PURCHASE AND SALE AND DEVELOPMENT AGREEMENT AMONG THE THRASH GROUP, THE CITY OF LONGMONT, THE LONGMONT GENERAL IMPROVEMENT DISTRICT #1, AND THE LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY FOR A BOUTIQUE HOTEL

THIS PURCHASE AND SALE AND DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____(the "Effective Date") by and among THE THRASH GROUP, a Mississippi limited liability company or its designated assignee ("Developer"), the CITY OF LONGMONT, a Colorado municipal corporation ("City"), the LONGMONT GENERAL IMPROVEMENT DISTRICT #1, a public improvement district organized under C.R.S. 31-25-601 et seq. ("LGID"), and the LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY ("LDDA"), a body corporate and politic of the State of Colorado. Developer, City, LGID and LDDA may be referred to collectively herein as the "Parties" or individually as a "Party". The City, LGID and LDDA also are collectively referred to herein as the "City Parties."

Recitals

A. LGID and the City are the owners of certain real property located in the City of Longmont on the northwest corner of 3rd Avenue and Kimbark Street (the "Land"), which Land is legally described on Exhibit A attached hereto and made a part hereof.

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

C. Developer desires to acquire a portion of the Land (the "Hotel Parcel") to construct an approximately 85 room, independent hotel that meets or exceeds the quality of upper upscale (as defined in the STR chain scales) hotels, which hotel will include approximately 4,000 square feet of commercial space, including pre-function, meeting space, retail or a combination of both, as well as approximately 5,000 square feet of inside/outside rooftop restaurant space (the "Hotel Project"). The Parties also intend that Developer will construct a parking structure (the "Parking Structure") on the portion of the Property that will continue to be owned by the LGID or the City (the "Remaining Parcel"), which Parking Structure to consist of approximately 65 spaces on the top level and approximately 75 public spaces on the ground level. The Hotel Project and the Parking Structure are referred to together herein as the "Project."

D. The Parties have agreed that, subsequent to transfer of the Hotel Parcel to Developer, Developer or its affiliates will be obligated to construct the Project pursuant to the terms of a developer covenant described in this Agreement.

E. To facilitate development of the Project, LDDA, the LGID and the City each are willing to provide or consider providing financial assistance to the Project in an aggregate amount not to exceed $4,300,000.00, as further set forth in this Agreement.

F. The Parties have identified a number of steps, as set forth in detail in this Agreement, to enable the provision of financial assistance to the Project and transfer of the Hotel Parcel to Developer.

G. Each of the Parties hereto have determined that entering into this Agreement is in their respective best interests.

Agreement

For and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. Purchase and Sale. LGID agrees to sell and Developer and Developer agrees to purchase, upon the terms and conditions hereinafter set forth, the following (collectively, the "Property"):

1.1 the Hotel Parcel (the legal description of which will be determined pursuant to Paragraph 6.3 below);

1.2 all right, title and interest, if any, of the LGID as the owner of the Hotel Parcel in and to any strips or gores adjoining the Hotel Parcel, and any easements, rights of way or other interests in, on, under, or to, any land, highway, street, road, public access, right of way or avenue, open or proposed, in, on, under, across, in front of, abutting or adjoining the Hotel Parcel, provided that in no event shall the conveyance include any portion of the alley located along the western side of the Land;

1.3 all right, title and interest, if any, of LGID in and to the accessions, appurtenant rights, privileges, appurtenances, including without limitation any and all mineral or surface rights affecting or appurtenant to the Hotel Parcel, and all the estate and rights of LGID in and to the Hotel Parcel, as applicable, or otherwise appertaining to any of the property described in the immediately preceding Paragraphs 1.1 and 1.2 (the Hotel Parcel and the interests of LGID described in Paragraph 1.2 and this Paragraph 1.2 are referred to as the "Real Property"); and

1.4 all of LGID's interest, if any, in any intangible property, excluding intellectual property, now or hereafter owned by LGID and used solely in connection with the Real Property and any contract rights, escrow or security deposits, utility agreements or other rights related to the ownership of or use and operation of the Real Property (collectively, the "Intangible Property").

In the event that the legal description of the Hotel Parcel includes property owned by the City, the City acknowledges and agrees to satisfy the obligations of the LGID related to the purchase and sale of the Hotel Parcel as such obligations relate to the portion of the Hotel Parcel owned by the City.

2. Definitions. The following capitalized terms, as used in this Agreement, are defined as indicated below. Other capitalized terms used in this Agreement are defined the first time they are used in this Agreement.

2.1 Business Day. A Business Day means any day other than a Saturday, Sunday or a holiday generally observed by banking institutions in the State of Colorado.

2.2 City. The City means the City of Longmont, Colorado.

2.3 City Code. The City Code means the Municipal Code of the City, as amended from time to time.

2.4 Conditions Period. Conditions Period has the meaning provided to it in Section 4.

2.5 Conditions Precedent Date. Conditions Precedent Date has the meaning provided to it in Section 8.1.

2.6 Construction Documents. Construction Documents means the completed 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 Property 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, restaurant plans), which shall be subject to separate building permits as required by applicable City requirements.

2.7 Deed. Deed has the meaning provided to it in Section 6.1.

2.8 Default. Default has the meaning provided to it in Section 25.

2.9 Developer Covenant. Developer Covenant has the meaning provided to it in Section 4.7.

2.10 Developer Financing. Developer Financing has the meaning provided to it in Section 4.3.

2.11 Developer's Reports. Developer's Reports has the meaning provided to it in Section 5.5.

2.12 Developer's Title Notice. Developer's Title Notice has the meaning provided to it in Section 6.4.

2.13 DIP Grant. DIP Grant has the meaning provided to it in Section 17.1.

2.14 DIP Grant Agreement. DIP Grant Agreement has the meaning provided to it in Section 17.1.

2.15 Effective Date. Effective Date shall be the date provided in the first paragraph of this Agreement.

2.16 Entitlements. Entitlements has the meaning provided to it in Section 4.2.

2.17 Façade Easement Agreement. Façade Easement Agreement has the meaning provided to it in Section 4.3.

2.18 Final Approval. Final Approval means that the City, through its applicable official or agency, has granted final approval to a particular land use application or proposal and either (a) all applicable appeal, challenge, referendum and/or initiative periods have passed without any appeal, challenge, referendum or initiative being filed or initiated with respect to such approval, or (b) if any such appeal, challenge, referendum or initiative has been filed or initiated, the matter has been finally resolved beyond all applicable appeal periods in a manner that completely upholds the validity of the challenged approval.

2.19 Final Report. Final Report has the meaning provided to it in Section 16.2.

2.20 Final Surveys. Final Surveys has the meaning provided to it in Section 6.3.

2.21 Financial Assurances. Financial Assurances has the meaning provided to it in Section 4.9.

2.22 Funding Cap. Funding Cap shall mean the $4,300,000.00 maximum amount of public assistance that may be provided to the Project, as further described in Section 16.2.

2.23 Hotel Parcel. Hotel Parcel has the meaning provided to it in Paragraph C of the Recitals.

2.24 Hotel Project. The Hotel Project has the meaning provided to it in Paragraph C of the Recitals.

2.25 Inspection Period. The Inspection Period means the period beginning upon Developer's receipt of LGID's Deliverables as defined in Section 5.1 and the Title Commitment, whichever is later, and continuing until 6:00 p.m. (Mountain Time) on the 90th calendar day thereafter.

2.26 Insurable Title Date. Insurable Title Date shall have the meaning set forth in Section 4.1 below.

2.27 Intangible Property. Intangible Property has the meaning provided to it in Section 1.4.

2.28 LGID's Cure Notice. LGID's Cure Notice has the meaning provided to it in Section 6.4.

2.29 Outside Closing Date. The Outside Closing Date means the date that is 180 days after the end of the Inspection Period, as such date may be extended pursuant to the terms of Paragraph 9 below.

2.30 Parking Agreement. Parking Agreement has the meaning provided to it in Section 4.8.

2.31 Parking Structure. The Parking Structure has the meaning provided to it in Paragraph C of the Recitals.

2.32 Phase I. Phase I has the meaning provided to it in Section 5.1.

2.33 Phasing Plan and Schedule. Phasing Plan and Schedule has the meaning provided to it in Section 4.6.

2.34 Project. Project means the Hotel Project and the Parking Structure combined.

2.35 Property. Property has the meaning provided to it in Section 1.

2.36 Property Valuation. Property Valuation has the meaning provided to it in Section 3.1.

2.37 Real Property. Real Property has the meaning provided to it in Section 1.3.

2.38 Released Parties. Released Parties has the meaning provided to it in Section 12.2.

2.39 Remaining Parcel. Remaining Parcel has the meaning provided to it in Paragraph C of the Recitals.

2.40 Surviving Obligations. The Surviving Obligations means the obligations of Developer or the City Parties which survive any termination of this Agreement pursuant to the express terms of this Agreement, and include specifically Paragraph 5 (regarding Developer's inspection of the Property), Paragraph 5.5 (regarding the delivery of Developer's Reports), Paragraph 11.4 (concerning survival and disclaimers by City Parties), Paragraph 12 (concerning disclaimers by City Parties), Paragraph 13.3 (regarding survival of Developer's representations and warranties) and Paragraph 21 (regarding survival).

2.41 Temporary Construction Easement. Temporary Construction Easement has the meaning provided to it in Section 4.10.

2.42 Title Commitment. Title Commitment has the meaning provided to it in Section 6.2.

2.43 Title Company. Title Company means Commonwealth Land Title Insurance Company.

2.44 Title Policy. Title Policy has the meaning provided to it in Section 6.2.

2.45 Yearly Report. Yearly Report has the meaning provided to it in Section 16.2.

3. Property Purchase Price and Valuation. The Property shall be conveyed to Developer at no cost. The valuation of the Property (the "Property Valuation") shall be applied to Funding Cap. The Property Valuation shall be determined by an appraisal prepared by and paid for the LDDA. The Property Valuation shall be ordered within ten (10) calendar days of the

Insurable Title Date and the Property Valuation Report provided to Developer upon receipt by the LDDA.

4. Pre-Closing Tasks and Activities. The Parties acknowledge that there are a number of steps that need to be accomplished between execution of this Agreement and Closing in order to facilitate this transaction and agree upon the Parties' arrangements and obligations subsequent to Closing. Accordingly, from and after the Insurable Title Date (as defined in Section 4.1 below, and prior to the "Conditions Precedent Date", as defined in Paragraph 8.1 below (the "Conditions Period"), the Parties shall work together to accomplish the tasks described in Paragraphs 4.1 through 4.11 below with the intent of satisfying the Conditions Precedent set out in Section 8 below. Each of the tasks in Sections 4.2 to 4.11 below correlates to a Condition Precedent, as further described in Section 8 below.

4.1 Resolution of Purported Hamm Ownership Interest. The Parties acknowledge that the initial title information for the Land show Katharine C. Hamm and Richard E. Hamm (the "Hamms") to be the owners of the north six (6) inches of Lot 40 of the Land. Subsequent to the Effective Date, the City Parties shall proceed with due diligence to rectify this issue to the satisfaction of Title Company and Purchaser. Notwithstanding anything in this Agreement, the Conditions Period shall commence on the date (the "Insurable Title Date") that the Title Company issues a title commitment that shows that the Land is owned by either the City or the LGID and that neither the Hamms nor any successor to the Hamms own any interest in the Land. If the Insurable Title Date does not occur on or before March 1, 2023, this Agreement shall terminate and the Parties shall be relieved on any further liability hereunder.

4.2 Developer Entitlement Submissions to City. Within ninety (90) days of the Insurable Title Date, Developer shall submit to the City, in accordance with standard City requirements, applications for the necessary entitlements for the Project, including but not limited to (1) site plan approval and (2) a proposed plat, and such other submissions as are required by the City for approval of the Project (the "Entitlements"). Developer and City shall work cooperatively with City staff to address staff comments. Developer shall provide its submissions in a timely and diligent manner.

4.3 Developer Submissions to LDDA. Subsequent to the Insurable Title Date, Developer shall timely submit to the LDDA a formal application for tax increment financing ("TIF") and supporting materials in accordance with LDDA's requirements under its TIF Investment Program. LDDA acknowledges that Developer will be seeking TIF reimbursement of not more than $2,300,000.00 beginning from the first year that TIF is generated from the Hotel Project so long as TIF is statutorily authorized) from 100% of the tax increment generated directly and solely from the Hotel Project, to be used toward eligible improvement costs (excluding soft costs) paid by the Developer and not otherwise reimbursed by the LDDA or the City. This TIF package must be approved by the LDDA Board of Directors and Developer will be required to enter into a façade easement agreement (the "Façade Easement Agreement") generally in the form attached hereto as Exhibit B and grant a façade easement to the LDDA. The amount that Developer receives from the TIF through the Façade Easement Agreement shall be applied to the Funding Cap. Developer acknowledges that the LDDA's consideration of the Façade Easement Agreement will include review and approval of the design of the Hotel.

4.4 Evidence of Developer Financing. Developer has provided to the LDDA and the City a term sheet dated June 28, 2022, from PriorityOne Bank ("PriorityOne") of its interest in providing financing ("Developer Financing") for the Project. Such financing shall include a combination of borrowed funds and Developer equity to complete construction of the Project; provided, however, the borrowed funds shall not exceed 75% of the loan-to-completed-value of the Project. Prior to Closing, Developer shall provide confirmation that it has received formal approval from PriorityOne of the Developer Financing, including satisfactory evidence that is in the form of a firm loan commitment with all conditions satisfied or able to be satisfied by the Developer as of the date of such firm commitment, shall be determined in the reasonable opinion of the LDDA, and the City acting by and through the City Manager.

4.5 Construction Documents. Within ninety (90) days of Final Approval of the Entitlements, the Developer shall prepare and submit the Construction Documents to the LDDA and the City for their approval. Unless otherwise approved in writing by the LDDA and the City, the Construction Documents shall be a logical development of and consistent with the descriptions of the Hotel Project and Parking Structure set forth in Section 2 above and the Entitlements. Subsequent to Closing, Developer will construct the Parking Structure in accordance with the Construction Documents and in accordance with the Phasing Plan and Schedule. Developer's obligations for such construction shall be further defined in the Developer Covenant. Developer will obtain adequate payment and performance bonds to ensure construction of the Parking Structure.

4.6 Construction and Development Phasing Plan and Schedule. During the Conditions Period, the Developer will provide a design, construction and development phasing plan and schedule to be approved by the Parties (the "Phasing Plan and Schedule") to address timing for construction of the Project. The Phasing Plan and Schedule shall include the dates for commencement of construction and final completion of the Project and other necessary dates as agreed by the Parties. The Phasing Plan and Schedule shall provide that the Project must receive a certificate of occupancy within three (3) years from the date of issuance of the first building permit for the Project.

4.7 Developer Covenant. During the Conditions Period, the Parties will work to agree on the terms of a developer covenant (the "Developer Covenant"), which shall be recorded against the Hotel Parcel at Closing. The Developer Covenant shall address the following issues:

4.7.1 The agreed upon design and schedule for construction of the Project, as further set forth in Paragraphs 4.6 above.

4.7.2 Additional requirements for the Hotel Project, which will include the following items:

4.7.2.1 Restaurant space as a rooftop amenity that is full open to the public and comprised of approximately 5,000 square feet of restaurant space with additional square footage located outdoors.

4.7.2.2 Approximately 4,000 square feet of additional ground floor commercial space which can be pre-function, meeting or retail space.

4.7.2.3 Additional boutique hotel amenities including, but not limited to: (a) incorporating local art/artists; (b) creating hotel packages to attract visitors; (c) modern fitness room; (d) electric charging stations for automobiles; (e) hotel specialty suites; and (f) bicycles available for guest use.

4.7.3 A requirement that the hotel be continuously maintained and operated consistent or greater than the standards that apply to an upper upscale (as defined in the STR chain scales) hotel.

4.7.4 A definition of default that includes failure to meet target dates and quality standards, and failure to adhere to Project scope of work requirements.

4.7.5 Remedies for default after a reasonable opportunity to cure that include step-in rights for LGID and the ability for the City Parties to call on the Financial Assurances as set forth in Paragraph 4.9 below.

4.7.6 Requirements for insurance and indemnity related to Developer's construction of the Parking Structure.

4.7.7 The form of Financial Assurances to be provided to the City Parties, as further set forth in Paragraph 4.8 below.

4.7.8 The responsibilities of the Developer to provide for reasonable ongoing maintenance of the Parking Structure as further set forth in Paragraph 4.8 below.

4.7.9 Provisions to protect City if Developer seeks to sell hotel or the hotel ceases to operate for more than 180 days.

4.8 Parking Lease and Operation Agreement. The Parties will work to agree on the form of parking lease and operation agreement (the "Parking Agreement") between the LGID and the Developer to be executed at Closing. Among other items, the Parking Agreement will address the following topics:

4.8.1 The number of parking spaces on each parking level with the Developer having the right to use all spaces on the top level.

4.8.2 Responsibilities for operating and maintaining the Parking Structure and the surface parking lot under the Parking Structure.

4.8.3 The hours for public parking on the surface level and responsibilities for enforcement.

4.8.4 The inclusion of EV charging stations and the possible inclusion of solar panels in the design and construction of the Parking Structure.

4.9 Financial Assurances. The Parties will work to agree on the form of financial assurances (the "Financial Assurances") to be provided by Developer to the City Parties at Closing, which financial assurances shall be in the form of an escrow, letter of credit or other

arrangement approved by the Parties in an amount equal to the estimated total cost of the Project and the Parking Structure to ensure that the Project will be completed in accordance with the schedule and requirements set out in the Developer Covenant.

4.10 Temporary Construction Easement. The Parties will work to agree on the form of temporary construction easement (the "Temporary Construction Easement") to be provided by the City Parties to Developer, its contractors or subcontractors, at no cost to Developer, on property owned by City Parties for purposes of staging and construction as necessary to complete the Project.

4.11 Subdivision. The Parties acknowledge that the Property will need to be subdivided in order that the Hotel Parcel may be legally conveyed to Developer. At such time as the Developer and the City Parties have agreed on the Final Surveys that define the Hotel Parcel and the Remaining Parcel, the City will proceed to prepare and process a subdivision plat (the "Plat") that shows the Hotel Parcel and the LGID Parcel.

5. Inspections

5.1 Inspection Rights. At all times prior to Closing, including times following the Inspection Period, Developer or its agents shall have the right, subject to obtaining an access permit from LGID, to (i) inspect the Real Property during normal business hours (which inspection may include, without limitation, soil borings, environmental and radon testing) and all matters relating thereto; and (ii) examine any documents and information delivered by LGID to Developer concerning the Real Property. Within fourteen (14) Business Days after the Insurable Title Date, LGID shall deliver promptly to Developer all documents and information reasonably requested by Developer, including without limitation a Phase I Environmental Report for the Property (the "Phase I"), the Property Valuation report, copies of all reports, inspections, studies, surveys, records, agreements, permits and other documents concerning the Real Property in LGID's possession and all at LGID's cost(collectively the "LGID Deliverables"). Such inspections shall not constitute a waiver by Developer of the breach of any representation or warranty of LGID. At any time prior to the last day of the Inspection Period, Developer may terminate this Agreement by giving LGID notice that Developer is not satisfied with the Real Property or any aspect thereof in Developer's sole judgment. Upon termination of this Agreement by such notice, the Parties shall be released and relieved of all further rights, obligations and liabilities hereunder, except the Surviving Obligations.

5.2 Samples. Soil, rock, water, asbestos, if any**,** and other samples taken from the Real Property shall remain the property of LGID. At LGID's request, Developer will assist in making arrangements for the lawful disposal of any contaminated samples and will pay any related transportation or disposal fees, but only if LGID signs the manifest and any other documents required in connection with the disposal of contaminated samples. If LGID is not willing to sign the required documentation, Developer's only obligation shall be to return the contaminated samples to LGID.

5.3 Conditions Regarding Inspection.

5.3.1 Developer will conduct any activities to inspect the Real Property at Developer's own risk and at Developer's sole cost. Before any entry by Developer on the Real Property for inspection purposes, Developer will post and keep posted on the Real Property in a conspicuous place, a printed notice that the interest of LGID will not be subject to any mechanics' or materialmen's liens as a result of the work performed or supplies furnished at Developer's direction, and upon request by LGID from time to time before Closing, or if earlier, on or after termination of this Agreement, Developer will require its contractors, subcontractors, architects, engineers and other consultants to deliver to LGID a waiver of all mechanics' and materialmen's lien rights in form and substance reasonably satisfactory to LGID.

5.3.2 Promptly after completion of Developer's inspection activities, Developer will restore the Real Property to the extent of any changes effected by Developer's entry.

5.3.3 Developer will comply at all times with all applicable laws and will indemnify, defend and hold the City Parties harmless from any loss, liability, claim, demand, action, suit, judgment, damage, cost or expense (including without limitation reasonable attorneys' fees) on account of Developer's inspection activities on or relating to the Real Property, including but not limited to any personal or bodily injury or death to any person, property damage, and mechanic's and materialmen's liens arising in connection with Developer's activities, or on account of Developer's breach of its obligations under this Paragraph 5.3.3; provided that Developer shall not be liable for any loss of value or damage to the Real Property arising from the discovery by Developer of any condition adverse on the Real Property, but Developer shall be liable for any loss of value or damage to the Real Property arising from the spread or exacerbation of any condition adverse to the development or sale of the Real Property caused directly by Developer's inspection activities on the Real Property. If any action or proceeding is brought against the City Parties or any of them by reason of any matter for which Developer has indemnified the City Parties under this Paragraph 5.3.3, Developer, upon notice from any of the City Parties, will defend the same at Developer's expense with counsel reasonably satisfactory to the City Parties.

5.4 Liability Insurance. Throughout the period beginning on the first day of the Inspection Period and ending the earlier of (A) termination of this Agreement and (B) the Closing Date, Developer will require any of its consultants entering onto the Real Property to carry commercial general liability insurance, including contractual liability coverage for Developer's indemnity covenants under this Agreement, with a combined single limit of not less than $1,000,000 (which requirement may be satisfied in part or whole with an umbrella liability policy so long as the aggregate claims made under the policy do not reduce the insurance available with respect to the Real Property below $1,000,000). Such liability policies shall list the City Parties as additional insured parties.

5.5 Delivery of Developer's Reports. If this Agreement is terminated before Closing, LGID will have the right (but not the obligation) to require Developer to deliver to LGID, without charge to LGID, copies of any or all written studies, assessments, evaluations and other reports and information regarding the physical condition of the Real Property (including, for

example, surveys, site plans, feasibility studies, soil reports, and utility studies) compiled by or at the request of Developer in the course of Developer's due diligence investigation of the Property, excluding any documents relating to the design or architecture of Developer's proposed development of the Real Property (the included documents being, together, "Developer's Reports"). If LGID exercises this option, Developer shall deliver copies of the Developer's Reports to LGID within ten (10) Business Days after Developer receives written notice from LGID requiring the delivery of Developer's Reports. If LGID does not, within thirty (30) Business Days after the termination of this Agreement, notify Developer of LGID's election to require Developer to deliver copies of Developer's Reports, then Developer shall have no further obligation to deliver copies of Developer's Reports to LGID.

6. Title

6.1 LGID's Conveyance. At Closing, LGID shall convey, transfer, grant and set over to Developer fee simple title to the Real Property, free and clear of all liens, rights to liens and mortgages. The deed (the "Deed") for conveyance of the Real Property shall be by quitclaim deed. The Deed shall be subject to any restrictions in the Developer Covenant as set forth in Paragraph 4.7.

6.2 Title Commitment. The Parties acknowledge that they have obtained from Title Company initial title work on the Real Property to enable a preliminary review of title issues associated with the Real Property. Within ten (10) Business Days after receipt of the Final Survey, as described below, LGID will cause the Title Company to deliver to Developer a title insurance commitment (the "Title Commitment") by which the Title Company commits to insure Developer's ownership of the Real Property in the amount of the Property Valuation using the ALTA form of owner's title insurance policy currently in use by the Title Company for commercial transactions, with extended coverage (the "Title Policy"). LGID will cause the Title Company to deliver to Developer, with the Title Commitment, a current tax certificate for the Real Property, a copy of LGID's vesting deed(s) for the Real Property, and legible and complete copies of all title documents listed on Schedule B-2 of the Title Commitment. Developer shall be responsible for the cost of the Title Policy.

6.3 Surveys. LGID previously has provided to Developer a survey of the Real Property. During the Inspection Period, Developer shall coordinate and cause to be obtained final surveys of the Hotel Parcel and the Remaining Parcel, certified to Developer, the City, LGID and the Title Company (the "Final Surveys"). The Final Surveys shall be prepared in accordance with the ALTA/ASCM Minimum Standard Detail Requirements, shall depict the boundary line between the Hotel Parcel and the Remaining Parcel and shall provide legal descriptions for the Hotel Parcel and the Remaining Parcel. The boundary lines provided in the Final Surveys shall be agreed upon by Developer and the City Parties.

6.4 Title Objections and Cure. If Developer's examination of the Title Commitment or the Final Surveys disclose any matters of title or survey to which Developer objects, then, no later than the expiration of the Inspection Period, Developer shall notify LGID of such objections ("Developer's Title Notice"). LGID, within 15 Business Days following receipt of Developer's Title Notice, shall notify Developer in writing ("LGID's Cure Notice") of any matters in Developer's Title Notice which LGID elects to cure; provided, however, that in any

event LGID shall be required to cure all monetary liens which encumber the Real Property, whether or not objected to by Developer. In the event LGID shall fail to deliver a timely LGID's Cure Notice in response to Developer's Title Notice, LGID shall be deemed to have elected not to cure any matters objected to therein. In the event LGID informs Developer in LGID's Cure Notice that LGID is unable to cure or unwilling to cure any objections raised in Developer's Title Notice or is deemed to have elected not to cure any such matters as described above, Developer shall be entitled to either (i) terminate this Agreement by giving LGID written notice of such termination within thirty (30) calendar days following LGID's receipt of Developer's Title Notice, or (ii) waive such objection and proceed to close the transaction contemplated by this Agreement. If Developer terminates this Agreement pursuant to the preceding sentence, then the Parties will be released from all obligations under this Agreement except the Surviving Obligations. If LGID fails, by the Closing, to cure any title or survey matters that LGID agrees to cure in LGID's Cure Notice, then Developer shall have all remedies available to Developer under Section 23 of this Agreement for a Default by LGID.

6.5 Subsequent Title or Final Surveys Matters. If any update of the Title Commitment or the Final Survey reveals any new title or survey matters not identified in the versions of the Title Commitment or Final Surveys relied on by Developer in preparing Developer's Title Notice, Developer shall have the right to object to any such new matters by providing LGID with written notice of such objections within the earlier to occur of the Closing Date or twenty (20) calendar days after Developer receives any such update of the Title Commitment or the Final Surveys. If LGID has not cured such new title or survey matters to Developer's satisfaction by Closing, then Developer, in Developer's sole discretion or judgment, may:

6.5.1 accept the Real Property with such defects, provided that in any event LGID shall be required to discharge any lien, mortgage, or other security interest encumbering the Property, and may use the Closing proceeds to do so; or

6.5.2 elect to terminate this Agreement by notice to LGID, in which event Developer and LGID shall be released and relieved of all further rights, liabilities and obligations hereunder except the Surviving Obligations; except if any such matter results from an act or omission of LGID after the date hereof or is a matter which LGID agreed to cure, then LGID shall be in Default hereunder and Developer shall have Developer's rights and remedies under Section 23 hereof.

7. Special Taxing District Disclosure. 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. DEVELOPER SHOULD INVESTIGATE THE DEBT FINANCING REQUIREMENTS OF THE AUTHORIZED GENERAL OBLIGATION INDEBTEDNESS OF SUCH DISTRICTS, EXISTING MILL LEVIES OF SUCH DISTRICTS SERVICING SUCH INDEBTEDNESS, AND THE POTENTIAL FOR AN INCREASE IN SUCH

MILL LEVIES. ANY OBLIGATIONS FOR ANNUAL LEVIES, SPECIAL ASSESSMENTS AND OTHER OBLIGATIONS ON THE PROPERTY AFTER CLOSING SHALL BE THE OBLIGATION OF DEVELOPER.

8. Conditions Precedent to Closing

8.1 Conditions Precedent. It shall be a condition precedent to the Parties' obligation to close this transaction that the following conditions (the "Conditions Precedent") shall have been met or waived by the Parties, in each Party's sole and absolute discretion, on or before eighteen (18) months from the Insurable Title Date (the "Conditions Precedent Date"):

8.1.1 Developer has obtained Final Approval from the City of the Entitlements.

8.1.2 The LDDA Board has approved the TIF Application and LDDA and Developer have executed a Façade Easement Agreement.

8.1.3 Developer has demonstrated to the City Parties that it has obtained the Developer Financing.

8.1.4 Developer and the City Parties have agreed on the Construction Documents and the Phasing Plan and Schedule.

8.1.5 The Parties have agreed on the terms of the Developer Covenant and are prepared to execute the Developer Covenant at Closing.

8.1.6 Developer and LGID have agreed on a form of Parking Agreement.

8.1.7 LGID and Developer have agreed on the form of Temporary Construction Easement and are prepared to execute the same at or after Closing as appropriate.

8.1.8 The City Parties and Developer have agreed on the form and amount of Financial Assurances.

8.1.9 The City and Developer have approved the Plat, and the Plat has been recorded in the real property records or is ready to be recorded in the real property records at Closing .

8.2 Acknowledgment of Satisfied Conditions. Upon satisfaction and/or waiver of each of the Conditions Precedent, Developer and LGID agree to act in good faith and with diligence to document the same in writing.

8.3 Failure of Conditions Precedent. If any of the Conditions Precedent has not been met on or before the Conditions Precedent Date, any Party shall, on or before the Conditions Precedent Date, notify the other Parties of the same. In the event of such notice, the Parties shall meet at least one time thereafter to determine whether they can agree on a way to resolve any Condition Precedent that has not been met. Any Party may, by notice to the other Parties provided

on or before the Conditions Precedent Date, extend the Conditions Precedent Date one time for a period of ninety (90) calendar days. In the event of any such extension, the Outside Closing Date shall be extended to a date mutually agreed to by the Parties that is at least fifteen (15) and not more than thirty (30) calendar days after the last day of the extended Conditions Precedent Date. If the Conditions Precedent have not been met by the Conditions Precedent Date and the Conditions Precedent Date has not been extended, or if the Conditions Precedent Date is extended and the Conditions Precedent have not been met by the extended Conditions Precedent Date, any Party may, within ten (10) calendar days after the Conditions Precedent Date or extended Conditions Precedent Date, if applicable, notify the other Parties that it has decided to terminate this Agreement, and this Agreement shall terminate as of the date of such notice. If no Party notifies the other Parties of its decision to terminate this Agreement, this Agreement shall continue in full force and effect, the Parties shall be deemed to have waived the unmet condition or conditions precedent and the Parties shall proceed to Closing.

9. Closing. The Closing will be held through an escrow with the Title Company. The Closing shall be held on or before the Outside Closing Date on the date that is at least fifteen (15) and not more than thirty (30) calendar days following the Conditions Precedent Date or extended Conditions Precedent Date, whichever is applicable. The Closing shall occur at the time designated by the Title Company and in a location in Longmont, Colorado mutually agreed to by LGID and Developer. The Outside Closing Date shall be extended in the event of an extension of the Condition Precedent Date as provided in Paragraph 8.3 above, or the Parties may agree in writing to further extend the Outside Closing Date.

9.1 LGID's Closing Deliveries. At Closing, LGID agrees to deliver to Developer, at LGID's sole cost and expense, the following items:

9.1.1 The Deed, conveying title to the Real Property to Developer and subject to the restrictions in the Developer Covenant.

9.1.2 A title affidavit, together with such other statements and instruments in forms reasonably acceptable to LGID as may be required by the Title Company, to issue the Title Policy without exception for any liens, unfiled easements, parties in possession or other standard exceptions set forth in the Title Commitment or any update thereof, but subject to the Permitted Title Exceptions.

9.1.3 A bill of sale and assignment in a form reasonably approved by LGID and Developer conveying and assigning to Developer all of the Intangible Property.

9.1.4 A written statement as of the Closing Date reaffirming that all of the warranties and representations of LGID made in this Agreement are true and correct in all material respects or stating which, if any, are not true and correct and describing the nature and details of such changes. If such statement discloses changes in any of the warranties and representations of LGID and such changes were not created or consented to by Developer after the date of this Agreement, then Developer may, at its option: (a) close the transaction contemplated by this Agreement, thereby waiving any claim on account of such changes; or (b) exercise any remedies it has under this Agreement for a Default by LGID.

9.1.5 Evidence of LGID's authority, including, without limitation, any certificates or similar instruments required by the Title Company.

9.1.6 Possession and occupancy of the Property.

9.1.7 Payment, satisfaction and discharge of any and all outstanding liens, mortgages, security interests or other encumbrances securing the payment of any indebtedness affecting the Property.

9.1.8 An executed Temporary Construction Easement.

9.1.9 An executed Developer Covenant.

9.1.10 An executed Parking Agreement.

9.1.11 All other documents necessary or appropriate to complete the transaction contemplated by this Agreement.

9.2 Developer's Closing Deliveries

9.2.1 At Closing, Developer shall execute and deliver all documents necessary or appropriate to complete the transaction contemplated by this Agreement, including, without limitation:

(a) A Real Property Transfer Declaration in the form required under Colorado law to be delivered to the Denver County Assessor in connection with the recording of the Deed.

(b) An executed Developer Covenant.

(c) An executed Temporary Construction Easement.

(d) An executed Parking Agreement.

(e) The Financial Assurances.

(f) All other documents necessary or appropriate to complete the transaction contemplated by this Agreement.

9.2.2 The Deed, the Developer Covenant, and the Parking Agreement shall be recorded at Closing unless otherwise agreed to by the Parties.

9.3 Closing Prorations. The following amounts or items shall be prorated, credited or added to the Purchase Price at the Closing as appropriate, and except to the extent otherwise provided herein, shall adjust the Purchase Price. All prorations shall be made as of midnight of the day prior to Closing such that Developer shall receive all income and shall be responsible for all expenses on the Closing Date.

9.3.1 Survey Expenses. In addition to the Closing Costs described in Paragraph 9.3 above, Developer shall pay all expenses relating to the Final Surveys.

9.3.2 Expenses for Phase I. LGID shall pay for the cost of the Phase I.

9.3.3 Utilities and Other Expenses. Utilities (if applicable), including but not limited to water, sewer, cable, gas, electricity, trash removal and fire protection service shall be prorated as provided above. In the event the actual amount due for utilities cannot be determined as of the Closing Date, Developer and LGID agree to make the required proration as a post-closing matter. All other expenses relating to the Property up to the Closing Date and all periods prior thereto including those required by any contract or agreement for any services to the Real Property and those incurred or ordered by LGID or LGID's agents, including but not limited to cost of maintenance, insurance and administrative expenses, shall be paid for by LGID, and Developer shall not be liable therefor. Developer shall not be responsible for payment of any part of any fee due to LGID's managing agent, if any, nor for payment of any service, maintenance or supply agreement not expressly assumed by Developer, nor for payment for any personal property, supplies, fixtures or equipment ordered prior to Closing by LGID or LGID's agents. The provisions of this Paragraph 9.4.3 shall survive Closing.

9.3.4 Special Assessments Payable in Installments. If, as of the Closing Date, the Property or any part thereof shall be or shall have been affected by any assessment or assessments which are or may become payable in annual installments, such assessments shall be prorated at the Closing for the year of Closing only.

9.3.5 Verification. All amounts used to determine the foregoing prorations and credits shall be furnished to the Title Company by LGID prior to or at Closing, and shall be subject to verification by Developer.

9.4 Other Closing Costs. LGID shall pay the costs of the Title Commitment. Developer shall pay the costs of the premium for the Title Policy, the cost of recording the Deed (including the documentary fee in connection therewith), together with the recording fees for any deed of trust granted by Developer, if any, to finance the Purchase Price or any portion thereof, and the closing fee charged by the Title Company to conduct the Closing. Each Party shall bear its own attorneys' fees. Any other closing costs not expressly addressed in this Agreement shall be paid by Developer.

10. Damage or Condemnation. Risk of loss resulting from any condemnation, eminent domain or expropriation proceeding which is commenced prior to Closing, and risk of loss to the Property due to any other cause, remains with LGID until Closing. If, prior to the Closing, all or part of the Property shall be destroyed, damaged or subjected to a bona fide threat of condemnation, expropriation or other proceeding, LGID shall so notify Developer, and Developer either may elect to (i) cancel this Agreement, in which event all parties shall be relieved and released of and from any further duties, obligations, rights or liabilities hereunder except the Surviving Obligations, or (ii) Developer may declare this Agreement to remain in full force and effect and the purchase contemplated herein, subject to such damage or less any interest taken by eminent domain, expropriation or condemnation, shall be effected, and at Closing, LGID shall assign, transfer and set over to Developer all of the right, title and interest of LGID in and to any awards (but excluding

any awards to LGID for severance damage to other portions of LGID's property not included in the Property) and insurance proceeds or claims that have been or that may thereafter be made for such taking or damage. If Developer elects to acquire the Property, the Purchase Price shall be reduced by the amount of LGID's insurance deductible, if any, if the damage to the Property is otherwise covered by LGID's insurance.

11. Representations and Warranties of City Parties. As a material inducement to Developer entering into this Agreement, the City Parties hereby represent that the following matters are true as of the date hereof and will be true on the Closing Date:

11.1 This Agreement has been duly authorized and executed by the City Parties and each of the City Parties has full power and authority to consummate the aspects of the transaction for which they are responsible, and the person executing this Agreement and all instruments to be delivered to Developer at Closing on behalf of LGID is fully authorized to do so, has the power to bind LGID and to so act on LGID's behalf, and is incumbent in the office which such officer purports to hold.

11.2 Execution and performance of this Agreement, and the consummation of the transactions contemplated hereby, will not result in any breach or violation of any of the terms or the provisions of or constitute a default under, any indenture, deeds of trust, mortgage, note, or other agreement or instrument by which the City Parties are or will be bound.

11.3 The City Parties have not made, do not make and specifically disclaim any representations regarding compliance by the City Parties or the Property with any environmental protection, pollution, or laws, rules, regulations, orders or other requirements, including any such requirements regarding the disposal or existence, in or on the Property of any hazardous materials.

11.4 All of the representations in this Section 11 will survive the Closing and conveyances contemplated under this Agreement for a period of one year and any lawsuit relating to a breach of such representations or warranties must be brought within such one-year period. The disclaimers by the City Parties under this Section 11 will survive the Closing without limitation.

12. "As Is" Property Condition. Developer, by its execution of this Agreement, acknowledges and agrees to the following:

12.1 Developer is buying the Real Property in an AS IS physical condition.

12.2 Developer is purchasing the Property without representation or warranty of any kind whatsoever except as provided in this Agreement. Except as stated in this Agreement, none of the City Parties, nor any broker, agent, representative or employee of the City Parties, nor any person purporting to act for or on behalf of the City Parties, has made any representation, warranty, promise or statement of any kind, express or implied, direct or indirect, oral or written, to Developer or upon which Developer has relied in any way with respect to the Property. Without limiting the generality of the foregoing, but subject to the express terms of this Agreement, the City Parties disclaim, and Developer waives for itself and anyone claiming by, through or under Developer, any warranty of (i) fitness for a particular purpose, tenantability, habitability or use, (ii)

the value, nature, quality or condition of the Property, (iii) the income to be derived from the Property, (iv) the compliance by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority, (v) the availability of water, gas, electric, telephone and other utility service, and (vi) any other matter with respect to the Property. Developer, for itself and anyone claiming by, through or under Developer, hereby waives its right to recover from and fully and irrevocably releases the City Parties, and their employees, officers, directors, representatives, agents, attorneys, successors and assigns, when acting solely in that capacity for the City Parties ("Released Parties"), from any and all claims that Developer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses (including attorneys' fees), demand, action or cause of action arising from or related to any construction defects, errors, omissions or other conditions, latent or otherwise, including any of the grading on the Real Property by the City Parties and including environmental matters affecting the Real Property, and including any right of contribution Developer may now or hereafter acquire against the City Parties or any of the Released Parties under CERCLA or any other federal, state or local environmental law, rule or regulation. This release includes claims of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release of the City Parties.

12.3 The disclaimers by the City Parties in this Section 12 are a material part of this Agreement, and the City Parties would not be willing to enter into this Agreement without Developer's acceptance and acknowledgment of such disclaimers. The disclaimers by the City Parties and acknowledgments and agreements by Developer in this Section 12 above shall survive the termination of this Agreement or the Closing, as may be applicable.

13. Developer's Representations and Warranties. As a material inducement for the City Parties to enter into this Agreement, Developer makes the following representations and warranties to the City Parties as of the date hereof and as of the Closing Date:

13.1 Authority. This Agreement has been duly authorized and executed by Developer and Developer has full power and authority to consummate the transaction described herein, and the persons executing this Agreement and all instruments to be delivered to LGID at Closing on behalf of Developer are fully authorized to do so, have the power to bind Developer and to so act on Developer's behalf, and are incumbent in the offices which such persons purport to hold.

13.2 No Conflict. Neither the execution and delivery of this Agreement by Developer, nor the performance by Developer of its obligations and covenants under it, nor the Closing will conflict with or result in a breach of the terms or conditions of, or constitute a default under, Developer's organizational documents or any agreement, judgment, order, writ, decree, rule or regulation to which Developer is a party or by which Developer is bound, or violate any statute, license, permit or regulation of any governmental authority.

13.3 Survival. All warranties and representations made by above Developer under this Section 13 will survive the Closing and the conveyances contemplated under this Agreement for a period of one year and any lawsuit relating to a breach of such representations or warranties must be brought within such one-year period.

14. LGID's Obligations Prior to Closing. As a material inducement to Developer entering into this Agreement and as a condition to Developer's obligations hereunder:

14.1 Between the date hereof and Closing, LGID shall:

14.1.1 inform Developer promptly in writing upon learning of any matter which would cause any of the representations and warranties of LGID contained in this Agreement to be untrue, incorrect or incomplete;

14.1.2 not enter into any leases or grant any other rights in the Real Property without first obtaining Developer's written consent thereto.

14.2 LGID shall not market the Property for sale or transfer or convey or agree to transfer or convey any interest in the Property, other than to Developer (or its assign), and at Closing, title to the Property shall be owned by LGID in fee simple free and clear of all mortgages, liens, encumbrances, easements and other matters except for the Permitted Title Exceptions.

15. Developer's Post-Closing Obligations.

15.1 Project. Developer will construct the Project in accordance with the Developer Covenant.

15.2 Financial Assurances. Developer will reasonably increase the amount of the Financial Assurances to the extent that the actual cost of the Parking Structure exceeds the Parking Structure Costs.

16. City's Post-Closing Obligations.

16.1 Lodgers Tax Rebate. For each year from the year in which a certificate of occupancy is issued for the Hotel until the City shall provide to Developer, on an annual basis within ninety (90) days after the end of each year, a rebate to Developer of the amount of the City's Lodgers Tax generated from the Hotel for the immediately preceding year. The amount that Developer receives from the Lodgers Tax Rebate shall be applied to the Funding Cap.

16.2 Yearly Report. The Parties acknowledge that the maximum amount of public assistance that Developer may receive under this Agreement shall not exceed the Funding Cap. Within ninety (90) days after the end of each year following the first year that Developer receives public assistance from the TIF, DIP Grant or Lodger's Tax, the City and LDDA shall generate a report showing the cumulative amount that Developer has received in public funding from each such funding source up to and including the immediately preceding year (the "Yearly Report"). The Yearly Report also shall account for the Property Valuation determined in accordance with Section 3.1. The Yearly Report shall show the amount of public funding remaining to be paid to Developer to reach the Funding Cap. Within ninety (90) days after the last year that Developer is eligible to receive TIF under the Façade Easement Agreement, prior to making any payments under the TIF or Lodger's Tax for the preceding year, the City and LDDA shall generate a final report ("Final Report") showing the amount of public assistance the Developer has received up to and including the immediately preceding year from TIF, the DIP Grant, Lodger's Tax and the Property Valuation and the remaining amount, if any, to be paid to

Developer to reach the Funding Cap (the "Funding Shortfall"). After generating the Final Report, provided that there is no Default by Developer hereunder or under the Developer Covenant, the City shall pay to Developer, either from Lodger's Tax or other City sources, the amount of the Funding Shortfall, as such funding becomes available.

17. LDDA's Post-Closing Obligations.

17.1 DIP Grant. LDDA acknowledges that subsequent to Closing, Developer will be seeking a DIP grant (the "DIP Grant") of approximately $400,000.00 under the LDDA Development Incentive Program ("DIP"). Eligible costs to qualify for payments from the DIP Grant include public utility upgrades, public improvements, public landscaping and streetscape improvements, building façade improvements, exterior lighting, interior building and fire code related improvements to make retail space restaurant ready ("DIP Eligible Improvements"). Any and all payments or reimbursements made to the Developer for or related to the DIP Eligible Improvements shall be reimbursed once and only once. The DIP Grant shall not exceed the actual dollars contributed to the DIP Fund from the Project for the DIP Eligible Improvements. At such time as Developer submits a formal DIP Grant application, LDDA will review and process such application. The DIP Grant must be approved by the LDDA Board of Directors and Developer will be required to enter into a DIP grant agreement (the "DIP Grant Agreement") with LDDA prior to commencement of construction of the Project. The amount that Developer receives from the DIP Grant shall be applied to the Funding Cap.

18. No Brokers in Transaction. Developer and LGID hereby represent to each that there are no brokers involved in this transaction. Developer does hereby indemnify and hold harmless and defend LGID from and against any and all causes, claims, damages, losses, liabilities, fees, commissions, settlement, judgments, damages, expenses and fees (including reasonable attorneys' fees and court costs) in connection with any claim for commissions, fees or other charges relating in any way to this transaction, or the consummation thereof, which may be made by any person, firm or entity as the result of Developer's acts. This indemnity shall survive the termination or Closing of this Agreement.

19. Waiver. The failure of any Party to exercise any right hereunder, or to insist upon strict compliance by the other Party, shall not constitute a waiver of either Party's right to demand strict compliance with the terms and conditions of this Agreement.

20. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) two Business Days after being deposited in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one Business Day after being deposited with Federal Express or other guaranteed overnight delivery service for next Business Day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by email to the email address for each party set forth below.

LGID:

Longmont General Improvement District #1
c/o Kimberlee McKee
Executive Director
Longmont Downtown Development Authority
320 Main Street
Longmont, Colorado 80501
Kimberlee.mckee@longmontcolorado.gov

With a copy to:

City of Longmont
350 Kimbark Street
Longmont, Colorado 80501
Attn: Chief Financial Officer
Jim.Golden@longmontcolorado.gov

City:

City of Longmont
350 Kimbark Street
Longmont, CO 80501
Attn: Chief Financial Officer

Joni Marsh
Assistant City Manager
350 Kimbark Street
Longmont. Colorado 80501
Joni.Marsh@longmontcolorado.gov

LDDA:

Longmont Downtown Development Authority
Kimberlee McKee
Executive Director
320 Main Street
Longmont, Colorado 80501
Kimberlee.mckee@longmontcolorado.gov

With a copy to:

City of Longmont
350 Kimbark Street
Longmont, CO 80501
Attn: Chief Financial Officer
Jim.Golden@longmontcolorado.gov

In addition, a copy of any notice to a City Party also shall be provided to:

Eugene Mei
City Attorney
City Attorney's Office
City of Longmont
350 Kimbark Street
Longmont, Colorado 80501
Eugene.Mei@longmontcolorado.gov

Developer:

The Thrash Group, LLC
Attn: Ike Thrash
19 Woodstone Plaza
Hattiesburg, MS 39402
ike@thethrashgroup.com

with a copy to:

Adams and Reese LLP
Attn: Scott Jones
1018 Highland Colony Parkway, Suite 800
Ridgeland, MS 39157
scott.jones@aralw.com

Rejection or other refusal by the addressee to accept, or the inability to deliver because of a changed address or changed facsimile number of which no notice was given, shall be deemed to be receipt of the notice sent. Any Party shall have the right, from time to time, to change the address or facsimile number to which notices to it shall be sent by giving to the other Party or parties at least ten (10) calendar days prior notice of the changed address or changed facsimile number.

21. Survival. Liability for the indemnities of LGID by Developer made in this Agreement shall survive the execution and delivery of this Agreement, the termination of this Agreement prior to Closing if applicable, and the Closing and the delivery of the Closing documents, except as otherwise specifically agreed to herein. All other representations, warranties, covenants, indemnities, agreements and obligations of LGID and Developer under this Agreement shall survive the Closing and the delivery of the Closing documents, to the extent provided herein,

and none of such representations, warranties, covenants, indemnities, agreements or obligations shall merge with the transfer of title to the Property.

22. Escrow Instructions. This Agreement will constitute escrow instructions to the Title Company as escrow agent. The parties agree to execute for the benefit of the Title Company such additional escrow instructions reasonably acceptable to LGID as the Title Company may require; provided, however, that such instructions will be construed as applying only to the Title Company's engagement as escrow agent, and will not alter the terms of this Agreement. As soon as practicable after mutual execution of this Agreement, LGID will deposit a fully executed original of this Agreement in an escrow opened with Title Company.

23. Assignment. The Parties agree that the City Parties are willing to enter into this Agreement and provide the public assistance contemplated by this Agreement only if the Property is improved and devoted to uses in accordance with the approved Construction Documents, which construction and uses are consistent with the LDDA's duties under the Act and the Plan. Accordingly, the identity of the Developer and the parties in control of the Developer are of critical importance to the LDDA. Until Completion of Construction of the Improvements, the Developer shall not assign or transfer all or any part or of or any interest in this Agreement or the Property without the prior written approval of the City Parties. Leases of retail space in the Improvements in the ordinary course of the business of the Developer 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 Developer. The Developer shall promptly notify the LDDA of any and all changes whatsoever in the identity of the parties in control of the Developer, or the degree thereof. Notwithstanding the foregoing, this Agreement may be assigned by Developer to a Developer Affiliate without the consent of any other Party, provided that such Affiliate executes an agreement satisfactory to the other Party, whereby the Affiliate assumes all of the applicable obligations of Developer under this Agreement; provided further that Developer shall not be released of its obligations under this Agreement such that Developer and its Affiliate shall be jointly and severally liable for the performance of the obligations of the Developer hereunder. For purposes of this Agreement, the term "Affiliate" shall mean any entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with Developer.

24. Rights of Lenders. The provisions of Section 23 are not in any way intended to restrict the right of the Developer to encumber the Property and the Project for the purpose of constructing the Project. The Developer may also collaterally assign this Agreement to any lender for such purposes, provided, however, the City Parties shall not be required to recognize the right of any lender, or any successor in interest of any lender, who acquires ownership of the Property or any of the Project by foreclosure or otherwise from the Developer, or subsequently from the lender, to receive payments under this Agreement, unless the City Parties have first agreed in writing to such right in accordance with Section 23. The City Parties agree 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 Project in accordance with the Construction Documents within a time period agreed to by the City Parties. The City Parties shall upon the periodic request of the Developer or the Developer's lender(s) promptly provide an estoppel certificate certifying in a form and substance reasonably acceptable to Developer and Developer'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.

25. Default. Time is of the essence. If any Party fails to observe or perform any covenant or obligation required of it under this Agreement or any representation or warranty made by any other Party is materially false when made ("Default") and any such Default is not cured within the time provided in Section 25.1, then the non-defaulting Parties may exercise any remedy available under Section 25.2.

25.1 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 if curing cannot be reasonably accomplished within thirty (30) days.

25.2 Remedies on Default. Whenever any Default occurs and is not cured under Section 25.1 of this Agreement, the non-defaulting Parties injured by such Default and having a remedy under this Agreement may take any one or more of the following actions:

25.2.1 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

25.2.2 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 Parties to make payments of any of the financial assistance under this Agreement; or

25.2.3 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; provided, however, the damages payable by the LDDA or the City shall in all cases be limited to the amount of financial assistance due to the Developer under this Agreement.

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

25.4 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 the Agreement due

to causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal, State or local government, acts of a 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), acts of courts, fires, floods, pandemics or 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 Parties thereof in writing of the cause or causes thereof, and claim the right to an extension for the period of the enforced delay.

25.5 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.

25.6 Non-liability of Officials, Agents and Employees. No council member, board member, 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 or for any amount that may become due to the Developer.

25.7 Venue and Applicable Law. Any action arising out of the Agreement shall be brought in a court of competent jurisdiction in Boulder County, Colorado. The laws of the State of Colorado shall govern the interpretation and enforcement of the Agreement.

26. Miscellaneous.

26.1 Counterparts and Execution by Facsimile. This Agreement may be executed by the parties hereto in two or more counterparts and each executed counterpart shall be considered an original. This Agreement may be executed and delivered by facsimile; any original signatures that are initially delivered by facsimile shall be physically delivered with reasonable promptness thereafter.

26.2 Drafting. This Agreement has been negotiated between the Parties and, for construction purposes, shall not be deemed the drafting of any one Party.

26.3 Entire Agreements; Amendments. This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and may not be amended, waived or discharged except by an instrument in writing executed by the Party against which enforcement of such amendment, waiver, or discharge is sought. This Agreement supersedes all prior agreements and memoranda between Developer and LGID which relate to the Property. The invalidity of any one of the covenants, agreements, conditions or provisions of this Agreement or any portion thereof shall not affect the remaining portions thereof or any part hereof and this Agreement shall be amended to substitute a valid provision which reflects the intent of the parties as was set forth in the invalid provision.

26.4 Day for Performance. Wherever herein there is a day or time period established for performance and such day or the expiration of such time period is not a Business Day, then such time for performance shall be automatically extended to the next following Business Day.

26.5 TIME IS OF THE ESSENCE OF THIS AGREEMENT.

26.6 Effective Date. The Effective Date shall be the date listed in the first paragraph of this Agreement.

26.7 Exhibits. All recitals and all exhibits referred to in this Agreement are incorporated in this Agreement by reference and will be deemed part of this Agreement for all purposes as if set forth at length herein.

26.8 No Joint Venture, Partnership, Agency, Etc. This Agreement will not be construed as in any way establishing a partnership, joint venture, express or implied agency, or employer employee relationship between Developer and any of the City Parties.

26.9 No Recording. Neither Developer nor the City Parties will not be entitled to record this Agreement or any memorandum of it. The Parties acknowledge that the Developer Covenant shall be recorded at Closing, as described herein.

26.10 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 Developer will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, sexual preference, disability, marital status, ancestry or national origin.

26.11 Further Assurances. After Closing, the City Parties and Developer each will execute any instruments necessary to confirm, assure or validate any of the transactions contemplated by this Agreement, whenever reasonably requested by any of the other Parties.

26.12 Appropriation/TABOR. Nothing in this Agreement shall be deemed a pledge of the City Parties' credit or a payment guarantee by the City Parties. All financial obligations of the City Parties under this Agreement are contingent upon appropriation, budgeting, and availability of specific funds to discharge such obligations. Any financial obligation of the City Parties under this Agreement which may mature in a future fiscal year is subject to appropriation by the City Council of sufficient funds to meet such obligation. Consequently, this Agreement does not create a multiple fiscal year obligation of the City under Article X, Section 20 (4) of the Colorado Constitution.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Parties have set their hands or caused duly authorized and incumbent officers to set their hands on the date set forth by such Party's name.

LONGMONT GENERAL IMPROVEMENT DISTRICT #1

By: _____
MAYOR, EX-OFFICIO PRESIDENT

APPROVED AS TO CONTENT

_____
CHIEF FINANCIAL OFFICER

APPROVED AS TO FORM:

_____
DEPUTY CITY ATTORNEY

_____
PROOFREAD

LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY

By: _____
DDA BOARD CHAIR

APPROVED AS TO CONTENT:

_____
EXECUTIVE DIRECTOR, DDA

APPROVED AS TO INSURANCE PROVISIONS:

_____
RISK MANAGER

CITY OF LONGMONT:

_____
MAYOR

ATTEST:

_____ _____
CITY CLERK DATE

APPROVED AS TO FORM:

_____ _____
DEPUTY CITY ATTORNEY DATE

_____ _____
PROOFREAD DATE

APPROVED AS TO INSURANCE PROVISIONS:

_____ _____
RISK MANAGER DATE

APPROVED AS TO FORM AND SUBSTANCE:

_____ _____
ORIGINATING DEPARTMENT DATE

CA File: 22-001580

DEVELOPER:

THE THRASH GROUP, a Mississippi limited liability company

By:_____
Print Name: Ike Thrash
Title: Founding Partner

EXHIBIT A

Legal Description of the Land

Lots 33 through 44,
Block 64
City of Longmont
County of Boulder
State of Colorado

EXHIBIT B

Form of Façade Easement Agreement

FAÇADE AGREEMENT

This Façade Agreement (this "Agreement") is made and entered into this _____ day of _____ _____, 20__, by and between THE LONGMONT DOWNTOWN DEVELOPMENT AUTHORITY, a body corporate and politic, 320 Main Street, Longmont, CO 80501 (the "DDA") and [insert THRASH GROUP entity], a _____ or its designated assignee ("Owner").

WITNESSETH:

WHEREAS, Owner is the owner of the property located in the City of Longmont on the northwest corner of 3rd Avenue and Kimbark Street, and more particularly described as:

[legal description]

(referred to herein as the "Property") which lies within the boundaries of the DDA and which the Owner is in the process of redeveloping; and

WHEREAS, pursuant to C.R.S. §31-25-808, the DDA has the authority to acquire by purchase, lease, option, gift, grant, devise or otherwise an easement on, over and across any property; and

WHEREAS, in accordance with the legislative purpose of downtown development authorities as set forth in C.R.S. §31-25-801, the DDA has a substantial interest in the development, redevelopment, and renovation of property within its boundaries; and

WHEREAS, the DDA has agreed to the payment of certain monies by the DDA to the Owner for the right to acquire an easement from the Owner over the _____ facing façades of the building located on the Property in exchange for certain commitments from the Owner in connection with the design, construction, maintenance and use of such façade improvements which exceed normal development requirements and create a strong pedestrian orientation; and

WHEREAS, the Board of Directors of the DDA, at a duly-convened meeting on _____ _____, 20__, determined that the project located on the Property is consistent with the goals and purposes of the DDA and thereupon approved funding for this project from the façade improvement program up to the amount authorized in Section 3 below and authorized the Chairperson of the Board of the DDA to execute this Agreement and the Grant of Façade Easement attached hereto as Exhibit A (the "Easement Agreement").

NOW, THEREFORE, by and in consideration of the above premises and the within terms and conditions, the parties hereto agree as follows:

1. FAÇADE IMPROVEMENTS

The Owner agrees to grant, and the DDA agrees to acquire an easement on, over and across the _____ facing façades of the buildings located on the Property (the "Façade Locations") for the purpose of preserving them, for structural support of the façade and for maintenance thereof in accordance with the terms of this Agreement (the "Façade Easement"). Owner's obligations set forth in this Agreement shall be secured by the Easement Agreement. In contemplation of this Agreement, the Owner has completed façade improvements on the Façade Locations of the Property, all consistent with the designs, attached hereto and incorporated herein as Exhibit 1 (the "Façade Improvements"). The Owner has caused the Façade Improvements to be constructed substantially in accordance with the approved designs.

2. TITLE INSURANCE

Execution of this Agreement by the DDA shall be expressly contingent upon the delivery to, and approval by, the DDA of a title insurance commitment issued by a title insurance company licensed by the State of Colorado and doing business in Boulder County, Colorado, showing the status of record title to the Property (the "Title Commitment"). The Title Commitment shall commit to insure the Façade Easement in favor of the DDA in the amount of the purchase price for the Façade Easement, subject only to the existing first and second lien deeds of trust now existing, existing matters of record, the encroachment of a portion of the Façade Improvements into the right-of-way existing in favor of the City of Longmont, and the lien for the current year's real property taxes, and subsequent years. The premium for issuance of the title policy based on the Title Commitment shall be the sole responsibility of Owner.

3. PAYMENT CONDITIONS

Upon the occurrence of all of the following events, the DDA shall purchase the Façade Easement from the Owner at a cost equal to the actual design and construction costs of the Façade Improvements, up to a maximum of two million three hundred thousand dollars ($2,300,000). The amount paid by the DDA for the Façade Easement represents the DDA's share of the cumulative annual real property Tax Increment Revenue anticipated from the Property for tax years 20__ through 2033 based on the Sharing Ratios (defined below) (the "DDA's Share of Tax Revenue"). Each year, the "Tax Increment Revenue" will be calculated as the difference between the DDA's Share of Tax Revenue paid by Owner relating to the Property in that tax year and the DDA's Share of Tax Revenue paid by Owner for tax year 20__ which was $____. For the purpose of this calculation, the parties agree that DDA's Share of Tax Revenue is based on the following Sharing Ratios:

Taxing Authority	**Percent of Mill Levy Paid to DDA**
Longmont Downtown Development Authority	100%
City of Longmont	100%
Boulder County	50%
St. Vrain Valley School District	50%

Northern Colorado Water Conservancy District	50%
St. Vrain Lefthand Water District	50%

If any change in applicable law impacts the Sharing Ratios or the ability of the DDA to achieve full repayment, as set forth in this paragraph 3, this Agreement shall be amended to ensure the DDA is repaid as contemplated by this Agreement.

3.1. Adoption by the City Council of the City of Longmont, Colorado ("City") of an ordinance approving the appropriation of sufficient funds to the DDA to fund the acquisition of the Façade Easement;

3.2. Receipt by the Owner of a Certificate of Occupancy or Letter of Completion from the City of Longmont ("City") for the improvements on the Property, comprising an approximately 85 room, independent hotel that meets or exceeds the quality of upper upscale (as defined in the STR chain scales) hotels, which hotel will include approximately 4,000 square feet of commercial space, including pre-function, meeting space, retail or a combination of both, as well as approximately 5,000 square feet of inside/outside rooftop restaurant space per the Purchase and Sale and Development Agreement dated _____, 2022;

3.3. Approval by the DDA of the completed Façade Improvements in accordance with the approved designs, which approval will not be unreasonably withheld or delayed;

3.4. Submittal by the Owner's construction contractor to the DDA of an accurate and detailed accounting of the costs of the Façade Improvements;

3.5. Payment by the Owner of the premium for issuance of the title insurance policy based on the Title Commitment to be provided upon execution of this Agreement; and

3.6. Receipt by the DDA of the Easement Agreement, which shall include signatures of all persons then having an ownership interest in the Property.

4. CERTIFICATION OF THE COST

The Owner shall certify to the Boulder County Treasurer and shall provide a copy of such certification to the DDA and City, no later than December 31st of the year when the Façade Improvements are completed, the total cost of the Façade Improvements made to the Property as described in Section 1 herein as well as other improvements made to the Property. It is intended that the increased value of the Property will be sufficient to cumulatively generate during the period of this Agreement, actual Tax Increment Revenue commencing in 20__ through tax year 2033 of at least two million three hundred thousand dollars ($2,300,000).

5. THE OWNER’S CONTINUING OBLIGATIONS

The Owner acknowledges and agrees that, during the term of the Façade Easement, the Owner will have the continuing obligations as described therein. The obligations described in the Easement Agreement will run with the land and be binding upon all future legal owners of the Property during the term of the Façade Easement.

6. COVENANTS

The provisions of this Agreement and the burdens and benefits therein shall be covenants running with the Property until the earlier of (i) the payment of taxes for tax year 2033, or (ii) until the Tax Increment Revenue generated by the Property and/or Owner's payments in lieu of taxes required by the Easement Agreement totals two million three hundred thousand dollars ($2,300,000) (the "Covenant"). Upon expiration of the Covenant, this Agreement shall automatically terminate and no longer affect title to the Property. This Agreement shall be recorded with the Clerk and Recorder of Boulder County, Colorado. Upon Owner satisfying the Covenant, DDA shall execute a recordable release of the Easement Agreement and all other obligations of this Agreement, within a reasonable time after Owner delivers a release form to DDA.

7. ANNUAL APPROPRIATION

All financial obligations of the DDA arising under this Agreement that are payable after the current fiscal year, if any, are contingent upon funds for that purpose being annually appropriated, budgeted and otherwise made available by the Board of Directors of the DDA and the City, in its discretion, as applicable.

8. CITY AS THIRD-PARTY BENEFICIARY

It is expressly acknowledged by the parties hereto that the City is a third-party beneficiary to this Agreement and shall be entitled to enforce any and all provisions of this Agreement in the same manner as the DDA, and in the event the DDA is not existing at the time of performance of any DDA obligations set forth herein, City will execute documents in the place of DDA

9. NOTICES

A notice, demand, or other communication under this Agreement by any party to the other shall be in writing and shall be deemed 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 and postage prepaid, to the addresses set forth below. Any party may update its address for receiving notices by providing written notice consistent with this paragraph 9.

DDA: Longmont Downtown Development Authority
Attn: Executive Director
320 Main Street
Longmont, CO 80501

City: City of Longmont
Planning and Development Services Department
Development Services Center
385 Kimbark Street
Longmont, CO 80501

Owner: [insert Thrash Group entity]
Attn: Ike Thrash
19 Woodstone Plaza
Hattiesburg, MS 39402

[Signature Page Follows]

OWNER: [insert Thrash Group entity]

By: _____
Name: _____

STATE OF _____)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 20__, by _____, as _____ of _____, a _____.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

DDA: Longmont Downtown Development Authority

By: _____
Board Chair

Attest:

_____
Board Secretary

EXHIBIT A

GRANT OF FAÇADE EASEMENT

The Thrash Group, a Mississippi limited liability company ("Grantor") is the owner of the following described real property located in the City of Longmont, County of Boulder, State of Colorado:

[legal description]

(hereinafter referred to as the "Property"). The street address of the Property is _____ _____, Longmont, Colorado 80501; and

Subject to the terms of this Grant of Façade Easement (the “Easement Agreement”), Grantor does hereby grant and convey, in accordance with the following terms and conditions, to The Longmont, Colorado Downtown Development Authority, a body corporate and politic (the "DDA"), 320 Main Street, Longmont, CO 80501, an easement (the "Façade Easement”) over the portion of the Property referenced in Section 1 below to secure the performance of the Façade Agreement between Grantor and the DDA dated to be effective as of _____, 20__ (the “Façade Agreement").

1. FAÇADE

The _____ facing façades on the building located on the Property (the "Façade Location") shall consist of those improvements shown on the façade plans and designs which are attached hereto as Exhibit 1 (the "Façade Improvements") and shall specifically include without limitation all signage and canopies depicted thereon.

2. EASEMENT

The Façade Easement granted herein shall be for the purpose of entering on, over and across the Façade to preserve and maintain them in their reconstructed condition and current location and for structural support of the Façade.

3. TERM

The term of the Façade Easement granted herein shall remain in effect until the earlier of (i) the payment of taxes for tax year 2033, or (ii) until the Tax Increment Revenue generated by the Property and/or Grantor’s payments in lieu of taxes required by this Easement Agreement totals two million three hundred thousand dollars ($2,300,000).

4. MAINTENANCE

Grantor shall be obligated to maintain and repair the Façade Improvements, including replacement of all or a part thereof if necessary, in a manner which will preserve the Façade

Improvements in substantially the same condition as that existing at the time of completion of the Façade Improvements. Grantor shall further be obligated to maintain the Property to the extent required to provide structural support for the Façade Improvements which are attached to the Property. The DDA shall have no maintenance obligation whatsoever for the Façade Improvements or the Property and shall not be liable in any manner for any costs associated with the Façade Improvements or the Property.

In the event that Grantor, or its heirs, personal representatives and assigns, shall fail to maintain and repair the Façade (or the Building or Property to provide support for the Façade) as required herein, the DDA shall give written notice to Grantor, or its heirs, personal required herein, the DDA shall give written notice to Grantor, or its heirs, personal representatives and assigns, requiring Grantor to commence the requested maintenance and repair within ten (10) days of receipt of such notice and to diligently complete such maintenance and repair within a reasonable amount of time thereafter as specified in such notice. If such work is not commenced or is not completed as required by such notice, the DDA may, in its sole discretion, cause such work to be completed and may thereafter assess the entire cost of such work against Grantor or its heirs, personal representatives and assigns. The DDA shall have a lien on the Property to secure any amount owed to it for repair and maintenance performed by it on account of the failure to maintain and repair the Façade or the Property as required herein.

5. INDEMNIFICATION

Grantor shall indemnify and hold the DDA harmless from and against any damage, liability, loss or expense (including attorneys' fees) incurred by the DDA arising out of, or in any way connected with, the installation and construction of the Façade Improvements. Further, Grantor shall indemnify and hold the DDA harmless from and against any damage, liability, loss or expense (including attorneys' fees) incurred by the DDA arising out of, or in any way connected with, the maintenance thereof, except to the extent any such damage, liability, loss or expense is caused by the gross negligence of the DDA.

6. INSURANCE.

Grantor shall purchase and maintain property and casualty insurance on the Property, including the Façade Improvements, to the full replacement value thereof. Grantor shall further purchase and maintain general liability coverage in connection with the Property, including the Façade Improvements, in amounts at least equal to the maximum amount of recovery against public entities and employees under the Colorado Governmental Immunity Act (C.R.S. §24-10-101 et seq.) and any amendments to such limits which may from time to time be made. The DDA and the City shall be named as additional insureds on all such policies. All insurance required hereunder shall be issued by an insurance company authorized to do business in Colorado which meets all of the requirements of the Division of Insurance for that purpose. The DDA may periodically require from Grantor proof of insurance coverage required herein. Grantor may provide the insurance coverages required herein through a blanket policy, which names its mortgage lenders, DDA and the City as additional insureds.

7. TAX REPORTING.

During the term of this Easement Agreement, Grantor shall submit certification of property taxes paid by June 30th of each year to the DDA and City.

8. PAYMENT IN LIEU OF TAXES

8.1 If after the payment of the taxes assessed for tax year 2023, the Tax Increment Revenue generated during tax years 20__ - 20__ is insufficient for any reason to generate Tax Increment Revenue of _____, Grantor, no later than April 30th of the year immediately following tax year 20__, shall make a payment in lieu of taxes to the DDA in an amount equal to any such Tax Increment Revenue shortfall.

8.2 If the Tax Increment Revenue generated during tax years 20__ - 20__ is insufficient for any reason to generate Tax Increment Revenue of _____ _____, Grantor, no later than April 30th of the year immediately following tax year 20__, shall make a payment in lieu of taxes to the DDA in an amount equal to any such Tax Increment Revenue shortfall.

8.3 If the Tax Increment Revenue generated during tax years 20__ - 20__ is insufficient for any reason to generate Tax Increment Revenue of _____ _____, Grantor, no later than April 30th of the year immediately following tax year 20__, shall make a payment in lieu of taxes to the DDA in an amount equal to any such Tax Increment Revenue shortfall.

8.4 Such payment(s) in lieu of taxes shall be placed by the DDA in the DDA Tax Increment Revenue Fund.

8.5 Grantor (or any then owner of the Property) may repay, or prepay all or a portion of, any monies remaining owed under this Easement Agreement at any time, and upon the cumulative total amount of two million three hundred thousand dollars ($2,300,000) being paid to the DDA, this Easement Agreement shall terminate and the Façade Easement shall be released of record.

8.6 If at any time the amount of Tax Increment Revenue generated by the Property exceeds two million three hundred thousand dollars ($2,300,000), Grantor shall no longer be required to provide annual certifications regarding property taxes paid.

8.7 During the period in which certifications are required to be made, Grantor covenants not to seek any abatement or reduction in assessed valuation of the Property for property tax purposes.

8.8 In the event Grantor has not paid the total amount of two million three hundred thousand dollars ($2,300,000) either through payment of Tax Increment Revenue, or by making payments as set forth in Sections 8.1 - 8.3, the Façade Easement shall remain in effect to secure Grantor's obligations set forth in this Easement Agreement, until the total sum of two million three hundred thousand dollars ($2,300,000) has been paid to the DDA. Until Grantor pays the total sum of

two million three hundred thousand dollars ($2,300,000), the DDA shall have a lien per this Easement Agreement on the Property junior to any now existing and future bona fide mortgage(s), deed(s) of trust, and/or other customary commercial lender liens encumbering the Property, to secure any amount owed to it to provide the Tax Increment Revenue required as set forth above.

9. ENVIRONMENTAL CONDITIONS LIABILITY.

Grantor specifically represents that to the best of its knowledge, as of the date of this Easement Agreement, all portions of the Property are in compliance with all environmental protection and anti-pollution laws, rules, regulations, orders or requirements, including solid waste requirements, as defined by the U. S. Environmental Protection Agency Regulations at 40 C.F.R., Part 261, and that the Property is in compliance with all such requirements pertaining to the disposal or existence in or on such Property of any hazardous substances, pollutants or contaminants, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder. Grantor, for itself and its successor(s) in interest, does hereby indemnify and hold harmless the DDA from and against any damage, liability, loss or expense (including attorneys' fees and costs) incurred by the DDA arising out of, or in any way connected with the environmental conditions on, of or affecting the Property that exist as of the date of this Easement Agreement, unless due to the gross negligence or intentional misconduct of the DDA, its employees, agents or contractors. The DDA agrees to give notice to Grantor of any claim made against the DDA to which this indemnity and hold harmless agreement by Grantor could apply, and Grantor shall have the right to defend any lawsuit based on such claim and to settle any such claim provided Grantor must obtain a complete discharge of all DDA liability through such settlement.

10. ALTERATIONS

No alteration of the Façade Locations including, without limitation, alterations of or additions to the signage or canopies approved by the DDA and shown on Exhibit 1 to the Façade Agreement shall be made without the express written approval of the DDA, which approval shall not be unreasonably withheld or delayed. The DDA, in considering such requests, shall take into account the reasons for such request and whether the requested alteration is consistent with the character of the original design for the Façade or otherwise is compatible with the character of the redeveloped properties within the downtown as well as the specific area in which it is located. The DDA shall not remove or alter the Façade except in performing any maintenance or repair thereof in accordance with this Easement Agreement.

11. SUCCESSOR ENTITY TO THE DDA

In the event that the legal existence of the DDA terminates during the term of this Easement Agreement, it is expressly acknowledged by all the parties hereto that the City is designated the DDA's successor entity, and all rights and obligations of the DDA set forth herein or in the Façade Agreement shall thereupon become the rights and obligations of the City.

12. SUCCESSOR TO GRANTOR

Grantor shall provide the DDA, or its successor entity, with written notice either (a) ten (10) days prior to listing the Property for sale; or (b) ten (10) days following receipt of a signed contract to sell the Property, if no listing was made. In the event Grantor sells the Property, all rights and obligations of Grantor under this Easement Agreement and the Façade Agreement shall transfer to the new owner of the Property as all rights and obligations hereunder run with the land. Upon completion of such transfer, Grantor shall be deemed released from all obligations of Grantor under this Easement Agreement and the Façade Agreement.

13. GRANTOR WARRANTS

Grantor warrants title to the Property from any persons claiming by, through, or under Grantor, subject to encumbrances and matters of record. Grantor warrants for itself, and all persons claiming under the Grantor, that it has the exclusive and full right, title, ownership, and lawful authority to grant this easement and to make and enforce the covenants and promises herein.

<<SIGNATURE PAGE TO FOLLOW>>

GRANTOR: The Thrash Group
a Mississippi limited liability company

By: _____
Manager

STATE OF _____)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 20__, by _____, as Manager of The Thrash Group, a Mississippi limited liability company.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public