** List of Prohibited Uses
- Exhibit E:** Conceptual Depiction of Project Parking
- Exhibit F:** Form of Sales Tax Credit Ordinance
- Exhibit G:** List of Existing Retailers

“**Existing Retailer**” means a retailer listed on **Exhibit G**.

“**Force Majeure Event**” means any one or more of the following events or circumstances that, alone or in combination, directly or indirectly adversely affects a Party’s performance of an obligation pursuant to this Agreement: fire, earthquake, storm or other casualty; strikes, lockouts, or other labor interruptions or shortages; war, rebellion, riots, acts of terrorism, or other civil unrest; acts of God or of any government (except that, as to any obligation of the Town, any acts of the Town itself shall not be considered Force Majeure Events); disruption to local, national, or international transport services; prolonged shortages of materials or equipment, epidemics; severe adverse weather; the discovery of previously unknown facilities, improvements, or other features or characteristics of the Property (including the Landfill); any other event, similar to the above, beyond the applicable Party’s reasonable control.

“**Full-Service Hotel**” means a hotel that is generally recognized in the hotel industry as such, that offers at least a selection of the following amenities: on-site mid-range to high-end

restaurant(s) and bar(s), group meeting spaces, banquet facilities, spas, doormen, valet parking, extended room service, concierge services, retail stores, pools, business center, and fitness center. Examples of Full-Service Hotels include, without limitation, the brands: Conrad Hotels, Hyatt, Regent Hotels & Resorts, Marriott, InterContinental, Renaissance, Crowne Plaza, Luxury Collection, Ritz-Carlton, DoubleTree, Le Meridien, Sheraton, Embassy Suites, Preferred Hotels & Resorts, St. Regis, Hilton, Holiday Inn, Radisson, W Hotels, Red Lion, Weston, and Peabody.

“GLA” means gross leasable area measured in square feet in the usual and customary manner in commercial leasing.

“Grocery Store” means any conventional grocery store or supermarket that primarily sells: (a) food and beverages for offsite consumption and (b) household supplies. Examples of grocery stores doing business in the Denver area as of the Effective Date include Safeway, King Soopers, Albertsons, Kroger, Super Target, Walmart Supercenter, Whole Foods, Sprouts and Natural Grocers. The following uses are not Grocery Stores for purposes of this Agreement: craft or specialty food retailers, marketplaces (including without limitation, Tony’s Market, Cook’s Fresh Market, The Denver Central Market), butchers, mongers, liquor stores, businesses primarily selling premade meals, restaurants, bars, vitamin stores, nutritional stores, any store that is primarily for pick-up of items purchased online or from a different location, convenience stores, and wholesalers and warehouse stores (including, without limitation, Amazon, Costco, or Sam’s Club).

“Intergovernmental Agreement” means the Intergovernmental Agreement between the Town and District approved by the Town concurrently with the Operating Plan.

“Land Acquisition Costs” means the costs incurred by Developer in connection with the acquisition of land or easements required for Eligible Improvements based upon an appraisal of such land or easements, including without limitation costs related to due diligence, title and survey, brokerage commissions, and attorneys’ fees.

“Landfill” means Citadel Landfill on the Property as more particularly described in the VCUP.

“Legal Requirements” means all laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directions and requirements of all government and governmental authorities applicable to the Project.

“Non-Hotel Retail Uses” means Retail uses that are not: (a) within, attached to, or situated closer than 300 feet from the building foundation of the main Required Hotel and on the same lot as the Required Hotel; or (b) owned or operated by the Hotel User or an entity that is controlled by or otherwise affiliated with the Hotel User.

“Office” means commercial office uses, including commercial offices, medical offices, educational facilities, and Qualified Flex Users.

“Operating Plan” means the annual operating plan adopted by the District and approved by the Town Council pursuant to §31-25-1211 C.R.S., as such plan may be modified or amended

from time to time, including any amendment required in connection with approving the Plan of Finance.

“Party” or **“Parties”** means one or all of the parties to this Agreement.

“PIF Collection Agent” means an entity or entities retained by the Developer, as declarant under the Add-On PIF Covenant and Credit PIF Covenant, with the reasonable approval of the District, for the purpose of collecting, accounting for, and disbursing the Add-On PIF Revenue in accordance with the Add-On PIF Covenant, the Credit PIF Revenue in accordance with the Credit PIF Covenant, or both.

“PIF Collection Agreement” means, collectively, an agreement or agreements related to the collection and remittance of the Add-On PIF Revenue and/or the Credit PIF Revenue between the Developer and the PIF Collection Agent. The District may also be a party to the PIF Collection Agreement.

“Plan” and **“Urban Renewal Plan”** mean the Citadel Station – Castle Meadows Urban Renewal Plan adopted and approved by the Town in September 2014, as it may hereinafter be amended from time to time.

“Plan of Finance” means a plan approved by Town in accordance with the Operating Plan which sets forth the sources and uses of District Bonds, the proposed District Bond Requirements, and the projected District Pledged Revenue, including the assumptions supporting the plan. The Plan of Finance may also include projections of District Operating Revenue and operating and maintenance expenses.

“Pledged PIF Revenue” means (a) prior to the issuance of any District Bonds, all of the Add-On PIF Revenue and Credit PIF Revenue, and (b) after the issuance of any District Bonds, all of the ~~Add-On PIF Revenue, except any Remaining Add-On PIF Revenue, and all of the Credit PIF Revenue,~~ and the portion of the Add-On PIF Revenue that is required to be pledged to the District Bonds pursuant to the District Bond Documents.

“Pledged Property Tax Increment Revenue” means the annual ad valorem property tax revenue received by the Authority from the Douglas County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in the TIF Area in accordance with the Act and the regulations of the Property Tax Administrator of the State of Colorado, but not including, (a) the District Operating Revenue, (b) the Authority Administrative Fee, and (c) any offsets collected by the Douglas County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Act.

“Pledged Revenue” means, collectively, the District Pledged Revenue and the Pledged Property Tax Increment Revenue.

“Pre-Financing Costs” means the reasonable and necessary costs incurred by the Developer and the District in forming the District and drafting, negotiating, and obtaining approval of the Operating Plan and Plan of Finance, drafting and negotiating this Agreement, drafting and negotiating documentation necessary or appropriate for the issuance of the District Bonds

(including, without limitation, the District Bond Documents, Add-On PIF Covenant, Credit PIF Covenant, and PIF Collection Agreement), drafting and negotiating loan documents for construction loans for Eligible Improvements, and closing costs for such construction loans. Pre-Financing Costs shall include, without limitation, reasonable attorneys' fees incurred by the District and Developer related to the above items.

"Prime" means the prime rate as published in the Wall Street Journal on the first business day of each calendar month, which shall be adjusted on a current monthly basis as of the first business day of each calendar month.

"Property" means the real property described in Exhibit A. Such Property is either owned by Developer, Developer is under contract to purchase such Property, or Developer otherwise has the right or will have the right to develop the Property.

"Property Tax Base Valuation" means \$ 229,370, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the Plan. The Property Tax Base Amount and increment value shall be calculated and adjusted from time to time by the Douglas County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado.

"Project" means a mixed-use commercial project constructed in one or more phases, which may include office, retail, restaurant, bar, hospitality, and accessory uses, but no residential uses, together with related amenities and uses on the Property. This Agreement prescribes certain required elements and parameters for the Project.

"Qualified Flex User" means a business: (a) engaged in light manufacturing, production, assembly, laboratory, research and development, warehouse, scientific, distribution, industrial flex, or such other uses as are reasonably approved in writing by the Town Manager after consultation with the CEO of the EDC in accordance with Section 2.4, and (b) at least 50% of whose GLA within the Project is initially designated for traditional commercial office uses.

"Reasonably Required Reserve" means any bond reserve fund held by the District Bond Trustee, which may be funded by the proceeds of the District Bonds at the discretion of the District Bond Trustee or as required by the District Bond Documents.

"Reimbursement Agreement" means, collectively, one or more agreements between the Developer and the District setting forth terms and conditions under which the Developer will be reimbursed for Developer Advances made by the Developer to the District for construction or acquisition of the Eligible Improvements, which Reimbursement Agreements must be in conformance with applicable terms and conditions of this Agreement.

"Relocated Retailer" means an Existing Retailer that completes a Relocation.

"Relocation" means the opening to the general public of a Retail use of more than 25,000 GLA by an Existing Retailer within ~~the Project either 12 months before or~~ 12 months after the closing to the general public ~~of a location~~ of the same Retail use within the corporate boundaries of the Town ~~that was more than 25,000 GLA~~; provided, however, that the following shall not

constitute a Relocation: (a) any closures resulting from casualty, expiration of the lease, landlord termination of the lease, or, as certified to the Town by the Existing Retailer, that were scheduled prior to the Effective Date, or (b) the opening of a different brand or product type in the Project from the retail store that closed. For example, it shall not be a Relocation if a Walmart opens a Sam's Club after closing an existing Walmart.

“Remaining Add-On PIF Revenue” means the Add-On PIF Revenue that is not pledged to the District Bonds or dedicated to a specific purpose, as required by ~~under~~ the District Bond Documents.

“Restricted Grocery Store Costs” means Eligible Costs: (a) incurred to construct Eligible Improvements that serve ~~only~~ a Restricted Grocery Store; or (b) resulting from any increases in the size or capacity of specific Eligible Improvements if such increases are required to accommodate a ~~-~~Restricted Grocery Store.

“Restricted Grocery Store” means a Grocery Store exceeding 1027,000 GLA.

“Retail” means businesses selling goods or services to the general public that are subject to the Town's Sales Tax, which may include, without limitation goods, restaurant, bar, or lounge. Retail expressly does not include conference center, lodging, hotel, or motel uses, but does include restaurant, bar, lounge, private or membership facilities, food and beverage service, catering, gift shop, convenience store, equipment and furniture rental uses within or accessory to such conference center, lodging, hotel, and motel uses.

“Sales Tax” means the municipal sales tax of the Town on sales of goods and services that are subject to municipal sales taxes at such rate and on such terms and conditions as prescribed in the CRMC, as amended from time to time.

“Sales Tax Credit” means the credit against the Town's Sales Tax in an amount equal to the Credit PIF imposed and collected on Taxable Transactions, in the amount of 2.4%, as implemented pursuant to the Sales Tax Credit Ordinance. Except as set forth in Section 3.3, the Sales Tax Credit shall not apply to any Taxable Transactions originating from within a Restricted Grocery Store or Relocated Retailer.

“Sales Tax Credit Ordinance” means the ordinance adopted by the Town Council of the Town approving the Sales Tax Credit.

“Special Fund” means the fund defined in Section 107(9)(a)(II) of the Act.

“Taxable Transactions” means the sale or provision of goods within the Project that are subject to the Town's Sales Tax, as amended from time to time.

“TIF Area” means the Property described on Exhibit A, within which the tax increment provisions of Section 31-25-107(9) of the Act apply, as such area may be expanded or contracted from time to time by the Authority in compliance with the Act.

“Town” means the Town of Castle Rock, Colorado, a home rule municipal corporation.

“**Town Contribution Cap**” means \$56,000,000, which is the maximum amount of the Sales Tax Credit that shall be granted by the Town against Sales Tax collectible on Taxable Transactions.

“**Town Costs**” means the Town’s reasonable and necessary third-party out of pocket fees, costs and expenses incurred in drafting, reviewing or negotiating this Agreement, the Operating Plan, the Plan of Finance, the Add-On PIF Covenant, the Credit PIF Covenant, the Sales Tax Credit Ordinance, the PIF Collection Agreement, the District Bond Documents, and all other related documents, certificates or agreements, including without limitation legal fees and consultant fees. Town Costs shall be paid or reimbursed from proceeds of the District Bonds in accordance with the District Bond Documents or from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8 and **Exhibit C**.

“**Town Fees**” means any fee or charge imposed under the CRMC as a condition to the applicant’s entitlement to issuance of a Town permit for the development or construction of Eligible Improvements or private improvements.

“**Town Requirements**” means, collectively, (i) the CRMC, (ii) Town regulations and (iii) obligations imposed through the Miller’s Landing IOZ (as defined in Section 2.2 hereof), the applicable site plans required for the Project and/or (iv) requirements or restrictions imposed on development of the Property under this Agreement.

“**VCUP**” means the voluntary cleanup plan for the Landfill submitted by the Developer and approved by the Colorado Department of Public Health and Environment pursuant to its letter dated September 26, 2016 signed by Fonda Apostolopoulos, as such plan may be amended from time to time with approval of the Colorado Department of Public Health and Environment.

Any reference to a section or article number, without further qualification, shall mean such section or Article in this Agreement.

2. PROJECT, LAND USE APPROVALS.

2.1 **Project Attributes.** The Parties intend for the Project to reflect a design and build quality that will maximize the ability of Developer to attract national and regional tenants and end-users to the Project. However, Town acknowledges that Developer has not committed to secure any particular tenant mix as of the Effective Date.

2.2 **Entitlement.** On December 6, 2016, the Town Council adopted Ordinance No. 2016-042, An Ordinance Amending the Town’s Zone District Map by Approving the Miller’s Landing Interchange Overlay Planned Development Plan; the Miller’s Landing Interchange Overlay Planned Development Zoning Regulations; the Miller’s Landing Development Agreement; and Vesting a Site Specific Development Plan through December 31, 2036 (collectively, the “**Miller’s Landing IOZ**”). The development of the Project also requires additional land use approvals mandated by the CRMC, and public works and construction permits for public improvements (inclusive of Eligible Improvements) and private improvements (collectively, “**Town Approvals**”). Developer will submit applications to the Town for the Town Approvals as necessary for the development of the Project. The Town agrees to review and expeditiously process and act

on applications for Town Approvals in accordance with its standard practice and applying applicable standards for review and approval.

2.3 Office Uses. Developer shall obtain certificates of occupancy for at least 150,000 GLA of Office uses in the Project (“**Minimum Office GLA**”) prior to obtaining final certificates of occupancy for more than 250,000 GLA of Retail uses in the Project. If Developer desires to obtain final certificates of occupancy for more than 250,000 GLA of Retail uses prior to obtaining certificates of occupancy for at least the Minimum Office GLA, then Developer must obtain the prior written consent of the Town, which determination shall be in the absolute discretion of the Town Council. Should the Town Council approve a relaxation of the Minimum Office GLA, it shall do so by adoption of a Town Council resolution, after finding that additional retail uses will better serve the public interests than additional office uses.

2.4 Qualified Flex Users. The Developer shall provide written notice to the Town of any tenant or occupant that desires to locate within the Project which Developer asserts is a Qualified Flex User (“**Notice**”), and the Town shall respond in writing to the Notice within 30 days after receipt thereof stating whether such tenant or occupant is a Qualified Flex User, which statement shall be binding upon the Town and Developer for purposes of this Agreement. Town may consult with the EDC in making such determination. Developer shall furnish Town with reasonable documentation evidencing the qualification of the user as a Qualified Flex User. If the Town fails to respond in writing with such a statement within such 30-day period, such tenant or occupant shall be deemed to be Qualified Flex User for purposes of this Agreement. Once certificates of occupancy have been issued for a Qualified Flex User and such Qualified Flex User has occupied its space, the GLA of such Qualified Flex User shall thereafter be included in the calculation of Minimum Office GLA, regardless of whether such business continues to be a Qualified Flex User (for example, if the business changes its use or does not use at least 50% of its GLA for traditional commercial office uses).

3. DEVELOPER.

3.1 Construction of Eligible Improvements. Developer or the District, as applicable, in accordance with the provisions of this Agreement, will be responsible for (i) financing and constructing all Eligible Improvements, (ii) compliance in all material respects with the Town Requirements, (iii) payment of Town Fees related to development of the Property, and (iv) developing the Project as required by this Agreement and the CRMC. Subject to the requirement of 3.6, Developer may, in its sole discretion, elect to undertake all or only certain phases of the Project and Developer and the District are only responsible to finance and construct those Eligible Improvements required to serve the phase(s) of the Project which Developer so elects to undertake, as required under the Development Agreement and the CRMC. Developer or the District shall commence construction or cause commencement of construction of the Eligible Improvements required for each phase of development as required by any applicable subdivision improvement agreements and site development plans approved by the Town, and shall reasonably proceed with or require such construction until Completion of Construction of such Eligible Improvements, all in accordance with the approved applicable subdivision improvement agreements and site development plans, this Agreement, Development

Agreement, and the CRMC. In the event of any conflict between this Agreement and the Development Agreement with regard to construction of the Eligible Improvements (including without limitation any requirements as to when specific Eligible Improvements are required to be constructed), this Agreement shall control; provided, however, that upon approval of a subdivision improvement agreement and site development plan for all or any portion of the Property, such subdivision improvement agreement and site development plan shall control with respect to the portion of the Property that is the subject of such subdivision improvement agreement and site development plan. The Parties acknowledge that construction of the Prairie Hawk Improvements (as defined in the Development Agreement) is an important goal for the Town.

3.2 Compliance with Design and Construction Regulations; Payment of Fees and Costs. The design and construction of all Eligible Improvements will comply in all material respects with all applicable codes and regulations of entities having jurisdiction, including the Town Requirements. As required by the Development Agreement, CRMC and Town Requirements, Developer will enter into one or more subdivision improvements and/or public improvement agreement(s) with the Town as required under the CRMC. Also, Developer or the District will pay or cause to be paid all required fees and costs, including the Town Fees, in connection with the design, construction, applicable warranty requirements, and use of the Eligible Improvements.

3.3 Relocated Retailers and Restricted Grocery Stores. This Agreement provides significant economic assistance to enable construction of the Eligible Improvements necessary for the opening and development of the Project. A material inducement for such assistance is the representation by Developer that it will attempt to attract to the Project national and regional retailers and other businesses which are not currently located in the Town. In addition to providing additional retail options for the community, these new retail and entertainment venues will significantly increase municipal revenues. However, if the Project is leased or sold to any Relocated Retailer or any Restricted Grocery Store, the public benefit and rationale for these economic incentives will be significantly undermined. Accordingly, notwithstanding anything to the contrary in this Agreement, the Credit PIF and Sales Tax Credit shall not apply to Taxable Transactions that originate from within any Relocated Retailer or Restricted Grocery Store. Further, notwithstanding anything to the contrary in this Agreement, no Credit PIF Revenue shall be used to pay for or reimburse Restricted Grocery Store Costs, and the District Bond Documents shall contain such prohibition.

The Developer shall have the right (but not the obligation) to a determination as to whether any tenant or occupant that the Developer desires to locate within the Project would qualify as a Relocated Retailer or a Restricted Grocery Store by providing written notice to the Town setting forth information concerning such proposed tenant or occupant. The Town shall respond in writing to such notice within 30 days after receipt thereof stating whether such tenant or occupant qualifies as an Existing Retailer or Restricted Grocery Store, which statement shall be binding upon the Town for purposes of this Agreement. If the Town fails to respond in writing with such information within such 30-day period, such tenant or occupant shall be conclusively determined to not be an Existing Retailer or Restricted Grocery Store for purposes of this Agreement. In the event that the Developer does not send such notice to the Town, this shall not preclude the Town's right to determine

that a tenant or occupant within the Project constitutes a Relocated Retailer or a Restricted Grocery Store. Upon any such determination by the Town, the Town shall notify the Developer of its determination that a particular tenant or occupant qualifies as a Relocated Retailer or a Restricted Grocery Store, as applicable. In the event that the Developer does not respond in writing to such notice within 30 days after receipt thereof disputing the Town's classification, such tenant or occupant shall be conclusively determined to be a Relocated Retailer or a Restricted Grocery Store, as applicable, for purposes of this Agreement.

Notwithstanding the foregoing, the Town Council may approve development of a Relocated Retailer or Restricted Grocery Store within the Project upon receipt of written request for the same from the Developer, in which event the Credit PIF and Sales Tax Credit shall apply to Taxable Transactions that originate from within such approved Relocated Retailer or Restricted Grocery Store, and Credit PIF Revenue may be used to pay for or reimburse Restricted Grocery Store Costs related to such approved Restricted Grocery Store. Should the Town Council approve the location or relocation of a Relocated Retailer or a Restricted Grocery Store within the Project, it shall do so by adoption of a Town Resolution. Such determination shall be in the absolute discretion of the Town Council.

3.4 Add-On PIF and Credit PIF. Developer agrees to impose the Add-On PIF and Credit PIF and to irrevocably assign the Pledged PIF Revenue to the District, through and until the payment in full of the District Bonds contemplated hereunder. Prior to the issuance of any District Bonds, the Developer or the District agrees to cause all Add-On PIF Revenue and Credit PIF Revenue to be remitted to the Escrow Agent in accordance with Section 4.7. Upon the issuance of any District Bonds, the District agrees to pledge the Pledged PIF Revenue exclusively to the District Bonds until the District Bonds are paid in full or defeased, [Remaining Add-On PIF Revenue shall be remitted to the Developer, which may use any Remaining Add-On PIF Revenue for any lawful purpose.](#)

The Developer shall terminate the Credit PIF upon the earlier to occur of (a) payment in full or defeasance of all outstanding District Bonds, (b) the aggregate Credit PIF Revenue received by the PIF Collection Agent and offset by the Sales Tax Credit equals the Town Contribution Cap, or (c) December 31, 2042. The Developer, at its election, may discontinue, continue, increase, or decrease the Add-On PIF following payment in full of the District Bonds and use such revenues for any legal purpose.

3.5 PIF Collection Agreement. The Developer shall engage ~~the~~ one or more PIF Collection Agent(s) to collect, disburse, and account for the Add-On PIF Revenue and Credit PIF Revenue pursuant to one or more mutually acceptable PIF Collection Agreement(s). The Town shall have the right to review the PIF Collection Agreement to [ensure](#)~~insure~~ compliance with the terms and provisions of this Agreement.

3.6 Remediation of Landfill. The Developer or the District shall substantially complete all on-site physical work necessary to remediate the Landfill in accordance with the VCUP as the initial phase of Eligible Improvement (the "**Remediation**"), and provide to Town a certificate of such completion from the contractor performing the Remediation (the "**Certification**") prior to and as a condition to the Town's issuance of any final

certificates of occupancy for any commercial building or use on the Property. Notwithstanding the foregoing, the Developer, or third parties shall have the right to apply for temporary certificates of occupancy prior to issuance of the Certification, and the Town shall review and process such applications in accordance with the Town Regulations, but the Town shall not issue such final certificates of occupancy until the completion of the Remediation has been certified as provided above. Any such temporary certificate(s) of occupancy issued prior to completion of the Remediation shall have a term of no longer than 180 days.

3.7 Prohibited Uses. During the period in which taxes are authorized to be divided in the TIF Area pursuant to the Act, Developer shall not lease or sell any portion of the Property to users who intend to initially operate for any of the uses listed on **Exhibit D.**

3.8 Publicly Accessible Parking. As part of the Project, Developer intends to construct parking as generally depicted on **Exhibit E** (“**Parking Lots**”), which will be constructed as needed to serve the applicable phases of the Project. The Parking Lots shall be owned, operated, and maintained by the District or individual property owners, and the Town shall have no responsibility therefor. All Parking Lots owned or maintained by the District shall be generally available to the public, subject to reasonable restrictions on time, place, and manner of use. At least 60% of the parking spaces in the structured Parking Lot generally depicted on **Exhibit E** shall be generally available to the public, subject to reasonable restrictions on time, place, and manner of use. Each site development plan for the Project shall depict the parking spaces on the subject portion of the Property that will be generally available to the public, if any.

4. **DISTRICT.** The District agrees to comply with the following provisions:

4.1 Compliance with Operating Plan and Applicable Law. At all times the District will comply with the requirements of the Operating Plan, as it may be amended from time to time. The Operating Plan includes (i) provisions for the District to have the flexibility required to implement this Agreement; (ii) limitations as to the District Debt Service Mill Levy that may be imposed for payment of District Bonds and other District Obligations (as defined in the Operating Plan), subject to adjustment for changes in the manner in which assessed valuation is calculated; and (iii) no limitation on the mill levy imposed for operations. To the extent authorized by the Operating Plan, the District may design, construct, finance, own, acquire, maintain, and operate Eligible Improvements in accordance with all applicable laws, ordinances, standards, policies, and specifications of the State of Colorado, the Town, ~~any~~^{the} Intergovernmental Agreement and any other entity with jurisdiction. The District shall submit its annual Operating Plan to the Town for its approval, as required by statute.

4.2 District Pledged Revenue. The District covenants to impose the District Debt Service Mill Levy in the amount of not less than 50 mills beginning on the Effective Date and for so long as any District Bonds remain outstanding, and further covenants to pledge and cause remittance of the District Debt Service Mill Levy to the District Bond Trustee for such outstanding District Bonds, to the extent that the District receives such revenues. The Town shall be entitled to an order of mandamus to compel the District to

certify such levy, as well as any other remedies of law or in equity. The District further covenants that so long as any District Bonds remain outstanding, that the District will remit all District Specific Ownership Taxes to the District Bond Trustee for payment of outstanding District Bonds. Notwithstanding expiration of the time or times that the Pledged Property Tax Increment Revenue may be collected pursuant to the Act, the District agrees that the full amount of the District Debt Service Mill Levy shall at all times remain pledged to the payment of any outstanding District Bonds to the extent required by the District Bond Documents or to the payment of any outstanding District Bonds to the extent required by the District Bond Documents.

After the issuance of any District Bonds, the District Pledged Revenue shall be pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the District Bonds, and may also be pledged to the payment of any other District Bond Requirements. Prior to the issuance of any District Bonds, the District Pledged Revenue shall be remitted to the Escrow Agent in accordance with Section 4.7 hereof and applied to the payment or reimbursement of Eligible Costs and Town Costs in accordance with Section 4.8 and Exhibit C.

4.3 District Bonds.

(a) District Bonds may be issued in one or more series by the District to pay for Eligible Costs or reimburse the Developer for Eligible Costs and to apply the proceeds of the District Bonds as authorized under this Agreement, including without limitation, payment of the Costs of Issuance and Town Costs. ~~It is the intention of the Parties that all~~ All Pledged Revenues shall be pledged to the payment of outstanding District Bonds. The proceeds of such District Bonds will be subject to requisition by the Developer to pay or reimburse Eligible Costs and to requisition by the Town to pay or reimburse Town Costs upon receipt of a requisition substantially in accordance with the requirements set forth in the District Bond Documents.

(b) The District Bonds shall be issued in one or more series in an aggregate principal amount not exceeding an amount that can be serviced by the then-projected Pledged Revenue, as reasonably determined by the District. The Parties shall use commercially reasonable efforts to maximize the amount of District Bonds that may be issued as bonds, the interest on which is excluded from gross income for federal income tax purposes ("tax-exempt bonds"), but only to the extent the District's bond counsel delivers an opinion to the District that some or all of the District Bonds may be issued as tax-exempt bonds under the laws in effect at the time of the proposed issuance of the District Bonds. The portion of the Add-On PIF Revenue that shall be pledged to the payment of the District Bonds under the District Bond Documents shall be the maximum amount that may be pledged thereunder without adversely impacting the tax-exempt status of interest on the District Bonds, as determined by the District's bond counsel.

(c) Prior to the issuance of any District Bonds, the substantially final drafts of the District Bond Documents shall be provided to the Town, which shall be accompanied by a Plan of Finance. The Town shall be permitted to review the

District Bond Documents and Plan of Finance to confirm compliance with this Agreement, the Operating Plan, and related documents. The Town will have ten (10) business days after receipt of such District Bond Documents and Plan of Finance by the Town Attorney and the Town's bond counsel to notify the District in writing if it objects to any provisions set forth in such District Bond Documents and Plan of Finance setting forth its specific objections. If the Town does not object in writing to such District Bond Documents and Plan of Finance within such ten (10) business day period, then the Town will be deemed to have consented to the form and substance of such District Bond Documents and Plan of Finance. If the Town objects in writing to any provisions of such District Bond Documents and Plan of Finance, the District Bonds shall not be issued until Town approves such District Bond Documents. The Town's right to object to the District Bond Documents and Plan of Finance shall be limited to objections necessary to ensure compliance with the terms and conditions of this Agreement.

(d) Unless the Town agrees otherwise in writing, the District Bond Documents shall provide that in each year the Pledged Revenue shall be used as follows: (i) first to pay the District Bond Requirements, (ii) second to pay any other administrative costs related to the District Bonds, including without limitation, payment of rebate consultants and analysts, the reasonable fees and expenses of the PIF Collection Agent, and any rating maintenance fees, (iii) any remaining Pledged Revenue shall be used to redeem as much principal of the District Bonds as possible in inverse order of maturity or if the District Bonds are not then subject to redemption, shall be irrevocably set aside for redemption of the District Bonds on the earliest redemption date, if any; provided, however, that the District may pledge such remaining Pledged Revenue to one or more series of subordinate bonds issued by the District.

(e) The Parties acknowledge that under current federal tax rules and regulations, that pledging Add-On PIF Revenue to the repayment of District Bonds may result in one or more series of the District Bonds being initially issued as taxable bonds. The Parties acknowledge that the structure for the District Bonds will be based on current market conditions and current tax law and that in determining the appropriate structure that due consideration will be given to the overall financing cost.

4.4 Conditions Precedent to Issuance of District Bonds. The following conditions must be satisfied on or prior to the issuance of the District Bonds, unless waived in writing by the Town:

- (a) Town ~~approval~~ Approval of the Operating Plan for the District;
- (b) Town approval or deemed approval of the District Bond Documents and Plan of Finance, as provided in Section 4.3;
- (c) Recording of the Add-On PIF Covenant and Credit PIF Covenant against the Property in the real estate records of Douglas County, Colorado; and

(d) District imposition of the District Debt Service Mill Levy upon the Property.

Upon satisfaction of the above conditions, the District may issue the District Bonds in one or more series, at the District's sole and absolute discretion. Notwithstanding anything to the contrary in this Agreement, the District may issue other bonds and debt that are supported by revenues other than the Pledged Revenue, at its sole and absolute discretion.

4.5 District Operating Revenue. The District Operating Revenue will be used to pay the normal and reasonable operating and maintenance expenses of the District or for any other lawful purpose. ~~The District will use its best efforts to use any Remaining Add-On PIF Revenue as District Operating Revenue, unless prohibited from doing so by the District Bond Documents.~~

4.6 No Impairment. The District will not enter into any agreement or transaction that impairs the rights of the Parties, including, without limitation, the right to receive and apply Pledged Revenue to payment of the District Bonds.

4.7 Disposition of Pledged Revenue Prior to Issuance of District Bonds. To the extent that the Pledged Revenue is being generated prior to the issuance of any District Bonds, the following provisions shall apply:

(a) the Developer or District shall require that all Add-On PIF Revenue and Credit PIF Revenue shall be remitted to the Escrow Agent;

(b) The Authority shall remit the Pledged Property Tax Increment Revenues to the Escrow Agent; and

(c) The District shall remit the District Specific Ownership Taxes to the Escrow Agent.

The Escrow Agent shall hold all Pledged Revenue in segregated accounts and shall invest all such amounts so held as directed by the District and in accordance with applicable law. The Escrow Agent shall keep accurate books and records of all deposits of Pledged Revenue and investment earnings thereon, which books and records shall be available for inspection during regular business hours by the Developer, the District, the Authority, and the Town.

Except as hereinafter provided, upon the issuance of any District Bonds, all Pledged Revenue on deposit with the Escrow Agent shall be remitted by the Escrow Agent to the District Bond Trustee and applied to one or more of the following purposes: (i) deposited in an interest payment fund for the District Bonds, (ii) deposited in a Reasonably Required Reserve Fund or supplemental reserve fund for the District Bonds, (iii) applied to the payment of Eligible Costs, Costs of Issuance, and Town Costs, or (iv) applied to the payment of District Bond Requirements. After the issuance of any District Bonds, all Pledged Revenue shall thereafter be deposited with the District Bond Trustee in accordance with the terms and provisions of the District Bond Documents. To the extent that any Add-

On PIF Revenue is on deposit with the Escrow Agent and not pledged to the payment of any outstanding District Bonds, the Escrow Agent shall continue to hold such Add-On PIF Revenue until District Bonds are issued that are payable from such Add-On PIF Revenue, or until the Parties hereto provide written instructions to the Escrow Agent to apply such Add-On PIF Revenue to the payment or reimbursement of Eligible Costs and Town Costs in accordance with Section 4.8 and Exhibit C.

4.8 Application of Pledged Revenue Prior to Issuance of District Bonds. To the extent no District Bonds have been issued, Pledged Revenue on deposit with the Escrow Agent shall be applied to the payment or reimbursement of Eligible Costs and Town Costs upon receipt of a requisition substantially in accordance with the requirements set forth in Exhibit C.

5. THE AUTHORITY. The Authority agrees to carry out the Plan and to comply with the following provisions:

5.1 Special Fund; Application of Pledged Revenues. In accordance with the provisions of this Agreement and the Act, the Authority shall establish the Special Fund and deposit the Pledged Property Tax Increment Revenues into the Special Fund upon receipt. All moneys on deposit in the Special Fund, and any other District Pledged Revenues received by the Authority, shall be applied as follows: (a) so long as any District Bonds remain outstanding, such amounts shall be remitted to the District Bond Trustee in accordance with the terms and provisions of the District Bond Documents; or (b) in the event that no District Bonds are issued or outstanding, such amounts shall be remitted to the Escrow Agent to reimburse the District and/or Developer for Eligible Costs and the Town for Town Costs in accordance with Section 4.8 and Exhibit C. Notwithstanding anything to the contrary in this Agreement, upon repayment in full of all District Bonds, the Authority shall have no obligation under this Agreement to pledge the Pledged Property Tax Increment Revenues to the District or deposit the Pledged Property Tax Increment Revenues into the Special Fund.

5.2 District Operating Revenue. The Authority hereby irrevocably pledges all District Operating Revenue it receives to the District. The District Operating Revenue, when and as received by the Authority shall be subject to the lien of such pledge without any physical delivery, filing, or further act. The Authority shall deposit into the District Administrative Account all of the District Operating Revenue received by the Authority from time to time in accordance with Section 31-25-107(9)(a)(II) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado from the levy of the District on taxable property within the TIF Area. The Authority shall transfer all of the revenue in the District Administrative Account to the District on or before the 20th day of each month. The obligation of the Authority to make deposits in the District Administrative Account and to transfer such revenue to the District shall expire when the Authority's right to receive such revenue expires pursuant to the Act. The District shall use the District Operating Revenue to pay its normal and reasonable operating and maintenance expenses.

5.3 Multi- Fiscal Year Obligation. The Parties acknowledge that, according to the decision of the Colorado Court of Appeals in *Olson v. City of Golden*, 53 P.3d 747

(2002), an urban renewal authority is not a local government and therefore is not subject to the provisions of Article X, Section 20 of the Colorado Constitution. Accordingly, the Authority's obligation to remit the Pledged Property Tax Increment Revenues and the District Operating Revenue in accordance with the terms and provisions of this Agreement does not require voter approval in advance and is not subject to annual appropriation.

5.4 No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Parties under this Agreement or prohibits or restricts the Authority's performance of any of its obligations under this Agreement, including, without limitation, the right and obligation to receive and apply Pledged Property Tax Increment Revenue and the District Operating Revenue in accordance with the terms and provisions of this Agreement.

5.5 Cooperation with District and Developer. The Authority agrees to cooperate in a reasonable manner to assist the District in issuing District Bonds and to the pledge of the Pledged Property Tax Increment Revenue to the payment of such District Bonds and to payment of the District Operating Revenue to the District and/or Developer for payment of Eligible Costs, in accordance with this Agreement.

6. THE TOWN.

6.1 Entitlements. The Town agrees to cooperate with the Developer and the District in reviewing, scheduling hearings for, and acting upon all other entitlements necessary for the Project in a timely manner. The Miller's Landing IOZ prohibits development of any residential uses on the Property. In the event the Developer, or its successors or assigns, desires to develop any residential uses on the Property, Developer must submit an application to rezone the applicable portion of the Property.

6.2 Sales Tax Credit Ordinance. The Town shall adopt the Sales Tax Credit Ordinance to implement the Sales Tax Credit in substantially the form set forth in Exhibit F. Provided this Agreement is in effect, the Town will authorize, grant and implement the Sales Tax Credit pursuant to the Sales Tax Credit Ordinance in order for the Credit PIF to be collected for payment of the District Bonds and payment and reimbursement of Eligible Costs and Town Costs in accordance with the Credit PIF Covenant and this Agreement. Except as hereinafter provided, the Sales Tax Credit shall terminate upon the earlier of (a) payment in full or defeasance of all outstanding District Bonds, (b) the aggregate Sales Tax Credit granted by the Town to offset the Credit PIF Revenue imposed and collected by the Credit PIF Collection Agent equals the Town Contribution Cap, or (c) December 31, 2042.

(a) Post Credit PIF Period. Notwithstanding any language in any agreement to the contrary, if the Town determines that termination of the Sales Tax Credit in accordance with the terms and provisions of this Agreement may be precluded by or require a refund of the Sales Tax under Article X, Section 20 of the Colorado Constitution, the Town may elect to continue the Sales Tax Credit and submit a written request to Developer to continue to impose the Credit PIF. Upon receipt of such request, the Credit PIF shall remain in full force and effect and the full amount derived from imposition of the Credit PIF that is offset by the Town's

Sales Tax Credit shall be paid to the Town as a substitute for the Sales Tax revenue it is unable to collect.

(b) Town Contribution Cap. Notwithstanding anything to the contrary in this Agreement, the maximum amount of Credit PIF Revenue that shall be collected pursuant to the ~~Credit~~ PIF Collection Agreement and pledged to the payment of the District Bonds or available to pay or reimburse Eligible Costs or Town Costs in accordance with Section 4.8 shall not exceed the Town Contribution Cap.

(c) Extent of Sales Tax Credit. In adopting the Sales Tax Credit Ordinance, the Town is agreeing that it will grant a credit against the Town's Sales Tax in the maximum amount of 2.40% ~~against the Town's Sales Tax collected on~~ Taxable Transactions within the Property only to the extent that the Credit PIF is imposed and collected.

6.3 Hotel Milestone. Notwithstanding anything to the contrary in this Agreement, the Credit PIF Revenue shall not be pledged to the repayment of any District Bonds, and the District shall not issue any District Bonds payable in whole or in part from Credit PIF Revenue, unless and until the owner-operator of a Full-Service Hotel (“**Hotel User**”) with at least ~~150-250~~ rooms and at least 10,000 GLA of conference space (the “**Required Hotel**”) has (a) acquired ownership of, or executed a ground lease for, the portion of the Property upon which the Required Hotel will be developed, and (b) delivered to the Town evidence of the Hotel User's financial capability to commence development of the Required Hotel (such evidence to be in a form approved by the underwriter of the District Bonds as sufficient to issue the District Bonds, which may include, by way of example, any combination of the following: the construction loan closing, equity commitment, design and bid construction costs, construction contract execution, issuance of Town construction permits and approvals, and other forms of evidence as reasonably acceptable to the underwriter), and (c) delivered to the Town either a letter of intent outlining the conceptual site and building plan for the Required Hotel or an application for approval of a site development plan for the Required Hotel (the “**Hotel Milestone**”). Upon satisfaction of the Hotel Milestone and without need for additional notice hereunder, all Credit PIF Revenue collected since the Effective Date and not already used to reimburse the Developer or District for Eligible Costs or the Town for Town Costs pursuant to Section 4.8 shall be pledged to the repayment of the District Bonds and the District may issue District Bonds payable in whole or in part from Credit PIF Revenue. The Town shall not issue final certificates of occupancy for more than 100,000 GLA of Non-Hotel Retail Uses (“**Non-Hotel Retail Cap**”) unless and until the Town issues a final certificate of occupancy for the Required Hotel (“**Hotel Certificate**”); provided, however, that upon written request from the Developer the Town Council, in its sole discretion, may increase or waive the Non-Hotel Retail Cap or approve the issuance of individual final certificates of occupancy for Non-Hotel Retail Uses in excess of the Non-Hotel Retail Cap. Notwithstanding the foregoing, the Developer, or third parties shall have the right to apply for temporary certificates of occupancy for Non-Hotel Retail Uses in excess of the Non-Hotel Retail Cap prior to issuance of the Hotel Certificate, and the Town shall review and process such applications in accordance with the Town Regulations. Each such temporary certificate of occupancy issued prior to issuance of the Hotel Certificate shall have a term of no longer

than 180 days, after which such temporary certificate of occupancy shall terminate. No structure may remain open for longer than 180 consecutive days on the basis of a temporary certificate of occupancy.

6.4 Water and Sewer Serving the Property. The Town represents and warrants that it provides water and sewer services to the Property and will provide water and service in connection with the Project upon compliance with Town Requirements.

6.5 Town Fees. Developer and all permittees shall pay all Town Fees at the time prescribed by the Town Requirements. However, the Parties acknowledge that individual future potential users of the site may propose reimbursements, discounts, or other similar incentive arrangements as part of their individual site selection choices. The Town agrees to consider such proposals in accordance with its normal practices and policies.

6.6 Town Costs. The Town shall be entitled to be reimbursed for the Town Costs from the District Bond proceeds in accordance with the District Bond Documents or from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8 and Exhibit C.

6.7 Compliance with Law. Nothing set forth in this Agreement is intended or shall be construed to constitute or to require (a) an unlawful delegation of authority by the Town; (b) an unlawful restraint on the legislative discretion of future Town Councils; or (c) the undertaking of any multiple fiscal year obligation by the Town except as permitted by applicable law. Nothing in this Agreement is intended to nor shall be construed to create any multiple-fiscal year direct or indirect debt or financial obligation on the part of the Town within the meaning of the Constitution or laws of the State of Colorado, or the Town's home rule charter, and any such financial obligation of the Town created by this Agreement is expressly subject to annual appropriation by the Town.

6.8 Change in Sales Tax. Nothing in this Agreement shall impair the right of the Town Council to modify the imposition of sales tax through the CRMC including the reduction in the rate of taxation or adding exemptions from taxation provided such modifications shall not have retroactive effect.

7. **REIMBURSEMENT OF ELIGIBLE COSTS AND TOWN COSTS.** Upon compliance with the requisition process set forth in Exhibit C if no District Bonds have been issued or [upon compliance](#) with the District Bond Documents if any District Bonds have been issued, Developer and the District will be paid or reimbursed for Eligible Costs and the Town will be paid or reimbursed for Town Costs, in accordance with the terms of this Agreement. Any such payment or reimbursement of Eligible Costs or Town Costs pursuant to this Agreement shall be made: (a) from the proceeds of the District Bonds in accordance with the District Bond Documents, or (b) with Pledged Revenue in accordance with Section 4.8 and Exhibit C to the extent that no District Bonds have been issued. If such payment or reimbursement is to be made from the proceeds of District Bonds, the Developer, the District and the Town will not be subject to any additional conditions for payment or reimbursement of Eligible Costs or Town Costs, as the case may be, except as provided in the District Bond Documents. If no District Bonds have been issued, all Eligible Costs or Town Costs shall be certified by the District, the Developer or the Town, as the

case may be, in accordance with procedures set forth in Exhibit C. Cost savings in the line items listed in Exhibit B may be allocated to cost overruns in any other line item.

8. BOOKS AND ACCOUNTS; FINANCIAL STATEMENTS. The District and the Authority shall keep proper and current itemized records, books, and accounts in which complete and accurate entries will be made of the receipt and use of all amounts of revenue received from any and all sources and such other calculations required by this Agreement, the District Bond Documents, and any applicable law or regulation. The District and Authority shall each prepare, after the close of each fiscal year, a complete financial statement prepared in accordance with generally accepted accounting principles accepted in the United States of America for such year in reasonable detail covering the above information, and if required by statute, certified by a public accountant, and will furnish a copy of such statement to the other Parties within two hundred and ten (210) days after the close of each fiscal year, or upon such earlier date as may be required by the District Bond Documents.

No later than sixty (60) days after the end of each fiscal year, the District shall prepare, or cause to be prepared, and delivered to the Town, a report setting forth the amount of Credit PIF Revenues collected by the PIF Collection Agent during the preceding fiscal year and the total amount of Credit PIF Revenue collected by the PIF Collection Agent from the Effective Date through the end of the preceding fiscal year.

All books, records and reports (except those allowed or required by applicable law to be kept confidential) in the possession of the Town, the Authority, and the District, including, without limitation, those relating to the Pledged Revenue, Eligible Improvements, Eligible Costs, District Operating Revenue, and District Bonds will at all reasonable times be open to inspection by such accountants or other agents as the respective Parties may from time to time designate.

9. INDEMNIFICATION. Developer agrees to indemnify, defend and hold harmless the Town, its officers, agents and employees, from and against all liability, claims, demands, and expenses, including fines imposed by any applicable state or federal regulatory agency, court costs and attorney fees, on account of any injury, loss, or damage, which arise out of or are in any manner connected with any of the work to be performed by Developer, any subcontractor of Developer, or any officer, employee, agent, successor or assign of Developer under this Agreement, if such injury, loss, or damage is caused in whole or in part by, the negligent act or omission, error, professional error, mistake, accident, or other fault of Developer, any subcontractor of Developer, or any officer, employee, agent, successor or assign of Developer, but excluding any injuries, losses or damages which are due to the negligence, breach of contract, or willful misconduct of the Town. Developer's obligation to indemnify the Town pursuant to this Agreement shall survive termination of this Agreement but only for a period of two years after the date of completion of construction of the improvement or completion of the activity to which the claim relates.

10. REPRESENTATIONS AND WARRANTIES.

10.1 Representations and Warranties by the District. The District represents and warrants as follows:

(a) The District is a quasi-municipal corporation and political subdivision of the State of Colorado, organized and existing in accordance with

Title 32, Article 25, section 1211, C.R.S., and has the legal capacity and the authority to enter into and perform its obligations under this Agreement and the documents to be executed and delivered pursuant hereto.

(b) The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action on its part, and such documents and such performance and observance are valid and binding upon the District.

(c) The execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to the District or to the District's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the District is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the District.

(d) The District knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any of the same contesting the powers of the District or any of its officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(e) The District Pledged Revenue is not subject to any other or prior pledge or encumbrance, and the District will not pledge or encumber it except as specified herein or as may be provided in the District Bond Documents or the documents related to the issuance of the District Bonds.

(f) This Agreement constitutes a valid and binding obligation of the District, 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.

10.2 Representations and Warranties by Developer. Developer represents and warrants as follows:

(a) Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and in good standing and authorized to do business in the State of Colorado and has the power and the authority to enter into and perform in a timely manner its obligations under this Agreement.

(b) The execution and delivery of this Agreement have been duly and validly authorized by all necessary action on its part to make this Agreement and are valid and binding upon Developer.

(c) The execution and delivery of this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to Developer or to Developer's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which Developer is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of Developer.

(d) Developer knows of no litigation, proceeding, initiative, referendum, or investigation or threat or any of the same contesting the powers of Developer or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the other Parties.

This Agreement constitutes a valid and binding obligation of the Developer, 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.

10.3 Representations and Warranties by the Town. The Town represents and warrants as follows:

(a) The Town is a body corporate and politic and a home rule municipality of the State of Colorado, and has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations under this Agreement.

(b) The Town knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the Town or its officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(c) The execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not: (i) conflict with or contravene any law, order, rule or regulation applicable to the Town or to its governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Town is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Town.

(d) This Agreement constitutes a valid and binding obligation of the Town, 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, except to the extent limited by the subsequent exercise of its retained governmental powers.

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

(e) The Authority is a body corporate and politic of the State of Colorado, duly organized under the Act, and has the legal capacity and the authority to enter into and perform its obligations under this Agreement and the documents to be executed and delivered pursuant hereto.

(f) The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action on its part, and such documents and such performance and observance are valid and binding upon the Authority.

(g) The execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to the Authority or to the Authority's governing documents, (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Authority is a party or by which it may be bound or affected, or (iii) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority.

(h) The Authority knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any of the same contesting the powers of the Authority or any of their officials with respect to this Agreement that has not been disclosed in writing to the Parties.

(i) The Pledged Property Tax Increment Revenue is not subject to any other or prior pledge or encumbrance, and the Authority will not pledge or encumber them except as specified herein or as may be provided in the District Bond Documents or the documents related to the issuance of the District Bonds.

(j) 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.

11. COMMENCEMENT, TERM, AND TERMINATION. The term of this Agreement ("Term") shall commence upon the later to occur of ("Effective Date"): (a) the date that the Town Council ordinance approving this Agreement is final and no longer subject to referendum, or (b) the date upon which the Developer (or an entity created by Developer to acquire the Property) has acquired fee ownership of the entirety of the Property. This Agreement shall terminate upon the later to occur of: (i) the date of payment in full of the District Bonds, or (ii) the full performance of the covenants of this Agreement. Provided further, if Developer has not acquired title to the Property on or before December 31, 2017, the Town shall have the right to terminate this Agreement by written notice to the other parties and this Agreement shall thereafter be of no further

force or effect, except for those provisions that expressly survive termination of this Agreement. This Agreement may also be terminated pursuant to the provisions set forth in Section 17 hereof.

12. CONFLICTS OF INTEREST. None of the following will have any personal interest, direct or indirect, in this Agreement: a member of the governing body of the Town or an employee of the Town who exercises responsibility concerning the Town Requirements, or an individual or firm retained by the Town who has performed consulting services to the Town or this Agreement. None of the above persons or entities will participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

13. ANTIDISCRIMINATION. Developer, for itself and its successors and assigns, agrees that in the construction of the Eligible Improvements and in the use and occupancy of the Property and the Eligible Improvements, Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual preference, disability, marital status, ancestry, or national origin.

14. NOTICES. Any notice required or permitted by this Agreement will be in writing and will be deemed to have been sufficiently given for all purposes if delivered in person, by prepaid overnight express mail or overnight courier service, by certified mail or registered mail, postage prepaid return receipt requested, addressed to the Party to whom such notice is to be given at the address set forth on the signature page below or at such other or additional addresses as may be furnished in writing to the other Parties. Additionally, the Parties agree to provide concurrent notice via electronic mail.

15. EVENTS OF DEFAULT. The following event shall constitute an Event of Default under this Agreement: any Party fails in the performance of any covenant in this Agreement, (except for those events allowing the termination of this Agreement as set forth herein) and such failure continues for thirty (30) days after written notice specifying such default and requiring the same to be remedied is given by a non-defaulting Party to the defaulting Party. If such default is not of a type which can be cured within such thirty (30) day period and the defaulting Party gives written notice to the non-defaulting Party or Parties within such thirty (30) day period that it is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of such thirty (30) day period to cure such default, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure in good faith.

16. REMEDIES. Upon the occurrence and continuation of an Event of Default, the non-defaulting Party's remedies will be limited to the right to enforce the defaulting Party's obligations by an action for injunction, specific performance, or other appropriate equitable remedy or for mandamus, or by an action to collect and enforce payment of sums owing hereunder, and no other remedy (unless otherwise expressly authorized by this Agreement), and no Party will be entitled to or claim damages for an Event of Default by the defaulting Party, including, without limitation, lost profits, economic damages, or actual, direct, incidental, consequential, punitive or exemplary damages. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions of this Agreement, the prevailing party in such litigation or other proceeding will receive, as part of its judgment or award, its reasonable attorneys' fees and costs.

17. TERMINATION. This Agreement may be terminated by the Developer at any time prior to the earlier to occur of (a) the issuance of any District Bonds, (b) the reimbursement or payment of any Eligible Costs or Town Costs from Pledged Revenue on deposit with the Escrow Agent, or (c) commencement of construction of any of the Eligible Improvements.

To terminate this Agreement, the Developer shall provide written notice of such termination to the other Parties. Such termination will be effective thirty (30) days after the date of such notice unless prior to such time, the Parties are able to negotiate in good faith to reach an agreement to avoid such termination. Upon such termination, this Agreement will be null and void and of no effect, and no action, claim or demand may be based on any term or provision of this Agreement, except as otherwise expressly set forth herein. In addition the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

Provided that no District Bonds have been issued, this Agreement may be terminated by Town if the District or Developer has not, on or before June 30, 2020: (a) executed a contract for the Remediation; (b) issued a notice to proceed for the Remediation; and (c) obtained the required state permits to commence the Remediation. Such termination shall be initiated by Town with written notice to all Parties and shall take effect thirty (30) days thereafter provided that if the District or Developer satisfies requirements (a)-(c) above within such thirty (30) day period, the Town's notice of termination shall be null and void and of no force or effect.

Upon any termination pursuant to this Section 17, this Agreement will be null and void and of no effect, and no action, claim or demand may be based on any term or provision of this Agreement, except as otherwise expressly set forth herein. In addition the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

If this Agreement is terminated pursuant to the provisions of this Section 17, any Credit PIF Revenue on deposit with the Escrow Agent shall be remitted to the Town.

18. NONLIABILITY OF OFFICIALS, AGENTS, MEMBERS, AND EMPLOYEES. Except for willful or wanton actions, no trustee, board member, commissioner, official, employee, consultant, manager, member, shareholder, attorney or agent of any Party, nor any lender to any Party or to the Project, will be personally liable under this Agreement or in the event of any default or for any amount that may become due to any Party.

19. ASSIGNMENT. This Agreement shall not be assigned in whole or in part by any Party without the prior written consent of the other Parties; provided, however, Developer may assign, pledge, collaterally assign, or otherwise encumber all or any part of this Agreement, including its right to receive any payment or reimbursement, without any Party's consent but after written notice to the Town containing the name and address of the assignee: (a) to any lender or other party that provides acquisition, construction, working capital, tenant improvement or other financing to Developer in connection with development of the Property, acquisition of the Property, and/or construction of the Eligible Improvements; (b) to one or more special purpose entities formed by Developers or with its investors or partners created to develop, own, and/or operate all or a portion of the Property or of the Eligible Improvements to be constructed thereon; (c) to a joint venture entity with another developer or investor; or (d) to a national or regional developer with at least 10

years' experience developing projects similar to the Project and with a net worth equal to or better than Developer's.

20. **COOPERATION REGARDING DEFENSE.** In the event of any litigation or other legal challenge involving this Agreement, the District Bonds, or any other material part or provision of this Agreement or the ability of any Party to enter into this Agreement, the Parties will cooperate and jointly defend against such action or challenge, to the extent permitted by law.

21. **SECTION CAPTIONS.** The captions of the sections are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

22. **ADDITIONAL DOCUMENTS OR ACTION.** The Parties agree to execute any additional documents or take any additional action, including but not limited to estoppel documents requested or required by lenders, that is necessary to carry out this Agreement or is reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement and to effectuate the agreements and the intent. Notwithstanding the foregoing, however, no Party shall be obligated to execute any additional document or take any additional action unless such document or action is reasonably acceptable to such Party. If all or any portion of this Agreement, or other agreements approved in connection with this Agreement are asserted or determined to be invalid, illegal or are otherwise precluded, the Parties, within the scope of their powers and duties, will cooperate in the joint defense of such documents and, if such defense is unsuccessful, the Parties will use reasonable, diligent good faith efforts to amend, reform or replace such precluded items to assure, to the extent legally permissible, that each Party substantially receives the benefits that it would have received under this Agreement.

23. **AMENDMENT.** This Agreement may be amended only by an instrument in writing signed by the Parties.

24. **WAIVER OF BREACH.** A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement must be in writing and will not operate or be construed as a waiver of any subsequent breach by any Party.

25. **GOVERNING LAW.** The laws of the State of Colorado govern this Agreement. The District Court of Douglas County will be the exclusive venue for any litigation.

26. **BINDING EFFECT, ENTIRE AGREEMENT.** This Agreement will inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors, heirs, and assigns, provided that nothing in this paragraph permits the assignment of this Agreement except as set forth in Section 19. This Agreement represents the entire Agreement among the Parties and supersedes any prior written or oral agreements or understandings with regard to the Property or Project not specifically set forth in this Agreement.

27. **EXECUTION IN COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which will constitute but one and the same instrument.

28. LIMITED THIRD-PARTY BENEFICIARIES. This Agreement is intended to describe the rights and responsibilities only as to the Parties to this Agreement. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party to this Agreement, provided that the Bond Trustee and the Escrow Agent shall be deemed to be third party beneficiaries hereunder. Notwithstanding anything in this Agreement to the contrary, and except as otherwise provided in the District Bond Documents, (a) no third party beneficiary's consent or approval shall be required for any amendment, modification or termination of this Agreement entered into by the Parties or for any waivers or consents granted hereunder by any Party, and (b) the rights of said third party beneficiaries may be amended, modified or terminated by the mutual agreement of the Parties, and waivers and consents granted, without the consent or approval of said third party beneficiaries.

29. NO PRESUMPTION. The Parties and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement will be construed without regard to any presumption or other rule of construction against the Party causing this Agreement to be drafted.

30. SEVERABILITY. If any provision of this Agreement as applied to any Party or to any circumstance is adjudged by a court to be void or unenforceable, the same will in no way affect any other provision of this Agreement, the application of any such provision in any other circumstances or the validity, or enforceability of this Agreement as a whole.

31. MINOR CHANGES. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing this Agreement are authorized to make and may have made, minor changes to this Agreement and 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 this Agreement will constitute the approval of such changes by the respective Parties.

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

33. RECORDING. This Agreement will not be recorded in the real property records of Douglas County, Colorado.

34. GOOD FAITH OF PARTIES. In the performance of this Agreement or in considering any requested approval, consent, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

35. PARTIES NOT PARTNERS. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties will not be deemed to be partners or joint venturers, and no Party is responsible for any debt or liability of any other Party.

36. **NO WAIVER OF IMMUNITY**. Nothing contained in this Agreement constitutes a waiver of sovereign immunity or governmental immunity by any Party under applicable state law.

37. **SUBORDINATION**. Developer shall cause any mortgagee or deed of trust beneficiary to subordinate its interest in the Property to this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of _____, 2017.

TOWN:

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Town Clerk

Jennifer Green, Mayor

(SEAL)

Approved as to form:

Notice Address:
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, Colorado 80104
Attention: Robert Slentz, Town Attorney
Email: BSlentz@CRgov.com
Fax: 303-660-1028

Robert J. Slentz, Town Attorney

AUTHORITY:

CASTLE ROCK URBAN RENEWAL AUTHORITY

By: _____
Name: _____
Title: _____

DEVELOPER:

CITADEL DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

DISTRICT:

MILLER'S LANDING BUSINESS IMPROVEMENT DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION:

PARCEL ONE:

A PARCEL OF LAND SITUATED IN THE COUNTY OF DOUGLAS, STATE OF COLORADO AND IS DESCRIBED AS FOLLOWS:

LOT 2, BLOCK 7, CITADEL STATION FILING NO. 6, COUNTY OF DOUGLAS STATE OF COLORADO, LESS AND EXCEPT THE FOLLOWING WHICH WAS RELEASED BY PARTIAL RELEASE RECORDED NOVEMBER 12, 2008 AT RECEPTION # 2008075749,

A PARCEL OF LAND BEING A PORTION OF THE NORTHEAST 1/4 OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., IN DOUGLAS COUNTY, COLORADO, ALSO BEING A PORTION OF LOT 2, BLOCK 7, CITADEL STATION FILING NO. 6, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER 1/4 CORNER OF SAID SECTION 10, A 3 1/2 ALUMINUM CAP (LS 12046) ALSO BEING THE TRUE POINT OF BEGINNING;

1. THENCE SOUTH 89°27'29" EAST ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 10 A DISTANCE OF 1,303.43 FEET;
2. THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A DISTANCE OF 263.73 FEET, SAID CURVE HAS A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 17°28'53", AND A LONG CHORD THAT BEARS NORTH 80°43'05" WEST A DISTANCE OF 262.74 FEET;
3. THENCE NORTH 89°27'31" WEST A DISTANCE OF 548.00 FEET;
4. THENCE ON THE ARC OF A CURVE TO THE RIGHT A DISTANCE OF 655.56 FEET, SAID CURVE HAS A RADIUS OF 500.50 FEET, A CENTRAL ANGLE OF 75°02'48", AND A LONG CHORD THAT BEARS NORTH 51°56'07" WEST A DISTANCE OF 609.69 FEET TO A POINT ON THE SOUTHERLY LINE OF OUTLOT B OF SAID CITADEL STATION FILING NO. 6;
5. THENCE ALONG SAID LINE SOUTH 70°14'23" WEST A DISTANCE OF 21.53 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION;
6. THEN ALONG SAID LINE SOUTH 00°35'37" EAST A DISTANCE OF 403.88 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO:

A PARCEL OF LAND IN THE SOUTHEAST ¼ OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., IN DOUGLAS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST ¼ CORNER OF SAID SECTION 10, A 2 ½" ALUMINUM CAP (LS 6935), THENCE WESTERLY ALONG THE NORTH LINE OF THE SOUTHEAST ¼ OF SAID SECTION 10, NORTH 89°27'29" WEST, A DISTANCE OF 587.50 FEET TO THE TRUE POINT OF BEGINNING;

1. THENCE ALONG SAID NORTH 89° 27'29" WEST, A DISTANCE OF 725.68 FEET;
2. THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A DISTANCE OF 214.59 FEET, SAID CURVE HAS A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 14°13'19", AND A DISTANCE OF 214.04 FEET;
3. THENCE NORTH 32°14'41" EAST, A DISTANCE OF 6.00 FEET;
4. THENCE SOUTH 57°45'19" EAST, A DISTANCE OF 380.82 FEET;
5. THENCE NORTH 83°29'12" EAST, A DISTANCE OF 33.31 FEET;
6. THENCE NORTH 32°14'41" EAST, A DISTANCE OF 274.89 FEET;
7. THENCE ON THE ARC OF A CURVE TO THE LEFT A DISTANCE OF 53.16 FEET TO THE TRUE POINT OF BEGINNING, SAID CURVE HAS A RADIUS OF 790.00 FEET, A CENTRAL ANGLE OF 3°51'20", AND A LONG CHORD THAT BEARS NORTH 30°10'01" EAST, A DISTANCE OF 53.15 FEET;

COUNTY OF DOUGLAS,

STATE OF COLORADO.

EXHIBIT B

ELIGIBLE IMPROVEMENTS

Exhibit B – Eligible Improvements and Eligible Costs

The following are estimated Eligible Costs for the Eligible Improvements only. Payments and reimbursement will be based upon actual Eligible Costs incurred for the Eligible Improvements, in accordance with the Public Finance Agreement.

Estimated Cost

Public Infrastructure. All costs associated with the investigation, remediation and certification of the former landfill. Construction costs for the public improvements including (but are not limited to) Prairie Hawk Extension, Plum Creek Parkway, and public utilities. This includes associated engineering/design costs and applicable approval/permitting fees.	\$56,220,537
Grading	\$3,747,610.5
Parking	\$19,842,970.4
Retaining Walls	\$1,660,807.1
Sewer	\$1,037,192.3
Water	\$2,407,919.7
Roadways (External - PH, PCP, I-25)	\$9,420,799.6
Roadways (Internal)	\$2,852,413.9
Stormwater	\$2,167,619.2
Industrial Tributary Improvements	\$2,510,350.8
Landfill Cleanup	\$10,572,853.9
Public Amenities. Costs to provide public amenities within the Project. Improvements include (but are not limited to) trails/walkways, signage, playgrounds, fountains/fireplaces, artwork, seating, shade structures, technology, and other amenities meant to enhance the enjoyment of the Property. This includes associated engineering/design costs, applicable approval/permitting fees, etc	\$583,846
Land Acquisition. Costs incurred in connection with the acquisition of land and easements required for the Eligible Improvements	\$5,896,707
Fees. Any other applicable permitting, impact or connection fees necessary to develop the Project.	\$4,029,189

Cost savings in the line items listed for Eligible Improvements on this Exhibit B may be allocated to cost overruns in any other line item.

Exhibit B – Eligible Improvements and Eligible Costs

The following are estimated Eligible Costs for the Eligible Improvements only. Payments and reimbursement will be based upon actual Eligible Costs incurred for the Eligible Improvements, in accordance with the Public Finance Agreement.

Estimated Cost

Public Infrastructure. All costs associated with the investigation, remediation and certification of the former landfill. Construction costs for the public improvements including (but are not limited to) Prairie Hawk Extension, Plum Creek Parkway, and public utilities. This includes associated engineering/design costs and applicable approval/permitting fees.	\$56,220,537
Public Amenities. Costs to provide public amenities within the Project. Improvements include (but are not limited to) trails/walkways, signage, playgrounds, fountains/fireplaces, artwork, seating, shade structures, technology, and other amenities meant to enhance the enjoyment of the Property. This includes associated engineering/design costs, applicable approval/permitting fees, etc	\$583,846
Land Acquisition. Costs incurred in connection with the acquisition of land and easements required for the Eligible Improvements	\$6,720,788
Fees. Any other applicable permitting, impact or connection fees necessary to develop the Project.	\$4,029,189

Cost savings in the line items listed for Eligible Improvements on this Exhibit B may be allocated to cost overruns in any other line item.

EXHIBIT C

PROCEDURE FOR DOCUMENTING, CERTIFYING AND PAYING ELIGIBLE COSTS

1. Applicability. All capitalized terms that are not specifically defined in this **Exhibit C** will have the same meaning as defined in this Agreement. The Parties recognize and acknowledge that in connection with issuance and sale of District Bonds, the District Bond Documents related to such District Bonds shall establish a procedure for the requisition of District Bond proceeds, in which event that procedure shall be substituted for the procedure in this **Exhibit C** to the extent that they conflict with the procedures in this **Exhibit C**; provided, however, the Parties agree to cooperate so that the District Bond Documents or bond documents related to District Bonds will include a procedure for certifying the Eligible Costs payable under in-process construction and other contracts to permit District Bond proceeds to be applied to direct payments under such contracts.

2. Engineer. The District will select an independent licensed engineer experienced in the design and construction of public improvements in the Denver metropolitan area (the “**Engineer**”). The Engineer shall be responsible for reviewing, approving, and providing the certificate required by paragraph 3.

3. Documentation. The District or Developer will be responsible for documenting all Eligible Costs. Eligible Costs may be certified when a pay application has been submitted by a contractor that complies with the procedure set forth in this **Exhibit C** or upon Completion of Construction of an Eligible Improvement. All such submissions shall include a certification signed by both the Engineer and an authorized representative of the District or Developer, as applicable. The certificate shall state that the information contained therein is true and accurate to the best of each individual’s information and belief and, to the best knowledge of such individual, qualifies as Eligible Costs. Such submissions will include copies of backup documentation supporting the listed cost items, including bills, statements, pay request forms from first-tier contractors and suppliers, conditional lien waivers, and copies of each check issued by the District or Developer for each item listed on the statement. Unless required by the District or Developer construction contract then being performed, statements for payment of Eligible Costs shall not include advance payments of any kind for unperformed work or materials not delivered and stored on the Property.

4. Verification, Submission and Payment from Pledged Revenue on Deposit with the Escrow Agent. To the extent that no District Bonds have been issued, Eligible Costs may be paid from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8. In such event, each such payment request shall be submitted to the District Representative and the Escrow Agent for review within ten (10) business days. In the case of Pre-Financing Costs, such payment request shall include supporting documentation verifying that the Developer or District, as the case may be, has incurred such Pre-Financing Costs. Such review is for the purpose of verifying that the work or Pre-Financing Costs represented in each payment request and supporting documentation complies with the requirements of this Agreement. Upon the earlier of approval of such documentation or expiration of the ten (10) business day period, the Escrow Agent will allocate the Eligible Costs applicable to the Eligible Improvements according to the category for each listed in **Exhibit C** and compile an aggregate running total of Eligible Costs paid from Pledged Revenue to the District or to the Developer as provided in this Agreement. So long as the payment

request is properly certified according to this procedure, payment will be made within twenty (20) days of submission of the payment request.

To the extent that no District Bonds have been issued, Town Costs may be paid from Pledged Revenue on deposit with the Escrow Agent in accordance with Section 4.8. In the case of Town Costs, the Town Representative may submit a request for the payment of Town Costs to the District Representative and the Escrow Agent for review within ten (10) business days. Such payment request shall include supporting documentation verifying that the Town has submitted the required supporting documentation. Upon the earlier of approval of such documentation or expiration of the ten (10) business day period, the Escrow Agent will pay or reimburse the Town for Town Costs from Pledged Revenue on deposit with the Escrow Agent.

Notwithstanding the foregoing provisions, the Parties acknowledge and agree that Pledged Revenue on deposit with the Escrow Agent may be insufficient to make the payments or reimbursements permitted by Section 4.8 and this **Exhibit C**. In the event that there are insufficient Pledged Revenue to make such payments or reimbursements that have been requested by the Developer, the District, or the Town, this shall not constitute an event of default under this Agreement any such payments or reimbursements shall be made only from available Pledged Revenue and any unpaid request, or portion thereof, shall be made when Pledged Revenue is thereafter received by the Escrow Agent. In the event that the Escrow Agent receives multiple requests for payment or reimbursement of Eligible Costs, Town Costs, or Pre-Financing Costs and the Pledged Revenue is insufficient to make all such requested payments, the Pledged Revenue shall be applied to the payment of such requisitions pro rata based on the applicable amounts requested.

EXHIBIT D

LIST OF PROHIBITED USES

1. Any public or private nuisance;
2. Any obnoxious odor, except odors customarily emanating from a restaurant;
3. Any use which permits the use of hazardous materials beyond legal limits on, about, under, or in its tract, except in the ordinary course of its usual business operations conducted thereon and in compliance with all environmental laws;
4. Any mobile home or trailer court, labor camp, junk yard, stock yard, or animal raising (provided that the foregoing shall not prohibit any pet stores or animal grooming shops or the rental or sale of mobile homes or trailers incidental to another use such as a Cabela's or Bass Pro Shops);
5. Any dumping of garbage or refuse except in containers designated for garbage or refuse;
6. Any massage parlor (provided that the foregoing shall not prohibit a so-called day spa, health spa, chiropractor, beauty or hair salon, physical therapy center, health club, or other business that offers massage therapy as part of its services, or a massage provider common in first-class shopping centers such as a Massage Envy);
7. Any establishment selling or exhibiting marijuana or paraphernalia for use with marijuana; and
8. Any establishment selling, renting, or exhibiting so-called adult entertainment, adult videos or pornographic materials, except such incidental materials associated with the operation of a traditional book or video store or convenience store.

EXHIBIT E

CONCEPTUAL DEPICTION OF PROJECT PARKING

Parking Exhibit F



EXHIBIT F

FORM OF SALES TAX CREDIT ORDINANCE

ORDINANCE NO. 2017-[003](#)

**AN ORDINANCE AMENDING CHAPTER 3.04 OF THE CASTLE ROCK
MUNICIPAL CODE CONCERNING THE TOWN'S SALES TAX,
BY PROVIDING FOR A SALES TAX CREDIT AGAINST CERTAIN
PUBLIC IMPROVEMENT FEES PAID AT MILLER'S LANDING**

WHEREAS, the Town of Castle Rock, Colorado (the "Town") has entered into a Public Finance Agreement (the "Public Finance Agreement") with Citadel Development, LLC, Millers Landing Business Improvement District and the Castle Rock Urban Renewal Authority, concerning the finance and construction of certain public improvements in association with the development of a mixed-use project known as Miller's Landing (the "Property"); and

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Public Finance Agreement; and

WHEREAS, pursuant to Section 6.2 of the Public Finance Agreement, the Town Council of the Town has agreed to consider adoption of an ordinance granting a Sales Tax Credit in the amount of 2.4% against the collection of Taxable Transactions to the extent that a public improvement fee in the amount of 2.4% (the "Credit PIF") has been collected on Taxable Transactions occurring within the Property, subject to the terms and limitations set forth in the Public Finance Agreement; and

WHEREAS, providing for such Sales Tax Credit against the Credit PIF collected and paid on Taxable Transactions occurring within the Property will substantially aid in the finance and development of necessary public improvements that will benefit the residents of the Town and patrons of the Property, and will protect and promote the public health, safety and general welfare of the residents of the Town.

NOW, THEREFORE, IT IS ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:

Section 1. **Amendment.** Chapter 3.04 of the Castle Rock Municipal Code, concerning the Town's sales tax, is hereby amended by the addition of a new Section 3.04.152 to read as follows:

3.04.152 Tax Credit Against Payment of Public Improvement Fees in Miller's Landing.

A. Notwithstanding any other provisions of this Chapter to the contrary, and in order to implement the provisions of the Public Finance Agreement entered into by the Town of Castle Rock, Citadel Development, LLC, the Miller's Landing Business Improvement District and the Castle Rock Urban Renewal Authority (the "Public Finance Agreement"), there is hereby granted to each person

or entity obligated to pay, collect or remit the sales tax on the sale or provision of goods or services which are subject to the Town's sales taxes described in this Chapter occurring within the property known as Miller's Landing, and more particularly described in Exhibit "A" of the Public Finance Agreement (the "Property"), a tax credit against the collection of the sales taxes as hereinafter set forth. All capitalized terms used in this section and not otherwise defined herein shall have the meanings given to them in the Public Finance Agreement, as amended from time to time. Such tax credit shall be granted in the form of a reduction in the applicable sales tax rate in an amount equal to 2.4%, and shall attach to a particular transaction only to the extent that the Credit PIF Revenue is collected and received by the PIF Collection Agent for such transaction. Notwithstanding the foregoing, in the event that the Credit PIF is imposed at a rate less than 2.4%, the tax credit shall be accordingly reduced to the amount of the Credit PIF so imposed. The tax credit shall be automatic and shall take effect immediately upon the occurrence of a Taxable Transaction, but shall be subject to the applicable retailer's remittance to and receipt by the PIF Collection Agent of the Credit PIF Revenue in accordance with the Credit PIF Covenant and the Public Finance Agreement (as reflected on the retailer's periodic sales tax report).

B. Notwithstanding the foregoing, in the event that a Relocated Retailer or Restricted Grocery Store, as defined in the Public Finance Agreement, opens a store on the Property, no Sales Tax Credit shall be granted against any Taxable Transactions occurring at any such Relocated Retailer or Restricted Grocery Store, unless such Sales Tax Credit on a Relocated Retailer or Restricted Grocery Store is authorized by the Town Council and the Credit PIF is imposed all in accordance with the Public Finance Agreement and this Ordinance.

C. The sales tax credit granted pursuant this Section shall remain in effect for the period set forth in the Public Finance Agreement and shall thereafter automatically terminate.

Section 2. Invalidity. In the event the sales tax credit established herein or the Credit PIF is determined by a final court decision to be unconstitutional, void or ineffective for any cause, retailers shall immediately be required to collect and remit the full Town sales tax as provided in Chapter 3.04 of the Castle Rock Municipal Code.

Section 3. Change in Tax Rate. Nothing contained in this Ordinance shall prohibit the Town, after complying with all requirements of law, from increasing or decreasing the Town's sales tax rate.

Section 4. Effect of Credit, Applicability of TABOR. The Town Council hereby determines that the creation or termination of this tax credit does not constitute a tax increase, the imposition of a new tax, or a tax policy change directly causing a net tax revenue gain to the Town, and that nothing herein creates a multiple fiscal year financial obligation or other indebtedness of the Town, nor does the tax credit established by this Ordinance and the termination of such credit

meet any of the other criteria requiring approval by the electors pursuant to Article X, Section 20 of the Colorado Constitution, also known as the Taxpayer's Bill of Rights (TABOR).

Section 5. Repealer. Any bylaws, orders, resolutions, ordinances, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revise any bylaw, order, resolution or ordinance or part thereof, heretofore repealed.

Section 6. Effective Date. The amendment to Chapter 3.04 of the Castle Rock Municipal Code shall become effective on the later of: (i) thirty (30) days following publication of this Ordinance, and (ii) the Effective Date of the Agreement.

Section 7. Severability. If any part or provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Safety Clause. The Town Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

APPROVED ON FIRST READING this 21st day of February, 2017 by a vote of 4 for and 1 against, after publication in compliance with Section 2.02.100.C of the Castle Rock Municipal Code; and

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this ____ of _____, 2017 by the Town Council of the Town of Castle Rock, Colorado, by a vote of ____ for and ____ against.

ATTEST:

TOWN OF CASTLE ROCK

Sally Misare, Town Clerk

Jennifer Green, Mayor

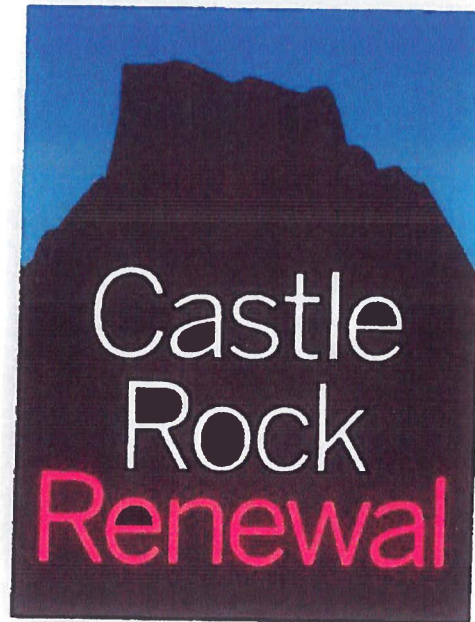
Approved as to form:

Robert J. Slentz, Town Attorney

EXHIBIT G

LIST OF EXISTING RETAILERS

Retailer Name	Sq. Footage
Walmart Supercenter #984	205,707
Sam's Club #4853	136,454
Target Store #1326	125,374
Lowe's Home Centers LLC	117,132
Home Depot	116,417
King Soopers (Promenade)	114,742
Kohls #728	88,043
King Soopers 71	69,281
Safeway Store #1877	68,113
King Soopers 132	59,509
AMC Theatres Castle Rock 12	45,255
Medved Chevrolet South	40,880
Medved Ford Lincoln Mercury Inc	40,880
24 Hour Fitness (Promenade)	40,000
Sprouts Farmers Markets	28,793
Bubbles Liquor World	27,395
TJ Maxx/Home Goods	22,000
Tractor Supply Company	21,702
Michaels Stores Inc.	21,235
PetSmart #1183	19,464
Kids R Kids	17,494
Office Depot #2192	16,172
Nike Factory Store	15,069
Polo Ralph Lauren Factory Store	14,527
Walgreens #06514	14,399
Walgreens #06987	14,300
212 Pizza Co.	14,387
Gap Outlet #7760	13,094
Petco #2449	12,500
Restoration Hardware	12,500
Tuesday Morning	11,141
Natural Grocers by Vitamin Cottage	10,556
Discount Tire Co. Inc.	10,556
Big 5 Sporting Goods #401	10,251

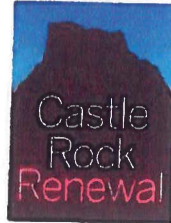


Citadel Station – Castle Meadows Urban Renewal Plan

***Town of Castle Rock, Colorado
September 2014***

***URA Plan Prepared by:
The Castle Rock Urban Renewal Authority***

***Conditions Survey Prepared by:
Ricker/Cunningham***

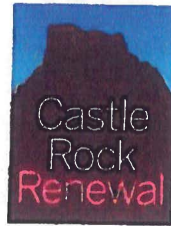


**Citadel Station - Castle Meadows
Urban Renewal Plan
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Section 1.0 Introduction

1.1 Preface

The Citadel Station - Castle Meadows Urban Renewal Plan (Plan) has been prepared by the Town of Castle Rock Urban Renewal Authority (Authority) for the Town of Castle Rock (Town). It will be carried out by the Authority, pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes (C.R.S.) 1973, as amended (Act). Upon approval of this Plan administration, implementation, preparation and execution of any documents of the Plan shall be performed by the Authority.

1.2 Blight Findings

In each urban renewal area, as defined by the Act, conditions of blight must be present in order for the Authority to exercise its powers. The Authority may not undertake an urban renewal project until Town Council (Council) finds that blight conditions exist and "substantially impairs or arrests the sound growth of the municipality or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare." The Citadel Station - Castle Meadows Conditions Survey (Survey) finds the Citadel Station - Castle Meadows Urban Renewal Area (Area) qualifies as a blighted area under the Act and is therefore suitable for an urban renewal project.

1.3 Authorizations

Council approval of the Plan authorizes use of powers in the Act which are necessary, convenient or appropriate to accomplish the objectives of the Plan, *with the exception of eminent domain*. The Authority shall exercise its powers to eliminate blight conditions in the Area through use of public funds. The Plan is in the public interest and a matter of legislative determination by the Town Council.

1.4 Urban Renewal Area Boundaries and Map

The Area is located at the northwest intersection of Interstate 25 and Plum Creek Parkway, bounded by Plum Creek Parkway on the south, I-25 on the east and the Castle Highlands Industrial Park on the north. The Area includes all properties generally shown in Figure No. 1 and in the legal description and associated survey map, Appendix II. The Plan is comprised of three privately-owned legal parcels totaling approximately 65.9 acres and located within the Town boundary. In case of conflict, the legal description and survey map in Appendix II shall control.

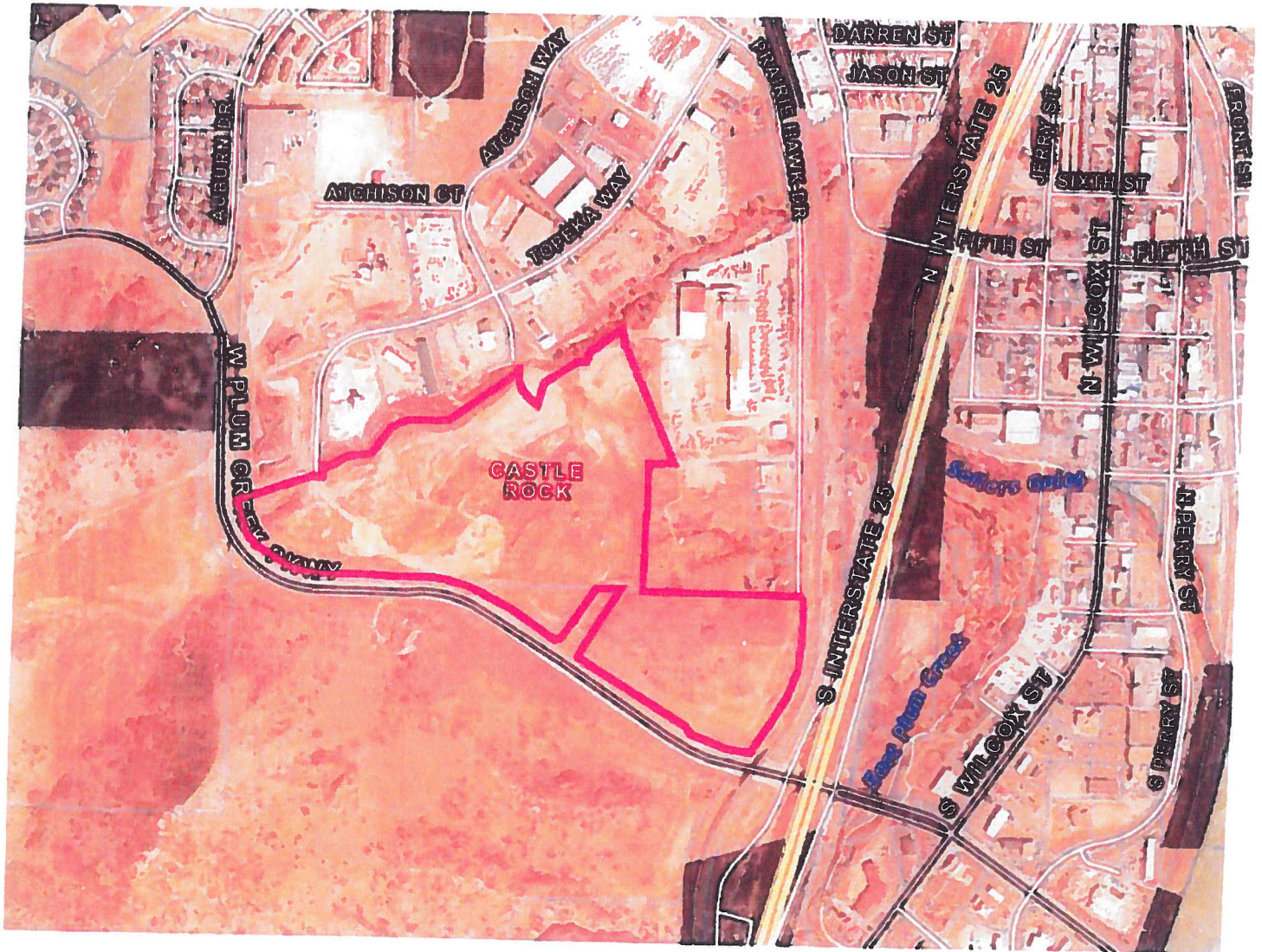
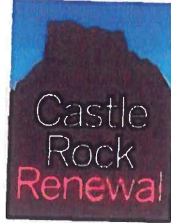


Figure 1:
Citadel Station – Castle Meadows URA Boundary Map



Section 2 Definitions

Act – the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, as amended.

Area – the Citadel Station - Castle Meadows Urban Renewal Plan Area as described in the legal description and survey map in Appendix II.

Authority – the Town of Castle Rock Urban Renewal Authority.

Base Year Revenues – that portion of the property taxes which are produced by the levy at the rate fixed each year by or for each public body, which has taxing authority within the Area, upon the valuation for assessment of taxable property in the Area last certified prior to the effective date of approval of this Plan or, as to an area later added to the Area by modification of this Plan and the effective date of the modification of this Plan.

Comprehensive Plan – the Town of Castle Rock Comprehensive Master Plan, as may be amended from time to time.

Cooperation Agreement – any agreement between the Authority and Town or any public body, as defined in the Act, deemed necessary by the Authority for the Plan.

District Taxes – taxes collected by a Special District which may be formed after approval of this Plan.

Impact Report – the Citadel Station - Castle Meadows Douglas County Impact Report prepared by Ricker/Cunningham, dated February, 2014.

Plan – The Citadel Station - Castle Meadows Urban Renewal Plan.

Property Tax Increment Revenue – the real and personal property tax increment revenue allocated to the Authority under the Act.

Redevelopment / Development Agreement – one or more agreements between the Authority and developer(s), property owner(s), special districts, or such other individuals or entities involved to carry out the Plan.

Special District – a political subdivision and quasi-municipal corporation of the State of

Colorado created to construct and finance improvements, pursuant to Title 32, C.R.S.

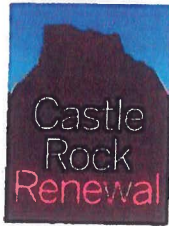
Survey Area – the geographic territory defined in the Condition Survey.

Tax Increment Area – the Area from which net new tax increment revenue will be collected and remitted to the Authority for use in implementing the Plan.

Tax Increment Financing (TIF) – the use of Tax increment Revenue to finance public improvements that support development that creates tax increment. TIF methods include, but are not limited to, the pledge of Tax Increment Revenue for repayment of bonds, loans, advances and other indebtedness, in accordance with the Act.

Tax Increment Revenue – the increments of real and personal property tax revenue over the Base Year Revenue generated within the Plan area.

Urban Renewal Project – any work or undertaking carried out for the elimination and prevention of the spread of blight in accordance with this Plan and the Act.



Section 3.0 Purpose of the Plan

The purpose of the Plan is to reduce, eliminate and prevent the spread of blight within the Area by correcting those conditions identified in the Survey. A goal of the plan is to remediate the abandoned municipal dump site and abandoned clay mines located on the site, and further, to stimulate growth and investment within the Area. In addition, Douglas County will not be held liable for any involuntary County contribution or liability in any way related, directly or indirectly, to the closed County municipal dump site with the URA boundaries.

The Plan is intended to promote goals and objectives within adopted Castle Rock community plans and advance the Town of Castle Rock Vision 2020, as may be updated or amended, and priorities of the Town of Castle Rock Comprehensive Master Plan (Comprehensive Plan) as may be amended. While the principal goal of the urban renewal effort is to provide development opportunities consistent with policies and goals of the Town, it is not intended to replace the efforts of area business development or marketing organizations.

Development of properties within the Area will be accomplished through the Authority and Town with participation and cooperation by private sector investment through use of authority identified in the Act and through Redevelopment Agreements or other appropriate arrangements. This Plan provides the opportunity for rehabilitation or redevelopment of the Area by private enterprise. The Authority will provide assistance with blight remediation and public improvements as identified in the Act. Council adoption of the Plan and commencement of a single tax increment area (Tax Increment Area) is intended to be the first step of a two-step process. The first step is adoption of the Plan and designated Area and identification of the type of Urban Renewal Projects that will be implemented. The second step is submittal and action on a series of Urban Renewal Projects and requests for funding assistance.

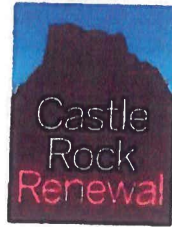
3.1 Development and Design Objectives

The Act authorizes the Authority to undertake planning and zoning activities to regulate land use, establish maximum or minimum densities, and define building requirements in the Area. The Town will regulate land use and building requirements through existing codes and ordinances as may be amended.

3.2 Objectives of the Plan

Objectives of the Plan include:

- **reduce, eliminate and prevent the spread of blight within the Area**
- **remediate the abandoned municipal dump site and abandoned clay mines located on the site**
- **advance development to generate revenues sufficient to fund public improvements**
- **implement elements of the Comprehensive Plan**
- **support and advance actions identified in plans and strategies adopted by the Town of Castle Rock, Castle Rock Urban Renewal Authority and Castle Rock Economic Development Council related to development of vacant and under-utilized parcels**
- **encourage character of development that is realistic in the market, yet serves to establish quality standards that future development will be expected to emulate**
- **complete regional infrastructure improvements including those in existing plans and agreements**
- **advance quality development, infrastructure and services that will be provided to the Area**
- **provide a range of financing mechanisms for improvements**
- **facilitate public-private partnerships**



Section 4.0 Blight Conditions

To obtain approval of an urban renewal plan the area under consideration must be determined to be a "blighted area" as defined the Act. According to the Act, conditions that would substantially impair or arrest the sound growth of the municipality, retard the provision of housing accommodations, or constitute an economic or social liability, and is a menace to the public health, safety, morals, or welfare include:

- (a) Slum, deteriorated, or deteriorating structures.
- (b) Predominance of defective or inadequate street layout.
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.
- (d) Unsanitary or unsafe conditions.
- (e) Deterioration of site or other improvements.
- (f) Unusual topography or inadequate public improvements or utilities.
- (g) Defective or unusual conditions of title rendering the title nonmarketable.
- (h) The existence of conditions that endanger life, property by fire or other causes.
- (i) Buildings and / or properties that is unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities.
- (j) Environmental contamination of buildings or property.
- (k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.
- (l) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare.

The general methodology for conducting the Survey is to:

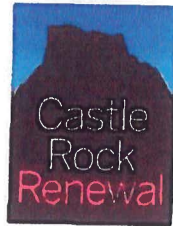
1. Define the Survey Area.
2. Gather information about properties, infrastructure and other improvements within the Area.

3. Evaluate evidence of blight through field reconnaissance, review of aerial photography, discussions with representatives of various Town departments.
4. Record observed and documented conditions as per the Statute.

Among the 11 qualifying factors identified in the Act, the Survey completed by Ricker Cunningham identified the presence of the following nine blight factors in the Survey Area:

- (b) Predominance of defective or inadequate street layout.
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.
- (d) Unsanitary or unsafe conditions.
- (e) Deterioration of site or other improvements.
- (f) Unusual topography or inadequate public improvements or utilities.
- (h) The existence of conditions that endanger life or property by fire or other causes.
- (i) Buildings and / or properties that is unsafe or unhealthy for persons to live or work in because of code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities.
- (j) Environmental contamination of buildings or property.
- (k5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

The Council shall, prior to acting on this Plan, adopt a resolution finding that the Area is blighted as defined in the Act and is therefore suitable for an urban renewal project.



Section 5.0 Objectives and Appropriate Land Uses

5.1 General Description

Implementation of the Plan supports the objectives and requirements of the Castle Rock Comprehensive Plan, specifically completion of infrastructure, connectivity to transportation corridors, and preservation of natural features and quality design that promotes Castle Rock's unique identity. All Area development shall conform to the Castle Rock Comprehensive Plan and Town adopted policies and regulations that may impact site development and public improvement plans. TIF will be used to implement the Plan and improvements phased as appropriate for the success of all projects within the Area.

5.2 Relationship to Castle Rock Comprehensive Plan

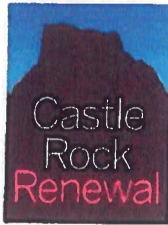
The Town of Castle Rock Comprehensive Master Plan was adopted in 2002 and is currently under review to determine if amendments to the Plan are necessary. The Authority, with the cooperation of the Town, private enterprise and other public bodies, will support or undertake projects and activities described in the Comprehensive Plan in order to eliminate the conditions of blight identified herein while implementing the goals and objectives of the Comprehensive Plan and any subsequent updates.

5.3 Relationship to Other Community Plans

Implementation of this Plan will be consistent with development objectives identified in all community adopted plans that pertain to development in the Area including Capital Improvement Plans.

5.4 Appropriate Land Uses

Existing property entitlements and zoning categories provide for light industrial, office and retail space by-right within the Area. Therefore implementation of the Plan will not require any changes in zoning or land development regulations to move forward with URA Projects in accordance with the Plan. Existing land entitlements and zoning designations prohibit residential development.



Section 6.0

Authorized Urban Renewal Undertakings and Activities

The Act allows for a wide range of activities to implement an urban renewal plan. It is the Authority's intent to provide financial assistance and public improvements in cooperation with property owners and other affected parties in order to accomplish the Plan objectives. Public-private partnerships and other forms of cooperative development are critical to the Authority's strategy for preventing the spread of blight and eliminating existing blight conditions.

6.1 Public Improvements and Facilities

The Authority may, on its own or in cooperation with others, finance or construct public improvements within the Area. The Plan encourages public and private investment to advance the objectives of the Plan and improve economic conditions of the site and surrounding Castle Rock community.

6.2 Conditions of Blight

The Survey concluded that conditions of blight are present within the Survey Area, as defined by Section 31-25-103(2) of the Act. A goal of the Plan is to address conditions described in the Survey and summarized below.

(b) Predominance of defective or inadequate street layout

There are no paved streets for vehicular traffic or paths for pedestrian circulation within the Survey Area. A portion of right-of-way for the proposed Prairie Hawk extension is dedicated just north of Plum Creek, but has not been improved.

(c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness

The Survey Area is divided into three large lots, none of which are usable because they lack access from Plum Creek Parkway, lack interior roads and there is no infrastructure in place.

(d) Unsanitary or unsafe conditions

Multiple factors contribute to unsafe conditions in the Survey Area including the lack of streets or pedestrian access and the abandoned municipal dump site and abandoned clay mines.

(e) Deterioration of site or other improvements

Properties throughout the Survey Area have not been maintained and include trash and weeds.

(f) Unusual topography or inadequate public improvements or utilities

Construction of Plum Creek Parkway required significant site grading and earthen cuts in excess of 25 feet to maintain acceptable streets grades. The Survey Area contains the same topographical challenges as those encountered with construction of Plum Creek Parkway. The Survey Area has infrastructure deficiencies, specifically water and wastewater.

(h) The existence of conditions that endanger life or property by fire or other causes

The Area includes an abandoned municipal dump site and abandoned clay mines, which causes a threat to persons due to garbage in varying degrees of decomposition and the potential for subsidence, pathogen migration, and other health and safety issues typically associated with these types of landfills and abandoned mines.

(j) Environmental contamination of buildings or property

The Survey Area includes an abandoned municipal dump site and abandoned clay mines. Such conditions are considered unsafe and unhealthy and susceptible to contamination associated with former activities.

6.3 Other Improvements and Facilities

The Authority may assist in the financing and construction of public improvements to the extent authorized by the Act.

6.4 Development Opportunities—Catalyst Projects

Properties within the Area have not developed over the past 30+ years due to the location of an abandoned municipal dump and abandoned clay mines on site and lack of public infrastructure within the property. The Authority will encourage and provide funding for public improvements to mitigate costs associated with remediation of blight conditions including the abandoned municipal dump site and abandoned clay mines and to assist with construction of the Prairie Hawk extension project.

6.5 Development Standards

All development in the Area shall conform to the Vision and Comprehensive Master Plan policies and goals, Council adopted Design Guidelines and any rules, regulations, policies and any other requirements and standards of the Town. In

conformance with the Act and the Plan, the Authority may adopt design standards and other requirements applicable to projects undertaken by the Authority in the Area through review and action on specific URA Projects and request for funding applications.

6.6 Modifications and Amendments to the Plan

The Authority may propose and Council may approve modifications to the Plan provided they are consistent with the Comprehensive Plan and all rules, regulations and policies adopted by Council and the requirement of the Act with respect to modifications and amendments. Modifications may be developed from suggestions by Council, the Authority and property and business owners. The Authority may allow non-substantive variations from the Plan if it determines that a literal enforcement of the provision would constitute an unreasonable limitation beyond the intent and purpose stated herein.

The percentage of sales tax TIF will be decided through a separate agreement, not through a plan amendment, at the time of submittal of a URA Project.

6.7 Property Acquisition and Land Assemblage

The Authority has the following powers with respect to property acquisition and land assemblage:

- The Authority may acquire property as authorized by the Act, except through use of eminent domain.
- The Authority may temporarily operate, manage and maintain property acquired in the Area. Such acquired property shall be under the management and control of the Authority and may be rented or leased pending its disposition for redevelopment.

6.8 Relocation Assistance

It is not anticipated that acquisition of real property by the Authority will result in the relocation of any individuals, families, or business concerns. If such relocation becomes necessary, the Authority will adopt a relocation plan in conformance with the Act.

6.9 Demolition, Clearance, Environmental Remediation, and Site Prep

The Authority has the following powers with respect to demolition, clearance, environmental remediation and site preparation:

- The Authority may fund projects to remediate contaminants or prepare sites for development consistent with the objectives of the Plan.
- Development or Cooperation Agreements may be used to eliminate unhealthy, unsanitary and unsafe conditions and to remove or prevent the spread of blight.

- The Authority may also undertake demolition, clearance, environmental remediation, and site preparation activities to facilitate the disposition and development of acquired properties, or any other such activities as provided for in the Act.

6.10 Property Disposition

The Authority may sell, lease, or otherwise transfer real property or any interest in real property, as it deems necessary, to implement the Plan in accordance with the Act. All property and interest in real estate acquired by the Authority in the Area that is not dedicated or transferred to public entities, shall be sold or otherwise disposed of for development in accordance with the provision of this Plan and the Act.

6.11 Redevelopment / Rehabilitation Actions / Development Agreements

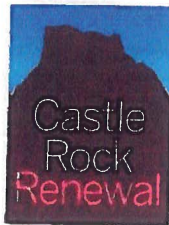
The Authority is authorized to enter into Redevelopment / Development Agreements or other contracts with developer(s), property owners, individuals or entities as necessary to carry out the purposes of this Plan. The Authority may provide financial assistance to achieve goals and objectives stated herein or otherwise authorized by the Act.

6.12 Cooperation Agreements

The Authority may enter into one or more Cooperation Agreements pursuant to the Act to further the goals and objectives of the Plan. Cooperation Agreements may include improvements identified in the Act.

6.13 Creation of Tax Increment Areas

Pursuant to the provisions of Section 31-25-107(9) of the Act, a single tax increment area is created commencing with adoption of this Plan and that activities in the Area and corresponding TIF district may be financed by the Authority for a period not to exceed 25 years. The Authority is specifically authorized to expend tax increment revenues within the Area to the extent authorized by the Act.



Section 7.0 Project Financing

7.1 Public Investment Objective

Public and private sector participation is needed for the Plan to succeed. Public infrastructure investments for the Plan will include constructing streets, public spaces, and new infrastructure, improving access from Plum Creek Parkway and Prairie Hawk and remediation of the abandoned municipal dump site and abandoned clay mines. All public and private investments shall be made in accordance with the Act.

7.2 Authorization

The Authority may finance undertakings authorized under the Act including issuance of notes, bonds and other obligations as defined in the Act in an amount sufficient to finance all or part of the Plan. The Authority may borrow funds and create indebtedness, and approve advances and reimbursement agreements in accordance with the Act. The principal, interest, costs and fees on any indebtedness are to be paid for with any lawfully available funds of the Authority. Debt may include bonds, refunding bonds, notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, or any other obligation lawfully created.

7.3 Tax Increment Financing

Activities may be financed by the Authority using TIF. Tax Incremental Revenues may be used for a period not to exceed the statutory limitations, calculated in accordance with applicable rules of the Property Tax Administrator of the State of Colorado. The Authority will only pay TIF increment if TIF exists. The Authority is not bound to make payments if a financial issue arises and TIF stops.

7.3.1 Special Fund

In accordance with the requirements of the Act, the Authority shall establish a tax increment revenue fund for the deposit of all funds generated pursuant to the division of ad valorem property tax revenue described in this section.

7.3.2 Base Year Revenues

The Base Year Revenues shall be paid into the funds of each public body as are all other taxes collected by or for said public body. All of the taxes levied upon the taxable property in the Area shall be paid into the funds of the respective public bodies.

7.3.3 Increment Amount

Property Tax Increment Revenue shall be used to finance projects in the Plan area pursuant to Section 31-25-107(9), C.R.S. One hundred percent of property tax increment revenue shall be deposited into the Special Fund as provided in the Act and this Section. The Plan may be amended in the future to include all or a portion of the municipal sales tax as additional tax increment in accordance with the Act. The Authority may expend, pledge, or refund tax increment in any manner authorized or required by the Act. The Authority reserves the right to enter into Cooperation Agreements with the Town and select taxing jurisdictions relative to allocation of incremental tax revenues.

Property taxes collected within the Area shall be divided as follows:

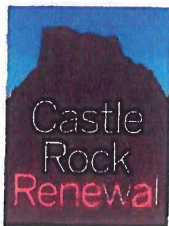
- a) That portion of the taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation for assessment of taxable property in the Area, shall be paid into the funds of each such public body as are all other taxes collected by or for such public body, but the amount of the payment shall not exceed the Base Year Revenues.**
- b) The approved portion of property taxes in excess of the Base Year Revenue shall be allocated to and, when collected, paid into the special fund to finance obligations with respect to Urban Renewal Projects in the Area, including payment of the principal of, the interest on, and any premiums due in connection with the bonds, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, whole or in part, Urban Renewal Projects in the Area or to make payments under an agreement executed pursuant to Section 31-25-107(11), C.R. S.**
- c) When such bonds, loans, advances and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, but in no event later than 25 years (or such other period as may be authorized by the Act) following the adoption of this Plan, any excess property tax collections not allocated pursuant to this paragraph or any Cooperation Agreement between the Authority and the Town or other taxing jurisdiction, shall be paid into the funds of said jurisdiction or public body. Unless and until the total property tax collections in the Area exceed the base year property tax collections in the Area, all such property tax collections shall be paid into the funds of the appropriate public body based upon Cooperation Agreements between the Authority and the Town or other taxing jurisdiction.**
- d) In the event that there is a general reassessment of taxable property valuations in Douglas County, which are subject to division of valuation**

for assessment between base and increment, as provided above, the portions of valuations for assessment to be allocated as provided above shall be proportionately adjusted in accordance with the Act.

If there is any conflict between the Act and the Plan with respect to TIF at the time this Plan is approved, the provisions of the Act shall control and the language in the Plan will be automatically deemed to conform to the Statute.

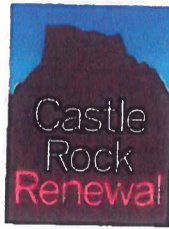
7.4 Other Financing Mechanisms and Structures

The Plan is designed to use TIF as one tool to facilitate investment within the Area. The Authority shall be authorized to finance implementation of the Plan by any method authorized by the Act. The Authority is committed to making a variety of strategies and mechanisms available and encourages use of multiple resources either independently or in various combinations depending on the needs of individual Urban Renewal Projects within its boundaries and area of impact. The Authority recognizes that solutions and resources be put in place that are comprehensive, flexible and creative.



Section 8.0 **Severability**

If any portion of this Plan is held to be invalid or unenforceable, such invalidity will not affect the remaining portions of the Plan.



Appendix I: Excerpts from the Town of Castle Rock Comprehensive Master Plan

The following sections of the Town of Castle Rock Comprehensive Master Plan are referenced to identify consistency of the Plan with adopted Town policies and goals.

Chapter 4: Growth Management

1. Regional Planning Efforts

The Denver Regional Council of Governments (DRCOG) coordinates regional planning in the Denver metropolitan area. DRCOG is a voluntary association of 51 county and municipal governments in the Denver metro area. The Town of Castle Rock is a member of the association.

One element of Metro Vision 2020 and subsequent amendments and updates noted in the Metro Vision 2040 is the concept of freestanding communities. Castle Rock, along with Boulder, Brighton, and Longmont are to be separate from the urban area with a goal of providing an adequate employment/housing balance and internal transportation systems.

2. Specific Goals and Policies for Castle Rock

Principle GM-1: Growth Management in Castle Rock

Growth shall be carefully planned in an orderly, cost-effective, equitable, fiscally responsible and environmentally sound manner.

Policies:

GM-1.1 Concentrate future capital improvements and service delivery systems to benefit existing and future residents in the most effective manner and provide the greatest opportunity for immediate and near-term commercial and employment development.

GM-1.2 Honor the Town's existing contractual obligations regarding development while pursuing modifications to these contracts that more effectively implement the Master Plan.

Principle GM-2: Adequate Facilities and Levels of Service

Adequate community facilities and levels of services shall be provided when considering the timing and location of development.

Policies:

GM-2.1 Development will only be permitted where it can be efficiently served by critical public services such as transportation, water, wastewater, storm drainage, parks and recreation, fire and emergency services, and any other public facilities and services required by the Town.

GM-2.2 Require that new development pays its fair and proportionate share of the cost of services.

Chapter 5: Land Use

Principle LU-5: Adequate Commercial and Industrial Development

Adequate commercial and industrial facilities and services will be provided to meet the needs of the community and surrounding areas.

Policies:

LU-5.2 Commercial and Industrial development should be located according to access, availability of services, parcel size and development suitability and proximity to the markets being served.

LU-5.3 Encourage the location of commercial and industrial uses where adequate transportation facilities exist, or are planned, to accommodate the activities expected on the site. The lowest intensity uses may be considered along collector streets, moderate intensity uses along collectors and arterials, and the highest intensity uses along arterials and areas easily accessible by the I-25 corridor.

LU-5.4 Require adequate public services, including water, sanitary sewer, and storm sewer, and fire and police protection be provided to meet the requirements of each commercial or industrial facility.

LU-5.5 Ensure that commercial and industrial development occurs on parcels large enough to accommodate not only the primary use and structures, but also the necessary access, parking, landscaping and buffering areas.

LU-5.6 Require that development is sensitive to the physical site characteristics, amenities and constraints.

LU-5.7 Encourage commercial and industrial uses to locate in areas that can be accessed by their intended markets without undue impacts on surrounding areas. Neighborhood centers should be located within, or close to, residential neighborhoods. Community or regional development should be located outside of residential areas.

LU-5.8 Concentrate commercial and office uses that serve the region and the overall Town where there is the greatest level of accessibility and urban services available.

LU-5.9 Encourage the development of office and industrial buildings in a planned,

integrated office technology campus environment and industrial parks.

Principle LU-6: Compatible Development

New and redeveloped commercial and industrial development will be compatible with adjacent uses which will minimize impacts and enhance the quality of development.

Policies:

LU-6.1 Encourage the development of commercial and industrial uses that can be integrated with the existing uses and would not create unacceptable nuisances due to the nature of the use or activity.

LU-6.2 Carefully evaluate all commercial and industrial development in terms of building scale, height, setbacks, architectural treatment, construction materials, layout, landscaping and signage.

LU-6.3 Encourage commercial and industrial development to coordinate with adjacent sites for common access points unified architectural design and signage.

Principle LU-8: Interchange Districts

Development and redevelopment within interchange districts should contribute to the overall economic health of the Town by attracting regional commerce through efficient high density and commercial and mixed land use patterns, high quality design, and creating a positive image of the community.

The Interstate 25 corridor provides an important economic opportunity for the Town. The four existing and proposed interchanges along I-25 serve as major entryways into the Town from I-25 and present unique opportunities for higher intensity and high quality economic development. Proposed Interchange Overlay Districts include, Meadows/Founders, Wolfensberger, Plum Creek, Dawson Ridge/Crystal Valley and the proposed and currently under construction North Meadows extension project.

The goals of the Interchange District include:

- To create design standards and incentives to promote high quality, high density residential and economic development opportunities with enhanced design standards and features.
- To encourage higher density development to the west of the interchange that respects the major land features of that area, but allows the built environment to frame the views to the west.
- To encourage higher density development within this Interchange District, there is a limited opportunity to allow buildings to have an increased height at an internal intersection of local streets with the proposed new North/South minor arterial within this district; view corridors would have to be protected; consideration of such a proposal would occur through the development review process.
- To create an Interior Gateway to the uses to the west.
- To create outstanding way finding for the west gateway to highlight uses.

- To create outstanding landscaping installations to support gateways and uses.
- To enhance aesthetics for the trail crossing along Plum Creek under the bridge.
- To protect the natural features identified in the Southwest Quadrant Plan.
- To promote uses that complements activities and goals of Downtown, but is at such a scale as to be out of character with Downtown (for example, major entertainment venue, lodging, larger retail development, tall office buildings).
- To create pedestrian/non-motorized safety and connectivity.
- To provide an opportunity for a possible future FREX station, park 'n' ride, and/or multi-modal transit facility.
- To continue to pursue the potential use of the Santa Fe Depot and Station Master House as a future park 'n' ride and as a future commuter rail stop as well as future pedestrian connections to the Downtown from this area

Chapter 10: Economic Development

Economic development can be defined as cooperative efforts between government and the private sector designed to increase economic activity by encouraging new development and redevelopment within an urban area. Economic development has generally been associated with efforts to increase local employment and expand retail sales, but can include incentives to increase residential development as well. The Town is eager to increase economic activity within the Town in all use sectors - commercial/light industrial, retail and residential. All sectors are necessary for a healthy economy and are dependent upon one another's presence.

Principle ED-1: Freestanding, Self-sustaining Community

Attract a variety of businesses, industries and employment opportunities to provide a balance in the community between jobs and workers, and to diversify the Town's economic base.

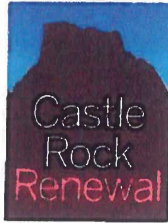
Policies:

ED-1.1 Support efforts to attract and retain business and industries that contribute to local economic base diversification and promote the desired quality of life for Castle Rock residents.

ED-1.2 Promote Castle Rock as a regional economic center that serves the local population, central Douglas County and I-25 travelers, by facilitating primary employment and the development of employment centers as well as retail and service centers.

ED-1.5 Encourage business or industry to locate or expand in compatible zoned areas or in areas scheduled for future facility improvements as designated in the Town Capital Improvements Plan, or in other appropriate areas, to maximize the use of existing public services and infrastructure.

ED-1.7 Seek innovative methods of financing infrastructure and services wherever possible to minimize current and future tax burdens.



Appendix II: Urban Renewal Plan Area Legal Description and Map.

A PARCEL OF LAND BEING A PART OF LOT 2, BLOCK 7, CITADEL STATION FILING NO. 6, A SUBDIVISION PLAT RECORDED UNDER RECEPTION NO. 8708767 AND A PART OF THE SOUTHEAST QUARTER OF SECTION 10 AND A PART OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 10 AND ASSUMING THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10 TO BEAR SOUTH 89°27'26" EAST, 2616.68 FEET AS PLATTED, WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE NORTH 00°35'04" WEST ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10, A DISTANCE OF 403.83 FEET TO THE SOUTHWESTERLY CORNER OF OUTLOT B, SAID CITADEL STATION FILING NO. 6; THENCE NORTH 70°14'23" EAST ALONG THE SOUTHERLY LINE OF SAID OUTLOT B, A DISTANCE OF 21.48 FEET, TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF WEST PLUM CREEK PARKWAY (ALSO KNOWN AS COACHLINE ROAD) AS DESCRIBED IN DEED RECORDED UNDER RECEPTION NO. 2008075142, SAID POINT BEING A POINT ON THE NORTHERLY LINE OF SAID LOT 2, BLOCK 7, SAID POINT ALSO BEING THE **POINT OF BEGINNING**;

THENCE ALONG THE NORTHERLY AND EASTERLY LINE OF SAID LOT 2, BLOCK 7 THE FOLLOWING TWENTY-TWO (22) COURSES:

1. CONTINUING NORTH 70°14'23" EAST, A DISTANCE OF 420.04 FEET;
2. NORTH 89°42'53" EAST, A DISTANCE OF 60.00 FEET;
3. NORTH 0°17'7" WEST, A DISTANCE OF 41.71 FEET;
4. NORTH 71°29'11" EAST, A DISTANCE OF 22.78 FEET;
5. NORTH 57°11'1" EAST, A DISTANCE OF 127.32 FEET;
6. NORTH 79°57'40" EAST, A DISTANCE OF 150.30 FEET;
7. NORTH 33°12'60" EAST, A DISTANCE OF 188.02 FEET;
8. NORTH 67°16'37" EAST, A DISTANCE OF 98.12 FEET;
9. NORTH 89°36'24" EAST, A DISTANCE OF 218.51 FEET;
10. NORTH 57°52'24" EAST, A DISTANCE OF 190.11 FEET;
11. NORTH 52°55'43" EAST, A DISTANCE OF 279.75 FEET;

12. SOUTH 7°13'59" EAST, A DISTANCE OF 36.25 FEET, TO A POINT ON A CURVE;
13. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 170.00 FEET, A CENTRAL ANGLE OF 58°05'53", AN ARC LENGTH OF 172.38 FEET, THE CHORD OF WHICH BEARS SOUTH 36°16'56" EAST, 165.09 FEET;
14. SOUTH 65°19'52" EAST, A DISTANCE OF 10.92 FEET;
15. NORTH 14°31'34" EAST, A DISTANCE OF 120.00 FEET;
16. NORTH 50°36'4" EAST, A DISTANCE OF 187.64 FEET;
17. NORTH 82°51'32" EAST, A DISTANCE OF 87.69 FEET;
18. NORTH 22°23'46" EAST, A DISTANCE OF 59.05 FEET;
19. NORTH 53°48'14" EAST, A DISTANCE OF 202.23 FEET;
20. SOUTH 23°36'32" EAST, A DISTANCE OF 793.03 FEET;
21. SOUTH 88°3'18" WEST, A DISTANCE OF 134.81 FEET;
22. SOUTH 0°0'15" EAST, A DISTANCE OF 700.98 FEET TO A POINT ON THE SOUTH LINE OF NORTHEAST QUARTER OF SAID SECTION 10;

THENCE SOUTH 89°27'26" EAST ALONG SAID SOUTH LINE, A DISTANCE OF 329.66 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 10;
 THENCE SOUTH 89°46'21" EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 11, A DISTANCE OF 572.43 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF THE ATCHISON, TOPEKA & SANTA FE RAILROAD;

THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES:

1. SOUTH 1°56'48" EAST, A DISTANCE OF 173.53 FEET, TO A POINT ON A CURVE;
2. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 880.93 FEET, A CENTRAL ANGLE OF 37°31'24", AN ARC LENGTH OF 576.93 FEET, THE CHORD OF WHICH BEARS SOUTH 16°48'53" WEST, 566.67 FEET;
3. SOUTH 35°34'35" WEST, A DISTANCE OF 193.47 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF WEST PLUM CREEK PARKWAY AS DESCRIBED IN DEED RECORDED UNDER RECEPTION NO. 2008054850;

THENCE ALONG THE RIGHT OF WAY AS DESCRIBED THE FOLLOWING FOURTEEN (14) COURSES:

1. NORTH 75°34'19" WEST, A DISTANCE OF 170.83 FEET, TO A POINT ON A CURVE;
2. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 665.50 FEET, A CENTRAL ANGLE OF 17°49'03", AN ARC LENGTH OF 206.95 FEET, THE CHORD OF WHICH BEARS NORTH 66°39'48" WEST, 206.12 FEET;
3. NORTH 32°14'44" EAST, A DISTANCE OF 6.00 FEET;
4. NORTH 57°45'16" WEST, A DISTANCE OF 709.16 FEET;
5. NORTH 18°59'47" WEST, A DISTANCE OF 32.16 FEET;
6. NORTH 32°14'44" EAST, A DISTANCE OF 275.60 FEET, TO A POINT ON A CURVE;
7. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 910.00 FEET, A CENTRAL ANGLE OF 07°46'45", AN ARC LENGTH OF 123.55

FEET, THE CHORD OF WHICH BEARS NORTH 28°21'22" EAST, 123.46 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10;

8. NORTH 89°27'26" WEST AND ALONG SAID SOUTH LINE, A DISTANCE OF 133.30 FEET, TO A POINT ON A CURVE;
 9. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 790.00 FEET, A CENTRAL ANGLE OF 03°51'20", AN ARC LENGTH OF 53.16 FEET, THE CHORD OF WHICH BEARS SOUTH 30°19'4" WEST, 53.15 FEET;
 10. SOUTH 32°14'44" WEST, A DISTANCE OF 274.89 FEET;
 11. SOUTH 83°29'15" WEST, A DISTANCE OF 33.31 FEET;
 12. NORTH 57°45'16" WEST, A DISTANCE OF 380.82 FEET;
 13. SOUTH 32°14'44" WEST, A DISTANCE OF 6.00 FEET, TO A POINT ON A CURVE;
 14. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 14°13'19", AN ARC LENGTH OF 214.59 FEET, THE CHORD OF WHICH BEARS NORTH 64°51'56" WEST, 214.04 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10, SAID POINT ALSO BEING A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF WEST PLUM CREEK PARKWAY AS DESCRIBED IN DEED RECORDED UNDER RECEPTION NO. 2008075142;
- THENCE ALONG SAID NORTHERLY RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES:

1. CONTINUING ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 864.50 FEET, A CENTRAL ANGLE OF 17°28'53", AN ARC LENGTH OF 263.77 FEET, THE CHORD OF WHICH BEARS NORTH 80°43'02" WEST, 262.74 FEET;
2. NORTH 89°27'28" WEST, A DISTANCE OF 548.00 FEET, TO A POINT ON A CURVE;
3. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 500.50 FEET, A CENTRAL ANGLE OF 75°02'22", AN ARC LENGTH OF 655.50 FEET, THE CHORD OF WHICH BEARS NORTH 51°56'17" WEST, 609.64 FEET TO THE POINT OF BEGINNING,

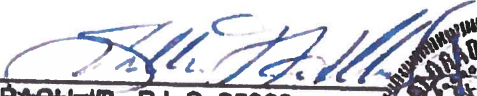
SAID PARCEL CONTAINING A CALCULATED AREA OF 2,871,687 SQUARE FEET OR 65.925 ACRES, MORE OR LESS.

ALL REFERENCES TO RECORDED DOCUMENTS ARE FILED WITH THE DOUGLAS COUNTY CLERK AND RECORDER.

THE LINEAL UNIT USED IN THE PREPARATION OF THIS PLAT IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING. THE LEGAL DESCRIPTION WAS PREPARED FROM EXISTING

PLATS AND RECORDED DOCUMENTS. THIS DOES NOT REPRESENT A
MONUMENTED LAND SURVEY.


WILLIAM F. HESSELBACH JR., P.L.S. 25369
FOR AND ON BEHALF OF
CVL CONSULTANTS OF COLORADO, INC.



S01°36'48"E
173.53'

AT & SF RAILROAD ROW
L=576.93', R=880.93'

Δ=37°31'24"
CH=NM°48'53"E
CH=566.67'

S35°34'35"W
193.47'

N23°36'32"W 793.03'

N88°03'18"E
134.81'

N00°00'15"W 700.98'

S88°27'26"E
133.30'

N32°14'44"E
275.80'

N32°14'44"E
274.89'

S57°45'16"E 709.16'

REC. NO. 2008054850

N82°31'32"E
87.69'

N50°36'04"E
187.64'

S07°13'58"E
38.25'

N52°55'43"E
279.75'

N57°32'24"E
190.11'

N88°36'24"E
218.51'

N87°48'37"E
98.12'

N14°31'34"E
120.00'

S85°19'52"E
10.92'

N78°57'40"E
150.30'

N00°17'07"W
41.71'

N88°42'53"E
60.00'

N57°11'01"E
127.32'

N71°29'11"E
22.78'

OUTLOT B
POINT OF
BEGINNING

REC. NO. 2008044188

N70°14'23"E
21.48'

Δ=75°02'22"
CH=557°56'07"E
CH=629.64'

L=855.50', R=500.50'

REC. NO. 2008054850

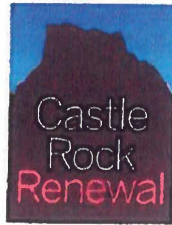
S88°27'26"E 2616.68'
(BASIS OF BEARINGS)

REC. NO. 2008076142

WEST LINE OF THE NE1/4 SEC. 10

N70°14'23"E
21.48'





Attachment 1:

Citadel Station - Castle Meadows Conditions Survey

Citadel Station - Castle Meadows Conditions Survey

Town of Castle Rock, Colorado

February 2014

Prepared for:

Castle Rock Urban Renewal Authority (CRURA)
Town of Castle Rock Town Council

Prepared by:

RickerCunningham
8200 South Quebec Street, Suite A3-104
Centennial, CO 80112

303.458.5800 phone
303.458.5420 fax

www.rickercunningham.com



Citadel Station - Castle Meadow

Conditions Survey

Town of Castle Rock, Colorado

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Citadel Station - Castle Meadow

Conditions Survey

Town of Castle Rock, Colorado

1.0 Introduction

The following report, the *Citadel Station - Castle Meadows* (the "Survey") was prepared for the Castle Rock Urban Renewal Authority (CRURA) and the Castle Rock Town Council in January 2014. The purpose of this work was to analyze conditions within a defined Survey Area (also referred to here as "the Survey Area" or "Area") located within the Town of Castle Rock, Colorado, in order to determine whether a sufficient number of factors contributing to blight (as defined under the provisions of the Colorado Urban Renewal Law) are present and whether it is, therefore, eligible as an urban renewal plan area.

The Survey Area includes three parcels situated in the south central portion of the Town of Castle Rock, in the northwest quadrant of Interstate 25 (I-25) and Plum Creek Parkway. Specifically, it is bounded by Plum Creek Parkway on the south, I-25 on the east, and improved industrial lots along the frontages of Topeka Boulevard and Santa Fe Boulevard on the north and west (See **Figure 1**). Properties within the Survey Area are owned by separate interests, all local. All property owners of record were notified that the Survey was being conducted.

This *Citadel Station - Castle Meadows Conditions Survey* is a necessary step in the determination of blight and establishment of an urban renewal area with the intent of addressing the issues outlined herein. As such, it is also an important step in advancing community goals set out in the City's comprehensive planning documents specifically related to private property investment, placing vacant and under-utilized land into productive use, and completion of local and regional public improvements, as well as increased municipal revenues.

Establishment of an urban renewal plan area, after a declaration of blight, will allow the Town of Castle Rock, through its urban renewal authority, to use designated powers to

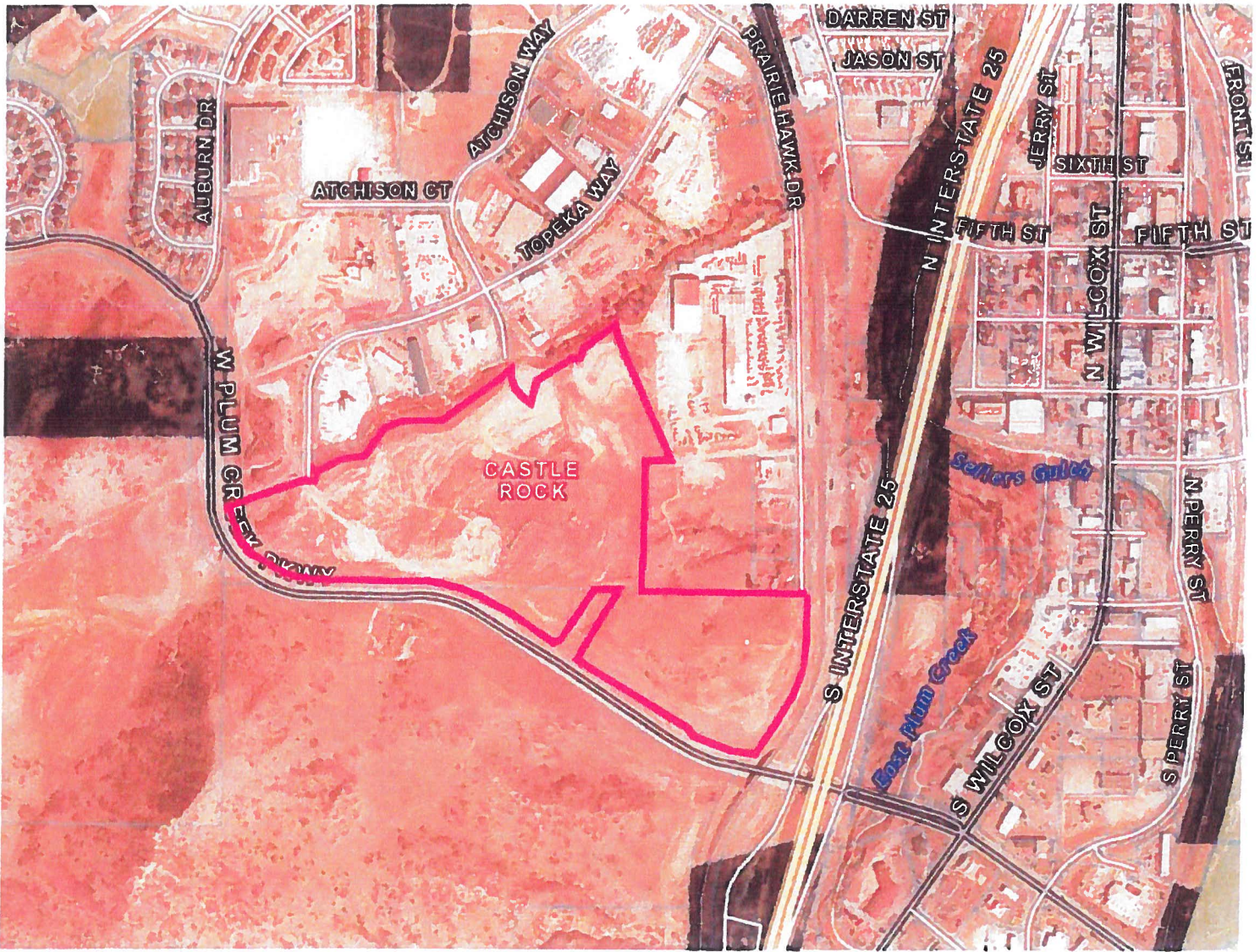


Figure 1:
Citadel Station – Castle Meadows URA Boundary Map

assist in the mitigation of blighted conditions in the plan area and improvement of infrastructure within and adjacent to its boundaries.

2.0 Definition of Blight

A determination of blight is a cumulative conclusion based on the presence of several physical, environmental, and social factors defined by state law. In reality, blight is often attributable to a multiplicity of conditions, which, in combination, tend to contribute to the phenomenon of deterioration of an area. For purposes of this Survey, the definition of a blighted area is based upon the definition articulated in the Colorado Urban Renewal Law, as follows:

“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

- (a) Slum, deteriorated, or deteriorating structures;*
- (b) Predominance of defective or inadequate street layout;*
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (d) Unsanitary or unsafe conditions;*
- (e) Deterioration of site or other improvements;*
- (f) Unusual topography or inadequate public improvements or utilities;*
- (g) Defective or unusual conditions of title rendering the title non-marketable;*
- (h) Existence of conditions that endanger life or property by fire or other causes;*
- (i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- (j) Environmental contamination of buildings or property;*
- (k.5) Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements;*
- (l) If there is no objection of such property owner or owners and the tenant*

or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare. For purposes of this paragraph (1), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

Source: Colorado Revised Statute 31-25-103(2).

While the conclusion of whether an area constitutes a legally "blighted area" is a determination left to municipal legislative bodies, this Survey provides detailed documentation of the aforementioned physical, environmental and social factors as they exist within the boundaries defined herein. Note: It is not legally necessary for every factor to be present in an area in order for it to be considered "blighted". In addition, a given factor need not be present on each and every parcel or building to be counted, but must be found somewhere in the area as a whole. In other words, the presence of one or more well-maintained, non-blighted buildings or parcels does not necessarily preclude a finding of blight for a larger area in which blighting factors are present elsewhere¹. Rather, an area qualifies as blighted when *four* or more factors are present (or *five* factors, in cases where the use of eminent domain is anticipated). As explained in Item (I) above, and relevant here, this threshold may be reduced to the presence of *one* blighting factor in cases where no property owner, tenant or other business interest in the area objects to inclusion in the urban renewal plan area. While the total number of factors found in the subject Survey Area totaled nine conditions, all of which are described in greater detail herein, no person or entity has objected to inclusion in the Area.

With this understanding, the *Citadel Station - Castle Meadows Conditions Survey* presents an overview of factors within the Survey Area sufficient to make a

¹ While not clearly addressed in Colorado Urban Renewal law, this interpretation has been favored by the courts.



determination of blight. Section 5.0 (Summary of Findings) provides conclusions regarding the presence of qualifying conditions in the Survey Area; however, the Castle Rock Town Council will make a final determination as to whether the Area constitutes a "blighted area" under Colorado Urban Renewal Law.

3.0 Study Methodology

Ricker/Cunningham personnel conducted field investigations in December of 2013 and January of 2014 for the purpose of documenting conditions within the categories of blight presented on pages 4 and 5. Pertinent Geographic Information Systems (GIS) data from the Town of Castle Rock was also obtained and subsequently analyzed. Finally, discussions with Town of Castle Rock Staff were conducted and collectively the results of these efforts are discussed herein.

The 11 factors listed in the Urban Renewal Law (see Section 2.0 of this report) contain few specific details or quantitative benchmarks to guide the conditions survey process. Therefore, Ricker/Cunningham has developed a checklist of more specific categories of blighting conditions within each statutory factor to aid in the identification and characterization of blight factors. This checklist has been used in nearly 60 urban renewal conditions surveys for dozens of municipalities across Colorado, and the Southern and Western United States.

(a) Slum, deteriorated, or deteriorating structures

This factor is said to be present when the physical condition of structures in the area present specific life-safety concerns. Sub-categories include deterioration or absence of the following:

- Roof
- Walls fascia board and soffit
- Foundation
- Gutters and downspouts
- Exterior finish
- Windows and doors

- Stairways and fire escapes
- Mechanical equipment
- Loading areas
- Fences, walls and gates
- Other non-primary structures

(b) Predominance of defective or inadequate street layout

This factor is said to be present when the layout (or non-existence) of streets or roads creates problems for health, safety, welfare or sound development. Sub-categories include inadequate or elevated:

- Vehicular access
- Internal circulation
- Driveway definitions and curb cuts
- Parking layout
- Traffic accident history

(c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness

This factor is said to be present when lot size or configuration inhibits or is likely to inhibit sound development. Sub-categories include inadequate or unsafe:

- Lot shape or layout
- Vehicular access - parcels with poor access are usually found to have both category (b) and (c) present
- Lot size

(d) Unsanitary or unsafe conditions

This factor is said to be present when safety hazards and conditions are likely to have adverse effects on the health or welfare of persons in the area due to problems with a lack of infrastructure. Sub-categories include the presence of:

- Poorly lit or unlit areas

- Cracked or uneven sidewalks
- Hazardous contaminants
- Poor drainage
- Flood hazards
- Steep slopes
- Unscreened trash or mechanical equipment
- Pedestrian safety issues
- High crime incidence
- Lack of fire protection
- Vagrants, vandalism and graffiti

(e) Deterioration of site or other improvements

This factor is related to factor (a), and said to be present when land and/or structures have been either damaged or neglected. Sub-categories include the presence of, deteriorating or lack of:

- Billboards
- Signage
- Poorly maintained properties, streets, and other public improvements
- Trash, debris and weeds
- Parking surfaces, curbs and gutters
- Landscaping

(f) Unusual topography or inadequate public improvements or utilities

This factor represents the combination of two formerly separate factors. To that end, it is said to be present when the topography is incompatible with development (hilly, sloped, etc.) or properties are lacking complete public infrastructure. Sub-categories include the presence of, deteriorating or lack of:

- Slopes or unusual terrain
- Street pavement
- Curb and gutter
- Street lighting



- Overhead utilities
- Sidewalks
- Roads
- Water and sewer service
- Storm water quality and drainage improvements

(g) Defective or unusual conditions of title rendering the title non-marketable

This factor is said to be present when there are problems with the marketability of property titles, including unusual restrictions, unclear ownership, etc. Due to the expense of title searches, this blight factor is typically not examined unless developers or land owners provide documentation of known problematic title issues. (No sub-categories).

(h) Existence of conditions that endanger life or property by fire or other causes

This factor is said to be present when site and / or building maintenance or use issues exist that may threaten site users. This factor also includes potential threats from fire or other causes. Sub-categories include the presence of:

- Fire safety problems
- Hazardous contaminants
- High frequency of crime
- Floodplain and flood hazards

(i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities

This factor is said to be present when primary improvements, specifically those described in the context of factors (a) and (d) above, as well as property, poses a danger to the extent that habitation and/or daily use is considered unsafe. Sub-categories include the presence or lack of:

- Hazardous contaminants
- Fire safety infrastructure
- Unsafe building facilities
- All of the factors listed under (h) above

(j) Environmental contamination of buildings or property

This factor is said to be present when there exist threats from chemical or biological contamination. Unlike category (i) above, this factor can be said to exist even when such contamination does not pose a direct health hazard, so long as it causes other problems (i.e. inhibits development). Sub-categories include the presence of:

- Hazardous contaminants

(k.5) Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

This factor is said to be present when properties or their improvements are underutilized; or, there is a disproportionate amount of public service being provided. For instance, properties generating frequent calls for police or fire service or code enforcement often require more than their share of services. Sub-categories include the presence of:

- High frequency of fire calls
- High crime incidence
- Site and building underutilization
- All of the factors listed under (d) and (h) above



4.0 Survey Area History

The overall Survey Area consists of three parcels of land which collectively consist of approximately 66 acres. In 1977, approximately 40 of these acres, classified as “undeveloped industrially zoned land within the corporate limits of the Town” were leased by then owners, Lee H. Weinstein, Peter D. Brown, David M. Brown and Adam Brown, to the Town of Castle Rock Board of Trustees (now Town of Castle Rock Town Council) for the operation of a solid waste disposal site. Upon execution of the original lease agreement, the Town subsequently entered into a sub-lease agreement with the Douglas County Board of Commissioners for the same properties. The intended use as a waste disposal site remained the same, as did the agreement terms and conditions. Both required that the Lessor comply with all State of Colorado regulations and Department of Health requirements related to the maintenance and upkeep of a waste disposal operation and site, for the term of the lease. Additionally, both agreements allowed for twenty-five one year extensions after the first two-year lease period of July 1, 1977 through June 30, 1979.

The lease and sub-lease acknowledged the presence of clay mines not in use, and their impact on the developability of properties in the area, barring any significant mitigation. They also obligated the Lessor to commission the preparation of a boundary survey of the filled areas upon their completion and before said area was filled with clean soil (pursuant to State landfill requirements.) The stated purpose for the survey was to determine where fill areas existed so that future development could appropriately address or avoid them. At the time of this report, no survey was made available and neither property nor Town representatives knew if a survey had ever been completed. Representatives of the Town’s Public Works Department did, however, express the necessity for this type of information prior to defining the final design and alignment for Prairie Hawk Drive Extension, a required public improvement that will provide access for sites within the Area.

5.0 Summary of Findings

The presence of blight that “...*substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an*

economic or social liability, and is a menace to the public health, safety, morals, or welfare..." [Colorado Revised Statute 31-25-103(2)]

It is the conclusion of this report that, within the Survey Area, there are physical conditions sufficient to meet criteria established in the Act as "blighting factors." Specifically, nine of the possible 11 blight factors were found to be present including: b) predominance of defective or inadequate street layout; c) faulty lot layout in relation to size, adequacy, accessibility, or usefulness; d) unsanitary or unsafe conditions; e) deterioration of site or other improvements; f) unusual topography or inadequate public improvements or utilities; h) existence of conditions that endanger life or property by fire or other causes; i) buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities; j) environmental contamination of buildings or property; and, k.5) substantial physical underutilization or vacancy of sites, buildings, or other improvements. Each of these is described in greater detail below.

(b) Predominance of defective or inadequate street layout

Predominance of defective or inadequate street layout can be considered present when existing roads are insufficient to meet the needs of land uses within an area (capacity), there is a lack of streets, or the streets that are in place are deteriorating or substandard. Although previous lease agreements associated with the use of properties within the Area for the disposal of solid waste speak to the presence of an access road, none were identified during the field investigation completed as part of this survey effort. If one or more roads are present, they are likely in a state of disrepair, lacking pavement, curbs, gutters and appropriate lighting. According to the Town of Castle Rock Public Works Department, an access management plan was prepared for Plum Creek Parkway (then known as Coachline Road), by Felsburg Holt & Ullevig (FHU) in August 2008, for the purpose of providing "reasonable access guidance to parcels in the area," including those that are the subject of this report. In addition to desired improvements associated with Plum Creek Parkway, the FHU report speaks to a proposed alignment for Prairie Hawk Drive Extension which bisects the Area from south to north, as well as trail connections to a planned regional park. Any development within the Survey Area will necessitate construction of both onsite and offsite streets, built to adopted Town codes and standards, and able to accommodate

safe vehicular and non-vehicular movement. At the time of this report, those standards required accommodations for proper driveway definition (curb cut), lighting and sidewalks. Greater detail regarding all capital projects required to support development in the Area is provided under factor (f) below.

Whereas inadequate or ill-defined streets can result in a high frequency of traffic accidents, and correspondingly, a disproportionate use of public resources, this is another condition considered in the context of this factor. According to the Castle Rock Police Department, there were 17 traffic accidents at Plum Creek Parkway and I-25 between January 1, 2008 and October 31, 2013. No information was provided regarding whether this was or was not a disproportionately high incident level.

(c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness

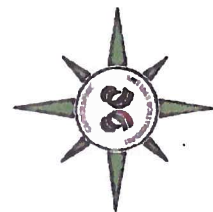
Because faulty streets often produce faulty lots, particularly when they impact vehicular access, properties within the Survey Area that suffer from conditions associated with factor (b) also suffer from this factor (c) for the reasons explained above. In addition to access, factor (c) considers the impact of size and shape as they might impact a parcel's usefulness for private investment. Two of the three sites which comprise the Area are significant in size and do not suffer from any significant irregularities related to their shape. The third parcel, however, comprises approximately 2.3 acres of land, all of which suffers from significant topography issues. Under nearly any development scenario, regardless of zoning, and considered independent of the other properties, this parcel would be significantly limited in its ability to accommodate any improvements other than infrastructure.

(d) Unsanitary or unsafe conditions

Multiple factors were identified that contribute to unsafe conditions in the Survey Area. Among them – insufficient improvements for either vehicular or non-vehicular movement due to a lack of: streets, lighting and sidewalks; defined access points; steep slopes (the latter largely associated with portions of parcels located primarily along the Area's southern and eastern borders); and, the presence of hazardous contaminants remaining since its use as a solid waste

URA Boundary

- Real Property
- Parcel
- Public Land Survey System
- Township
- Section
- General Features
- School
- Private Road
- Railroad
- Floodplain Zones



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Figure 2 Floodplain Zones

disposal site. Insufficient infrastructure to accommodate safe vehicular and non-vehicular movement is addressed under factor (b) above. Slope concerns and infrastructure deficiencies are discussed under factor (f) and details regarding hazardous contaminants can be found under factor (j) below.

Two additional conditions considered to contribute to an unsafe environment and discussed in the context of this factor, are: the presence of a flood zone, a high frequency of criminal incidents, and a lack of fire protection equipment. While there is a 100-year flood zone present in the vicinity of the Area, specifically along the eastern edge of I-25 and associated with East Plum Creek and along its northern border, they do not appear to directly impact any portion of the Survey Area. (See Figure 2 on the following page regarding the exact location of these floodways.) With regard to criminal activity, according to the Castle Rock Police Department, there has been no criminal activity in the Area. According to the Castle Rock Fire Department, there have been no calls for service or incidents of fire, either.

In terms of conditions that are not necessarily unsafe, but rather unsanitary and contributing to an overall appearance of neglect, there are several that were observed. Weeds inhabit the natural grasses; trash from recent trespassers, as well as former users can be observed throughout the Area; and, there are numerous incidents of remnant infrastructure including concrete blocks and sections of pipe, retaining walls and fences.

(e) Deterioration of site or other improvements

As explained earlier, while all of the parcels within the Area can be considered vacant, portions of each once served as a disposal site for solid waste. Today, collectively properties in the Area are considered a landfill site, regardless of whether individual parcels were directly or indirectly impacted by the waste. In their current condition, the properties appear both abandoned and neglected, with remnants of infrastructure visible from adjacent roadways. As explained above, the Area is overgrown with weeds and while signed, there is evidence of trespassers. When applied in the context of improved properties, this factor considered the absence and / or condition of parking surfaces, presence or absence of landscaping, and presence or condition of signage. Given the lack of



improvements within its boundaries, and despite its zoning which allows for industrial improvements and an expectation of certain site improvements, these concerns are less relevant.

(f) Unusual topography or inadequate public improvements or utilities

As explained under factors (c) and (d) above, the Area's southern and eastern edges suffer most significantly from extreme grade changes, which once the property is developed, will necessitate retaining walls, drainage improvements, and fill. In addition to these improvements, steep slopes limit the developable acreage of specific parcels and the overall Area. While topographic concerns can be addressed, solutions are costly, yet necessary in order to make sites accessible and internal circulation possible.

Based on information provided by the Town of Castle Rock Utilities Department, existing improvements located adjacent to the perimeter of the Survey Area include a sanitary sewer line, water and raw water distribution mains, and a storm water conduit. There do not, however, appear to be fiber lines present either adjacent to or in the vicinity of properties in the Area. Other public improvements that are more obviously absent are associated with the lack of streets to or within properties in the Area such as: adequate lighting, sidewalks, obvious access points, curbs and gutters, and paved (rather than dirt) roads.

As mentioned under factor (b) above, two roadway improvements will be required to accommodate improvements in the Area – completion of Plum Creek Parkway and construction of Prairie Hawk Drive Extension. Whereas Plum Creek Parkway is located along the Survey Area's southern border, the extension of Prairie Hawk Drive will traverse the Area from south to north, intersecting with Topeka Way and connecting with Atchison Way. Whereas Plum Creek Parkway will be financed by Area property owners as outlined in existing agreements, Prairie Hawk Drive is an unfunded capital improvement.

Overhead utilities, while often present on municipal parcels in more established locations of a community, and while allowed, are considered a visual and functional condition which contributes to blight. Overhead utilities are visible

along the eastern edge of the Survey Area. Whether or not the Town requires that these lines be buried, was undetermined as of the date of this report.

Improvements which the Town will require at specified thresholds of development (as reported by the Town's Public Works Department) include completion of: Plum Creek Parkway, an internal street system, the extension of Prairie Hawk Drive, water quality ponds for both roadways, curbs, sidewalks, street lighting, traffic signals, a water looping system, storm water conveyance improvements, and, site mitigation measures resulting from any disturbances to landfill materials. Additionally, a trail connection system within the drainage tributary along the northern boundary of the Area is planned and will need to be completed. Finally, the Town expressed interest in having a regional water quality detention facility in the Area, but did not specifically express their intent to require participation by Area property owners.

(h) Existence of conditions that endanger life or property by fire or other causes

Factors that threaten site users which were either observed or identified in the Survey Area include all of those conditions previously mentioned, but in this context are primarily associated with the lack of adequate infrastructure and the presence of hazardous contaminants. Concerns associated with insufficient infrastructure have been discussed in detail in the discussion above. Known hazardous contaminants which impact properties in the Area are by-products of a former solid waste disposal facility within its boundaries. Details regarding the facility and its operators are presented under factor (j) below.

(i) Buildings (and sites) that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities

Because the presence of unhealthy conditions and corresponding lack of protections from these conditions can also be considered a danger to life and / or property, the Survey Area suffers from this blight factor for the reasons explained under factors (b), (c), (d), (e), (f), and (h) above, as well as (j) below.

(j) Environmental contamination of buildings or property

A review of materials published by the State of Colorado related to properties that are presently the subject of an environmental investigation by the Environmental Protection Agency, suggested that several properties located adjacent to the Area are under review, but none of the properties within the Area. See **Figure 3** on the following page regarding the location of these parcels.

While properties in the Area do not appear in the above-referenced database, they were host to a County-operated solid waste disposal operation during the 1970s and 1980s. As outlined above, in 1977, several private property interests leased a significant portion of the Area to the Town of Castle Rock, who subsequently sub-leased it to Douglas County, for use as a disposal site for solid waste. While the County discontinued their operation several years ago, the site is recognized as the Citadel Landfill Site. Original agreements between the Lessee and the Lessor obligated the Lessor to commission preparation of a boundary survey of the filled areas upon completion or discontinuance of their efforts, and before clean soil was introduced. Discussions with property owner and Town representatives suggest that no survey was ever completed, but that one would be essential prior to commencing development within the Area or in adjacent rights-of-way. A lack of information related to the location of specific contaminants led the Town to establish the alignment for Plum Creek Parkway in a manner that would minimize the risk of any disturbance. Similar concerns informed the Prairie Hawk Drive Extension alignment. Remediation costs associated with the removal of contaminated soil will ultimately need to be based on a survey verifying the location, depth and limits of contaminants, as will the terms of any agreement between the Authority and private interests related to reimbursement of these costs.

(k.5) Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

Only one condition was identified as being present in the context of this factor – site underutilization. As explained above, properties in the Survey Area are classified as vacant industrial parcels.

6.0 Summary of Factors

Table 1 summarizes the findings across all surveyed parcels. As shown, of the 11 total possible factors, nine were found to some extent within the Survey Area. Additionally, all nine (as discussed earlier) were present to a degree that appeared likely to have a significantly negative impact on sound development.

Table 1
Citadel Station - Castle Meadows
Summary of Findings

Blight Qualifying Factor	Present Total Survey Area
(a)	
(b)	X
(c)	X
(d)	X
(e)	X
(f)	X
(g)	
(h)	X
(i)	X
(j)	X
(kS)	X
Total Factors	9

Source: Ricker/Cunningham.



Appendix: Miscellaneous Survey Area Maps

URA Boundary Valuations

Real Property

Parcel

Public Land Survey System

Township

Section

General Features

School

Private Road

Railroad

Parcel Values

Total Actual Values by Parcel

\$ 27,840

\$212,976

\$550,152

Total Assessed Values by Parcel

\$ 8,070

\$ 61,760

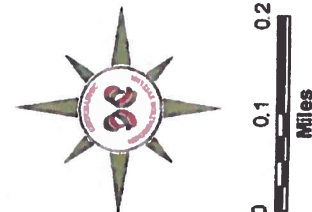
\$159,540



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URA Boundary EPA Regulated Facilities

- Real Property
- Parcel
- Public Land Survey System
- Township
 - Section
- General Features
- School
 - Private Road
 - Railroad
 - EPA Regulated Facilities



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