

# REGULAR MEETING NOTICE

---

## LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY (4:00 P.M.)

**November 13, 2023**

**Cleveland Room at Desk Chair  
201 East 4<sup>th</sup> Street in Downtown**

---

*The Loveland Downtown Partnership and Downtown Development Authority are committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation, or gender. The LDP-DDA will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act.*

*For more information, please call our offices at 970.699.2856.*

---

**Agenda**  
**Loveland Downtown Development Authority (DDA)**  
**Regular Meeting**  
**Monday, November 13, 2023 4:00 pm**

**Cleveland Room at Desk Chair**  
**201 East 4<sup>th</sup> Street**

---

**4:00 pm**

1. **Call to Order**
2. **Roll Call**

**4:05 pm**

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)

**4:10 pm**

4. **Approval of Minutes**

*"I move to approve (deny) the minutes of the Regular Meeting of October 9, 2023."*

**4:15**

5. **Presentation & Discussion / Action Items**

- Executive Director Update – Historic Loveland Business Improvement District, Line of Credit and 4<sup>th</sup> Street HIP Streets Design
- 404 East 3<sup>rd</sup> Street Redevelopment Agreement. Resolution DDA-2023-07, A Resolution of the Board of Directors of the Loveland Downtown Development Authority Approving an Agreement Regarding Redevelopment Project and Façade Improvements Containing Covenants, Restrictions, and Payment Obligations.

*"I move to approve (deny) Resolution DDA-2023-07."*

- 205 East 6<sup>th</sup> Street – Project Commitment Terms

*"I move to approve (deny) the 205 East 6<sup>th</sup> Street project designs and associated Term Sheet, and direct the Executive Director, in consultation with DDA legal counsel, to negotiate a development agreement with the developer consistent with the Term Sheet."*

- Projects Eligible for Financing Under Line of Credit IGA. Resolution DDA-2023-08, A Resolution of the Board of Directors of the Loveland Downtown Development Authority Designating Projects Eligible for Financing Under the DDA-City Line of Credit IGA.

*"I move to approve (deny) Resolution DDA-2023-08."*

**5:15 pm**

**6. City Council Report**

- Fogle, Olson - City Council

**5:30 pm**

**7. Adjourn**

**Meeting Minutes**  
**Loveland Downtown Development Authority (DDA)**  
**Regular Meeting**  
**Monday, October 9, 2023 4:00 pm**

**Cleveland Room at Desk Chair**  
**201 East 4<sup>th</sup> Street**

---

**4:00 pm**

1. **Call to Order** - Secretary Patterson called the meeting to order at 4:02 pm
2. **Roll Call** Steele- absent, Waneka-absent, Bernhardt, Patterson, Fellure, Wyrick-absent, Gressianu, Loomis, Fogle, Olson. Also in attendance: Bill Becker, Erin Black, Kyle Schuett, Linda Rosa, Brian Waldes.

**4:05 pm**

3. **Public Comment** (individual introductions / comments are limited to 3 minutes)  
  
There were no public comments presented.

**4:10 pm**

4. **Approval of Minutes**

Fogle moved to approve the minutes of the Regular Meeting of Aug 14, 2023. Loomis seconded the motion which passed unanimously.

**4:15**

5. **Presentation & Discussion / Action Items**

- Executive Director Update – Hawkins updated the board on the following projects. 404 East Third Street – Casa Sagrada will open in November and is already booking private parties and events. 300-312 North Lincoln Avenue will become offices for Tate Engineering and the south space on the corner of 3<sup>rd</sup> and Lincoln is still under consideration for development. Sola Salons have leased the long vacant space in Lincoln Place on the corner of 6<sup>th</sup> Street and Lincoln Avenues.
- Draft Restaurant Conversion Grant Pilot Program – The board expressed support for the creation of the restaurant conversion grant as presented but asked for clawback provisions to be created to ensure that if the improvements are removed within a certain timeframe that the DDA must be reimbursed.
- Façade Grant – 350 N. Cleveland Avenue

Hawkins presented the façade grant application for 350 N. Cleveland Avenue which will house Fly Fitness. This is the LDP/DDA's old office location and lacks pedestrian transparency and the entrance needs to be improved to be more visible. The total investment for the owners of Fly Fitness is \$600,000. The façade work was presented to the DDA's façade review committee which recommended the project be awarded and presented to the DDA's Board of Directors.

Fogle moved to approve the recommendation of the DDA Façade Review Committee to award Façade Improvement Grants for \$31,500 to Willow Bend, LLC for 350 N. Cleveland Avenue and authorize the Executive Director to work DDA legal counsel to prepare an agreement for the façade grant award and execute the agreement. Fellure seconded the motion which passed unanimously.

- Line of Credit IGA. Resolution DDA-2023-04, A Resolution of the Board of Directors of the Loveland Downtown Development Authority Approving an Intergovernmental Agreement Between the Loveland Downtown Development Authority and the City of Loveland, Colorado, Governing the Use of Proceeds of the City of Loveland's Interfund Loan for Financing Downtown Development Authority Projects and Programs.

Liley presented the IGA to create a line of credit with the City of Loveland. This would meet the DDA's statutory requirements for debt and allow us the finance smaller projects such as a façade grants, fire line grants and other projects benefitting the downtown district.

Bernhardt moved to approve Resolution DDA-2023-04. Loomis seconded the motion which passed unanimously.

- 2023 DDA Budget Amendment. Resolution DDA-2023-05, A Resolution of the Board of Directors of the Loveland Downtown Development Authority Approving and Recommending to the City of Loveland, Colorado, an Amended Budget of the Estimated Amounts Required to Pay the Expenses of Conducting the Business of Said Authority for the Fiscal Year Ending December 31, 2023.

Hawkins presented the budget amendment that includes all the projects the board has approved in the last two years that need to be paid.

Fogle moved to approve Resolution DDA-2023-05. Loomis seconded the motion which passed unanimously.

- 2024 DDA Budget. Resolution DDA-2023-06, A Resolution of the Board of Directors of the Loveland Downtown Development Authority Approving and Recommending to the City of Loveland, Colorado, the Budget of the Estimated Amounts Required to Pay the Expenses of Conducting the Business of Said Authority for the Fiscal Year Ending December 31, 2024.

Bernhardt moved to approve Resolution DDA-2023-06. Gressianu seconded the motion which passed unanimously.

- Historic Loveland Business Improvement District Update

Hawkins updated the board on the process of having property and business owners sign up to become electors in the upcoming Historic Loveland Business Improvement District and the process for receiving and mailing ballots bac

5:15 pm

#### **404 City Council Report**

- Fogle, Olson - City Council

Councilors Fogle and Olson updated the board of a presentation planned to the City Council on possible cuts from the passage of Proposition 300. Fogle also spoke about the signage being placed in town to address panhandling.

**5:30 pm**

**Adjourn.**

Fogle made a motion to adjourn the meeting at 5:10 p.m. The motion was seconded by Gressianu which passed unanimously.

**RESOLUTION DDA-2023-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOVELAND  
DOWNTOWN DEVELOPMENT AUTHORITY APPROVING AN  
AGREEMENT REGARDING REDEVELOPMENT PROJECT AND FAÇADE  
IMPROVEMENTS CONTAINING COVENANTS, RESTRICTIONS, AND  
PAYMENT OBLIGATIONS**

WHEREAS, the Loveland Downtown Development Authority (the “DDA”) is a body corporate and politic, duly created, organized and existing pursuant to Section 31-25-801, *et seq.*, C.R.S. by a vote of a majority of qualified electors within the DDA District (defined below) at a special election held on February 10, 2015, and thereafter officially established by the City Council of the City of Loveland, Colorado (“City Council” and “City”), upon the passage of Ordinance No. 5927;

WHEREAS, the DDA is a Colorado Downtown Development Authority, with all the powers and authority granted to it pursuant to Title 31, Article 25, Part 8, C.R.S. (the “DDA Act”);

WHEREAS, the DDA Act has declared that the organization of downtown development authorities will serve a public use; will promote the health, safety, prosperity, security, and general welfare of the inhabitants thereof and of the people of Colorado; will halt or prevent deterioration of property values or structures within central business districts; will halt or prevent the growth of blighted areas within such district, and will assist municipalities in the development and redevelopment of such districts and in the overall planning to restore or provide for the continuance of the health thereof; and will be of especial benefit to the property within the boundaries of the downtown development authority;

WHEREAS, on July 5, 2017, the City Council approved the Plan of Development for the DDA (the “Plan of Development”) by Resolution #R-52-2017, which established the plan for development or redevelopment of the area within the DDA boundaries (the “DDA District”);

WHEREAS, the Plan of Development provides that the primary objectives of the DDA are to promote the safety, prosperity, security, and general welfare of the DDA District and its inhabitants, to prevent deterioration of property values and structures within the DDA District, to prevent the growth of blighted areas within the DDA District, to assist the City in the development, redevelopment, and planning of the economic and physical restoration and growth of the DDA District, to improve the overall appearance, condition, and function of the DDA District, to encourage a variety of uses compatible with the artistic and cultural community, to sustain and improve the economic vitality of the DDA District, to promote the historic, artistic, and cultural elements of the DDA District, and to encourage pedestrian traffic and security in the DDA District;

WHEREAS, the primary means of financing DDA projects and programs is through the use of property tax increment revenues and sales tax increment revenues (“Tax Increment Revenues”) collected within the DDA District, which under the DDA Act will be collected and remitted to a special fund of the City until July 5, 2047;

WHEREAS, the DDA has adopted a tax increment investment policy (“Tax Increment Investment Policy”) that provides for the investment of Tax Increment Revenues into approved projects in the DDA District that have a public benefit, generate Tax Increment Revenues, and for which the

DDA can secure an interest, typically an easement, therein, and, pursuant to such policy, the DDA desires to support projects that advance the goals set forth in the DDA's adopted Plan of Development, as defined therein as:

- Attract successful private development and public partnerships;
- Cultivate an active and vibrant downtown DDA District;
- Promote diverse uses that are compatible with the business, artistic, and cultural community;
- Achieve continuous economic growth;
- Enhance and respect the historic character of the Loveland Downtown Historic District;
- Provide an attractive, pedestrian-friendly, safe, and secure environment; and

WHEREAS, the Tax Increment Investment Policy provides that the amount of DDA funding available to projects is typically determined using one of the following factors:

- 10% of the total value of improvements as determined by the Larimer County Assessor's Office;
- Supportable tax increment funds generated by the project (up to a 25% contribution for residential and up to a 50% for commercial) over the life of the DDA's tax increment collection period;
- The total amount of eligible features for façade improvements and public improvements in the right-of-way;

WHEREAS, The Awakened School Retreat, LLC ("Developer"), is the owner of the property located at 404 East 3<sup>rd</sup> Street, Loveland, Colorado ("Property"), which property is located in the DDA District;

WHEREAS, the building located on the Property ("Building") was constructed in the 1920s for use as a church;

WHEREAS, redevelopment of properties containing buildings over 100 years old often present a number of challenges, including the need to remediate environmental contamination; to repair historic brick and masonry work; to upgrade archaic utility and building systems to meet code and modern usability requirements; and to install life safety features such as fire suppression systems;

WHEREAS, redevelopment of historic properties containing church buildings is often more challenging than other historic properties, as the typical building design is generally not as adaptable to, or appealing for, a wide range of commercial or residential uses;

WHEREAS, Developer applied for funding under the Tax Increment Invest Policy for a planned redevelopment of the Property and the Building involving extensive renovations and improvements to the interior and exterior portions of the Property, to include, inter alia, renovations to all Building facades, including preservation and restoration of historic brickwork; installation of landscaping; preservation and renovation of historic stained glass windows; electrical system installations and upgrades; plumbing system installations and upgrades; exterior lighting; asbestos remediation; and installation of fire suppression systems ("Project");



WHEREAS, the Developer intends to use the redeveloped Property for a variety of commercial uses, and such Property will generate property Tax Increment Revenue at the commercial rate;

WHEREAS, the total cost to construct the Project is estimated to be \$2,900,000, and the Project, when completed, is projected to generate \$1,008,535 in property Tax Increment Revenues for the DDA through the end of the Tax Increment Revenue collection period;

WHEREAS, the Board of Directors of the DDA (“DDA Board”) approved a term sheet for the Project, containing, inter alia, the following terms and conditions for funding (“Term Sheet”):

- A reimbursement of up to \$185,404 upon completion of the Project for actual costs incurred in constructing certain façade improvements;
- An annual reimbursement of 50% of property Tax Increment Revenues generated by the Project, up to the maximum amount of \$264,795, beginning once the DDA has received \$370,808 in property Tax Increment Revenues from the Project, and continuing until payment in full or expiration of the Tax Increment Revenue collection period, subject to the requirement that the Property remain taxed at the commercial rate; and
- Developer’s grant of a façade easement to the DDA, with a term of 25 years, to ensure that Developer, or any successive owner, maintains the Building facades in a state of good condition and repair for such term;

WHEREAS, the attached Agreement Regarding Redevelopment Project and Façade Improvements Containing Covenants, Restrictions, and Payment Obligations (the “Agreement”) has been prepared consistent with the Term Sheet;

WHEREAS, the DDA Board finds that the Project will serve a public benefit, as envisioned under the DDA Act, and is consistent with and advances the statutory purpose of the DDA and the goals and purposes set forth in its approved Plan of Development, and therefore, a total Tax Increment Revenue investment in the Project in the amount of up to 50% of property Tax Increment Revenues generated by the Project through the end of the DDA’s Tax Increment Revenue collection period is appropriate; and

WHEREAS, the DDA Board determines, and hereby determines, that in order to contribute to the redevelopment of the DDA District as contemplated by the DDA Act and the Plan of Development, it is necessary, desirable and in the best interests of the DDA to authorize the DDA to enter into the Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY THAT:**

**Section 1. Recitals Incorporated; Ratification.** The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the DDA. All actions heretofore taken to effect the approval of the Agreement (not inconsistent with the provisions of this Resolution) by the DDA Board and by the officers, agents and employees of the DDA are hereby ratified, approved and confirmed.

**Section 2. Approval of Documents.** The Agreement is in all respects approved, authorized, and confirmed. The Executive Director of the DDA is authorized and directed to execute and deliver the

Agreement, for and on behalf of the DDA, provided that the Agreement may be completed, corrected, or revised as deemed necessary and appropriate by the Executive Director in order to carry out the purposes of this Resolution. The execution of the Agreement by the Executive Director shall be conclusive evidence of the approval by the DDA of such document in accordance with the terms hereof.

**Section 3. Further Actions.** The Executive Director of the DDA is hereby independently authorized and directed to take all action necessary or appropriate to implement and effect the provisions of this Resolution and the Agreement. The execution of any document or instrument by the Executive Director shall be conclusive evidence of the approval by the DDA of such agreement, document or instrument in accordance with the terms hereof.

**Section 4. Effective Date of Resolution.** This Resolution shall be effective as of the date of its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Loveland Downtown Development Authority this 13<sup>th</sup> day of November, 2023.

\_\_\_\_\_  
Ray Steele, Jr., Board Chair

ATTEST:

\_\_\_\_\_  
Jon-Mark Patterson, Secretary

## EXHIBIT A

### AGREEMENT REGARDING REDEVELOPMENT PROJECT AND FAÇADE IMPROVEMENTS CONTAINING COVENANTS, RESTRICTIONS, AND PAYMENT OBLIGATIONS

This Agreement Regarding Redevelopment Project and Façade Improvements Containing Covenants, Restrictions, and Payment Obligations (“Agreement”) is made and entered into on the date set forth below by and between the **LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY**, a body corporate and politic (the “DDA”), and **THE AWAKENED SCHOOL RETREAT CENTER, LLC**, a Colorado limited liability company (“Developer”).

#### WITNESSETH:

WHEREAS, Developer is the owner of the property located at 404 East 3<sup>rd</sup> Street, Loveland, Colorado, and legally described as follows (“Property”):

See **Exhibit A**, consisting of one (1) page, attached hereto and incorporated herein by reference.

WHEREAS the Property lies within the boundaries of the DDA (the “DDA District”);

WHEREAS, Developer has constructed improvements and renovations to the Property, and the building located thereon (the “Building”), which include high-quality façade and other Building improvements and renovations that preserve the historic character of the Building; installation of landscaping; preservation and renovation of historic stained glass windows; electrical system installations and upgrades; plumbing system installations and upgrades; exterior lighting; asbestos remediation; and installation of fire suppression systems, as described on **Exhibit B**, consisting of one (1) page, attached hereto and incorporated herein by reference (the “Project”);

WHEREAS, the Project includes the improvements to the Building facades, and exterior of the Property, described in Section 3 below and depicted on **Exhibit C**, consisting of two (2) pages, attached hereto and incorporated herein by reference (the “Façade Improvements”);

WHEREAS, the total cost to construct the Project is estimated to be \$2,900,000, and the Project, when completed, is projected to generate \$1,008,535 in property tax increment revenues for the DDA through the end of the DDA’s tax increment collection period on July 5, 2047;

WHEREAS, subject to certain conditions and restrictions, the DDA has agreed to reimburse Developer for actual costs incurred to construct the Façade Improvements, up to the amount of One Hundred Eighty-Five Thousand Four Hundred Four Dollars (\$185,404), and, for Developer's completion of the Project as designed, the DDA has further agreed to make annual reimbursements to Developer equal to fifty percent (50%) of the property tax increment generated by the Project up to the amount of Two Hundred Sixty-Four Thousand Seven Hundred Ninety-Five Dollars (\$264,795), which combined amounts shall be the purchase price for the DDA to acquire a Façade Easement (as "Façade Easement" is defined in Section 4(v) below), and for certain maintenance and other obligations of Developer, as hereinafter set forth;

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;

WHEREAS, in accordance with the legislative purpose of downtown development authorities, the DDA has a substantial interest in the development, redevelopment, and renovation of property within the DDA District;

WHEREAS, the DDA desires to support projects that advance the DDA statutory mission and the goals set forth in the DDA's adopted Plan of Development, as defined therein as:

- Attract successful private development and public partnerships;
- Cultivate an active and vibrant downtown DDA District;
- Promote diverse uses that are compatible with the business, artistic, and cultural community;
- Achieve continuous economic growth;
- Enhance and respect the historic character of the Loveland Downtown Historic District;
- Provide an attractive, pedestrian-friendly, safe, and secure environment;
- and

WHEREAS, the Board of Directors of the DDA has determined that this Agreement is consistent with, and advances, the statutory purpose of the DDA and the goals and purposes set forth in its approved Plan of Development, and has approved this Agreement and authorized the Executive Director of the DDA to execute it.

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

1. Definitions. Capitalized terms in this Agreement shall have the following meanings:

“Building” means the building located on the Property.

“City” means the City of Loveland, Colorado, a home rule municipal corporation.

“Commercial Rate” means a property tax classification of non-residential with an assessment rate for commercial property, which rate for 2023 is 27.90%.

“County” means Larimer County, Colorado.

“DDA” means the Loveland Downtown Development Authority, a duly organized and existing downtown development authority, created pursuant to and in accordance with the DDA Act.

“DDA Act” means the Downtown Development Authority Act, being part 8 of article 25 of title 31, Colorado Revised Statutes, as amended.

“DDA Board” means the Board of Directors of the DDA.

“DDA District” means the boundaries of the DDA.

“DDA Special Fund” means the special fund of the City into which the Property Tax Increment Revenues from the DDA District and Plan of Development Area are deposited as set forth in the DDA Act.

“Developer” means The Awakened School Retreat Center, LLC, a Colorado limited liability company, the current Owner of the Property.

“Owner” means the owner or owners from time to time of the Property.

“Party” or “Parties” means the DDA and Developer.

“Plan of Development” means the Plan of Development of the DDA, adopted by the DDA Board and approved by the City Council of the City, in accordance with the DDA Act, on July 5, 2017, as may be amended from time to time.

“Plan of Development Area” means the area in the central business district of the City that the DDA Board and the City Council have designated as appropriate for a development project.

“Project” means the Property and the Building, as improved as described in Exhibits B and C.

“Property” means the real property located at 404 East 3<sup>rd</sup> Street, Loveland, Colorado, legally described on Exhibit A.

“Property Tax Increment Revenues” means the incremental increases in annual property tax revenues in the DDA District and Plan of Development Area remitted to the City by the County pursuant to the DDA Act for deposit in the DDA Special Fund.

“Tax Increment Investment Policies” shall mean the DDA’s adopted Tax Increment Policy and Program Requirements as of the date of execution of this Agreement.

Other capitalized terms in this Agreement shall have the meaning given in the section in which they are defined.

2. Term. The term of this Agreement shall commence upon execution and shall continue through expiration of the term of the Façade Easement (as “Façade Easement” is defined in Section 4(v) below) (the “Term”).

3. Facade Improvements. Developer has constructed improvements and renovations to the Building on the north, east, south, and west facades of the Building (including masonry work; doors; windows; stained glass windows; painting of walls, windows and other elements; soffits and facias), and all structural support materials therefor; and stair tiles, façade lighting, and outdoor electrical systems on the Property, and all structural support materials therefor; the designs for which were approved by the DDA Board and are attached hereto as Exhibit C (the “Façade Improvements”).

4. Lump-Sum Reimbursement. For actual costs incurred in constructing the Façade Improvements, and subject to all the below conditions and requirements, the DDA shall pay to Developer the sum of up to One Hundred Eighty-Five Thousand Four Hundred Four Dollars (\$185,404) (the “Lump-Sum Reimbursement”), deducting therefrom the lesser of the actual amount incurred by the DDA for legal fees and expenses in connection with this Agreement and the Façade Easement (as “Façade Easement” is defined in Section 4(v) below) or Five Thousand Dollars, in accordance with the Tax Increment Investment Policies:

- i. Funds necessary to make the Lump-Sum Reimbursement being appropriated, budgeted, and otherwise made available by the City Council of the City, in its discretion;

- ii. Receipt by Developer of a Certificate of Occupancy from the City for the Project;
- iii. Completion of the Façade Improvements in accordance with the approved designs therefor;
- iv. Submission to the DDA of an accurate and detailed accounting of the actual costs to construct the Façade Improvements, and verification by the DDA that said costs are sufficient to support the amount of the Lump-Sum Reimbursement, as approved by the DDA Board, in accordance with the Tax Increment Investment Polices;
- v. Receipt by the DDA of a façade easement for the Façade Improvements in a form substantially similar to that depicted in **Exhibit D**, consisting of six (6) pages, attached hereto and incorporated herein by reference (the “Façade Easement”), over and across the north, south, east, and west facades of the Building, and other portions of the Property containing the Façade Improvements, for the purpose of preserving them, for structural support of the Façade Improvements and facades, and for maintenance thereof in accordance with the terms of this Agreement. The Façade Easement shall have a term of twenty-five (25) years and shall be signed by all persons then having an ownership interest in the Property. The Façade Easement shall be consented to in writing by all lienholders of record as of the date of delivery of the Façade Easement to the DDA, as well as any commercial lessee of the Property whose lease predates recordation of this Agreement. Developer covenants and agrees that it shall not encumber the Property with any additional liens for a period of two (2) weeks after the date of delivery of the Façade Easement to the DDA. The purchase price for the Façade Easement shall be deemed to be the combined amount of the Lump-Sum Reimbursement and the maximum amount of the Annual Reimbursements (as “Annual Reimbursement(s)” is defined in Section 5 below), which total is Four Hundred Fifty Thousand One Hundred Ninety-Nine Dollars (\$450,199) (the “Façade Easement Purchase Price”), regardless of the actual amount paid to Developer through Annual Reimbursements;
- vi. Delivery to, and approval by, the DDA, at the expense of Developer, of a title insurance commitment issued by a Land Title Guarantee Company, or other title insurance company acceptable to the DDA, showing the status of record title to the Property (the “Title Commitment”). The Title Commitment shall commit to insure title to the Façade Easement in the DDA in the amount of the Façade Easement Purchase Price. The Title Commitment shall further commit to provide protection to the DDA against any lien, or right to a lien, imposed by law and not shown by the public records, and for services, labor or material

furnished prior to acquisition of the Façade Easement. Developer agrees to timely produce, deliver and/or execute such documents as may be required by the title company for issuance of the Title Commitment or insurance policy related thereto; and

- vii. Payment by Developer of closing costs charged by the title company, the premium for issuance of the title insurance policy based on the Title Commitment, and fees for recording of this Agreement and Façade Easement.

The conditions and requirements set forth above shall be conditions precedent to the DDA's obligations to make the Lump-Sum Reimbursement. Payment by the DDA to Developer of any sum due under this Section 4 prior to satisfaction of conditions and requirements set forth above shall not constitute a waiver of any such condition or requirement.

5. Annual Reimbursements. At such time as the Property Tax Increment Revenues generated by the Project and deposited in the DDA Special Fund equal Three Hundred Seventy Thousand Eight Hundred Eight Dollars (\$370,808) (the "Lump-Sum Recovery Amount"), as calculated by the DDA pursuant to Section 7 below, and subject to all the below conditions and requirements, Developer, for completion of the Project, shall be eligible to receive an annual reimbursement in an amount equal to fifty percent (50%) of the Property Tax Increment Revenue generated by the Project for each year subsequent to the year in which the Lump-Sum Recovery Amount has been deposited in the DDA Special Fund (the "Annual Reimbursement(s)"). Annual Reimbursements shall continue until the earlier of the following: (i) payment to Developer of the total sum of Two Hundred Sixty-Four Thousand Seven Hundred Ninety-Five Dollars (\$264,795), excluding the Lump-Sum Reimbursement (the "Maximum Reimbursement Amount"); or (ii) December 31, 2046 (the "Reimbursement Expiration Date"). The DDA's obligation to make Annual Reimbursements is expressly contingent upon the following conditions and requirements:

- (i) Satisfaction of all conditions and requirements set forth in Sections 4(i) – 4(vii) above;
- (ii) The Property and the Building generating property taxes at the Commercial Rate for all years, consecutively, in which an Annual Reimbursement is due. Developer understands and agrees that it will not receive any Annual Reimbursement if the tax classification for the Property or the Building, in whole or part, is any classification other than the Commercial Rate (e.g., residential classification), or if any property tax exemption is awarded to the Property or the Building, in whole or part (e.g., charitable exemption). Developer further understands and agrees that, should any such change in tax



classification or an exemption occur, Developer shall be ineligible to receive any Annual Reimbursements even if the Property is later reclassified at the Commercial Rate or the property tax exemption is lost, such reimbursements being forever forfeited; and

- (iii) Funds necessary to make the Annual Reimbursements being annually appropriated, budgeted and otherwise made available by the City Council of the City, in its discretion, and the DDA Board, in its discretion.

Developer understands and agrees that it shall not receive any Annual Reimbursement after the Reimbursement Expiration Date even if the Maximum Reimbursement Amount has not been paid to Developer by such date. Developer further understands and agrees that a change to the Property's or the Building's property tax classification, in whole or part, or the award of any tax exemption for the Property or the Building, in whole or part, caused by any successive Owner shall render Developer ineligible to receive any Annual Reimbursement, as set forth in Section 5(ii) above. Annual Reimbursements shall be paid to Developer no later than November 30<sup>th</sup> following December 31<sup>st</sup> of the applicable tax year. The conditions and requirements set forth above shall be conditions precedent to the DDA's obligation to make any Annual Reimbursement. Payment by the DDA to Developer of any sum due under this Section 5 prior to satisfaction of all conditions and requirements set forth above shall not constitute a waiver of any such condition or requirement.

6. Prohibition Against Change in Property Tax Classification, Repayment of Lump-Sum Reimbursement for Change in Classification, Lien on Property for Non-Payment. Until such time as the Property Tax Increment Revenues generated by the Project and deposited in the DDA Special Fund equal the Lump-Sum Reimbursement, as calculated by the DDA pursuant to Section 7 below, Developer covenants and agrees that: (i) the Property and the Building, in the entirety, shall be taxed at the Commercial Rate; and (ii) Developer shall not seek any exemption from property taxes for the Property or the Building, in whole or part. In the event that Developer, or any successive Owner, as applicable, uses the Property or the Building in such a manner as to change the tax classification, in whole or part, to any classification other than the Commercial Rate, then Developer, or any successive Owner, as applicable, shall be obligated to pay to the DDA an amount equal to the difference between the amount of Property Tax Increment Revenue generated by the Project and deposited in the DDA Special Fund prior to the reclassification or exemption and the amount of the Lump-Sum Reimbursement (the "Change-in-Classification Repayment"). The DDA shall have a lien on the Property to secure the amount owed to it for the Change-in-Classification Repayment, together with attorneys' fees and costs incurred by the DDA in connection with the lien proceedings, and the DDA may record a notice of such lien, and may foreclose such lien, as provided by law for the foreclosure of real estate mortgages.

7. Calculation of Property Tax Increment Revenues. The Parties acknowledge that Property Tax Increment Revenues that are remitted to the City by the County for deposit in the DDA Special Fund are based on the annual valuation of all properties located within the DDA District and Plan of Development Area, and not on a parcel-by-parcel basis. Therefore, Property Tax Increment Revenues are calculated and remitted to the City in the aggregate for the entire DDA District and Plan of Development Area, and the County will not calculate or determine those Property Tax Increment Revenues that are attributable to the Project. The DDA agrees that it shall establish a reasonable methodology for determining the amount of Property Tax Increment Revenues on deposit in the DDA Special Fund that are attributable to the Project, and will, upon request by Developer, provide a written explanation of the methodology used to establish the amount of Property Tax Increment Revenues that are attributable to the Project.

8. Developer's Continuing Obligations.

- (i) Maintenance, Failure to Maintain, Lien for Maintenance Costs. Pursuant to this Agreement and the Façade Easement, Developer shall be obligated to maintain and repair: (i) the Façade Improvements and any signage or canopies added thereto (subject to compliance with Section 9 below), including replacement of all or a part thereof if necessary, in a manner which will preserve the Façade Improvements and any such signage or canopies in substantially the same condition as that existing at the time of completion of the Façade Improvements or installation thereof, as applicable; and (ii) the Property and the Building to the extent required to provide structural support for the Façade Improvements and any such signage or canopies. The DDA shall have no maintenance obligation whatsoever for the Façade Improvements, any such signage or canopies, the Property, or the Building, and shall not be liable in any manner for any costs associated with maintaining the Façade Improvements, any such signage or canopies, the Property, or the Building. In the event that the Developer shall fail to maintain and repair the Façade Improvements, or any such signage or canopies, or the Property or the Building to provide support for the Façade Improvements, as required herein, the DDA shall give written notice to Developer requiring that such maintenance and repair be commenced within ten (10) days of receipt of such notice and diligently completed 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 Developer. 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 Developer's failure to

perform the maintenance and repairs herein required, together with attorneys' fees and costs incurred by the DDA in connection with the lien proceedings, and the DDA may record a notice of such lien, and may foreclose such lien, as provided by law for the foreclosure of real estate mortgages. Within ten business (10) days after written request from Developer or the holder of any mortgage or deed of trust secured by the Property, the DDA shall provide a statement as to whether any such amount is currently owed and, if so, the amount thereof.

- (ii) Indemnification. Developer shall indemnify and hold harmless the DDA and the City from and against any damage, liability, loss or expense, including attorneys' fees and costs, incurred by the DDA resulting from or arising out of the Façade Improvements, their use, maintenance, repair or replacement, except with regard to any maintenance, repair or replacement made by the DDA or the City, or their respective officers, employees, agents or contractors, or caused by the gross negligence or willful misconduct of the DDA or the City, or their respective officers, employees, agents or contractors.
- (iii) Insurance. Developer shall purchase and maintain: (i) property and casualty insurance on the Property and the Building, to the full insurable value thereof; and (ii) general liability coverage in connection with the Property, including the Building, 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 the requirements of the Colorado Division of Insurance for that purpose. The DDA or the City may periodically require from Developer proof of the insurance coverage required herein. To the extent that the DDA performs maintenance or repair work on the Facade Improvements as permitted under Section 8(i) of this Agreement, the DDA shall provide to Developer, in advance of commencing such work, proof of general liability insurance coverage for such activities.
- (iv) Environmental Conditions Liability. Developer specifically represents that to the best of its knowledge, as of the date of this 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. Developer, for itself and its successor and assigns, hereby indemnify and hold harmless the DDA and the City from and against any damage, liability, loss or expense, including attorneys' fees and costs, incurred by the DDA or the City resulting from or arising out of the environmental conditions on, of or affecting the Property that exist as of the date of this Agreement. The DDA agrees to give notice to Developer of any claim made against them to which this indemnity and hold harmless agreement by Developer could apply, and Developer shall have the right to defend any lawsuit based on such claim and to settle any such claim provided Developer must obtain a complete discharge of all DDA and City liability through such settlement.

- (v) Incorporation of Terms into Lease Agreements. Developer agrees that any lease agreements for the Property shall be consistent with the terms and conditions of this Agreement and the Façade Easement, and those executed subsequent to execution of this Agreement shall have incorporated therein all applicable requirements and restrictions contained herein and therein regarding use and occupancy of the Property and the Building, including, by way of example and without limitation, the restrictions on alterations contained in Section 9 of this Agreement and Section 5 of the Façade Easement.

9. Restrictive Covenant Against Alteration of Façade Improvements. No material alteration of, or additions to, the Façade Improvements, including, without limitation, the addition of signage or canopies, shall be made without the express written approval of the DDA, which approval shall not be unreasonably withheld. 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 Improvements or otherwise is compatible with the character of the redeveloped properties within the downtown, as well as the specific area in which the Property is located. Notwithstanding the foregoing, in the event of an emergency, the DDA's approval shall not be required for temporary repairs made to the Façade Improvements, or approved signage or canopies; provided, that permanent repairs shall be made to the Façade Improvements, or any such signage or canopies, within a reasonable period of time after cessation of the emergency, which permanent repairs must be approved by the DDA, as provided above. The DDA shall not remove or alter the Façade Improvements, or any approved signage or canopies, except in performing any maintenance or repair thereof in accordance with this Agreement. Developer shall be responsible for ensuring compliance

with this Section 9 by any lessees or other occupants of the Property or the Building and shall promptly take all such corrective action as may be necessary to remedy any violation hereof.

10. Covenant Against the Property, Recordation of Agreement. Excepting the Lump-Sum Reimbursement and the Annual Reimbursements, which shall be made to Developer, the terms and conditions of this Agreement, and the burdens and benefits herein contained, shall be covenants running with the Property, and shall inure to the benefit of, and be binding upon, Developer and any successive Owner during the Term. This Agreement shall be recorded with the Clerk and Recorder of Larimer County, Colorado. Upon expiration of the Term, this Agreement shall no longer affect title to the Property. This termination shall be self-executing and no further documentation executed by either Party shall be necessary to deem this Agreement terminated and removed from title, and thereupon any third party, including without limitation title companies, may deem the same to be terminated and removed from the chain of title.

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

12. Successor Entity to the DDA. In the event that the legal existence of the DDA terminates during the Term, it is expressly acknowledged by all the Parties that the City is designated the DDA's successor entity, and all rights and obligations of the DDA set forth herein shall, at the option of the City, become the rights and obligations of the City.

13. City as Third-Party Beneficiary. It is expressly acknowledged by the Parties that the City is a third-party beneficiary to this Agreement and shall be entitled to enforce all terms and conditions of this Agreement in the same manner as the DDA.

14. Notices. Any notice required or desired to be given by any Party shall be in writing and may be personally delivered; sent by certified mail, return receipt requested; or sent by a nationally recognized receipted overnight delivery service, including the United States Postal Service, United Parcel Service or Federal Express for earliest delivery the next day. Any such notice shall be deemed to have been given and received as follows: when personally delivered to the Party to whom it is addressed; when mailed, three delivery (3) days after deposit with the United States Postal Service, postage prepaid; and when by overnight delivery service, one (1) day after deposit in the custody of the delivery service. The addresses for the mailing or delivering of notices shall be as follows:

If to DDA:

Loveland Downtown Development Authority

Attn: Executive Director  
201 East 4<sup>th</sup> Street  
Loveland, CO 80537

With a copy to: Liley Law, LLC  
Attn: Joshua C. Liley, Esq.  
2627 Redwing Road, Suite 342  
Fort Collins, CO 80526

If to Developer: Awakened School Retreat Center, LLC  
404 East 3<sup>rd</sup> Street  
Loveland, CO 80537

Notice of a change of address of a Party shall be given in the same manner as all other notices as hereinabove provided.

15. Attorneys' Fees and Costs. In the event that any litigation is commenced by one Party against the other Party, which litigation results from or arises out of this Agreement, the court shall award to the prevailing Party all reasonable costs and expenses, including attorneys' fees and other legal expenses.

16. Injunctive Relief. The parties acknowledge that in the event of a breach or threatened breach by Developer of the covenant contained in Section 9 of this Agreement and Section 5 of the Façade Easement, the DDA may seek injunctive relief, including relief that is mandatory in nature. The Parties acknowledges that injunctive relief, including, but not limited to, mandatory injunctive relief, is reasonable in scope and is necessary to protect the DDA's legitimate interests and that any violation of said covenant by Developer will cause significant and irreparable harm to the DDA for which the DDA has no adequate remedy at law. The DDA shall be entitled to obtain injunctive relief, including, but not limited to, a mandatory injunction, without the necessity of proving actual damages or posting a bond, in addition to, and not in lieu of, any other rights and remedies available to the DDA. The foregoing shall in no way be construed to limit or waive any other rights or remedies the DDA may have at law or in equity for breach or threatened breach of said covenant or any other term or condition contained in this Agreement.

17. Governing Law, Severability, Interpretation. The laws of the State of Colorado shall govern the execution, construction, interpretation, and enforcement of this Agreement. Should any Party institute legal suit or action resulting from or arising out of this Agreement, it is agreed by the Parties that jurisdiction and venue for such suit or action shall be proper and exclusive in state court in the District Court of Larimer County, Colorado, or if necessary, in federal court in the U.S. District Court, District of Colorado,

in Denver, Colorado. If any term or condition contained herein is held to be illegal, invalid or unenforceable, such term or condition shall be fully severable. Sections and headings contained herein are for organizational purposes only and shall not affect the interpretation of this Agreement.

18. Binding Effect, Assignment, Survivability. Excepting the Lump-Sum Reimbursement and Annual Reimbursements, which shall be made to Developer, this Agreement shall inure to the benefit of, and be binding upon, the DDA and the Developer, and their respective successors and assigns. Developer may assign its right to the Lump-Sum Payment and/or the Annual Payments hereunder to a third-party without approval of the DDA, provided, however, that the DDA shall be required to recognize such assignment only if it receives written notice thereof from Developer. The DDA shall be entitled to rely upon any such notice it receives from Developer, without any obligation to investigate its authenticity, and the DDA shall not be liable to Developer for any payment made to a third-party identified in such notice. The indemnification obligations contained herein shall survive the termination or expiration of this Agreement.

19. No Waiver of Terms and Conditions. The failure of a Party to insist, in any one instance or more, upon the performance of any of the duties, obligations, covenants, or conditions of this Agreement, or to exercise any right or privilege herein conferred, shall not be construed as thereafter waiving any such duties, obligations, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect.

20. No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute a waiver of sovereign immunity or governmental immunity by the DDA under applicable State law.

21. Representations Regarding Lienholders and Lessees. Developer hereby represents and warrants that, as of the date of execution of this Agreement, no person or entity holds any liens against the Property, no does the Property have any lessees, except: Bank of Colorado, lienholder.

22. Representations of Signers. Each person executing this Agreement represents and warrants that he or she is duly authorized to execute this Agreement in his or her individual or representative capacity as indicated.

23. Incorporation of Recitals. The recitals set forth in this Agreement are hereby incorporated into the body of this Agreement.

DATED as the date of the last signature below written.





**DEVELOPER:**

THE AWAKENED SCHOOL RETREAT CENTER, LLC, a Colorado limited liability company

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

STATE OF COLORADO )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_, as Member of The Awakened School Retreat Center, LLC.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**LIENHOLDER'S CONSENT  
TO FAÇADE AGREEMENT**

By signing below, the Lienholder consents to the Agreement without, however, joining in any of the obligations, warranties, covenants, guarantees or indemnities contained therein, and agrees that its liens and other encumbrances, including, by way of example and not of limitation, deeds of trust, mortgages and assignments of leases and rents, along with any and all other of their right, title and interest in and to the Property, shall be subordinate to the Agreement.

**LIENHOLDER:**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF COLORADO )

)ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ or \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE PROPERTY**

Commencing at the Northwest Corner of Block 31, Everett's Addition to the City of Loveland, County of Larimer, State of Colorado;  
Thence east on the north line of said block 100.00 feet;  
Thence south parallel with the west line of said block 140.00 feet;  
Thence west parallel with north line of said block 100.00 feet;  
Thence north 140.00 feet to the point of beginning.

Also known by street and number as: 404 East 3<sup>rd</sup> Street, Loveland, CO 80537

DRAFT

**EXHIBIT B  
DESCRIPTION OF PROJECT**

[INSERT LIST OF ALL PROJECT IMPROVMENTS]

DRAFT





## EXHIBIT D

### GRANT OF EASEMENT FOR FACADES

\_\_\_\_\_ (“Grantor”) is the owner of the following described real property located in the City of Loveland, County of Larimer, State of Colorado:

[INSERT]

(hereinafter referred to as the “Property”). The street address of the Property is \_\_\_\_\_; and

Grantor does hereby grant and convey, in accordance with the following terms and conditions, to Loveland Downtown Development Authority, a body corporate and politic (the “DDA”), an easement over and across that portion of the Property constituting the north, south, east, and west facades of the building located on the Property (the “Building”), and other portions of the Property as necessary to access the Façade Improvements, as defined and described in Section 3 below, for the purpose of entering on, over and across the Property to preserve and maintain the Façade Improvements, in accordance with the terms of this Grant of Easement for Facades (“Façade Easement”).

#### 1. TERM

The term of this Façade Easement shall be for a period of twenty-five (25) years, commencing upon execution of the same (the “Term”). Upon expiration of the Term, this Façade Easement shall terminate and no longer affect title to the Property. This termination shall be self-executing and no further documentation executed by either party shall be necessary to deem this Façade Easement terminated and removed from title, and thereupon any third party, including without limitation title companies, may deem the same to be terminated and removed from the chain of title.

#### 2. COVENANT

The provisions of this Façade Easement and the burdens and benefits herein shall be covenants running with the Property and shall inure to the benefit of and be binding upon the Grantor, its successors and assigns, and all future owners and lessees of the Property during the Term. This Façade Easement shall be recorded with the Clerk and Recorder of Larimer County, Colorado, and the costs of recording shall be paid by the Grantor.

#### 3. FACADE IMPROVEMENTS

The Façade Improvements shall consist of the north, east, south, and west façades of the Building (including masonry work; doors; windows; stained glass windows; painting of exterior walls, windows, and other elements; soffits, and facias), and all structural support materials therefor; and stair tiles, façade lighting, and outdoor electrical systems on the Property, and all structural support materials therefor; consistent with the plans and designs attached hereto and incorporated herein as **Exhibit A**, consisting of two (2) pages, attached hereto and incorporated herein by reference (the “Façade Improvements”). [ATTACH façade improvements exhibit from Agreement]

#### 4. MAINTENANCE

Grantor shall be obligated to maintain and repair: (i) the Façade Improvements and any signage or canopies added thereto (subject to compliance with Section 5 below), including replacement of all or a part thereof if necessary, in a manner which will preserve the Façade Improvements and any such signage or canopies in substantially the same condition as that existing at the time of completion of the Façade Improvements or installation thereof, as applicable; and (ii) the Property and the Building to the extent required to provide structural support for the Façade Improvements and any such signage or canopies. The DDA shall have no maintenance obligation whatsoever for the Façade Improvements, any such signage or canopies, the Property, or the Building, and shall not be liable in any manner for any costs associated with maintaining the Façade Improvements, any such signage or canopies, the Property, or the Building. In the event that Grantor shall fail to maintain and repair the Façade Improvements, or any such signage of canopies, or the Property or the Building to provide support for the Façade Improvements, as required herein, the DDA shall give written notice to Grantor requiring that such maintenance and repair be commenced within ten (10) days of receipt of such notice and diligently completed 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. The DDA shall have a lien on the Property to secure any amount owed to it for Grantor’s failure to perform the maintenance and repairs herein required, together with attorneys’ fees and costs incurred by the DDA in connection with the lien proceedings, and the DDA may record a notice of such lien, and may foreclose such lien, as provided by law for the foreclosure of real estate mortgages. Within ten business (10) days after written request from Grantor or the holder of any mortgage or deed of trust secured by the Property, the DDA shall provide a statement as to whether any such amount is currently owed and, if so, the amount thereof.

#### 5. RESTRICTIVE COVENANT AGAINST ALTERATIONS

No material alteration of, or additions to, the Façade Improvements, including, without limitation, the addition of signage or canopies, shall be made without the express



written approval of the DDA, which approval shall not be unreasonably withheld. 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 Improvements or otherwise is compatible with the character of the redeveloped properties within the downtown, as well as the specific area in which the Property is located. Notwithstanding the foregoing, in the event of an emergency, the DDA's approval shall not be required for temporary repairs made to the Façade Improvements or approved signage or canopies; provided, that permanent repairs shall be made to the Façade Improvements, or any such signage or canopies, within a reasonable period of time after cessation of the emergency, which permanent repairs must be approved by the DDA, as provided above. The DDA shall not remove or alter the Façade Improvements, or any approved signage or canopies, except in performing any maintenance or repair thereof in accordance with this Façade Easement. Grantor shall be responsible for ensuring compliance with this Section 5 by any lessees or other occupants of the Property or the Building and shall promptly take all such corrective action as may be necessary to remedy any violation hereof.

## 6. INDEMNIFICATION

Grantor shall indemnify and hold harmless the DDA and the City of Loveland, Colorado (the "City"), from and against any damage, liability, loss or expense, including attorneys' fees and costs, incurred by the DDA or the City resulting from or arising out of the Façade Improvements, their use, maintenance, repair or replacement, except with regard to any use, maintenance, repair or replacement made by the DDA or the City, or their respective officers, employees, agents or contractors, or caused by the gross negligence or willful misconduct of the DDA or the City, or their respective officers, employees, agents or contractors. The DDA agrees to give notice to Grantor of any claim made against it to which this indemnity and hold harmless agreement by Grantor could apply. 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 and City liability through such settlement.

## 7. ENVIRONMENTAL CONDITIONS LIABILITY.

Grantor specifically represents that to the best of its knowledge, as of the date of this Façade Easement, 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 shall indemnify and hold harmless the DDA and the City from and against any damage, liability, loss or expense, including attorneys' fees and costs, incurred by the DDA or the City resulting from or arising out of the environmental conditions on, of or affecting the Property that exist as of the date of this Façade Easement. The DDA agrees to give notice to Grantor of any claim made against them 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 and City liability through such settlement.

## 8. INSURANCE

Grantor shall purchase and maintain: (i) property and casualty insurance on the Property and the Building, to the full insurable value thereof; and (ii) general liability coverage in connection with the Property, including the Building, 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 the requirements of the Colorado Division of Insurance for that purpose. The DDA or the City may periodically require from Grantor proof of the insurance coverage required herein. To the extent that the DDA performs maintenance or repair work on the Façade Improvements as permitted under Section 4 hereof, the DDA shall provide to Grantor, in advance of commencing such work, proof of general liability insurance coverage for such activities.

## 9. SUCCESSOR ENTITY TO THE DDA

In the event that the legal existence of the DDA terminates during the Term of this Façade Easement, 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 shall, at the option of the City, thereupon become the rights and obligations of the City.

DATED this \_\_\_\_ day of \_\_\_\_\_.

**GRANTOR:**

AWAKENED SCHOOL RETREAT CENTER,  
LLC, a Colorado limited liability company

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

STATE OF COLORADO                    )  
  ) ss  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as Member of Awakened School Retreat Center, LLC.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**LIENHOLDER'S CONSENT  
TO FAÇADE EASEMENT**

By signing below, the Lienholder consents to the granting of this Facade Easement without, however, joining in any of the warranties, guarantees or indemnities contained therein, and agrees that its liens and encumbrances, including, by way of example and not of limitation, deeds of trust, mortgages and assignments of leases and rents, along with any and all other of its right, title and interest in and to the Property shall be subordinated to the Facade Agreement and the Facade Easement.

**LIENHOLDER:**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF COLORADO )

)ss:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, as \_\_\_\_\_ or \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

## TERM SHEET FOR 205 EAST 6th STREET PROJECT

### The project:

- Developer will construct the project depicted in the attached design documents.

### DDA investment:

- For completion of the project as presented, the DDA will make an investment in the project as follows:
  - A tax increment investment of up to \$553,505, in the form of an annual property and sales tax reimbursement payment. Developer will receive an annual reimbursement of 25% of the property tax increment generated by the project, and 50% of the sales tax increment generated by the project, up to a maximum combined sum of \$553,505 (the “Annual Reimbursements”). The Annual Reimbursements will continue until the earlier of the following: (i) payment to developer of the maximum combined sum of \$553,505; or (ii) expiration of the DDA’s initial 30-year tax increment collection period. The described reimbursement amounts have been based on the attached budget documents.

### DDA’s investment will be expressly contingent upon:

- The property is currently in the Findley Block Urban Renewal Plan and not in the Loveland DDA boundaries. In order to be eligible to receive this tax increment investment, the Findley Block URA must be dissolved and the property included in the Loveland DDA boundaries and plan of development, which will require action by the Loveland City Council and the Loveland URA.
- Developer completing construction within 12 months of the date of DDA Board approval. Developer may request from the DDA Board one 12-month extension of the commitment. The extension request submitted to the DDA Executive Director, describing the reason for the delay, must be submitted in time to be considered by the DDA Board at a regular monthly meeting held prior to the expiration of the commitment term. If granted, construction on the project must commence within the 12-month extension. If developer fails to make an extension request prior to the expiration of the commitment term, or is unable to commence construction on the project after being granted a 12-month extension, a new project proposal will need to be presented to the DDA Board for consideration. This new proposal may be the same as the original or modified.
- Developer’s satisfaction of all project-specific conditions.

- The completed project being consistent in scope, use, material selections, and design with that presented to the DDA Board.
- Execution of a development agreement between the DDA and the developer concerning the project and the DDA's investment.
- Developer's grant of an easement to the DDA, with a term of 25 years, which will prohibit changes to public property-facing facades without DDA approval and require the property owner to maintain the facades for the term of the easement.
- Developer paying the cost of a title insurance policy (including mechanic's lien coverage) in the amount of the investment, closing costs and clerk and recorder fees; and the developer executing all documents required by the title company for issuance of the policy.
- Satisfaction of all DDA Tax Increment Investment Policy and Program Requirements.
- Annual approval and appropriation by the City Council of the City of Loveland of the funds necessary for the DDA to make the investment.

Additional terms:

- DDA Board approval of the project plans and this Term Sheet shall not obligate the DDA to make the described investment. No such obligation shall exist until execution of a development agreement between the DDA and the developer, and developer's satisfaction of all conditions and requirements described in this Term Sheet and/or the development agreement. Reimbursement obligations of the DDA throughout the reimbursement period will be subject to annual approval and appropriation by the City Council of the City of Loveland of the funds necessary for the DDA to make such reimbursements.
- Pursuant to the DDA's Tax Increment Investment Policy and Program Requirements, the DDA will deduct from the investment legal fees incurred in preparing the development agreement and easement up to the amount \$5,000.

## RESOLUTION DDA-2023-08

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY DESIGNATING PROJECTS ELIGIBLE FOR FINANCING WITH PROCEEDS OF THE INTERFUND LOAN UNDER THE DDA-CITY LINE OF CREDIT IGA**

WHEREAS, by adoption of Resolution 2023-DDA-04, the Board of Directors of the Loveland Downtown Development Authority (“DDA Board”) approved an intergovernmental agreement between the Loveland Downtown Development Authority (“DDA”) and City of Loveland, Colorado (“City”), entitled “Intergovernmental Agreement Governing the Use of Proceeds of the City of Loveland’s Interfund Loan for Financing Downtown Development Authority Projects and Programs” (“Line of Credit IGA”);

WHEREAS, the City Council of the City is currently scheduled to consider approval of the Line of Credit IGA at a regular meeting to be held on November 21, 2023;

WHEREAS, capitalized terms used in this Resolution shall have the same meaning as given in the Line of Credit IGA;

WHEREAS, Section 2.3 of the Line of Credit IGA requires the DDA Board to adopt a resolution (“DDA Resolution”): (i) identifying specific projects and programs within the DDA District that advance the objectives of the DDA Plan of Development in accordance with the DDA Act and that the DDA Board designates as eligible for financing or refinancing with proceeds of the Interfund Loan (the “DDA Projects and Programs”), including as applicable, the description of the programs, the process for how awards are made, the location of known DDA Projects and Programs, and a general description of any proposed development or redevelopment; and (ii) setting forth the estimated amount of Available TIF Revenue that could be applied to the repayment of the principal of and interest on the Interfund Loan in the current or next fiscal year, including, without limitation, any Available TIF Revenue that is expected to be generated by the DDA Projects and Programs set forth in the DDA Resolution;

WHEREAS, upon adoption, the DDA Resolution is to be submitted to the City Manager of the City, the Chief Financial Officer of the City, and the City Attorney of the City; and

WHEREAS, the DDA Board desires to adopt the DDA Resolution, as envisioned under the Line of Credit IGA, for fiscal years 2023 and 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND DOWNTOWN DEVELOPMENT AUTHORITY THAT:**

1. The following project is eligible to receive financing with proceeds of the Interfund Loan in fiscal year 2023 or 2024:

- 404 East 3<sup>rd</sup> Street redevelopment project, involving renovations and improvements to the building located on the property and exterior portions of the property; approved in accordance with the DDA's Tax Increment Investment Policy Program and Requirements; initial funding amount of up to \$185,404.

2. The estimated amount of Available TIF Revenue that could be applied to the repayment of the principal of and interest on the Interfund Loan in fiscal year 2023 is in excess of \$1,000,000; and the amount of property tax increment revenue expected to be generated by the above-referenced project through expiration of the DDA's tax increment collection period on July 5<sup>th</sup>, 2047, is \$1,008,535.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Loveland Downtown Development Authority this 13<sup>th</sup> day of November, 2023.

---

Ray Steele, Jr., Board Chair

ATTEST:

---

Jon-Mark Patterson, Secretary