REDEVELOPMENT AND REIMBURSEMENT AGREEMENT

1.0 PARTIES. The parties to this Agreement (the "Agreement") dated March 17_, 2015__ are the CITY OF LONGMONT, a Colorado municipal corporation (the "City"), the LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Colorado (the "Authority"), and PFP LONGMONT HOLDINGS I, LLC, a Delaware limited liability company (the "Owner") (the Authority, the City, and the Owner are also referred to collectively as the "Parties" or individually, as a "Party").

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

2.1 The City Plan. The City is carrying out the 1st and Main Station Transit & Revitalization Plan, originally approved by the City Council of the City on June 12, 2012, by Resolution No. R-2012-48, (the "City Plan).

2.2 The Authority Plan. The Authority is carrying out the Downtown Longmont Master Plan for Development, originally approved by City Council of the City on June 7, 1983, by Resolution No. R-83-21, as amended (the "Authority Plan").

2.3 Purpose. In furtherance of the City Plan and the Authority Plan, the Parties desire to enter into this Agreement to facilitate Redevelopment of the Phase 1 Property and Redevelopment Area defined in Section 3.0 for the purpose of remediating blight conditions; providing new housing, commercial and retail space; and facilitating economic development and job creation within the Phase 1 Property and Redevelopment Area.

2.4 Consideration. In consideration of the mutual covenants and promises of the Parties contained herein, and other valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as set forth in this Agreement.

2.5 Exhibits. The following Exhibits are attached to and made a part of this Agreement.

Exhibit A:	Statement of Need for Public/Private Partnership
Exhibit B:	Development Concept Plan
Exhibit C:	Development Financial Information
Exhibit D:	Legal Description of Phase 1 Property and Redevelopment Area
Exhibit E:	Map of Phase 1 Property and Redevelopment Area
Exhibit F:	Procedure for Documenting, Certifying and Paying Demolition and Clean-Up Costs

3.0 DEFINITIONS. In this Agreement, unless a different meaning clearly appears from the context:

"150 Main Improvements" means Redevelopment of the property consistent with current zoning that includes no less than 200 units of multifamily residential and no less than 7,500 square feet of ground floor commercial located at the 150 Main Street Property.

"150 Main Street Property" or "150 Main Street" refers to property located at 150 Main Street, Longmont, Colorado legally described in Exhibit D.

"202 Kimbark, 218 Kimbark & 209 Emery Improvements" means the Redevelopment of the property(s) consistent with current zoning and/or reuse/redevelopment of existing buildings located at the 202 Kimbark, 218 Kimbark, & 209 Emery Property(s) with no less than 15,000 square feet of commercial space.

"202 Kimbark, 218 Kimbark & 209 Emery Property(s)" or "202 Kimbark Street, 218 Kimbark Street & 209 Emery Street" refers to property located at 202 Kimbark Street, 218 Kimbark Street & 209 Emery Street, Longmont, Colorado legally described in Exhibit D.

"210 Emery & 320 2nd Avenue Improvements" means the Redevelopment of the property consistent with current zoning and/or reuse/redevelopment of the existing buildings located at the 210 Emery Street & 320 2nd Avenue Property(s) with no less than 15,000 square feet of commercial space.

"210 Emery Street & 320 2nd Avenue Property(s)" refers to property located at 210 Emery Street & 320 2nd Avenue, Longmont, Colorado legally described in Exhibit D.

"Act" means the Downtown Development Authority Law, Part 8 of Article 25 of Title 31 of the Colorado Revised Statutes.

"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 Longmont Downtown Development Authority, a body corporate and politic of the State of Colorado, and its successors and assigns.

"Authority Plan" means the document described in Section 2.2.

"Best Efforts" means using all commercially reasonable efforts within a Party's control and providing to either Party documented, written evidence as requested of all efforts to accomplish the obligation.

"Certificate of Completion" means the certificate described in Section 7.1.

"Certificate of Occupancy" shall have the same meaning as set forth in the Longmont Municipal Code.

"City" means the City of Longmont, Colorado.

"City Council" means the city council of the City.

"City Plan" means the document described in Section 2.1.

"Collaborative Office Space" means, in the most general sense, a type of office or commercial space that involves a shared working environment and is characterized by an open floor plan and amenities that invite collaboration among the space users.

"Commence Renovation" and "Commencement of Renovation" means the obtaining of a building permit for the renovation of any portion of the 210 Emery & 320 2nd Avenue Improvements.

"Complete Construction" and "Completion of Construction" means the issuance of a Certificate of Occupancy by the City so that the 150 Main Improvements described in such certificate may open for permanent operations or occupancy.

"Complete Demolition" and "Completion of Demolition" means the Completion of Demolition of existing buildings within the Phase 1 Property and within the Redevelopment Area as described in all demolition permit documents obtained, removal of existing buildings and existing foundations and rough grading of site, and pending completion of final inspections of all demolition permits.

"Complete Renovation or Reconstruction" and "Completion of Renovation or Reconstruction" means the issuance of a Certificate of Occupancy by the City so that any portion of the 210 Emery & 320 2nd Avenue Improvements described in such certificate may open for permanent operations or occupancy.

"Construction Documents" means complete building construction plans, final site plans, public improvement plans, detailed landscape plans, construction plans for all utilities, street and sidewalk improvements, grading and drainage plans, soils reports, and construction plans for all other vertical shell structures proposed for the 150 Main Improvements including, without limitation, signs, fences, enclosures, and lights; all as may be required by all applicable codes and ordinances of the City, but excluding any plans and specifications for interior finish building improvements (e.g. tenant finish plans), which shall be subject to separate building permits as required by applicable City requirements.

"Demolition and Cleanup Costs" means the costs identified in Exhibit F of this Agreement associated with the demolition and cleanup at the 150 Main Street Property and other property within the Redevelopment Area.

"Developer" means 150 Main, LLC, a Colorado limited liability company, and any successor and assign approved by the City in accordance with Section 5.8.

"DIP Grant" means revenue available pursuant to the Authority's development incentive program.

"Development Concept Plan" means the concept for development of the Phase 1 Property described in Exhibit B.

"Enforced Delay" means the delay described in Section 9.

"Enhanced Recreation Connection" as defined in the City Parks, Recreation and Trails Master Plans means a high quality system of on-street and off-street greenway trails creating links and loops focused on enhanced recreation value rather than just transportation. These connections are intended to be a trail-like experience (whether in the right-of-way or not) as opposed to an on-street transportation route.

"FIP Grant" means revenue available pursuant to the Authority's façade improvement program.

"LPC" means Longmont Power and Communications.

"Owner" means PFP Longmont Holdings I, LLC, or assigns.

"Owner Financing" means the financing described in Section 5.1, to be obtained by Owner sufficient to achieve Completion of Construction of the 150 Main Improvements.

"Parks, Recreation and Trails Master Plan" means the City master plan for parks, recreation and trails accepted by City Council on April 8, 2014.

"Public Improvement Agreement" and "PIA" means the agreement for installation of public improvements pursuant to Longmont Municipal Code 15.02.120.

"Phase 1 Improvements" means the improvements located within the Phase 1 Property, legally described in Exhibit D, and associated public improvement plans that the Owner is required to construct pursuant to the Development Concept Plan identified in Exhibit B.

"Phase 1 Property" means the 150 Main Street Property, 218 Kimbark Street Property, 209 Emery Street and 210 Emery Street and 320 2nd Avenue Property(s), legally described in Exhibit D and identified in Exhibit E.

"PUC" means the Public Utilities Commission of the State of Colorado.

"Redevelopment" means site development which, in the determination of the City manager or his designee: (1) is within an urban renewal or downtown development authority area; (2) is consistent with the City Plan and Authority Plan; and (3) is replacing, or remodeling of pre-existing structures or site uses that existed on the same lot before the development.

"Redevelopment Area" means the real property legally described in Exhibit D and identified in Exhibit E, which includes the property located at 150 Main Street, 202 Kimbark Street, 218 Kimbark Street, 209 Emery and 210 Emery Street, 320 2nd Avenue, 110 Emery Street, 121 Main Street, and 301 1st Avenue.

"Start Construction" and "Start of Construction" means, per the 2012 International Building Code, the first placement of permanent construction of a building, such as the pouring of a slab or footings, installation of pilings or construction of columns, for no less than one of the principal residential buildings as shown on the approved Construction Documents for the 150 Main Improvements; and installation of an above grade vertical wall or column within 270 days of issuance of building permit.

"Tenants" means any commercial business enterprise or individual which has an executed lease agreement with the Owner to operate their enterprise as part of the Phase 1 Improvements.

4.0 CONDITIONS PRECEDENT. This Agreement is subject to the following conditions precedent.

4.1 Additional Agreements. The Owner must agree to and comply with the following documents and agreements: the Tap Credit Agreement for Redevelopment Credits for Water and Sewer Fees per Longmont Municipal Code Section 14.07, City Public Improvement Agreements, Authority's Façade Improvement Program and Development Incentive Program (as the same may be modified herein).

4.2 Approval of Owner Financing. The Owner shall obtain approval of Owner Financing by the City and the Authority, pursuant to Section 5.1, on or before December 31, 2015, which approval shall not be unreasonably withheld.

4.3 Submittal of Construction Documents for 150 Main Improvements. Subject to Enforced Delays, the Owner shall submit the Construction Documents to the City on or before December 31, 2015, and obtain City approval of all Construction Documents pursuant to Section 5.2.

4.4 Start of Construction; Completion of Construction for 150 Main Improvements. Subject to Enforced Delays, the Owner shall Start Construction of the 150 Main Improvements on or before one (1) year from the date of this Agreement, and Complete Construction of the 150 Main Improvements on or before three (3) years from the Start of Construction.

4.5 Commencement of Renovation; Completion of Renovation for 210 Emery & 320 2nd Avenue Improvements. Subject to Enforced Delays, the Owner shall Commence Renovation of the 210 Emery & 320 2nd Avenue Improvements on or before December 30, 2018, and Complete Renovation of the 210 Emery & 320 2nd Avenue Improvements on or before December 30, 2020. Upon request by City or Authority, Owner shall provide updates to City and Authority on business leads and status of renovation for this property.

5.0 OWNER PARTICIPATION. The Owner shall have the following obligations under this Agreement.

5.1 Owner Financing. On or before the date specified in Section 4.2, the Owner shall obtain the City's and the Authority's written approval of the Owner Financing, which shall be evidence of funds sufficient to Complete Construction of the 150 Main Improvements. Evidence of financing shall include, but not be limited to, bank statements from equity sources and loan commitment letter from lender. Approval of Owner Financing shall be determined in the reasonable opinion of the City acting by and through the City Manager, and the Authority acting by and through the Executive Director.

5.2 Construction Documents. The Owner shall prepare Construction Documents for construction of the 150 Main Improvements and obtain the approval of the City and the Authority of the Construction Documents on or before the date specified in Section 4.3. Unless otherwise approved in writing by the City the Construction Documents shall be a logical development of and consistent with the City Plan. The Construction Documents shall comply with all applicable codes, ordinances, and policies of the City.

5.3 Construction of the 150 Main Improvements. The Owner shall Start Construction and Complete Construction of the 150 Main Improvements on or before the respective dates set forth in Section 4.4 (as extended for Enforced Delays or others as outlined in Section 9 of this Agreement). The 150 Main Improvements shall be constructed in accordance with the Construction Documents as approved by the City and the Authority (including any modifications approved in writing by the City and the Authority).

5.3.1 Commercial Space. The Owner shall provide no less than 7,500 square feet of space shown in the approved Construction Documents to be located on the ground floor along Main Street of the 150 Main Improvements suitable for lease as an office, restaurant, coffee shop, delicatessen or retail or service use. The Owner shall maintain at least 7,500 square feet of floor area for lease exclusively for such purposes for a minimum of 3 years.

5.4 Renovation of 210 Emery & 320 2nd Avenue Improvements. The Owner shall Commence Renovation and Complete Renovation of the 210 Emery Street & 320 2nd Avenue Improvements on or before the respective dates set forth in Section 4.5 (as extended for Enforced Delays as outlined in Section 9 of this Agreement). The 210 Emery Street & 320 2nd Avenue Improvements shall be constructed in accordance with the Construction Documents as approved by the City and the Authority (including any modifications approved in writing by the City and the Authority).

5.4.1 Commercial Space. The Owner shall provide no less than 15,000 square feet of space shown in the approved Construction Documents to be located at 210 Emery Street & 320 2nd Avenue for the 210 Emery Street & 320 2nd Avenue Improvements suitable for lease as commercial space and shall use Best Efforts to provide such space as Collaborative Office Space. The Owner shall maintain at least 15,000 square feet of floor area for lease exclusively for such purposes for a minimum of 3 years.

5.5 Enhanced Recreation Connection. Pursuant to the City Parks, Recreation and Trails Master Plan, the Owner shall construct reasonable Enhanced Recreation Connections through the Redevelopment Area consistent with secondary greenway standards per Longmont Municipal Code 15.05.040(T)(4).

5.6 First and Emery / Railroad Improvements. The Owner shall be responsible for fifty (50) percent of the costs associated with the design, PUC and BNSF Railway review and approval, and installation of any required public improvements associated with the extension of pedestrian and vehicular access along Emery Street to 1st Avenue within the railroad Right-of-Way to and including the intersection of Emery Street and 1st Avenue, up to a maximum cost of $500,000. If the Owner cost exceeds $500,000, the Parties agree to discuss the allocation of the additional costs among the Parties. Within the railroad Right-of-Way this includes, but is not limited to, the installation of roadway and sidewalk improvements, crossing protection, and a traffic signal at the intersection of 1st and Emery. The procedure for payment and construction of these improvements shall be outlined in a Public Improvement Agreement between the City and Owner. The City shall be the lead applicant through the Public Utilities Commission for approval of these public improvements.

5.7 Compliance with Design and Construction Regulations; Payment of Fees and Costs. The design and construction of all improvements associated with the Phase 1 Property shall comply with all applicable codes and regulations of entities having jurisdiction, including the City, and with any Design Guidelines in the City Plan. As required by code, the Owner shall enter into a Public Improvement Agreement with the City. Also, the Owner shall cause to be paid all required fees and costs, including those imposed by the City, in connection with the design, construction, applicable warranty requirements, and use of the Phase 1 Improvements unless otherwise identified in this Agreement, or waived or credited by the City or Authority.

5.8 Restrictions on Assignment and Transfer. The Parties agree that the City and the Authority are willing to enter into this Agreement and provide the assistance as outlined in Section 6 and Section 7 only if the Phase 1 Property is improved and devoted to uses in accordance with the approved Construction Documents, which construction and uses are consistent with current zoning, the City Plan and the Authority Plan. Accordingly, the identity of the Owner and the parties in control of the Owner are of critical importance to the City and the Authority. Until Completion of Construction of the Phase 1 Improvements the Owner shall not assign or transfer all or any part or of or any interest in this Agreement without the prior written approval of the City and the Authority, which shall not be unreasonably withheld. Leases of residential uses or retail/commercial space in the Phase 1 Improvements in the ordinary course of the business of the Owner, or the transfer of ownership by the Owner to a single purpose entity (SPE) wherein the Owner or a manager of Owner is a controlling manager of such SPE and one or more members of Owner or affiliates thereof collectively represent a majority ownership interest in such SPE, shall not be deemed to be a transfer for the purposes hereof. For the purposes of this Agreement, "assign" and "transfer" shall include, without limitation, a change in the identity of the parties in control of the Owner. Until the Completion of Construction of the Phase 1 Improvements, the Owner shall promptly notify the City and the Authority of any and all changes whatsoever in the identity of the parties in control of the Owner. No voluntary or involuntary successor in interest of the Owner shall acquire any rights or powers under this

Agreement in whole or in part, including the right to receive payments of any Incentives, except as expressly set forth herein or for assignments permitted above.

5.9 Rights of Lenders. The provisions of Section 5.8 are not in any way intended to restrict the right of the Owner to encumber the Phase 1 Property for the purpose of constructing the improvements. The Owner may also collaterally assign this Agreement to any lender for such purposes, provided, however, the City shall not be required to recognize the right of any lender, or any successor in interest of any lender, who acquires ownership of the Phase 1 Property or any of the Phase 1 Improvements by foreclosure or otherwise from the Owner, or subsequently from the lender, to receive assistance as outlined in Section 5.8 from the City and the Authority unless the City and the Authority has first agreed in writing to such right in accordance with Section 5.8. The City and the Authority agrees that such approval will not be withheld, conditioned or delayed if such lender, or such lenders successors, agrees to Complete Construction (or Cause Completion of Construction) of the Phase 1 Improvements in accordance with the Construction Documents within a time period agreed to by the City and the Authority.

The City and the Authority shall upon the periodic request of the Owner or the Owner's lender(s) promptly provide an estoppel certificate certifying in a form and substance reasonably acceptable to Owner and Owner's lender(s) that to the actual knowledge of the person executing such certificate: (i) that there are no defaults under this Agreement, (ii) that there are no events or conditions which, with the giving of notice or passage of time, or both, would constitute a default under this Agreement, and (iii) the Completion of Construction date, as the same may have been modified due to Enforced Delays, or other delays.

5.10 Protection of Persons and Property. At all times prior to Completion of Construction of the Phase 1 Improvements the Owner shall take reasonable precautions for safety and protection to prevent damage, injury or loss (as a direct result of design, inspection and construction activities on the Property) to persons and property in the area of the Phase 1 Property. The Owner 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.

5.11 Damage Repair. Notwithstanding any language in any agreement to the contrary, prior to Completion of Construction of the Phase 1 Improvements, the Owner shall repair any damage to Phase 1 Improvements, including public improvements located outside of the boundary lines of the Phase 1 Property, caused by the Owner (or contractors, agents, employees, or other parties acting for or on behalf of the Owner) during construction of the improvements. Owner shall not be deemed to have achieved Completion of Construction until all such repairs have been completed and approved by the City.

5.12 Insurance. At all times prior to Completion of Construction of the Phase 1 Improvements, the Owner, within ten (10) days after request by the City and the Authority, will provide the City and the Authority with proof of payment of premiums and certificates of insurance showing that the Owner is carrying, or causing prime contractors to carry, builder's risk insurance (if appropriate), commercial general liability, automobile, and worker's compensation insurance policies in commercially reasonable amounts and coverages approved by the City Manager of the City. Such policies of insurance shall be placed with financially

sound and reputable insurers, require the insurer to give at least thirty (30) days advance written notice of cancellation to the City and will include the City as an additional insured on such policies.

5.13 Indemnification. The Owner agrees to indemnify, defend and hold harmless the City and the Authority, 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 the Owner, any subcontractor of the Owner, or any officer, employee, agent, successor or assign of the Owner 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 the Owner, any subcontractor of the Owner, or any officer, employee, agent, successor or assign of the Owner, but excluding any injuries, losses or damages which are due to the gross negligence, breach of contract or willful misconduct of the City and the Authority, as the case may be.

6.0 CITY PARTICIPATION. The City shall have the following obligations under this Agreement.

6.1 Redevelopment Credits for Water and Sewer Capacity Reallocation. Pursuant to Longmont Municipal Code 14.07.010 through 14.07.060, the City will allow for the reallocation of water and sewer capacity within the Redevelopment Area from the primary redevelopment lot to associated lots as long as the Owner meets the criteria for reallocation and enters into a Tap Credit Agreement with the City pursuant to Longmont Municipal Code 14.07. Use of the reallocated water and sewer capacity on the associated lots shall not be authorized until City Council consents to the updated concept plans for those lots, which consent shall not be unreasonably withheld so long as the concept plans are consistent with the City Plan and the Authority Plan. The updated concept plans shall also comply with all terms and conditions of the Tap Credit Agreement, and Longmont Municipal Code Chapter 14.07.

6.2 Demolition and Clean-Up Costs. The City shall contribute no more than $1,250,000 to be used towards Demolition and Cleanup Costs within the Redevelopment Area, of which up to $1,100,000 can be applied towards the 150 Main Street Property. Funding for this assistance will be in cash to the Owner through a City economic incentive grant or other source identified by the City. All reimbursements shall be made in accordance with the process set forth in Exhibit F hereto. The Owner shall be eligible to receive reimbursement from the City for Demolition and Cleanup Costs as follows:

(a) Upon Completion of Demolition of the 150 Main Street Property, the Owner shall be eligible to receive reimbursement for up to $660,000 of Demolition and Cleanup Costs pursuant to Exhibit F, which represents 60% of not to exceed $1,100,000 for Demolition and Cleanup Costs at the 150 Main Street Property.

(b) Upon Start of Construction of the 150 Main Improvements, the Owner shall be eligible to receive reimbursement for up to an additional $220,000 of Demolition and Cleanup

Costs pursuant to Exhibit F, which represents an additional 20% of not to exceed $1,100,000 for Demolition and Cleanup Costs at the 150 Main Street Property.

(c) Upon Completion of Construction of the 150 Main Improvements, the Owner shall be eligible to receive reimbursement for up to the remaining $220,000 of Demolition and Cleanup Costs pursuant to Exhibit F, which represents the remaining 20% of not to exceed $1,100,000 for the Demolition and Cleanup Costs at the 150 Main Street Property.

(d) Once 6.2 (a), 6.2(b) and 6.2(c) are satisfied and the reimbursements are paid to the Owner, and upon Commencement of Renovation of the 210 Emery & 320 2nd Avenue Improvements, any dollars remaining under the not to exceed amount of $1,250,000 shall be available to the Owner for the Demolition and Cleanup Costs of other properties within the Redevelopment Area. The Owner shall be eligible to receive reimbursement upon Completion of the Demolition of said improvements in accordance with the process set forth in Exhibit F.

6.3 Public Building Community Investment Fee. The City will waive the public building community investment fee to the Owner for the Phase 1 Improvements as each property is developed and as long as the Owner meets the criteria for this waiver per Longmont Municipal Code 14.46.020 for the Phase 1 Improvements.

6.4 Transportation Community Investment Fee. The City will rebate, if any, the transportation community investment fee for the Phase 1 Improvements to the Owner within 60 days of issuance of the building permit for any given property pursuant to Longmont Municipal Code 4.72.016.

6.5 Water and Sewer System Development Fee Credits. Per Longmont Municipal Code 14.08.605, the Owner will be eligible to receive any existing credits of the water and sewer system development fee existing on any parcel within the Phase 1 Property to be applied to the Redevelopment of that same parcel. In all circumstances, no excess credit in the form of cash will be provided by the City to the Owner.

6.6 Electric Community Investment Fee Credit. The Owner will be eligible to receive any credits of the electric community investment fee existing on any parcels within Phase 1 Property and apply them to any parcel(s) within the Phase 1 Property. No excess credit in the form of cash will be provided by the City to the Owner.

6.8 Waiver of Phase 1 Property Water and Sewer Improvement Installation Cost Participation. The City will waive any offsite water and sewer line cost participation requirements for existing water and sewer system infrastructure due from the Owner for Owner properties within the Phase 1 Property, pursuant to Longmont Municipal Code 15.02.120(E). The waiver of any of these costs will be addressed through a Public Improvement Agreement between the City and the Owner pursuant to Longmont Municipal Code 15.02.120.

6.9 First and Emery / Railroad Improvements. The City shall be responsible for fifty (50) percent of the costs associated with the design, PUC and BNSF Railway review and approval, and installation of any required public improvements associated with the extension of

pedestrian and vehicular access along Emery Street to 1st Avenue within the railroad Right-of-Way to and including the intersection of Emery Street and 1st Avenue, up to a maximum cost of $500,000. If the City cost exceeds $500,000, the Parties agree to discuss the allocation of the additional costs among the Parties. Within the railroad Right-of-Way this includes, but is not limited to, the installation of roadway and sidewalk improvements, crossing protection, and a traffic signal at the intersection of 1st and Emery. The procedure for payment and construction of these improvements shall be outlined in a Public Improvement Agreement between the City and Owner. The City shall be the lead applicant through the Public Utilities Commission for approval of these public improvements.

6.10 2nd Avenue and Emery Street Right-of-Way. In conjunction with the Public Improvement Plan and Public Improvement Agreement approvals, the Owner's application for Right-of-Way vacations will be processed pursuant to Longmont Municipal Code 15.02.060(I). The Right-of-Way area shall include sufficient area for a future round-about, or other traffic control device, as specified by the City. The construction of a round-about, or other traffic control device, if necessary, will be subject to traffic generated by future phases of the project within Redevelopment Area and determined at time of said future redevelopment.

6.11 City Fees. All other city fees and applicable costs are to be paid by the Owner, unless waived or credited by the City.

6.12 Expedited Site Plan Review. The City shall provide expedited site plan review for the Phase 1 Property pursuant to Longmont Municipal Code 15.02.040(M)(2).

6.13 Quiet Zones. The City supports and will use Best Efforts to modify the train horn rules at the Federal level to lessen the noise impact within the Redevelopment Area.

6.14 City Capital Improvement Projects in City Plan Area. The City's 2015 – 2019 Capital Improvement Program includes a number of projects within and around the Phase 1 Property and the Redevelopment Area. These projects are a major inducement for the Owner to redevelop the Phase 1 Property and Redevelopment Area. Projects included in the 2015- 2019 Capital Improvement Program include the Main Street Pavement Reconstruction (T-111), design and commencement of construction of the Boston Avenue Connection between Main Street and Martin Street (T-92), commencement of construction of the Main Street Bridge over St. Vrain River (T-113), and Dickens Farm Park (PR-5B) which will further improve this area. For Electric Feeder Underground Conversion (MUE-9), the City will contribute funds to convert overhead electric lines to underground adjacent to the Redevelopment Area. The Owner is responsible for paying the equivalent of "distribution" circuit costs and LPC will pay for the added capacity requirements in a "main feeder" circuit. Additional costs have been budgeted to underground LPC''s Fiber Optic infrastructure. Funding for capital projects is subject to City Council appropriation of project funding.

7.0 AUTHORITY PARTICIPATION. The Authority shall have the following obligations under this Agreement.

7.1 Retail Incentive Grant. The Authority will provide a Retail Incentive Grant in an amount up to $100,000 to be provided to the Owner in exchange for providing at least 3,500 square feet of ground floor retail and restaurant space along Main Street for the 150 Main Improvements in line with the Authority goals and vision of redevelopment consistent with the Authority Plan. The retail space will be constructed with kitchen ventilation, grease traps and gas rough-ins suitable for restaurant equipment. Retail Incentive Grant funds can be used for making spaces restaurant ready, electrical upgrades, flooring or other expenses allowed under the Retail Conversion Grant Criteria. Retail Incentive Grant funds will be reimbursed upon project completion (Certificate of Completion) within 20 business days after mutual agreement between Owner and Authority of completed documentation of costs, including paid invoices, of the 150 Main Improvements.

For a period of three years following Completion of Construction, Developer will not lease retail space for a use other than restaurant or retail without obtaining the prior approval of the Authority.

7.2 DIP Grant. Provided the Owner has first complied with the Authority's Development Incentive Program requirements on or before the date set forth in Section 4.4, within 20 business days after mutual agreement between Owner and Authority of completed documentation of costs, including paid invoices, of the 150 Main Improvements, the Authority agrees to pay the Owner a DIP Grant in an amount not to exceed the actual dollars contributed to the DIP Fund for the 150 Main Improvements, subject to the following provisions. It is estimated that the DIP Grant for the Phase 1 Improvements will be approximately $850,000.

For final approval, plans must go through the City development review process, as well be reviewed by the Authority Board, including final site plan and design options, and including use of upgraded materials that complement Downtown Longmont's historical character. Funds will only be used for eligible and approved DIP improvement costs (excluding soft costs) paid by the Owner and not otherwise reimbursed by the Authority or City, including exterior building façade improvements facing Main Street, 2nd Avenue, and Emery Street, including but not limited to the following: lighting, eligible and approved exterior building façade improvements not reimbursed under the FIP, and interior building and fire code related improvements to make commercial space restaurant ready; and public improvements adjacent to or in reasonable proximity to and directly related to and benefiting the proposed project, including but not limited to the following: public utility upgrades, public landscaping and streetscape improvements.

7.2.1 Program Applications. The Owner must submit a formal Authority DIP application to the Authority and comply with all program requirements.

7.2.2 Program Requirements. The Owner agrees to certify the actual and reasonable eligible improvement costs (but excluding soft costs) in a form and substance reasonably acceptable to the Authority and to deliver evidence of such costs to the Authority; provided, however, no such costs shall be eligible for reimbursement if they have been otherwise

paid, waived, or reimbursed by the Authority or the City. Any and all payments or reimbursements made to the Owner for or related to the improvements shall be reimbursed once and only once. Upon request by the Authority, Owner shall submit periodic estimates of these costs to the Authority throughout construction period.

7.3 FIP Grant. Provided the Owner has first complied with the Authority's Façade Improvement Program requirements, the Authority agrees to pay the Owner a FIP Grant in the amount of the lesser of (i) the actual certified costs of items eligible for reimbursement under the Authority's Façade Improvement Program; or (ii) the Authority's estimate of tax increment revenue generated by the 150 Main Improvements (established in consultation with the Boulder County Assessor) not to exceed $730,000, subject to the following provisions for the 150 Main Improvements.

For final approval, plans must go through the City development review process, as well be reviewed by the Authority Board, including final site plan and design options, and including use of upgraded materials that complement Downtown Longmont's historical character.

7.3.1 Program Applications. The Owner must submit a formal Authority Façade Improvement Program application to the Authority and comply with all program requirements, including, without limitation, entering into a separate façade agreement with the Authority, granting a façade easement in favor of the Authority and making payments in lieu of taxes, if required by the program.

7.3.2 Program Requirements. The Owner agrees to certify the actual and reasonable eligible façade improvement costs (but excluding soft costs and demolition as defined in its currently adopted Façade Improvement Program), in accordance with all applicable program requirements and to deliver evidence of such costs to the Authority; provided, however, no such costs shall be eligible for reimbursement if they have been otherwise paid, waived, or reimbursed by the Authority or the City. It is the intention of the Parties that any and all payments or reimbursements made to the Owner for or related to the 150 Main Improvements shall be reimbursed once and only once. Eligible façade improvement program costs include upgraded façade materials, public utility upgrades, public landscape, and streetscape improvements, building façade improvements, hardscape, street furniture, signage, and exterior lighting.

FIP funds will only be used for eligible and approved FIP improvement costs (excluding soft costs and demolition as described in the development agreement) paid by the Owner and not otherwise reimbursed by the Authority or City, including exterior building façade improvements facing Main Street, 1st Avenue, 2nd Avenue, and Emery Street, and including but not limited to the following:

Brick, masonry or other approved high quality façade building material, windows, doors, lighting, balconies and patios; and public improvements adjacent to or in reasonable proximity to and directly related to and benefiting the proposed project, including but not limited to the following: public utility upgrades, public landscaping, hardscape, street furniture, signage, lighting and streetscape improvements.

7.4 Residential Incentive Grant. The Authority will consider the use of a Residential Incentive Grant in an amount up to $20,000 to be provided to the Owner per outlined in the Downtown Residential Grant Program Description for the 150 Main Improvements in line with the Authority goals and vision of redevelopment consistent with the Plan. For final approval, plans must go through the development review process for the City, as well be reviewed by the Authority Board, including final site plan and design options, and including use of upgraded materials that complement Downtown Longmont's historical character. Residential Incentive funds will be reimbursed upon project completion (certificate of occupancy) within 20 business days after mutual agreement between Owner and Authority of completed documentation of costs, including paid invoices, of the 150 Main Improvements.

7.5 No Impairment. The Authority shall not enter into any agreement or transaction that impairs the rights of the Owner to receive the Authority Retail Incentive Grant, FIP Grant, Residential Incentive Grant, and DIP Grant while this Agreement is in effect.

7.6 No Duplicate Recovery. Notwithstanding any provision in any agreement to the contrary, it is the intention of the Parties and the Owner hereby agrees that it shall be reimbursed once and only once for any item of the improvements eligible for reimbursement under this Agreement or any other agreement incidental or implementing this Agreement. All costs must be certified in a form and manner reasonably agreeable to the Authority prior to such reimbursement.

8.0 REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties by the City. The City represents and warrants as follows:

(a) The City 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 hereunder.

(b) The City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the City 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 (a) conflict with or contravene any law, order, rule or regulation applicable to the City or to its governing documents, (b) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the City is a party or by which it may be bound or affected, or (c) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the City.

(d) This Agreement constitutes a valid and binding obligation of the City, 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.

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

(a) The Authority is a body corporate and politic of the State of Colorado, duly organized under the Act, 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 hereunder.

(b) The Authority knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of the Authority 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 (a) conflict with or contravene any law, order, rule or regulation applicable to the Authority or to its governing documents, (b) 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 (c) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority.

(e) 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.

8.3 Representations and Warranties by the Owner. The Owner represents and warrants as follows:

(a) The Owner is a limited liability company duly organized, validly existing and is in good standing under the laws of the State of Delaware and qualified to do business in Colorado. The Owner 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 managers.

(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 to make this Agreement and such documents and such performance and observance are valid and binding upon the Owner.

(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 (1) conflict with or contravene any law, order, rule or regulation applicable to the Owner or to its governing documents, (2) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which the Owner is a party or by which it

may be bound or affected, or (3) permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Owner.

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

(e) The Owner has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct the Phase 1 Improvements subject to the terms and conditions of this Agreement. This Agreement constitutes a valid and binding obligation of the Owner, 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.

9.0 ENFORCED DELAYS; FORCE MAJEURE. Subject to the following provisions, time is of the essence. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God; fires; floods; earthquake; strikes; labor disputes; regulation or order of civil or military authorities; major adverse macroeconomic or geopolitical events which directly impact the ability to obtain financing for or construct the Phase 1 Improvements or other causes, similar or dissimilar, which are beyond the control of such Party.

Any delay by a Party in pursuing any right or remedy available to such Party under the Agreement shall not operate as a waiver of such right or remedy in any way; nor shall any waiver made by such Party be considered or treated as a waiver of any right or remedy with respect to any other Default by any other Party or with respect to the particular default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of the right or remedy by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the default involved.

10.0 EVENTS OF DEFAULT. The following events shall constitute an Event of Default under this Agreement:

(a) Failure by the Owner to fulfill its obligations described in Section 5.0 of this Agreement.

(b) Failure by the City to fulfill its obligations described in Section 6.0 of this Agreement.

(c) Failure by the Authority to fulfill its obligations described in Section 7.0 of this Agreement.

(d) Any representation or warranty made by any Party in this Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompletion would have a material adverse effect upon any other Party;

(e) Any Party fails in the performance of any other covenant in this Agreement, (except for those events allowing the termination of this Agreement as set forth in Section 12.0 hereof) 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 not to exceed 30 additional days unless otherwise agreed by the Parties in writing, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure in good faith.

11.0 GRACE PERIODS. Upon a default by any Party, such Party, upon written notice from any other Party injured by such default, shall proceed immediately to cure or remedy such default. Any default shall be cured within thirty (30) days after receipt of such notice, or such cure shall be commenced and diligently pursued to completion within a reasonable time as limited by Section 10(e) if curing cannot be reasonably accomplished within thirty (30) days.

12.0 REMEDIES. Whenever any default occurs and is not cured under Section 11.0 of this Agreement, the non-defaulting Party injured by such Default and having a remedy under this Agreement may take any one or more of the following actions:

12.1 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; or

12.2 Cancel and rescind the Agreement with respect to the duties of such non-defaulting Party under this Agreement, including, without limitation the right of the City to immediately terminate its obligations to City participation described in Section 6, the right of the Authority to immediately terminate its obligations described in Section 7; the right of the Owner to immediately terminate its obligations described in Section 5; or

12.3 Take whatever legal or administrative action and 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; provided, however, the damages payable by the City shall be limited to amounts of the reimbursement described in Section 6 due to the Owner under this Agreement; and the damages payable by the Authority shall be limited to the amounts of reimbursements described in Section 7 of this Agreement.

13.0 TERMINATION. Upon occurrence of an Event of Default pursuant to Section 10 of this Agreement that has not been cured pursuant to Section 11 of this Agreement (excluding Enforced Delays), then any Party shall have the option to terminate this Agreement. In order to

terminate the Agreement, a Party shall provide written notice of such termination to other Parties. Such termination shall 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 shall 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. In addition the Parties agree to execute a mutual release or other instruments reasonably required to effectuate and give notice of such termination. Upon the completion of all obligations by all Parties pursuant to this Agreement, the Parties will execute and record a termination of this Agreement on title for the 150 Main Street Property.

14.0 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 Party.

15.0 NON-LIABILITY OF OFFICIALS, AGENTS, AND EMPLOYEES. No council member, board member, official, employee, consultant, attorney or agent of the City or the Authority shall be personally liable to the Owner under the Agreement or in the event of any default or for any amount that may become due to the Owner.

16.0 MISCELLANEOUS.

16.1 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 City or the Authority; an employee of the City or the Authority who exercises responsibility concerning the City Plan and Authority Plan or an individual or firm retained by the City or the Authority who has performed consulting services in connection with the City Plan and Authority Plan. 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.

16.2 Antidiscrimination. The Owner, for itself and its successors and assigns, agrees that in the construction of and in the use and occupancy of the Property and the Phase 1 Improvements, the Owner 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.

16.3 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.

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

16.5 Authority or City not a Partner; Owner not an 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 Owner. The Owner shall not be the agent of the City or Authority and neither the City nor the

Authority shall be responsible for any debt or liability of the Owner or any contractor, operator or manager of the Phase 1 Improvements.

16.6 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.

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

16.8 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, or postage prepaid.

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

In the case of the Owner is addressed or delivered to the following address:

PFP Longmont Holdings I, LLC
4380 La Jolla Village Drive, Suite 250
San Diego, CA 92122
Attn: Lorne Polger

With a copy to:

150 Main, LLC, Developer
6800 N. 79th Street, Suite 200
Niwot, CO 80503
Attn: Brian W. Bair

In the case of the City is addressed or delivered to the following address:

City of Longmont
Attention: Redevelopment and Revitalization Manager
385 Kimbark Street
Longmont, CO 80501

with a copy to:

City Attorney's Office
City of Longmont
350 Kimbark Street

Longmont, CO 80501

In the case of the Authority is addressed or delivered to the following address:

The Longmont Downtown Development Authority
Attention: Executive Director
528 Main Street
Longmont, CO 80501

16.10 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.

16.11 Days. If the day for any performance or event provided for herein is a Saturday, Sunday or other day on which either national banks or the office of the Clerk and Recorder of Boulder 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.

16.12 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.

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

16.14 Access to Property. The Owner shall permit representatives of the City and Authority access to the Property and the Phase 1 Improvements at reasonable times during regular business hours as necessary for the purpose of carrying out or determining compliance with the Agreement, the City Plan and Authority Plan, or any City code or ordinance, including, without limitation, inspection of any work being conducted thereon. No compensation shall be payable for the access provided in this section. The City and the Authority shall restore the Property and any of the Phase 1 Improvements to its condition prior to any tests or inspections made by the City and Authority, and to the extent permitted by law, shall indemnify and hold harmless the Owner or any third party owning the affected part of the Property for any loss or damage or claim for loss or damage (including reasonable legal fees) resulting from any such entrance, tests and surveys.

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

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

16.17 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. 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.

16.18 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.

16.19 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.

16.20 Confidential Information. The Parties may, but are not required to, clearly identify documents and information that they consider confidential and/or privileged ("Confidential Information"). The Owner, the City and the Authority each agree not to use any Confidential Information disclosed to it by another Party for its own use or for any purpose other than to carry out this Agreement. Notwithstanding any other provision of this Agreement, if the City or Authority is required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process, or by federal, state, or local law, including without limitation, the Colorado Open Records Act) to disclose any Confidential Information, the City and the Authority agree that it will provide Owner with prompt notice of the existence, terms and circumstances of such request. The Parties further agree that if in the opinion of its legal counsel, the City or Authority is nonetheless compelled by law to disclose Confidential Information to any person, entity or tribunal, the City or Authority may disclose such Confidential Information to such person, entity or tribunal.

IN WITNESS WHEREOF, the City, Authority and the Owner have caused the Agreement to be duly executed as of March 24th, 2015.

CITY

THE CITY OF LONGMONT,
a municipal corporation

Dennis L Coombs
Mayor

ATTEST:

Valeria L. Slate
City Clerk

APPROVED AS TO FORM:

Eugene Mei
City Attorney

3/18/15
Date

APPROVED AS TO FORM AND SUBSTANCE:

Dave Stevens
Originating Department

3/18/15
Date

AUTHORITY:

THE LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY

By: _____
Chair

ATTEST:

Kimbula McKee
Secretary/Executive Director

OWNER:

PFP LONGMONT HOLDINGS I, LLC
a Delaware limited liability company

By: 150 Main, LLC, Co-Manager

By: _____
Co-Manager

EXHIBIT A

STATEMENT OF NEED FOR PUBLIC/PRIVATE PARTNERSHIP

150 Main, LLC
6800 N. 83rd Street, Suite 206
Niwot, CO 80503

February 25, 2015

Mr. Dennis Coombs, Mayor of Longmont
Longmont City Council Members
Alex Sammoury, LDDA Board Chair
LDDA Board of Directors

RE: Butterball Redevelopment - Statement of Need

Dear Mayor, City Council Members & LDDA Board Chair:

We would like to thank you, City Staff, and the LDDA for your time and feedback to date regarding the redevelop of the Butterball properties. We are excited about this very important opportunity and appreciate your support. The purpose of this letter is to provide an overview of the proposed development, demonstrate its consistency with the City's 1st & Main Transit Area Revitalization Plan, discuss the development risks associated with the project, and to request assistance from the City and the LDDA to help bridge the financial gap for this important catalyst project. We believe that the absence of a public-private partnership will make the redevelopment of the Butterball properties difficult and even more challenging. Through such a partnership, together we can transform the south area of downtown into a special transit and pedestrian oriented place that will attract new residents and business to Longmont and connect to the existing fabric of downtown.

Existing Conditions & Challenges
Currently the 1st & Main area of downtown is a challenging area for redevelopment. Most properties are blighted, underutilized, and the public perception of the area is very low. The abandoned Butterball Properties are contributing to the blight and decay and are a major factor to the area's decline. This situation is also contributing to the lack of private investment by local property and business owners, some of who are absentee. The 1st & Main Transit Revitalization Plan developed by the City is the first step in a vision towards enhancing the area and attracting investment. The next step is to initiate a significant "catalyst project" that will start to transformation the area and send a message to the community that real change is coming. There are signs of life in the area, but major change is needed. The City must work to foster an environment where people want to live downtown with access to transit, services and amenities.

The redevelopment of the Butterball Properties will not be without significant challenges and risk. The major challenges are as follows:

- Located in a blighted part of downtown Longmont
- The public perception of the area is very low
- The railroad tracks, train noise and diesel smell are problematic
- There is a high level of development risk for new residential, retail and office
- 1st & Main is not a proven area for residential and/or mixed-use
- Commercial rental rates are low and there is a lack of Class A product
- There are high demolition and site costs to transform the Butterball Properties
- The adjacent properties to the south and east are severely blighted
- Main Street improvements are needed for a safer pedestrian experience

150 Main, LLC
6800 N. 83rd Street, Suite 206
Niwot, CO 80503

We believe that with the right development plan and assistance from the City and LDDA, the challenges can be mitigated and the successful redevelopment of the Butterball properties can be achieved.

Keys to Success:

There are many keys to success that start with coordination and the right plan. The City has studied the area and released the 1st & Main Transit Revitalization Plan which serves as a general blueprint to guide reinvestment in the area. Both the public and private sectors will have to do their part to support and initiate change. Public-Private Partnerships should be formed to help drive change, mitigate risk and enhance the chance of success. We believe the following are the major keys to success for the Butterball Properties redevelopment effort:

- ✓ A vision and plan for the area – The 1st & Main Transit Revitalization Plan
- ✓ A Public-Private Partnership between the City, LDDA and the Developer
- ✓ Specific Developer Incentives that will help to mitigate the redevelopment risks
- ✓ Flexible zoning, use guidelines and expedited approval processes
- ✓ Completion of City public improvements:
  - South Main Street improvements and streetscape (Hwy 119 to 3rd Ave.)
  - River corridor improvements, Main Street bridge and trails
  - 1st & Main Station- Bus and future rail service
  - Completion of Dickens Park
  - Completion of Boston Avenue expansion and connection to Martin Street

Phase 1 Development Plan

The Phase 1 redevelopment plan is consistent with the 1st & Main Transit Revitalization Plan as outlined by the City. The collective goal is to redevelop the Transit Station Core and surrounding area into a mix of residential and commercial uses. A significant amount of multifamily residential is needed and will help to activate the area and create density. The ability to live and work in a walk-able downtown environment, one block from the future Transit Station and near restaurants and shops is attractive.

The Phase 1 plan is to redevelop the 150 Main Property (the original Butterball Plant site) with approximately 300, Class A, multifamily residential units that are "urban" in form and 10,500 square feet of commercial space along Main Street. In addition, 218 Kimbark Street and 209 Emery Street will be rehabilitated as usable commercial space. 210 Emery Street and 320 2nd Avenue will also be redeveloped to make way for new commercial space and possibly additional residential. 2nd Avenue and Emery Street will also be improved into more walkable, urban street sections that will include an enhanced recreational corridor connecting residents and visitors to other parts of the City and the St. Vrain River corridor.

Use of Funds and Timing

The funds and credits provided by the City and the LDDA for Phase 1 will be used for demolition of the existing Butterball Plant, cooler and wastewater treatment plant, as well as the construction of the Phase 1 improvements - apartments and commercial space. The funds will also be used to upgrade exterior building materials, landscaping, signage and public infrastructure needed to improve the area and attract new residents and future development.

150 Main, LLC
6800 N. 83rd Street, Suite 206
Niwot, CO 80503

It is estimated that Phase 1 will be completed in 3-4 years. The 150 Main property is currently being demolished and the plan is to start construction on the apartments and commercial by the end of 2015. Construction is estimated to take 20 to 22 months and once the 150 Main property has been redeveloped, 210 Emery and 320 2nd Avenue will be rehabilitated and/or redeveloped.

Financial Gap Analysis

As with many redevelopment projects in blighted and transitional areas of downtowns, the financial risk is high and there is a financial gap between the costs to develop property located in these areas and the market rents needed to support the cost. This is compounded when construction costs are on the rise as they are in today's market. If the initial projects in these areas successful, values and rents tend to rise and the financial gap narrows. The Butterball property redevelopment is no different. Based on our current plan for Phase 1 of the redevelopment, we currently show a financial gap of approximately $8 million to $10 million. The total amount of the Developer requested City and LDDA incentives that have been discussed to date equal approximately $3.75 million. If we apply these incentives to the 150 Main Street redevelopment, the remaining financial gap ranges from $4.0 million to $6.5 million. There are a several ways we can further reduce the financial gap as we move the project forward. Construction cost, the cost of financing, higher rental rates, and City fee waivers and credits currently allowed by City Code are all important factors to that effort. As we work through the vertical design and construction plans we continually focus on cost reduction while maintaining a high level of quality for the project. As the economy improves, lenders are becoming more flexible with terms and interest rates and that will work in our favor. On the revenue side, as Phase 1 is built and the City improvements in the area are completed, we believe rents and property values will rise. The combination of the above factors will all contribute to the ability to close the financial gap for Phase 1 of the project.

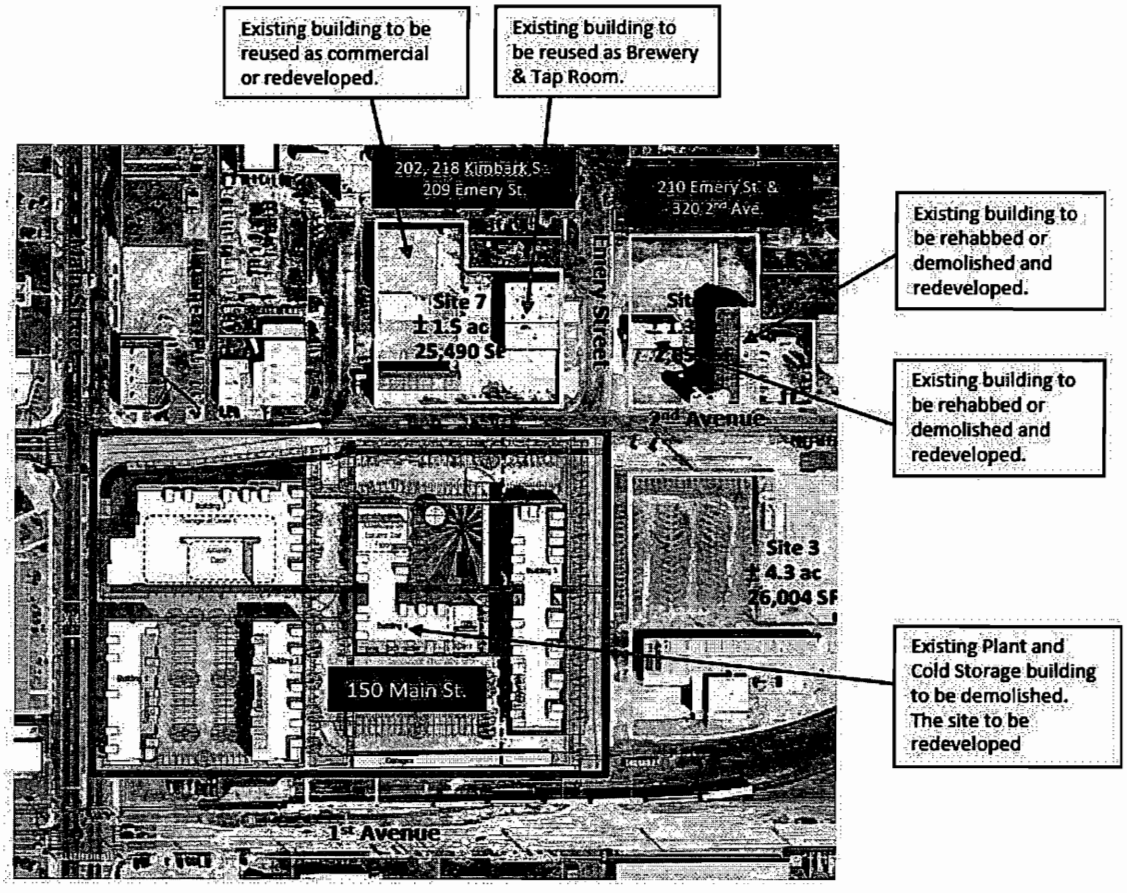
Thank you for your consideration and please let us know if you have any questions. We also applaud your continued support and commitment to the redevelopment of the 1st & Main Street area of downtown.

Sincerely,

Brian W. Bair
Manager
150 Main, LLC & PFP Longmont Holdings 1, LLC

EXHIBIT B

DEVELOPMENT CONCEPT PLAN FOR THE PHASE 1 PROPERTY



Property Information

Address	Size	Proposed Use	Proposed Density	Existing Streets & Walks	Existing Utilities	Zoning & Plan
150 Main St.	6.5AC	Residential MU	Approximately 325 residential units and 10,500 square feet of commercial	Main St., 2nd Ave., streets and walks. Emery Street, street only	Water, Sanitary, Storm, Gas, Electric	MU and 1st & Main Revitalization Plan
202, 218 Kimbark St. & 209 Emery St.	1.5AC	Commercial MU	15,000 to 30,000 square feet of commercial	Emery Street , 2nd Ave, Walk on Emery	Water, Sanitary, Storm, Gas, Electric	MU and 1st & Main Revitalization Plan
210 Emery St. & 320 2nd Ave.	1.3AC	Commercial MU	15,000 to 20,000 square feet of commercial	Emery Street , 2nd Ave, Walk on Emery	Water, Sanitary, Storm, Gas, Electric	MU and 1st & Main Revitalization Plan

EXHIBIT C

DEVELOPMENT FINANCIAL INFORMATION

150 Main Street Property		
SOURCES		
Bank Financing	$	39,097,475
Owner's Equity	$	17,302,486
City/LDDA Incentives	$	3,750,000
TOTAL	**$**	**60,149,961**
USES		
Hard Costs	$	49,696,040
Soft Costs	$	10,453,921
TOTAL	**$**	**60,149,961**

218 Kimbark, 209 Emery, 210 Emery & 320 2nd Ave. Properties		
SOURCES		
Bank Financing	$	4,208,994
Owner's Equity	$	2,116,381
City/LDDA Incentives	$	150,000
TOTAL	**$**	**6,475,375**
USES		
Hard Costs	$	5,427,125
Soft Costs	$	1,048,250
TOTAL	**$**	**6,475,375**

EXHIBIT D

LEGAL DESCRIPTION OF PHASE 1 PROPERTY AND REDEVELOPMENT AREA

PHASE 1 PROPERTY

210 Emery Street and 324 2nd Avenue

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

The South 17.81 Feet Of Lot 5; And All Of Lots 6, 7 And 8; And The South 10.665 Feet Of The North Half Of Lot 15'

Except The East 100 Feet Of Said Lots 15 And 16; Block 73; Longmont, County Of Boulder, State Of Colorado.

150 Main Street

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

That Portion Of Block 88 And 89, Longmont, Boulder County, Colorado And Of Vacated Kimbark Street And Of Vacated Second Avenue Described As Follows:

All Of Lots 1, 2, 3, 4, 6, 7, 8 And 9, And The North 30 Feet Of Lots 5 And 10, Block 88, Longmont,

And All Of Lots 1, 2, 3, 6, 7 And 8, Block 89, Longmont,

And All That Part Of Lots 4 And 9 Lying Northerly Of A Line Which Begins At A Point On The West Line Of Said Lot 4 Which Point Is 10.90 Feet North Of The Center Line Of The Railway Company's Tract No. 18 As Now Located, Said Point Being 163.65 Feet South Of The Northwest Corner Of Lot 3;

Thence South 80°40'14" East, 274.70 Feet To The East Line Of Said Block 89 And The Point Of Termination Of Said Line, Block 89, Longmont,

And That Part Of Lots 4, 5, 9 And 10 Bounded On The North By The Centerline Of Burlington Northern Railroad Company's Track No. 18, Now Removed, And Bounded On The South By A Line Drawn Parallel With And Distant 10 Feet Northerly Of, Measured As Right Angles To, Burlington Northern Railroad Company's Track No.14 Centerline, As Now Located And Constructed, Block 89, Longmont,

Together With All That Part Of Vacated Second Avenue As Vacated By Ordinance No. 495, Recorded July 31, 1963 In Book 1292 At Page 589 And Described As Follows:

All That Part Of Second Avenue Lying Between Kimbark Street And Main Street And South Of The Railroad Right Of Way As Located May 11, 1954;

And Together With That Part Of Vacated Second Avenue As Vacated By Ordinance No. 1089 Recorded December 16, 1970 On Film 717 As Reception No. 962624 And Described As Follows:

That Portion Of Second Avenue Lying South Of The Railroad Right-Of-Way As Located December 8, 1970 And Lying North Of The Following Described Line:

Beginning At The Northeast Corner Of Lot 6 In Block 88, Longmont;

Thence East Along The North Line Of Lot 6, Extended, 25 Feet To The Point Of Termination Of Said Line;

And Together With That Part Of Vacated Kimbark Lying Adjacent To The Above Described Parcels In Blocks 88 And 89 As Vacated By Ordinance No. 1089 Recorded December 16, 1970 On Film 717 As Reception No. 962624, By Ordinance No. 1496 Recorded May 20, 1977 On Film 963 As Reception No. 223836, By Ordinance No. 0-84-44 Recorded July 20, 1984 On Film 1313 As Reception No. 635181 And By Ordinance No. 0-86-42 Recorded August 29, 1986 On Film 1427 As Reception No. 785314, And Described As Follows:

Commencing At The Northwest Corner Of Block 89, Longmont;

Thence South 00°00'00" East, Along The West Line Of Said Block 89 To A Point 10.90 Feet North Of The Center Line Of The Railway Company's Tract No. 18, Said Point Being 163.65 Feet South Of The Northwest Corner Of Lot 3 In Said Block 89, And Being The Southwest Corner Of That Tract Of Land Conveyed By The Colorado And Southern Railway Company To W. Howard Hogsett, Jr. By Deed Recorded October 31, 1968 On Film 651 As Reception No. 895459;

Thence North 80°40'14" West, 50.00 Feet To The North/South Monument Line Of Kimbark Street;

Thence South, Along The North/South Monument Line Of Said Kimbark Street, 10.90 Feet To The Centerline Of Burlington Northern Railroad Company's Track No. 18, Now Removed;

Thence East, Along The Centerline Of Said Track No. 18, A Distance Of 50.00 Feet, More Or Less, To The West Line Of Block 89, Longmont, Said Point Being The Northwest Corner Of That Tract Of Land Conveyed From Burlington Northern Railroad Company To Longmont Turkey Processors By Deed Recorded March 23, 1987 On Film 1464 As Reception No. 835690;

Thence South, Along The West Line Of Said Block 89 To A Line Drawn Parallel With And Distant 10 Feet Northerly Of Measured At Right Angles To Burlington Northern Railroad Company's Tract No. 14 Centerline As Now Located And Constructed;

Thence West Parallel With And Distant 10 Feet Northerly Of Measured At Right Angles To Burlington Northern Railroad Company's Tract No. 14 Centerline A Distance Of 50.00 Feet, More Or Less, To The North/South Monument Line Of Said Kimbark Street;

Thence Along Said Monument Line South 00°00'06" West, 5.41 Feet;

Thence Continuing West To The Southeast Corner Of The North 30 Feet Of Lot 10, Block 88, Longmont, Said Point Being The Southeast Corner Of That Tract Of Land Conveyed By Burlington Northern Railroad Company To Longmont Turkey Processors, Inc. By Deed Recorded June 9, 1986 On Film 1412 As Reception No. 765185;

Thence North 00°00'00" East 30.00 Feet To The Northeast Corner Of Said Lot 10, Said Point Being The Southwest Corner Of That Tract Described In Ordinance No. 0-84-44 Recorded As Reception No. 635181;

Thence Continuing North 00°01'38" East, Along The East Line Of Said Block 88 A Distance Of 38.0 Feet To The Southwest Corner Of That Tract Described In Ordinance No. 1496 Recorded As Reception No. 223836;

Thence Continuing North 00°00'00" East, Along The East Line Of Said Block 88 To The Southeast Corner Of Lot 8, Block 88, Longmont, Said Point Being The Southwest Corner Of That Tract Described In Ordinance No. 1089 Recorded As Reception No. 962624;

Thence Continuing North, Along The East Line Of Lots 6, 7 And 8 In Block 88, Longmont To The Northeast Corner Of Said Lot 6, Said Point Being The Northwest Corner Of That Portion Of Kimbark Street Vacated By Said Ordinance No. 1089 Recorded As Reception No. 962624;

Thence East Along The North Line Of Lot 6, Block 88 Longmont Extended, And Along The North Line Of The Said Tract Described As Reception No. 962624, A Distance Of 25 Feet To The Northwest Corner Of That Tract Described In Ordinance No. 0-86-42 Recorded As Reception No. 785314;

Thence North 89°58'40" East, Along The North Line Of The Said Tract Described As Reception No. 785314, 25.00 Feet To The North/South Monument Line Of Kimbark Street As Now Platted;

Thence South 89°57'35" East, Along The North Line Of The Said Tract Described As Reception No. 785314, A Distance Of 50.00 Feet To The Point Of Beginning, County Of Boulder, State Of Colorado.

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

That Portion Of Block 89, Longmont, Described As Follows:

Beginning At The Northwest Corner Of Lot 3, Block 89, Longmont, County Of Boulder, State Of Colorado,
Thence South, 163.65 Feet, Along The West Line Of Lots 3 And 4 To A Point That Is 10.9 Feet North Of The Centerline Of The Colorado And Southern Railway Company's Track No. 18 As Located On September 10, 1968, Said Point Being The Southwest Corner Of Parcel A Conveyed By The Colorado And Southern Railway Company To W. Howard Hogsett, Jr., By Deed Recorded October 31, 1968 On Film 651 As Reception No. 895459, And The True Point Of Beginning;

Thence South 80°40'14" East Along The South Line Of Said Tract Described On Reception No. 895459 274.7 Feet, More Or Less, To A Point On The East Line Of Said Block 89, Which Point Is 208.2 Feet South Of The Northeast Corner Of Lot 8 In Said Block 89;

Thence South 10.9 Feet, More Or Less, To The Centerline Of Said Track No. 18, Said Point Being The Northeast Corner Of That Tract Of Land Conveyed By Burlington Northern Railroad Company, A Delaware Corporation, To Longmont Turkey Processors, Inc., A Colorado Corporation By Deed Recorded March 23, 1987 On Film 1464 As Reception No. 835690;

Thence Westerly, Along The Centerline Of The Colorado And Southern Railway Company's Tract No. 18 (Now Burlington Northern Railroad Company Tract No. 18 Now Removed) And Along The Northerly Line Of The Said Tract Described As Reception No. 835960 To The West Line Of Said Block 89;

Thence North, Along The West Line Of Said Block 89, A Distance Of 10.9 Feet, More Or Less, To The True Point Of Beginning;

Together With That Portion Of The East Half Of Vacated Kimbark Street Adjacent Thereto, As Vacated By Ordinance No. 0-86-42 Recorded August 29, 1986 On Film 1427 As Reception No. 785314.

<u>202 Kimbark Street, 218 Kimbark Street, 209 Emery Street</u>

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

The South 23 Feet Of Lot 4; All Of Lots 5, 6 And 7; The South Half Of Lot 12; And All Of Lots 13 And 14' Block 74, Longmont, County Of Boulder, State Of Colorado

<u>OTHER REDEVELOPMENT AREA</u>

110 Emery Street

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

That Portion Of Block 90 And 91, Longmont, County Of Boulder, State Of Colorado, _ And Vacated Collyer Street Between And Adjacent To Said Blocks, As Vacated By Ordinance No. 623, Recorded October 7, 1987 On Film 1498 As Reception No. 881500, Lying Northerly And Westerly Of A Line Described As Follows:

Commencing At The Northwest Corner Of Lot 4, Block 90, Longmont, Thence South 159.55 Feet Along The West Lines Of Lots 4 And 5 Of Said Block 90 To A Point That Is 15 Feet North Of The Center Line Of The Colorado And Southern Railway Company's Track No. 7 As Located September 10, 1968 And The Point Of Beginning Of Said Line;

Thence Northeasterly On A Curve To The Left Having A Radius Of 739.86 Feet, A Distance Of 193.55 Feet (The Chord Of Said Curve Bears North 82°30' East 193.15 Feet);

Thence North 75°00' East 26.26 Feet; Thence Northeasterly On A Curve To The Left Having A Radius Of 403.11 Feet, A Distance Of 169.36 Feet (The Chord Of Said Curve Bears North 62°56' East 168.54 Feet) To A Point Of Intersection With The East Line Of Said Block 90, Said Point Being The Most Southerly Corner Of That Tract Of Land Conveyed By The Colorado And Southern Railway Company To The Bell-Malo Malting Barley Co. By Deed Recorded October 17, 1961 In Book 1203 At Page 597, Said Point Being 15 Feet Northwesterly, Measured At Right Angles, From The Center Of The Colorado And Southern Railway Company's Tract No. 8;

Thence Continuing Northeasterly On A Curve To The Left, Having A Radius Of 427 Feet, More Or Less, To The North Line Of Block 91, Longmont And The Point Of Termination Of Said Line.

121 Main Street

A Parcel Of Land Being A Portion Of The Southeast Quarter (Se ¼) Of Section 3, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

The North 65 Feet Of Lot 4, The North 65 Feet Of Lot 9, All Of Lots 3 And 8, And That Portion Of Lots 2, 6 And 7 Lying Southerly Of A Line Described As Follows:

Beginning At A Point On The West Line Of Said Lot 2, Distant 70.0 Feet Northerly Of The Southwest Corner Thereof;

Thence Easterly, Parallel With And Distant 70 Feet Northerly, Measured At Right Angles To The South Line Of Said Lot 2, To The Point Of Intersection Of The East Line Of Said Lot 2;

Thence Northerly, Along The East Line Of Said Lot 2, To A Point Distant 20 Feet Northwesterly, Measured At Right Angles To Burlington Northern Railroad Company's Main Track Centerline As Originally Located And Constructed, As It Crosses Said Lots In A Northeasterly And Southwesterly Direction;

Thence Northeasterly, Parallel With Said Main Track Centerline, To The Point Of Intersection Of The East Line Of Said Lot 6 And The Point Of Termination, Block 87, Longmont, County Of Boulder, State Of Colorado.

301 1st Avenue

A Parcel Of Land Being A Portion Of Sections 3 And 10, Township 2 North, Range 69 West Of The 6th Principal Meridian, City Of Longmont, County Of Boulder, State Of Colorado Being More Particularly Described As Follows:

Lots 1, 2, 3, 4 And The Easterly 30 Feet Of Lot 5, Block 96, Longmont;
And Lots 2, 3, 4 And 5, Block 95, Longmont; And Lot 1, Block 1, The Colorado & Southern Railway Company Subdivision,

Excepting There From That Portion Conveyed To The City Of Longmont By The Deed Recorded December 29, 2004 Under Reception No. 2654232, County Of Boulder, State Of Colorado;

Together With

A Tract Of Land In The North Half Of The Northeast Quarter Of Section 10, Township 2 North, Range 69 West Of The 6th Principal Meridian, County Of Boulder, State Of Colorado, Described As Follows:

Beginning At A Point On The North Line Of Said Section 10, Whence The Northeast Corner Of Said Section Bears East 571.0 Feet, Said Point Being The Northwest Corner Of The Longmont Storm Sewer Right Of Way As Conveyed By W.A. Dickens To The City Of Longmont By Deed Recorded April 11, 1931 In Book 582 At Page 256;

Thence West Along The North Line Of Said Section 10, A Distance Of 1225.0 Feet;

Thence South 355.0 Feet;

Thence South 88°27' East, 500.0 Feet;

Thence South 86°56' East, 500.0 Feet;

Thence South 35°39' East 31.9 Feet;

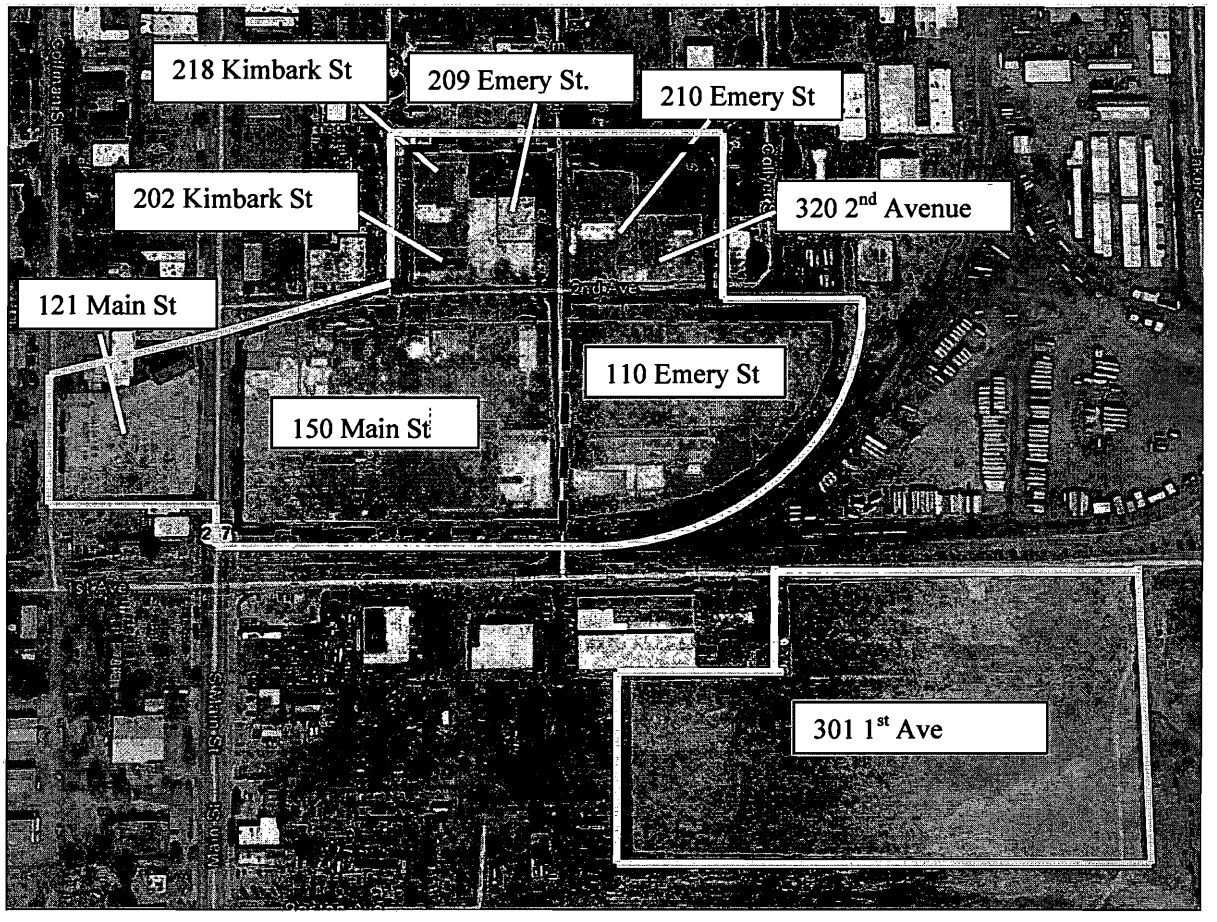
Thence North 89°41' East 470.0 Feet, More Or Less, To The West Line Of The Longmont Storm Sewer Right Of Way Described In Book 582 At Page 256;

Thence Along Said Right Of Way Line Described In Book 582 At Page 256, North 41°28' West 396.7 Feet And North 124.0 Feet, More Or Less, To The Point Of Beginning;

Excepting There From That Portion Lying Within The Plat Of Dickens Farm Subdivision, Recorded October 17, 2005 Under Reception No. 2729866.

EXHIBIT E

MAP OF REDEVELOPMENT AREA



= Phase 1 Property

= Redevelopment Area

EXHIBIT F

PROCEDURE FOR DOCUMENTING, CERTIFYING AND PAYING DEMOLITION AND CLEANUP COSTS

1. Documentation. The City will reimburse the Owner for the actual and reasonable capital expenditure Demolition and Cleanup Costs for the 150 Main Street Property and other properties in the Redevelopment Area. The Owner shall certify that such costs were incurred in the demolition and cleanup for the 150 Main Street Property and other properties within the Redevelopment Area, and the costs shall be substantiated by documents (invoices, bills, checks, and similar documentation). The Owner shall be responsible for documenting all Demolition and Cleanup Costs. Demolition and Cleanup Costs may be certified when a reimbursement request has been submitted by the Owner that complies with the procedure set forth in Section 6.2 of this Agreement. All such submissions shall include a certification signed by the Owner. 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 an eligible cost. Such submissions shall 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 Owner for each item listed on the statement. Unless required by an Owner construction contract then being performed, statements for payment of Demolition and Cleanup Costs shall not include advance payments of any kind for unperformed work or materials not delivered and stored on the property.

2. Eligible Demolition and Cleanup Costs. The following shall be deemed to eligible Demolition and Cleanup Costs for the 150 Main Street Property and other property within the Redevelopment Area:

- Phase 1 environmental assessments, Phase 2 assessments or other environmental assessments
- Property surveys and traffic control
- Remediation costs related to cleanup of identified contaminants
- Demolition of existing buildings
- Removal of site pavement and concrete and foundations
- Removal of debris and transport to landfill or other offsite locations
- Cost of demolition permits
- Cost to abandon, cut and cap utilities and water and sewer service lines in accordance with City Standards.
- Costs associated with stormwater management plans, permits and maintenance on site (excluding any fines)
- Site fencing and Security Services during demolition period
- Tree and irrigation protection during demolition period
- Fill material, compaction and rough grading of the site
- Other demolition and cleanup costs as identified by the Owner and certified as eligible by the City

2. Verification, Submission, and Payment. Each reimbursement request will be submitted to the applicable City representative, the Redevelopment Manager of the City, for review within ten (10) business days. Such review is for the purpose of verifying that the work represented in each payment request and supporting documentation complies with the requirements of this Agreement. Upon the approval of such documentation, the City will make payment of eligible cost pursuant to Section 6.2 of this Agreement. So long as the payment request is properly certified according to this procedure payment shall be made within thirty (30) days of submission of the payment request.

If a payment request is made by the Owner in accordance with this Exhibit F and Section 6.2 of the Agreement and the City objects that the payment request does not comply with the provisions of this Agreement, and the objection is made on the basis of incomplete or insufficient documentation, the Owner shall promptly provide complete and sufficient documentation in a good faith effort to facilitate resolution. The Parties shall cooperate in good faith to resolve any dispute concerning the payment or reimbursement of Demolition and Cleanup Costs, but without being obligated to waive or relinquish any rights hereunder. If the Parties have not satisfactorily resolved any such dispute within ten (10) business days after the 10-day review of reimbursement request, the City may withhold the amounts in dispute from payment and shall process and pay the remainder of the undisputed Demolition and Cleanup Costs, and the Parties shall continue in good faith to resolve any remaining dispute.