ENGLEWOOD URBAN RENEWAL AUTHORITY

June 11, 2014
6:30 P. M.
COMMUNITY DEVELOPOMENT CONFERENCE ROOM
Englewood Civic Center – Third Floor

1. Call to Order/Roll Call

2. Public Forum

3. Approval of Minutes:
   - May 14, 2014

4. Option Agreement for Broadway/Acoma Property between EURA and Medici Communities

5. Sale and Redevelopment Agreement for Broadway/Acoma Property between EURA and Medici Communities

6. Director's Choice

7. Member's Choice

8. Adjourn

City of Englewood

Urban Renewal Authority

MEMORANDUM

TO: Chair Rogers and EURA Board Members

FROM: Alan White, Executive Director

DATE: June 11, 2014

SUBJECT: Revised Option Agreement with Medici Communities

The Option Agreement has been revised to correct transposed "Seller" and "Purchaser" in Section 8. Otherwise, the Agreement remains as presented at the May 9, 2014 meeting, with the following key points:

1. The requirement to file the application for tax credits to CHFA is July 1, 2014.
2. The Option Agreement reflects the purchase of the EURA property in two phases. The Option Agreement will apply to that portion of the project for which Medici is applying for tax credits, or Phase I.
3. The purchase price is $1,000,000.00. (Phase 2 will be the portion of the project for which the EURA will carry a $700,000 note for 10 years. No tax credit financing is proposed for Phase 2.)
4. If Medici fails to submit an application to CHFA on or before July 1, 2014 (or if CHFA extends the application deadline, on or before such later date), then the EURA Board shall have the right to terminate the Option Agreement upon written notice to Medici, and the deposit is returned.
5. The Option Agreement must be exercised or terminated by October 15, 2014. This allows for Medici's application to be submitted to CHFA and the typical two-month review and notice of award time
6. A deposit of $10,000 is required to be placed in escrow. The deposit is credited toward the purchase price.
7. If the option to purchase is exercised, Medici must enter into a purchase contract within 15 days and Closing must occur by April 30, 2015. A 90-day extension to the Closing date can be approved, with an additional $5,000 deposit. The additional deposit is credited toward the purchase price.
8. Should negotiations fail and the project not move forward, Medici or the EURA must give notice of termination. If Medici fails to give notice, or the option to purchase is not exercised, the deposit is forfeited. If notice is given, the deposit is refunded.

9. Any assignment of the Option Agreement to another party not controlled by Medici must be approved by the EURA. If the other party is wholly-owned or wholly-controlled by Medici, only notice to the EURA that an assignment is being made is required prior to assignment. It is likely that Medici will form a limited liability company for the purpose of constructing this project. Medici and its principals will be majority (90%+) owners in the LLC.
10. Medici may enter the property for purposes of reasonable inspections, surveys and soil tests during regular business hours and shall restore the property to its condition prior to any tests being conducted.

The revised Option Agreement has been reviewed by Medici representatives, Medici's legal counsel, EURA and City Attorneys, and staff. All parties are in agreement as to the terms and provisions of the Agreement.

If the terms of the Agreement are acceptable to the Board, Staff requests approval of the revised Option Agreement by motion.

REAL ESTATE PURCHASE OPTION AGREEMENT
(Applicable to Phase 1 Development Parcel Only)

THIS REAL ESTATE PURCHASE OPTION AGREEMENT (the "Option Agreement") is executed as of June ___, 2014 by the ENGLEWOOD URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Seller"), in favor of MEDICI COMMUNITIES, LLC, a Colorado limited liability company (together with its permitted successors and assigns, the "Purchaser").

WHEREAS, Seller owns certain land located in Englewood, Colorado, as more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all improvements thereon and all easements, rights and appurtenances thereto (the "Property"); and

WHEREAS, Seller agrees to sell, and Purchaser agrees to purchase, the Property under the terms and conditions outlined below and contained in the hereinafter defined Purchase Contract.

1. **CONSIDERATION**. In consideration of TEN THOUSAND AND NO/100 DOLLARS ($10,000.00) in cash or by check deposited in an escrow account at Heritage Title Company, Inc. ("Escrow Agent") pursuant to escrow instructions approved in writing by the Executive Director of Seller and by Purchaser within five (5) business days of the date hereof (the "Deposit"), the Seller grants to the Purchaser the sole and exclusive right and option to purchase (the "Option") the Property. In the event that the Option granted herein is exercised, the Deposit shall be considered part of the hereinafter defined Purchase Price.

2. **TERM**. The Option granted hereby may be exercised or terminated by the Purchaser or the Purchaser's assignee or nominee at any time on or before October 15, 2014 (the "Expiration Date"). Deposit of written notice in the United States mail on or before 5:00 P.M. on the Expiration Date shall constitute sufficient notice of the exercise or termination of the Option. All notices sent by mail shall be sent by certified mail, return receipt requested. In the alternative, the Purchaser may deliver written notice of the exercise or termination of the Option to the Seller at the address hereinafter set forth on or before 5:00 P.M. on the Expiration Date. If Purchaser exercises the Option on or before the Expiration Date pursuant to the terms of this Option Agreement, the Purchaser and the Seller shall enter into a Purchase Contract (as defined in Section 3) in accordance with the terms of Section 3 hereof (if they have not already done so), and the Deposit shall be held by the Seller pursuant to the terms of the Purchase Contract and applied to the Purchase Price at Closing. If Purchaser terminates the Option on or before the Expiration Date pursuant to the terms hereof, the Deposit shall be returned to the Purchaser within five (5) days of delivery of such termination notice to the Seller and the Escrow Agent, and the Option Agreement shall terminate. If Purchaser fails to exercise or terminate the Option Agreement on or before the Expiration Date, Seller shall retain the Deposit as its sole and exclusive property and the Option Agreement shall terminate and have no further force and effect. Notwithstanding anything herein to the contrary, if Purchaser fails to submit an application to the Colorado Housing and Finance Authority ("CHFA") for an allocation of low income housing tax credits to be awarded in the second round of CHFA's 2014 award process on or before July 1, 2014 (or if CHFA extends the application deadline, on or before such later

date), then the Seller shall have the right to terminate this Option Agreement upon written notice to the Purchaser, and the Deposit shall be returned to the Purchaser within five (5) days of delivery of termination notice to the Seller and the Escrow Agent.

3. **PURCHASE AGREEMENT**. The parties hereto hereby acknowledge that the Seller has provided to the Purchaser a draft sale and development agreement on or before the date hereof. The Seller and the Purchaser may enter into and execute the sale and development agreement at any time on or after the date hereof, but in no event later than fifteen (15) days after the Option is exercised (the "Contract Date"). Such sale and development agreement shall incorporate the terms and conditions of this Option Agreement together with such other terms and conditions as reasonably requested and acceptable to the parties hereto (the "Purchase Contract"). In the event the Purchase Contract has not been fully executed by the Contract Date, this Option Agreement and the Option hereunder shall automatically terminate and be of no further force and effect, and the Deposit shall be returned to the Purchaser. The closing of the transaction contemplated by this Option Agreement and the Purchase Contract (the "Closing") shall occur not later than March 15, 2015 (hereinafter referred to as the "Closing Date"), provided, however, that the Purchase Contract shall provide that the Purchaser has the right to extend the Closing Date for up to ninety (90) days upon payment to the Seller of an additional deposit of $5,000.00, which amount shall be added to the Deposit and be applied against the Purchase Price at Closing.

4. **PURCHASE PRICE**. The purchase price for the Property shall be ONE MILLION DOLLARS ($1,000,000) (the "Purchase Price") payable to the Seller by wire transfer at Closing. The Deposit shall be applied to payment of the Purchase Price.

5. **CONVEYANCE**. The Property shall be conveyed to the Purchaser by special warranty deed free and clear of all liens and encumbrances whatsoever, except for real estate taxes and general and special assessments not then due and payable, zoning ordinances and such easements, reservations, limitations and restrictions as the Purchaser shall approve in its discretion. Notwithstanding anything herein to the contrary, the Seller and the Purchaser may agree in the Purchase Contract to convey the Property in one or more parcels and in multiple phases in accordance with the terms set forth in the Purchase Contract, provided, however, that the final conveyance of the last parcel shall occur no later than the Closing Date set forth herein.

6. **COSTS AT CLOSING**. Each party will bear the costs of their own attorney. The Purchaser shall be responsible for all title and recording costs and other costs and expenses related to the purchase of the Property.

7. **POSSESSION**. The possession of the Property shall be delivered to the Purchaser or its assignee or nominee at Closing.

8. **ENTRY FOR INSPECTION AND COOPERATION**. The sole relationship between the parties is optionor and optionee. The Purchaser or its agents are authorized to enter upon the Property at reasonable times during regular business hours, after first giving at least 24-hour notice to the Seller, and make such reasonable inspections, surveys and soil tests of the Property as it shall deem appropriate. The Purchaser entering upon the Property pursuant to this section shall restore the Property to its condition prior to any tests or inspections made by the

Purchaser and shall indemnify and hold harmless the Seller for any loss or damage or claim for loss or damage (including reasonable legal fees) resulting from any such entrance, tests and surveys. The Seller will cooperate with the Purchaser in good faith during this inspection period to enable the Purchaser to determine such facts and circumstances needed in the sole discretion of the Purchaser for development and operation of the Property for its intended use. The Purchaser shall provide the Seller with complete copies of all such inspection, survey and soil test results and reports.

9. **NOTICE**. All notices provided for herein, if not delivered in person, shall be sent by United States certified mail, return receipt requested, to the Purchaser at Medici Communities, LLC, 2140 S. Delaware Street, Suite 104, Denver, CO 80223, Attention: Troy Gladwell; and to the Seller at The Englewood Urban Renewal Authority, C/o City of Englewood, 1000 Englewood Parkway, Englewood, CO 80110, Attention: Alan White. Either party shall have the right to designate a new address for the receipt of said notices by written notice given as aforesaid.

10. **ADDITIONAL TERMS AND CONDITIONS**. All leases and contracts affecting the Property will be assigned to the Purchaser at Closing. From the time the Seller enters into this Option Agreement, the Seller shall not sign or enter into any leases or any contracts that cannot be cancelled without any additional payment within 30 days of giving a notice of cancellation. The Seller hereby represents and warrants to the Purchaser that the Seller has the right, power and authority to enter into this Option Agreement and to sell the Property in accordance with the terms hereof and that the Seller has granted no option to any other person to purchase the Property nor has Seller entered into any contract (contingent or otherwise) to sell the Property.

11. **ASSIGNABILITY**. The Purchaser shall not assign or otherwise transfer any right or interest in this Option Agreement without Seller's prior written consent. For the purposes of this Option Agreement, transfer shall include a change in the identity of the parties in control of the Purchaser. Notwithstanding the foregoing, the Purchaser may assign or otherwise transfer its interest in this Option Agreement to any affiliate that is wholly-owned or wholly-controlled by the Purchaser, without obtaining Seller's consent; provided, however, the Purchaser shall first notify the Executive Director of Seller and the City Attorney of the City of Englewood in writing of any such assignment or transfer at least ten (10) days prior to the effective date thereof to confirm compliance with this Option Agreement. In such notice, the Purchaser shall disclose (a) all parties who have an interest in the Purchaser and (b) notify the Seller of any and all changes whatsoever in the identity of the parties in control of the Purchaser, or the degree thereof. No voluntary or involuntary successor in interest of the Purchaser shall acquire any rights or powers under this Agreement except as expressly set forth herein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Option Agreement under seal the date first above written.

SELLER:

ENGLEWOOD URBAN RENEWAL AUTHORITY

By ____________________________________
Name __________________________________
Title __________________________________

PURCHASER:

MEDICI COMMUNITIES, LLC

By ____________________________________
Name __________________________________
Title __________________________________

EXHIBIT A

Parcel 1

That part of the SW ¼ of Section 34, Township 4 South, Range 68 West of the 6th P.M., being more particularly described as follows:

Lots 1 through 11, Block 2, City Gardens, EXCEPT that portion of said Block 2 described in Exhibit A of Resolution No. 3, Series of 2008, Official City of Englewood Records, Arapahoe County, Colorado.

TOGETHER with Lots 44 through 48, Block 1, Enwood Addition, EXCEPT that portion of said Block 1 described in Exhibit B of Resolution No. 3, Series of 2008, Official City of Englewood Records, Arapahoe County, Colorado.

TOGETHER with Lots 1 through 4, Block 1, Nielsen's Subdivision.

County of Arapahoe, State of Colorado

The above described property contains an area of 48,950 square feet (1.1237 acres), more or less.

City of Englewood
Urban Renewal Authority

MEMORANDUM

TO: Chair Rogers and EURA Board Members

FROM: Alan White, Executive Director

DATE: June 11, 2014

SUBJECT: Sale and Redevelopment Agreement with Medici Communities

The Sale and Redevelopment Agreement sets for the terms and conditions under which Medici agrees to purchase and redevelop the Acoma property. The Sale and Redevelopment Agreement essentially re-iterates the deal points of the Option Agreement, adds some standard contract language, and adds the following provisions:

1. Although Medici expects to be successful in reserving the low income housing tax credit (LIHTC) allocation from CHFA in the upcoming cycle, the Agreement is set up for applications to be submitted in March 2015 and, if unsuccessful, in July 2015.
2. Schedules of Performance have been created for each of the tax credit cycles and are shown in Exhibit C. In each cycle, after notice of successfully securing tax credits under favorable conditions, Medici closes on the Phase I property and begins construction in Month 9, and completes construction of Phase I in Month 21. Phase II closing and construction begins in Month 15 and is completed in Month 27.
3. The Schematic Documents (building elevations, renderings, building sections, etc.), Site Plan, Parking Plan and Financing Plan are subject to review and approval by the EURA Board. Failure to provide approval or disapproval within the specified time frame will constitute approval. (This may require scheduling a special meeting.)
4. Changes to the development plan and program may be authorized up to 20%, but the amendments must be related to site constraints. The Board approves these changes.
5. Medici may terminate the agreement in its sole discretion if favorable financing is not secured by Medici, including any conditions attached to the LIHTC, or if Medici does not obtain a LIHTC reservation.

The Sale and Redevelopment Agreement has been reviewed by Medici representatives, Medici's legal counsel, EURA and City Attorneys, and staff. All parties are in agreement as to the terms and provisions of the Agreement.

If the terms of the Agreement are acceptable to the Board, Staff requests approval of the Sale and Redevelopment Agreement by motion.

SALE AND DEVELOPMENT AGREEMENT

1.0 PARTIES. This agreement (the "Agreement") is made and entered into as of June ___, 2014, by and between the ENGLEWOOD URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority"), and MEDICI COMMUNITIES, LLC, a Colorado limited liability company (the "Developer").

2.0 RECITALS. The Recitals to this Agreement are incorporated herein by this reference as though fully set forth in the body of this Agreement.

2.1 Defined Terms. Unless otherwise indicated, certain initialized or capitalized, phrases, terms, and words are defined in Section 4.0 of this Agreement.

2.2 Ownership of Property. In accordance with the Act, the Authority has acquired or has contracted to obtain title to the Property.

2.3 Request for Proposals. The Authority published and the Developer responded to a request for proposals for redevelopment of the Property, and the Parties desire to enter into this Agreement to provide for the orderly disposition and redevelopment of the Property and the construction of the Improvements as described herein.

3.0 AGREEMENT. In consideration of the premises and the mutual obligations of the Parties and other good and valuable consideration, the Parties agree as follows.

4.0 DEFINITIONS. Except as otherwise indicated, for the purposes of this Agreement, the following terms shall have the meanings defined below:

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

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

"Authority" means the Englewood Urban Renewal Authority, a body corporate and politic of the State of Colorado.

"Certificate of Occupancy" shall have the same meaning as set forth in the Englewood Municipal Code, adopted June 5, 2000, as amended from time to time.

"City" means the City of Englewood, Colorado.

"City Agreement" means the Contract to Buy and Sell Real Estate by and between the City and the Authority dated November 4, 2013, attached to this Agreement as Exhibit E related to the Property, as amended or modified from time to time.

"Closing" means, with respect to each Development Phase, the applicable closing date set forth on Exhibit C.

"Commence Construction" and "Commencement of Construction" mean, with respect to each Development Phase, the obtaining of a building, excavation, grading or similar permit for the construction of any portion of the Improvements to be constructed during such Development Phase and the commencement and diligent prosecution of physical construction operations on the Property in a manner reasonably necessary to Complete Construction of such Improvements.

"Commitment" has the meaning ascribed to such term in Section 7.8.

"Complete Construction" and "Completion of Construction" mean, with respect to each Development Phase, the issuance of a Certificate of Occupancy by the City for the Improvements to be constructed during such Development Phase certifying that such Improvements may be opened and occupied for their permanent intended use as set forth therein.

"Construction Documents" means, with respect to each Development Phase, the plans and specifications of the Improvements to be constructed during such Development Phase to be prepared by professionals engaged by Developer necessary to Commence Construction and Complete Construction of such Improvements.

"Deed" means a special warranty deed in the form attached as Exhibit D.

"Developer" means the Party identified in Section 1.0 or any successor or assigns permitted by or approved in accordance with this Agreement.

"Developer Financing" means the financing to be obtained by the Developer pursuant to Section 7.2.

"Development Phase" means, as the context shall indicate, the Phase 1 Development, the Phase 2 Development or both.

"Development Plan" means the development plan for the Improvements described in Exhibit B.

"Effective Date" means the date upon which this Agreement has been approved and executed by the Board of Commissioners of the Authority.

"Environmental Laws" means any and all statutes, laws, regulations, ordinances, rules, orders, decrees, judgments, permits, franchises, licenses, or agreements applicable to the Property which regulate or control matters relating to the environment or public health or safety.

"Escrow Agent" means Heritage Title Company, Inc., together with its successors and assigns.

"Escrow Agreement" means that certain Earnest Money Escrow Agreement dated as of the date hereof by and among the Escrow Agent, the Authority and the Developer, as such agreement may be amended or modified from time to time.

"Escrow Deposit" means, initially, the $10,000 deposit made by the Developer under the initial Option Agreement and Escrow Agreement, together with any other additional deposit amounts made by the Developer under any subsequent Option Agreement, and any and all earnings thereon.

"Financing Plan" means the plan for financing construction of the Improvements and maintenance of parking in accordance with the Parking Agreement as described in Exhibit B.

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

"Improvements" means the mixed use improvements (and any public improvements required in connection with such improvements) described in the Development Plan attached hereto as Exhibit B.

"LIHTC Contingency Date" has the meaning ascribed to such term in Section 5.7.

"LIHTC Reservation" has the meaning ascribed to such term in Section 5.7.

"Option Agreement" means that certain Real Estate Purchase Option Agreement dated as of June __, 2014 by and between the Authority and the Developer, as such agreement may be modified or amended from time to time, and to the extent the initial or any subsequent Option Agreement expires or is terminated, the term "Option Agreement" shall refer to any subsequent option agreement entered into between the Parties relating to the Property.

"Option Period" means the "Option Period" then in effect as described in the Schedule of Performance attached hereto as Exhibit C.

"Parking Agreement" means the shared parking agreement described in Exhibit B.

"Party" or "Parties" means a party or the parties set forth in Section 1.0.

"Phase 1 Development" means the development and construction of the improvements described as "Phase 1 Development" in the Development Plan attached hereto as Exhibit B.

"Phase 2 Development" means the development and construction of the improvements described as "Phase 2 Development" in the Development Plan attached hereto as Exhibit B.

"Property" means the real property described in Exhibit A.

"Purchase Price" means the price set forth in Section 7.11.

"Schedule of Performance" means the schedule that governs the times of performance by the Parties set forth in Exhibit C.

"Schematic Documents" has the meaning ascribed to such term in Section 7.4.

"Site Inspections" has the meaning ascribed to such term in Section 5.3.

"Title Company" means Heritage Title Company, Inc.

5.0 CONDITIONS PRECEDENT. With respect to each Development Phase, the following conditions shall be performed or waived in writing by the Party or Parties specified below prior to the Closing relating to such Development Phase for the Option Period then in effect (or on the applicable date specifically relating to such condition in Schedule of Performance, whichever occurs first) as conditions precedent to the obligations of the Parties under this Agreement:

5.1 Approval of Developer Financing. Approval of the terms and conditions of Developer Financing by the Developer and the Authority, provided, however, that the Authority's approval shall not be unreasonably conditioned, withheld or delayed if the amounts and conditions of the various debt and equity financing commitments are sufficient to complete the Improvements within the timeframes set forth in the Schedule of Performance (either Party may terminate).

5.2 Condition of Title and Survey for Property. Waiver or approval of the condition of title and survey for the Property by the Developer in accordance with Section 7.9 (Developer may terminate).

5.3 Environmental Laws; Site Inspections. Waiver or approval by the Developer of (i) compliance of the Property with all Environmental Laws, (ii) the results of Developer's environmental site assessment, and (iii) the results of other site inspections performed by Developer (collectively, "Site Inspections") (Developer may terminate).

5.4 Parking Agreement. Approval of the Parking Agreement by the Parties (either Party may terminate).

5.5 Acquisition of Property. The Authority shall have acquired title to the property described in the City Agreement prior to the Closing (either Party may terminate).

5.6 City Agreement. Waiver or approval by the City of each of the conditions set forth in the City Agreement (either Party may terminate).

5.7 LIHTC Contingency. With respect to each Option Period for which the Parties have entered into a valid and binding Option Agreement that remains in full force and effect, Developer shall have until the earlier of (a) ten (10) business days after receipt of a written preliminary reservation letter of 9% low-income housing tax credits from the Colorado Housing and Finance Authority, a public body corporate and politic organized under the laws of the State of Colorado (the "LIHTC Reservation") or (b) the LIHTC Contingency Date for such Option Period then in effect as set forth in the Schedule of Performance attached hereto as Exhibit C (the "LIHTC Contingency Date"), to provide written notice to Authority that (i) Developer has obtained the LIHTC Reservation in amount and on terms and conditions satisfactory to Developer in its sole discretion, (ii) Developer did not obtain a LIHTC Reservation, or (iii) Developer waives such contingency. Developer may determine whether or not such terms and conditions are acceptable to Developer within such period. If, during such period, Developer determines that such terms and conditions are not acceptable for any reason whatsoever or if Developer did not obtain a LIHTC Reservation, Developer shall have the right, by giving written notice to Authority on or before the last day of such period, to terminate this Agreement and the Option Agreement then in effect. If Developer exercises the right to terminate this Agreement in accordance with this Section 5.7, this Agreement shall terminate as of the date such termination notice is given by Developer and the provisions set forth in Sections 5.8 and 5.9 shall apply.

5.8 Termination; Option Renewal. If, with respect to any Development Phase, any of the conditions precedent set forth in Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, and 5.7 (“Conditions Precedent”) are not satisfied prior to the expiration of the earlier to occur of the date specified in the Schedule of Performance for such condition to have been satisfied or the expiration of the applicable Option Period and the applicable Party provides written notice thereof to the other Party on or before expiration of the applicable Option Period, delivery of such notice shall terminate this Agreement and the Option Agreement then in effect. With respect to each Development Phase, Authority’s failure to timely deliver an objection or disapproval of the Developer Financing, Construction Documents and Schematic Documents relating to such Development Phase within the time period specified in the Schedule of Performance shall be deemed as Authority’s acceptance of such matters. Notwithstanding anything in this Section 5.8 to the contrary, to the extent either Party becomes aware that it will not be able to meet a deadline set forth in the Schedule of Performance as a result of a delay in performance by a third party or a force majeure event, such Party shall notify the other Party in writing of such circumstance and request an extension of the applicable deadline, and the Parties agree to cooperate in good faith in determining a reasonable extension of the deadline to the extent such extension does not materially adversely affect the Completion of Construction of the Improvements substantially in accordance with the Development Plan and the terms hereof. If a Party does not terminate this Agreement by reason of any objection, as provided in this Section 5.8, then such objection shall be deemed waived and approved by such Party. Notwithstanding anything in this Section 5.8 or elsewhere in this Agreement to the contrary, the Authority shall not have the right to terminate this Agreement for failure to satisfy any of the Conditions Precedent during the Initial Option Period or the Second Option Period (as specified in the Schedule of Performance) if the Developer fails to obtain a sufficient LIHTC Reservation, and in such event, the Authority shall be obligated to enter into a replacement Option Agreement with the Developer for the subsequent Option Period on or before the expiration of the Option Period then in effect.

5.9 Effect of Termination. If this Agreement is terminated pursuant to Section 5.7 or Section 5.8, (a) the Escrow Deposit shall be returned to the Developer; (b) each Party shall pay its own costs and expenses related to this Agreement; (c) this Agreement shall be null and void and of no effect; and (d) no action, claim or demand may be based on any term or provision of this Agreement. In addition, the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination.

6.0 OBLIGATIONS OF THE AUTHORITY

6.1 Conveyance; Closing. The conveyance by the Authority to the Developer of the portion of the Property relating to each Development Phase shall take place on or before the applicable Closing relating to such Development Phase as set forth on the Schedule of Performance for the Option Period then in effect; provided, however, that, with respect to each Development Phase, the Developer shall have the right to an extension of the Closing for a period of up to ninety (90) days upon deposit with the Escrow Agent by the Developer of an additional $5,000. The Deed delivered by the Authority to the Developer in connection with each Closing shall be in the form attached hereto as Exhibit D.

6.2 Cooperation With the Developer. The Authority will cooperate with the Developer to assist the Developer by providing information as may reasonably be required by a lender in connection with the Developer Financing.

6.3 Conditions. Notwithstanding any language herein to the contrary, each Closing and the Authority's performance of this Agreement shall be conditioned upon the satisfaction or waiver of all conditions to performance of the Parties under this Agreement as provided in Sections 5.1 through 5.7, inclusive.

6.4 "As Is" Nature of Transaction. Except as specifically provided herein, the Authority has not made, does not make and specifically negates and disclaims any representations, warranties, covenants or guarantees of any kind, whether express or implied, (a) concerning or with respect to the presence of Hazardous Substance on the Property or compliance of the Property with any and all applicable Environmental Laws and (b) the value, nature, quality or condition of the water, soil and geology of the Property. The Developer acknowledges and agrees that to the maximum extent permitted by applicable law, the sale and transfer of the Property to the Developer, as provided for herein, is made on an "As Is" condition and basis with respect to the existence of Hazardous Substances and the condition of the water, soil and geology of the Property. The Developer and anyone claiming by, through or under the Developer hereby fully and irrevocably releases the Authority and its successors from any and all claims that it may now have or hereafter acquire against the Authority, its commissioners, employees, representatives and agents for any cost, loss, liability, damage, expense, claim, demand, action or cause of action arising from or related to any such defects and conditions, including, without limitation, compliance with Environmental Laws, affecting the Property or any portion thereof. It is understood and agreed that the purchase price has

been adjusted by prior negotiation to reflect that all of the Property, or any part thereof, is sold by the Authority and purchased by the Developer subject to the provisions of this Section 6.4.

6.5 Special District Disclosure (Required by statute). SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE PLACED AT RISK FOR INCREASED MILL LEVIES AND EXCESSIVE TAX BURDENS TO SUPPORT THE SERVICING OF SUCH DEBT WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. PURCHASERS SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICT SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH MILL LEVIES.

7.0 OBLIGATIONS OF THE DEVELOPER.

7.1 Cooperation With the City and the Authority. The Developer agrees to cooperate with the Authority and to perform its obligations in a timely manner to carry out this Agreement in accordance with the Schedule of Performance, including, without limitation, cooperation to facilitate the negotiation of and approval by the City Manager or his designee of the Parking Agreement that shall contain the provisions set forth in the City Agreement.

7.2 Developer Financing. In accordance with the Schedule of Performance and the Financing Plan, the Developer shall apply for the LIHTC Reservation (on or before the deadlines set forth in the Schedule of Performance for the Option Period then in effect) and any additional funds to obtain the Developer Financing in an amount to Complete Construction of the Improvements. The terms of the Developer Financing must be adequate to construct the Improvements in accordance with this Agreement and shall be submitted to the Authority for approval in accordance with the Schedule of Performance, provided, however, that the Authority's approval shall not be unreasonably conditioned, withheld or denied if the amounts and conditions of the various debt and equity financing commitments are sufficient to complete the Improvements within the applicable timeframes set forth in the Schedule of Performance. Subject to obtaining the Developer Financing, the Developer has the financial and legal ability and can bear the economic risk of financing and achieving Completion of Construction of the Improvements.

7.3 Information, Zoning, and City Requirements. The Developer agrees to assume the responsibility for obtaining and reviewing all information necessary in connection with its obligations under this Agreement, including, without limitation, those set forth in the City Agreement. In accordance with the Schedule of Performance, the Developer shall be responsible for applying and obtaining any zoning changes required for construction of the Improvements, entering into any agreements required by the City, and shall comply with all City requirements necessary to comply with the conditions set forth in the City Agreement and to achieve Commencement of

Construction and Completion of Construction of the Improvements on or before the applicable deadlines set forth in the Schedule of Performance for the Option Period then in effect. The Authority agrees to cooperate and provide Developer with any information it possesses or authority reasonably necessary to perform its obligations under this Section 7.3.

7.4 Schematic Documents; Construction Documents. Prior to preparation of the Construction Documents, the Developer shall prepare or cause to be prepared interim schematic drawings and materials reasonably sufficient to show the exterior architecture and appearance of the buildings to be included in the Improvements, pedestrian connections, public spaces, parking and mixture of uses to be constructed on the Property (the "Schematic Documents"). The Schematic Documents will be in reasonably sufficient detail so that the Authority is able to determine that Developer is in compliance with the City Agreement, this Agreement and the Development Plan as previously approved by the City and the Authority, but including any modifications made in accordance with Section 7.5 below. The City Manager or his designee and the Authority shall review, approve or disapprove such Schematic Documents in accordance with Section 7.5. Following such approval of the Schematic Documents for each Development Phase, the Developer shall prepare and submit the Construction Documents for such Development Phase to the City Manager or his designee on or before the applicable deadlines set forth in the Schedule of Performance for the Option Period then in effect. All Construction Documents shall conform with, and shall be reasonably related to, the Development Plan (taking into account any modifications made in accordance with Section 7.5 below) and shall meet the requirements of all applicable laws, codes and ordinances and this Agreement.

7.5 Approval, Changes. The Development Plan has been approved by the City and the Authority. The Developer and the Authority acknowledge that several site-related constraints to development have been identified and reviewed by the Parties since the City approved the original Development Plan, including but not limited to the existence of an underground sewer line and possible limitations on the ability to alter traffic flow on one of the alley streets to accommodate additional on-street retail parking (the "Site-Related Development Constraints"). The Developer and the Authority acknowledge that these Site-Related Development Constraints may require significant redesign of certain aspects of the Development Plan. The Authority and the Developer agree to cooperate and work in good faith to explore viable alternative designs to address these constraints. Specifically with respect to the Site-Related Development Constraints, the Developer and the Authority acknowledge and agree that specific aspects of the final development plan submitted by the Developer and approved by the City and the Authority may vary from the details set forth in the Development Plan attached hereto by as much as 20% (either higher or lower), including the actual number of apartment units, parking spaces, square feet of commercial storefront or community space and number of affordable versus market-rate units. For the purposes of illustration and clarification a 20% change means alterations to square footage of units; line item costs; total project costs; structure layout area; number of parking spaces; number of each category of housing units (number of bedrooms); height of structures; number of and square footage of retail and commercial uses and similar changes to any component of the approved Development Plan. The Developer agrees to use its best efforts to preserve the scope and nature of the project in any redesign or modification to the Development Plan. The Authority agrees that any redesign or modification to the Development Plan

required to address the Site-Related Development Constraints within the permitted 20% range of variability described above that is otherwise not materially inconsistent with the intended development and use of the Property as previously approved by the City and the Authority, can be approved by the Authority without further action by the City provided no City regulation or policy requires any such approval. If Schematic Documents originally submitted by the Developer conform to the requirements of Section 7.4 and are not altered for Site-Related Development Constraints as provided in this Section 7.5, the City Manager or his designee and the Authority shall approve them in writing in accordance with the Schedule of Performance. No further approval by the Authority shall be required except for any material change in the Development Plan or Schematic Documents, previously submitted to and approved by the Authority, as the case may be. A change shall be deemed material if the net effect of any such change increases the cost of construction of the Improvements by $50,000, materially alters the façade of any building, or if any such change alters the applicable square footage, number of any of the Improvements, including, without limitation, the number of residential units or the unit mix by greater than 20% (either higher or lower). Any approval required by this section shall not be unreasonably withheld, delayed or conditioned and, if applicable, a written explanation of the reasons for rejection shall be delivered to Developer within the time period set forth in the Schedule of Performance. If either the City or the Authority rejects the Schematic Documents for a Development Phase or any material change thereto or any material change in the Development Plan in whole or in part, it shall deliver its rejection to the Developer in writing, specifying the reasons for rejection, within the time stated for each such rejection in the Schedule of Performance for the Option Period then in effect. The Developer shall submit a new or corrected Development Plan or Schematic Documents that conforms to the requirements of the Agreement within the time for each provided in the Schedule of Performance for the Option Period then in effect. The Construction Documents for each Development Phase shall conform with and be a logical development of the approved Schematic Documents for such Development Phase and construction of the Improvements shall substantially and materially conform to such Construction Documents as approved by the City Manager or his designee.

7.6 Conveyance; Closing. At the time specified for the Closing on a Development Phase set forth in the Schedule of Performance for the Option Period then in effect, and subject to the terms, covenants and conditions of the Agreement and the City Agreement (including acquisition of the property described therein by the Authority), the Authority shall convey the portion of the Property relating to such Development Phase to the Developer in accordance with this Agreement. The specific time and place for the Closing of the conveyance shall be agreed to by the Parties and shall not be later than the applicable date for Closing set forth in the Schedule of Performance, unless otherwise agreed to by the Parties.

7.7 Form of Deed; Recording. At the Closing for each Development Phase, the Authority will convey to Developer by a Deed good and marketable indefeasible title in fee simple to the Property relating to such Development Phase. Such conveyance shall be subject to the conditions and exceptions as approved or waived by the Developer. After delivery by the Authority, the Developer shall promptly record such Deed with the Clerk and Recorder of Arapahoe County, Colorado. Without limitation, the Developer shall pay the recording costs for such Deed, all

documents required for conveyance of title to the Property in accordance with this Agreement, and the Developer Financing, including state documentary fees, if any.

7.8 Title Search; Title Commitment; Survey. On or before the date specified in the Schedule of Performance, the Authority shall obtain at its expense, and provide to the Developer, a title search of the Property from the Title Company and an ALTA survey of the Property from a certified surveyor. The Developer shall obtain at its expense a title insurance commitment (the "Commitment") from a title company selected by the Developer for an owner's title insurance policy covering the Property. The Developer shall be responsible for assuring that all requirements contained in the Commitment are satisfied or waived by the Developer, except for delivery of the Deed and any evidence of Authority's power to convey the Property required by the title company, which shall be the responsibility of the Authority. In addition, the Developer shall be responsible for providing any lender with any title insurance policies reasonably required to obtain the Developer Financing. The Developer shall provide the Authority with copies of all Commitment updates, and title policies it is required to obtain in accordance with this Agreement.

7.9 Condition of Title. At the time of Closing on a Development Phase, title to the Property shall be free and clear of all liens, defects and encumbrances, except those approved, accepted, or waived by the Developer or required by the City Agreement which is attached hereto as Exhibit E. The Authority shall not be responsible for any costs associated with the deletion of any exceptions in the Commitment, except for any liens or encumbrances that it causes or suffers to become matters of record affecting the Property. Prior to Closing, the Authority shall not place any liens or encumbrances of record that affect title to the Property.

7.10 Title Insurance Policies. The Developer shall be responsible for payment of costs associated with the issuance of the Commitment and any title insurance policies and endorsements required by the Developer and in connection with the Developer Financing.

7.11 Payment of the Purchase Price. At the Closing, the Developer shall pay the Purchase Price. The Purchase Price is One Million Seven Hundred Thousand Dollars ($1,700,000) and shall be paid to the Authority as follows; One Million Dollars ($1,000,000) shall be paid to the Authority by wire transfer at the time of Closing and delivery of the Deed to the Phase I Development (the Escrow Deposit shall be applied toward this portion of the Purchase Price). The balance of Seven Hundred Thousand Dollars ($700,000) shall be payable pursuant to a note (the "Note") and secured by a deed of trust (the "Deed of Trust") delivered to the Authority by the Developer at the Closing of the Phase 2 Development, which shall be a lien on the Property subordinate only to the Developer Financing (or such other security as shall be acceptable to the Authority). The Note shall bear interest at Four Percent (4%) per annum with interest only payable quarterly and the entire balance of the Note shall be due on the tenth (10th) anniversary of the Note. The Note may be prepaid in part or in full at any time.

7.12 Design and Construction of the Improvements. With respect to each Development Phase, the Developer agrees to design and construct the applicable Improvements in accordance with the Construction Documents for such Development Phase and shall Commence Construction and

Complete Construction of such Improvements in accordance with the dates set forth on the Schedule of Performance for the Option Period then in effect.

7.13 Restrictions on Assignment and Transfer. The Developer shall not assign or otherwise transfer any right or interest in this Agreement, including any right in the Property, without the Authority's prior written consent. For the purposes of this Agreement, transfer shall include a change in the identity of the parties in control of the Developer. Prior to the Effective Date the Developer shall disclose to Seller all parties who have an interest in the Developer. Notwithstanding the foregoing, the Developer may assign or otherwise transfer its interest in this Agreement to any affiliate that is wholly-owned or wholly-controlled by the Developer, without obtaining the Authority's consent; provided, however, the Developer shall first notify the Executive Director of the Authority and the City Attorney of the City of Englewood in writing of any such assignment or transfer at least ten (10) days prior to the effective date thereof to confirm compliance with this Agreement. In such notice, the Developer shall disclose (a) all parties who have an interest in the Developer and (b) notify the Authority of any and all changes whatsoever in the identity of the parties in control of the Developer, or the degree thereof. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. The provisions of this Section 7.13 shall terminate upon Completion of Construction of the Improvements. Approval of a transfer by the Authority shall not relieve the Developer of its obligations hereunder unless the Authority agrees in writing.

7.14 Site Preparation. The Developer shall be responsible for all site preparation required to carry out its Development Plan. All such activities shall conform with the requirements of applicable laws, regulations, and policies, including, without limitation, any and all City requirements.

8.0 SAFETY; INDEMNIFICATION; INSURANCE.

8.1 Protection of Persons and Property. At all times prior to Completion of Construction of the Improvements, the Developer shall take reasonable precautions for safety and protection to prevent damage, injury or loss (as a direct result of design, inspection, and all construction activities on the Property) to persons and property in the area of the Property. The Developer shall comply with all applicable safety laws, regulations and building codes, and shall post danger signs and other warnings notifying employees and members of the public of all construction hazards. The Developer shall promptly remedy physical damage to public improvements caused in whole or in part by the Developer, its contractors and subcontractors or anyone employed directly or indirectly by any of them, or by anyone for whose acts it may be liable and for which the Developer is responsible, except for damage or loss directly attributable to acts or omissions of the Authority.

8.2 Indemnification; Insurance. Prior to Completion of Construction of the Improvements the Developer shall defend, indemnify, and hold the Authority, its commissioners, officers, and employees, harmless from all claims or suits for, and damages to, property and injuries to persons, including accidental death (including attorney fees and costs), that may be caused by any of the design, inspection, demolition, removal, clearance, site preparation, and construction activities

under this Agreement, whether such activities or performance thereof be by the Developer or anyone directly or indirectly employed or contracted with by the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement, excepting any claims, suits, damages or liability sustained as a result of Authority's gross negligence or willful misconduct. At all times while the Developer is engaged in preliminary work on the Property or adjacent streets and during the period from the Closing until Completion of Construction of the Improvements the Developer shall carry, and upon written request, will provide the Authority with proof of payment of premiums and certificates of insurance in form, coverage and amounts reasonably acceptable to the Authority, builder's risk, comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance), automobile and umbrella liability insurance with a combined single limit for both bodily injury and property damage, worker's compensation insurance, with statutory coverage, including the amount of deductible permitted by statute. The policies of insurance required of the Developer shall be placed with financially sound and reputable insurers, require the insurer to give at least thirty (30) days advance written notice to the Authority and the City in the event of cancellation or change in coverage and shall name the Authority and the City as additional insureds as confirmed by certificates of insurance on ACORD 27 forms. Such insurance may be provided by any contractor of the Developer.

9.0 REPRESENTATIONS AND WARRANTIES.

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

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

9.1.2 The Authority knows of no litigation or threatened litigation, condemnation, eminent domain proceeding, general proceeding or investigation contesting the powers of the Authority or its officials with respect to this Agreement, the Property or the Improvements which could in any way interfere with the consummation of the transactions contemplated by this Agreement that has not been disclosed in writing to the Developer.

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

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

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

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

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

9.2.4 Subject to obtaining Developer Financing for construction of the Improvements, the Developer has the necessary financial and legal ability to construct the Improvements and perform the Agreement and the other agreements incidental to such performance as contemplated by this Agreement and that all contracts for construction of the Improvements are fully enforceable by the Developer.

10.0 DEFAULT; REMEDIES.

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

10.1.1 The Developer, in violation of this Agreement (unless otherwise permitted under Section 7.13), assigns or attempts to assign or otherwise transfer this Agreement, the Improvements or any part of the Property, or any rights in the same; or

10.1.2 The Developer fails to Commence Construction, diligently pursue, and Complete Construction of the Improvements in accordance with the terms and conditions of this Agreement; or

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

If any Default is not cured within the time provided in Section 10.3, then the Authority may exercise any remedy available under Sections 10.4 and 10.5.

10.2 Default by the Authority. Default by the Authority under the Agreement shall mean one or more of the following events: The Authority fails to observe or perform any covenant or obligation required of it under this Agreement or any representation or warranty made by Authority under this Agreement is materially false when made.

If any Default is not cured within the time provided in Section 10.3, then the Developer may exercise any remedy available under Section 10.4 and 10.5.

10.3 Grace Periods. Upon a Default by any Party, such Party, upon written notice from the other Party injured by such Default, shall proceed immediately to cure or remedy such Default. Any Default shall be cured within thirty (30) days ((ninety (90) days if the Default relates to the date for Completion of Construction)) after receipt of such notice, or such cure shall be commenced and diligently pursued to completion within a reasonable time if curing cannot be reasonably accomplished within thirty (30) days (or ninety (90) days, if the Default relates to the date for Completion of Construction).

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

10.4.1 Suspend performance under this Agreement until it receives assurances from the defaulting Party, deemed adequate by the non-defaulting Party, that the defaulting Party will cure its Default and continue its performance under this Agreement.

10.4.2 Cancel and rescind the Agreement and any Option Agreement then in effect and retain the Escrow Deposit as liquidated damages.

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

10.5 Other Rights and Remedies. Whenever any Default occurs and is not cured within the applicable time periods set forth in Section 10.3, the non-defaulting Party shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article 10.0. If a non-defaulting Party commences legal action to enforce its rights and remedies under this Agreement, the prevailing Party shall be entitled to receive, in addition to any other relief, its costs and expenses of such action or enforcement, including reasonable attorneys' fees.

10.6 Delays; Waivers. Any delay by a Party in pursuing any right or remedy available to such Party under this Agreement shall not operate as a waiver of such right or remedy in any way;

nor shall any waiver made by such Party be considered or treated as a waiver of any right or remedy with respect to any other Default by any other Party or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of the right or remedy by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.

10.7 Enforced Delay in Performance for Causes Beyond Control of Party. Anything in this Agreement to the contrary notwithstanding, no Party shall be considered in Default in the event of enforced delay in the performance of obligations under this Agreement due to causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal, State or local government, discovery of Hazardous Substances on the Property, acts of the Party against whom such Party has a right or remedy under this Agreement, acts of third parties (including the effect of any petitions for initiative or referendum), the effect of any condition precedent to any obligation of a Party over which such Party has no control, the effect of litigation, acts of courts, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors or materialmen due to such causes, it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Party claiming such delay, shall be extended for the period of the enforced delay; provided, that the Party seeking the benefit of the provisions of this Section shall, within thirty (30) days after such Party knows of, or should have known by the exercise of reasonable diligence of any such enforced delay, first notify the other Party thereof in writing of the cause or causes thereof, and claim the right to an extension for the period of the enforced delay.

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

11.0 MISCELLANEOUS.

11.1 Conflicts of Interest. None of the following shall have any personal interest, direct or indirect, in the Agreement: a member of the governing body of the Authority or the City; an employee of the Authority or the City or an individual or firm retained by the City or the Authority who has performed consulting services in connection with the Property. None of the above persons or entities shall participate in any decision relating to the Agreement that affects his or her personal interests or the interests of any entity in which he or she is directly or indirectly interested.

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

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

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

11.5 Venue and Applicable Law. Any action arising out of the Agreement shall be brought in the Arapahoe County District Court and the laws of the State of Colorado shall govern the interpretation and enforcement of the Agreement.

11.6 Nonliability of Authority Officials, Agents and Employees. No council member, commissioner, official, employee, consultant, attorney or agent of the Authority or the City shall be personally liable to the Developer under the Agreement or in the event of any Default by the City or Authority or for any amount that may become due to the Developer.

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

11.8 Integrated Contract. This Agreement is an integrated contract and invalidation of any of its provisions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect unless the Parties otherwise agree in writing to an amendment.

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

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

In the case of the Developer, is addressed to or delivered to the Developer as follows:

Medici Communities, LLC
2140 S. Delaware Street
Denver, Colorado 80223
Attention: Troy Gladwell

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: John A. Henry, Jr., Esq.

In the case of the Authority, is addressed to or delivered to the Authority as follows:

The Englewood Urban Renewal Authority
Attention: Alan White
c/o City of Englewood
1000 Englewood Parkway
Englewood, CO 80110

With a copy to:

Dan Brotzman, Esq.
City Attorney
c/o City of Englewood
1000 Englewood Parkway
Englewood, CO 80110

Or at such other address with respect to any such Party as that Party may, from time to time, designate in writing and forward to the other as provided in this section.

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

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

11.13 Days. If the day for any performance or event provided for herein is a Saturday, Sunday or other day on which either national banks or the office of the Clerk and Recorder of Arapahoe County, Colorado, is not open for the regular transaction of business, such day therefor shall be extended until the next day on which said banks or said office are open for the transaction of business.

11.14 Further Assurances. Each Party agrees to execute such documents and take such action as shall be reasonably requested by the other Party to confirm, clarify or effectuate the provisions of this Agreement.

11.15 Certifications. Each Party agrees to execute such documents as the other Party may reasonably request to verify or confirm the status of this Agreement and of the performance of the obligations hereunder and such other matters as the requesting Party may reasonably request.

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

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

11.18 Minor Changes. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing the Agreement have been authorized to make, and may have made, minor changes in the Agreement and the attached Exhibits as they have considered necessary. So long as such changes were consistent with the intent and understanding of the Parties at the time of approval by the governing bodies, the execution of the Agreement shall constitute conclusive evidence of the approval of such changes by the respective Parties.

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

AUTHORITY:

THE ENGLEWOOD URBAN RENEWAL AUTHORITY

By ____
Chair

ATTEST:

____

DEVELOPER:

MEDICI COMMUNITIES, LLC

By ____
Manager

Parcels 1 and 2 combined

That part of the SW ¼ of Section 34, Township 4 South, Range 68 West of the 6th P.M., being more particularly described as follows:

Lots 1 through 11, Block 2, City Gardens, EXCEPT that portion of said Block 2 described in Exhibit A of Resolution No. 3, Series of 2008, Official City of Englewood Records, Arapahoe County, Colorado.

TOGETHER with Lots 44 through 48, Block 1, Enwood Addition, EXCEPT that portion of said Block 1 described in Exhibit B of Resolution No. 3, Series of 2008, Official City of Englewood Records, Arapahoe County, Colorado.

TOGETHER with Lots 1 through 14, Block 1, Nielsen's Subdivision, EXCEPT that portion of said Block 1 described in Exhibit C of Resolution No. 3, Series of 2008, Official City of Englewood Records, Arapahoe County, Colorado.

County of Arapahoe, State of Colorado

The above described property contains an area of 80,482 square feet (1.8476 acres), more or less.

EXHIBIT B

DEVELOPMENT PLAN

PHASE 1 IMPROVEMENTS:

The property along Broadway and Englewood Parkway shall be redeveloped into a high quality mixed use building with approximately 15,000 square feet of commercial storefront space (including both retail and office) and 61 apartment units. The residential component shall include a rooftop deck, community room, business center and exercise facilities.

The property on Acoma just south of the Englewood Parkway building shall include an approximately 168-space above-grade parking garage with community-use space at the ground level on Acoma Street. The City of Englewood is also working with the Developer to establish on-street parking on Acoma Street.

PHASE 2 IMPROVEMENTS:

The Property on Acoma and Hampden will contain a high-quality three story walk-up apartment building with a mix of commercial and residential units on the ground floor, including approximately 31 surface parking spaces.

SITE PLAN/PARKING PLAN:

The parking garage, along with some of the surface parking, is meant to continue to serve the businesses on Broadway as well as new tenants pursuant to a shared Parking Agreement to be negotiated prior to Closing. The acquisition and development of the property shall be contingent on a Parking Agreement with shared parking terms acceptable to the Developer, the City and the Authority. The mid-block connection between Broadway and Acoma shall include community space and approximately 40 surface parking spaces.

The development will contain a total of approximately 100-110 residential units, including market-rate and affordable units.

FLEXIBILITY TO ALTER DEVELOPMENT PLAN:

Subject to the requirements of Section 7.5, the Parties acknowledge and agree that specific aspects of the final development plan submitted by the Developer and approved by the City and the Authority may vary from the details set forth above by as much as 20% (either higher or lower), including the actual number of apartment units, parking spaces, square feet of commercial storefront or community space and number of affordable versus market-rate units.

<u>**Financing Plan**</u>

On or before the date specified in the Schedule of Performance, the Developer shall deliver a Financing Plan describing its plan for payment of the Purchase Price and Commencement of Construction and Completion of Construction of all of the Improvements.

The Financing Plan shall list all contingencies and conditions that must be satisfied or waived in connection with the Developer's Financing for construction of the Improvements, including the requirements of any lenders, tax credit providers, and equity investors.

EXHIBIT C

SCHEDULE OF PERFORMANCE

INITIAL OPTION PERIOD (June 15, 2014 to October 15, 2014)

	Event	**Performance Time or Date**
1.	First Purchase Option Agreement Execution Date	June 15, 2014
2.	Effective Date of Sale and Development Agreement	June 15, 2014
3.	Deadline for Authority to provide Title Search and Survey of Property to Developer	August 1, 2014
4.	Developer approves or disapproves of the results of the Title Search and the Survey provided by the Authority	August 15 , 2014
5.	Deadline for Developer to Submit LIHTC Application to CHFA	July 1, 2014
6.	Deadline for Developer to Exercise Initial Option ("LIHTC Contingency Date")	October 1 , 2014
7.	**Development– Phase 1 Residential Units and Parking Garage**	
8.	Developer submits Schematic Documents, Site Plan, Financing Plan and Parking Plan to Authority	October 15, 2014
9.	Authority approves or disapproves of Schematic Documents, Site Plan, Financing Plan and Parking Plan	Within 30 days of receipt of each
10.	Developer submits Site Plan to City Planning Department	November 15, 2014
11.	Developer submits Phase 1 Construction Documents to City Building Department	January 15, 2015
12.	Phase 1 Building Permits issued	March 13, 2015
13.	Closing on Phase 1 Land Acquisition – Commence Construction	March 15, 2015
14.	Construction Completion of Parking Garage	September 15, 2015
15.	Construction Completion of Phase 1 Residential Units	March 15, 2016

Phase 2 Development– Market Rate Units and Commercial Storefront

16.	Developer submits Phase 2 Construction Documents to City Building Department	July 15, 2015

INITIAL OPTION PERIOD (June 15, 2014 to October 15, 2014)

	Event	**Performance Time or Date**
17.	Phase 2 Building Permits issued	September 15, 2015
18.	Closing on Phase 2 Land Acquisition – Commence Construction	September 15, 2015
19.	Construction Completion of Phase 2 Development	September 15, 2016

SECOND OPTION PERIOD (On or before October 8 , 2014 to May 15, 2015)

	Event	**Performance Time or Date**
20.	Second Purchase Option Agreement Execution Date	October 8 , 2014
21.	Deadline for Developer to Submit LIHTC Application to CHFA	March 2, 2015 (or such other date determined by CHFA as the deadline for 2015 LIHTC Round 1 Applications)
22.	Deadline for Developer to Exercise Second Option ("LIHTC Contingency Date")	June 10 , 2015
23.	**Development– Phase 1 Residential Units and Parking Garage**	
24.	Developer submits Schematic Documents, Site Plan, Financing Plan and Parking Plan to Authority	June 15, 2015
25.	Authority approves or disapproves of Schematic Documents, Site Plan, Financing Plan and Parking Plan	Within 30 days of receipt of each
26.	Developer submits Site Plan to City Planning Department	July 15, 2015
27.	Developer submits Phase 1 Construction Documents to City Building Department	September 15, 2015
28.	Phase 1 Building Permits issued	November 16, 2015
29.	Closing on Phase 1 Land Acquisition – Commence Construction	November 16, 2015
30.	Construction Completion of Parking Garage	May 16, 2016
31.	Construction Completion of Phase 1 Residential Units	November 15, 2016

Phase 2 Development– Market Rate Units and Commercial Storefront

32.	Developer submits Phase 2 Construction Documents to City Building Department	March 15, 2016
33.	Phase 2 Building Permits issued	May 15, 2016
34.	Closing on Phase 2 Land Acquisition – Commence Construction	May 15, 2016
35.	Construction Completion of Phase 2 Development	May 15, 2017

THIRD OPTION PERIOD (June 10 , 2015 to October 15, 2015)

	Event	Performance Time or Date
36.	Third Purchase Option Agreement Execution Date	June 10 , 2015
37.	Deadline for Developer to Submit LIHTC Application to CHFA	July 1, 2015 (or such other date determined by CHFA as the deadline for 2015 LIHTC Round 2 Applications)
38.	Deadline for Developer to Exercise Third Option ("LIHTC Contingency Date")	October 14 , 2015
39.	**Development– Phase 1 Residential Units and Parking Garage**	
40.	Developer submits Schematic Documents, Site Plan, Financing Plan and Parking Plan to Authority	October 15, 2015
41.	Authority approves or disapproves of Schematic Documents, Site Plan, Financing Plan and Parking Plan	Within 30 days of receipt of each
42.	Developer submits Site Plan to City Planning Department	November 14 , 2015
43.	Developer submits Phase 1 Construction Documents to City Building Department	January 15, 2016
44.	Phase 1 Building Permits issued	March 15, 2016
45.	Closing on Phase 1 Land Acquisition – Commence Construction	March 15, 2016
46.	Construction Completion of Parking Garage	September 15, 2016
47.	Construction Completion of Phase 1 Residential Units	March 15, 2017

Phase 2 Development– Market Rate Units and Commercial Storefront

48.	Developer submits Phase 2 Construction Documents to City Building Department	July 15, 2016
49.	Phase 2 Building Permits issued	September 15, 2016
50.	Closing on Phase 2 Land Acquisition – Commence Construction	September 15, 2016
51.	Construction Completion of Phase 2 Development	September 15, 2017

EXHIBIT D

FORM OF DEED

EXHIBIT E

CONTRACT TO BUY AND SELL REAL ESTATE

This Contract is made on the 4th day of November, 2013, between THE CITY OF ENGLEWOOD, a Municipal Corporation, 1000 Englewood Parkway, Englewood, Colorado 80110 County of Arapahoe [Seller], and ENGLEWOOD URBAN RENEWAL AUTHORITY (EURA), 1000 Englewood Parkway, Englewood, CO. 80110 [Seller] agrees to buy, and the undersigned Seller, agrees to sell, on the terms and conditions set forth in this Contract, the following described real estate in the County of Arapahoe, Colorado, to wit:

Lots 44-45 BLK 1, Enwood Addition
City of Englewood, Colorado

As shown on the attached Exhibit A

This property shall be purchased together with all interest of seller, all improvements and all attached fixtures thereon. The purchase price shall be Two Hundred and Fifteen Thousand DOLLARS ($215,000) payable in U. S. Dollars by Buyer to Seller.

This Contract shall not be assignable by Buyer without Seller's prior written consent. Except as so restricted, this Contract shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties.

Subject to tender or payment by Buyer with the Seller shall execute and deliver a good and sufficient Quit Claim Deed to Buyer, conveying the Property subject to the following conditions:

1. The Property is sold "as is, where is". All warranties expressed or implied including fitness for purpose of use are hereby waived by the Buyer.

2. The City (Seller) will not provide title insurance.

3. Adequate parking shall be provided for businesses fronting Broadway based upon the 2013 Parking Study.

   EURA will negotiate an equitable agreement to pay ongoing maintenance of shared parking; however, existing businesses fronted on the West side of the 3400 block of Broadway shall be exempt from any payments for 12 months after the completion of construction.

4. The design of the redevelopment project shall be substantially as presented to EURA and City Council in Medici Community's 3rd Submittal to the EURA.

5. Payment to the City for the property shall be made within 10 working days of the date of the real estate closing between EURA and Medici Communities, LLC.

6. Should construction of the redevelopment project fail to commence within the time period required by the EURA, the ownership of the property shall revert to the City and no payment shall be due from EURA to the City.

7. The EURA agrees that the property shall not be sold to or developed by another developer other than Medici Communities, either separately or as part of EURA's entire ownership, unless approved by both the EURA and the City.

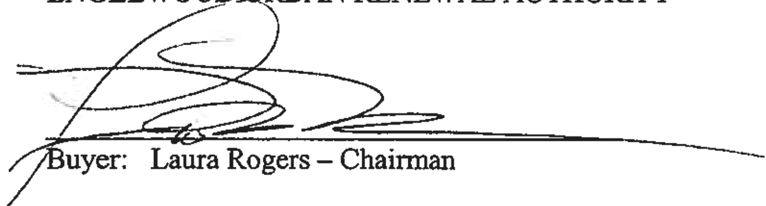
Except as otherwise provided in this Contract, the property and inclusions shall be delivered in the condition existing as of the date of this Contract, ordinary wear and tear expected.

Closing shall take place at CityCenter Englewood or at another place and date mutually agreed upon by the parties.

ENTIRE AGREEMENT. This Contract constitutes the entire contract between the parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Contract.

NOTICE OF ACCEPTANCE: COUNTERPARTS. If accepted, this document shall become a contract between Seller and Buyer. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

ENGLEWOOD URBAN RENEWAL AUTHORITY



Buyer: Laura Rogers – Chairman

Buyers Address: 1000 Englewood Parkway
Englewood, CO 80110

Date of Buyer's signature 10/30/13

ATTEST:

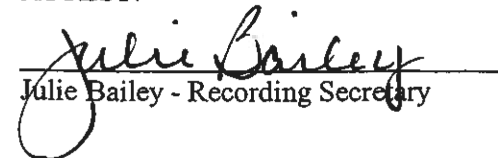
Julie Bailey - Recording Secretary

Buyer: Alan White – Executive Director

Buyers Address: 1000 Englewood Parkway
Englewood, CO 80110

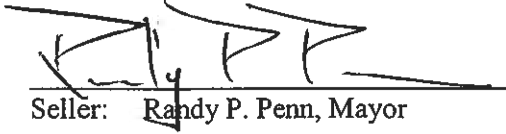
Date of Buyer's signature 10/30/13

ATTEST:



Julie Bailey - Recording Secretary

CITY OF ENGLEWOOD, COLORADO

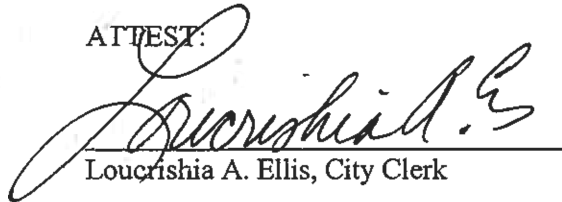


Seller: Randy P. Penn, Mayor

Sellers Address:
1000 Englewood Parkway
Englewood, CO 80110

Date of Seller's signature 11/5/13

ATTEST:



Loucrishia A. Ellis, City Clerk

Exhibit A