

SUBJECT TO CITY COUNCIL CONSIDERATION

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS AND THE UNITED STATES OLYMPIC COMMITTEE REGARDING USOC FACILITIES IN COLORADO SPRINGS

This ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLORADO SPRINGS AND THE UNITED STATES OLYMPIC COMMITTEE REGARDING USOC FACILITIES IN COLORADO SPRINGS (this "**Agreement**") is effective as of this ___ day of _____, 2009, by and between the CITY OF COLORADO SPRINGS, COLORADO (the "**City**") and the UNITED STATES OLYMPIC COMMITTEE (the "**USOC**"). The City and the USOC are collectively referred to herein as the "**Parties**". The City and the USOC acknowledge that the Economic Development Agreement effective as of March 31, 2008 (the "**Prior EDA**") between and among the City, the USOC and LandCo Equity Partners, LLC ("**LandCo**") has previously been terminated and therefore is of no further force and effect. The City and the USOC agree that neither the City nor the USOC shall pursue any action with respect to the Prior EDA against each other.

RECITALS

A. The City is a municipal corporation and home rule city, duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the home rule Charter of the City of Colorado Springs (the "**Charter**").

B. The USOC is a corporation created by an Act of Congress and exempt from taxation within the meaning of, and an organization described in, Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"). The USOC was created to support United States Olympic and Paralympic athletes in achieving sustained competitive excellence and preserve the Olympic ideals and thereby inspire all Americans.

C. The Parties have discussed and considered various transactions which would create incentives for the USOC to continue to maintain its national headquarters and the existing Olympic Training Center in Colorado Springs for a period of at least 30 years. The City hereby determines that the retention and maintenance of such USOC facilities in the City serves an essential public purpose and will result in substantial public benefits to the City and its inhabitants, including without limitation economic and cultural benefits. In consideration thereof, the City and USOC desire that a transaction be undertaken that will require that (i) the City provide to the USOC five floors (floors 2 through 6, otherwise referred to as Units 200, 300, 400, 500 and 600) as five separate condominium units (one for each floor), consisting of a total of approximately 80,881

square feet of "Class A" office space, free and clear of all liens and encumbrances, except those consented to in writing by the USOC, and delivered with such improvements according to the Plans and Specs (defined below), to the USOC (collectively, the "**USOC Condominium**") in a building of approximately 126,000 square feet located at 27 South Tejon Street in Colorado Springs, which contains the Common First Floor Spaces as described in Section 1.1 hereof (the "**Building**"), which USOC Condominium is to be leased and transferred to the USOC, as further described herein; (ii) the City provide, in part, and commit to fundraising for the balance, funds for the development of certain improvements at the USOC's Colorado Springs Olympic Training Center (consisting of the "OTC Improvements Phase I" and "OTC Improvements Phase II" as referenced in Article II hereof and collectively referred to as the "**OTC Improvements**") that are expected to provide 166 units of housing for athletes, expand and enhance the Athlete Center, including cafeteria facilities contained therein, renovate the visitor center at the OTC, and construct certain infrastructure thereto; (iii) the City provide approximately 40,000 square feet of renovated office space that shall be leased and transferred to the USOC (the "**NGB Building**") as further described herein and shall be used by the USOC to provide office space for employees of such National Governing Bodies (the "**NGBs**") and for such other uses as the USOC shall determine; and (iv) the City provide access to 240 parking spaces to be used in connection with the USOC Condominium.

D. Additionally, the Parties desire that, unless otherwise agreed to in writing by the Parties with respect to the dates and timing, the following occurs: the USOC Condominium in the Building shall be made available by the City to the USOC for occupancy no later than March 31, 2010; funds shall be made available to the USOC for the OTC Improvements Phase I in the sum of \$13,000,000 no later than 90 days after the mutual execution of this Agreement (the date on which a total of \$13,000,000 shall be deposited under the OTC Escrow Agreement (as defined herein) shall be the "**OTC Phase I Funding Date**"); funds shall be made available to the USOC for the OTC Improvements Phase II in the sum of \$3,000,000 no later than twenty-five (25) months after the mutual execution of this Agreement; and the NGB Building shall be made available by the City to the USOC for its use or use by NGB employees no later than December 31, 2009.

E. The obligations of the City hereunder are contingent upon the issuance of, and the City is willing to agree to use its best efforts to cause the issuance of, Certificates of Participation (together with any certificates of participation refunding the same which would not increase the annual payments on such Certificates of Participation, would not extend the maturity of such Certificates of Participation, and which would not otherwise adversely affect the Lease Purchase Buyout in terms of the amount thereof or the ability to exercise the same, the "**COPs**") by the City of Colorado Springs Public Facilities Authority, a nonprofit Colorado corporation, and an issuer on behalf of the City (the "**PFA**"). The proceeds of the COPs will be used for the USOC Condominium as set forth in more detail in Section 1.2 hereof, the NGB Building as set forth in more detail in Section 3.4 hereof (unless the City shall determine to internally fund the same) and a portion of the OTC Improvements Phase I as set forth in more detail in Section 2.2(a)

hereof (collectively, the "**USOC Improvements**"). The USOC Improvements shall not be used as collateral for the COPs (the PFA will use other property as collateral that shall be referred to herein as the "**Mortgaged Property**"). The COPs will be issued pursuant to a Mortgage and Indenture of Trust (the "**Indenture**") with respect to the Mortgaged Property and the execution and delivery of Lease Purchase Agreements related thereto (the "**COP Lease Purchase Agreements**") between the PFA, as lessor, and the City, as lessee.

F. The OTC Improvements shall be owned by the USOC. The USOC Condominium and the NGB Building will be owned by the PFA, and leased by the PFA to the City pursuant to one or more Lease Agreements (a "**PFA-City-USOC Lease**" and if more than one, then collectively the "**PFA-City-USOC Leases**") in the forms attached hereto as Exhibit A, and then subleased by the City to the USOC under one or more absolute net subleases related thereto substantially in the forms attached hereto as Exhibit B with such changes not inconsistent with the terms with respect to such subleases set forth in this Agreement (each a "**PFA-City-USOC Sublease**" and collectively, the "**PFA-City-USOC Subleases**") between the City, as sublessor and the USOC, as sublessee and the same shall be executed and delivered by the Parties as and to the extent provided in Section 7.5 hereof. The property subject to the PFA-City-USOC Leases and the PFA-City-USOC Subleases shall not be part of the Mortgaged Property. The City shall have the option to sub-sublease from the USOC the first floor of the USOC Condominium (the second floor of the Building) under the terms and as provided in Section 1.6 hereof (the "**USOC First Floor Condominium Sub-sublease**").

G. Upon execution hereof the City will use its best efforts to seek approval from the City Council of an ordinance which authorizes the execution by the City of the PFA-City-USOC Leases and the PFA-City-USOC Subleases. The City shall use its best efforts to cause the Board of Directors of the PFA to approve the issuance of the COPs and the execution of the COP Lease Purchase Agreements and the Indenture by the PFA.

H. It is the Parties' intention that fee title ownership of the USOC Condominium and the NGB Building shall transfer, free and clear of leases, subleases, sub-subleases and any monetary encumbrances, to the USOC: (a) upon the expiration of the scheduled terms of the PFA-City-USOC Subleases; or (b) if the USOC exercises its option under and satisfies the requirements of the Lease Purchase Buyout as provided in Section 6.1(a) hereof (the "**Lease Purchase Buyout**"), at such other time within 25 years from the date of issuance of the COPs as provided in Section 6.1(a) hereof.

I. In connection with the foregoing, the City and the USOC intend that the City shall have an affiliation and marketing relationship with the USOC which is incorporated into this Agreement as Exhibit C.

J. The City and the USOC desire to cause quitclaim deeds from the City to the USOC for the City's reversionary interest in the OTC and from the USOC to the City for the USOC's interest in the USOC-owned Banning Lewis Ranch property (approximately 150 acres) to be delivered as provided herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I

USOC CONDOMINIUM AND RELATED SPACE

1.1 Delivered Product.

(a) The City agrees, at its own expense (subject to the terms of this Section 1.1) to: (i) cause the PFA to purchase the core and shell of floors two through six (Units 200, 300, 400, 500 and 600), and for certain common elements to be completed, as further described in Exhibit D attached hereto and incorporated herein (the "**PFA Purchased Property**"); (ii) construct or cause to be constructed the USOC Condominium including tenant improvements as provided in the Plans and Specs (as defined below); (iii) construct or cause to be constructed and improved (in addition to the lobby entrance that is delivered as part of the City Deliverables (defined below)) the lobby entrance on the first floor of the Building, including all interior finishings, furnishings, signage, and all other non-structural or non-mechanical improvements, which shall be for the primary benefit of the USOC Condominium and are not otherwise included in the PFA Purchased Property (collectively, the "**Lobby Entrance**"), bike lockers and showers (collectively the bike lockers, showers, the Lobby Entrance, and all other common elements of the Building are referred to herein as "**Common First Floor Spaces**"), all according to the plans and specifications approved by the USOC (such plans, specifications, approved add alternates and LEED addendum, created by OZ Architecture, dated March 5, 2009, are referred to as the "**Plans and Specs**"); (iv) ensure delivery and payment of required streetscape improvements directly adjacent to the Building and all other common elements (such streetscape improvements will be limited to the design as required by the City's Downtown Action Plan, as described in part in Exhibit E attached hereto and incorporated herein) (iv) enter into the PFA-City-USOC Lease for the USOC Condominium; and (v) enter into the PFA-City-USOC Sublease for the USOC Condominium. The PFA Purchased Property and all additional common elements shall be delivered to the USOC at the City's expense as described in Exhibit F, attached hereto and incorporated herein (the "**City Deliverables**"), and may contain certain portions of the Common First Floor Spaces. The Parties acknowledge and agree that the Plans and Specs, as relating to the Lobby Entrance and USOC Condominium may be modified and updated from time-to-time, and such changes shall only be made with the prior written consent of the USOC, and such consent shall not be unreasonably withheld, conditioned, or delayed. The USOC Condominium, the Common First Floor Spaces, the City Deliverables, and the streetscape improvements are collectively referred to as the "**Delivered Product.**"

(b) The Common First Floor Spaces shall be common areas of the Building (i.e. common elements) subject to the rights and obligations described in that

certain Amended and Restated Condominium Declaration, recorded in the real property records of El Paso County on _____, 2009 (the "**Condominium Declaration**") which shall include, but are not limited to, the USOC's rights to make future alterations to the Lobby Entrance and the right to provide for security. Such rights and obligations in the Condominium Declaration shall be at the USOC's sole and absolute discretion, and may be modified by the USOC from time to time.

(c) The City shall cause the USOC Condominium to be available for occupancy by the USOC no later than March 31, 2010, and the remainder of the Delivered Product to be completed no later than March 31, 2010. The City represents that it has no reason to believe that the timeframe to complete the Delivered Product will prohibit the City from satisfying the dates contained herein. The City shall obtain agreement of any owner of the first floor or lower basement of the Building through the Condominium Declaration or otherwise that (i) the first floor and lower basement space shall not be used by such owner or any assignee for a business primarily involving the sale of nutritional supplements or similar products or for a business that primarily sells goods that are sexual in nature and (ii) such space shall be offered for use to USOC sponsors as a right of first offer on commercially reasonable terms.

(d) The City shall pay \$2,700,000 (in addition to the purchase price paid by the PFA for the PFA Purchased Property and for any additional costs by the City to complete the City Deliverables) pursuant to the Plans and Specs to improve the USOC Condominium and the Lobby Entrance, with any costs in excess of such \$2,700,000 for such improvements to the USOC Condominium and the Lobby Entrance requested by the USOC ("**Incremental Improvement Costs**") to be reimbursed by the USOC to the City, provided the OTC Phase I Funding Date has occurred. The City shall be responsible for all Incremental Improvement Costs until the OTC Phase I Funding Date has occurred, and the USOC shall have no obligation to reimburse the City if the OTC Phase I Funding Date does not occur. At the time the COPs are issued, the USOC shall provide the City with evidence reasonably acceptable to the City that such funding (either financing or cash available) will be made available to reimburse the City for the Incremental Improvement Costs, such reimbursement not to occur until the City has spent the \$2,700,000 described above and after the OTC Phase I Funding Date. The City shall provide invoices to the USOC for the Incremental Improvement Costs, which amounts shall be promptly paid by the USOC to the City. All Incremental Improvement Costs must be approved in advance by the USOC in writing, and any costs associated with the City Deliverables or a (non-USOC caused) delay or modification in the construction shall be the sole responsibility of the City and shall not be considered Incremental Improvement Costs. Notwithstanding the foregoing requiring immediate reimbursement of Incremental Improvement Costs by the USOC to the City under the circumstances provided above, after the expenditure by the City of \$2,700,000 as set forth herein, the City shall notify the USOC, and the USOC, after consultation with the City, shall determine whether, in the reasonable judgment of the USOC, the Delivered Product will be completed and the USOC Condominium available for occupancy by the deadlines set forth in this Agreement. If the USOC determines that in its reasonable judgment the Delivered Product will not be so completed and the USOC Condominium not available for occupancy by the USOC (a "**Negative Determination**"), it shall give notice thereof to

the City, whereupon the obligation of the USOC to immediately reimburse the City shall be made upon the earlier of the completion of (i) the Delivered Product; or (ii) the next Monthly Determination Date, unless on such Monthly Determination Date there is again a Negative Determination. "**Monthly Determination Date**" means the last business day of each month.

1.2 City Actions. In anticipation of the acquisition, construction and improvement of the USOC Condominium, the City shall use its best efforts to cause the following to occur on or before forty-five (45) days after the execution and delivery of this Agreement:

(a) to arrange for the issuance of COPs by the PFA pursuant to the Indenture in an amount equal to (net of reserves and costs of issuance) and to cause the PFA to use such proceeds of the COPs to purchase and deliver the PFA Purchased Property, and to pay for tenant improvements as described in Section 1.1 (subject to reimbursement by the USOC for Incremental Improvement Costs to the extent provided by this Agreement); provided, however, any reference to the USOC in the offering materials used in connection with the COPs should be promptly approved in writing by the USOC;

(b) to enter into a COP Lease Purchase Agreement with respect to the Mortgaged Property, which COP Lease Purchase Agreement shall provide for annual renewal terms, subject to annual appropriation and extension and renewal by the City, of 30 years, in form and substance typical of such leases entered into by Colorado municipalities under Colorado Law and not constituting debt of the municipality or a multi-fiscal year obligation;

(c) to enter into a PFA-City-USOC Lease with respect to the USOC Condominium which PFA-City-USOC Lease shall provide for a term of 30 years and prepayment of all rent due from the City to the PFA upon execution and delivery; and

(d) to enter into a PFA-City-USOC Sublease with respect to the USOC Condominium for a term of 30 years whereby in consideration of the public purposes referred to in Recital C above, subject specifically to: (i) so long as the USOC maintains its national headquarters in the USOC Condominium, the City shall sublease the USOC Condominium to the USOC at an annual rate of \$1.00 plus actual applicable common area and maintenance charges, provided however that the USOC shall also be responsible to pay for its operating expenses relating to its use of the USOC Condominium, but shall not be obligated to pay property taxes as a result of its occupancy of the USOC Condominium; and (ii) the City shall grant the USOC the right to purchase the USOC Condominium and the USOC shall agree to make certain payments, not as a penalty but as liquidated damages, to the City under the circumstances set forth in Article VI.

1.3 Delivery Date. The City agrees that it shall use its best efforts to obtain the funds or cause the funds to be available and acquire, complete and improve the Delivered Product as provided herein, subject to the ability of the PFA to issue COPs as provided in Section 1.2 hereof (including the limitation upon amount as set forth therein) and to deliver

the USOC Condominium for occupancy no later than March 31, 2010, and the remainder of the Delivered Product to be completed no later than March 31, 2010.

1.4 Property Taxes. The Parties desire that the USOC shall not be responsible to pay any property taxes, including but not limited to those characterized as possessory interest taxes, levied against USOC Condominium or the NGB Building. The City has delivered to the USOC letters from the State of Colorado and El Paso County which confirm the City's view that the USOC shall be able to obtain an exemption from property taxes for the USOC Condominium and the NGB Building. Notwithstanding such letters, the City agrees to continue to assist the USOC in applying for and obtaining a property tax exemption for its possessory interest in the USOC Condominium and the NGB Building, and the City agrees that in the event the USOC fails to obtain such a property tax exemption in connection with such possessory interest in the USOC Condominium and/or the NGB Building, the USOC may offset the amount of any property taxes paid against the Additional Rent (as defined in the PFA-City-USOC Sublease), payable by the USOC to the City (or its designee).

1.5 Parking. The City shall make 240 parking spaces available for lease to the USOC in the Nevada-Colorado Parking Garage no later than the date of occupancy of the USOC Condominium and agrees to make the parking available to the USOC at such location for so long as the USOC maintains its national headquarters in the USOC Condominium. Such parking shall be provided for such term at prevailing rates in effect from time to time. Additionally, the parking agreement with the USOC shall contain language permitting the USOC to sublet parking spaces from time to time, up to and including 30 years from the date of issuance of the COPs so long as the USOC maintains its national headquarters in the USOC Condominium. In the event that the USOC fails to exercise its Lease Purchase Buyout and the PFA-City-USOC Sublease for the USOC Condominium terminates prior to its scheduled term, the parking agreement will terminate and all spaces be returned to the City.

1.6 City's Sub-Sublease Right. The City shall have the right (but not the obligation) to sub-sublease the first floor of the USOC Condominium from the USOC pursuant to a USOC First Floor Condominium Sub-sublease. Such USOC First Floor Condominium Sub-sublease shall commence on such date as the City may determine; provided, however, that the term thereof shall end no later than the date which is the tenth anniversary of the issuance of the COPs. The USOC First Floor Condominium Sub-sublease shall require no sub-sublease payments by the City to the USOC, shall be terminable by the USOC starting at a date which is the fifth anniversary of the issuance of the COPs upon one year's prior written notice by the USOC to the City, and the City shall be entitled to further sublease such space to a third party on terms not inconsistent with this Agreement and shall be entitled to keep all rents with respect thereto. Any tenants of the City and the terms of the sub-lease to such tenants shall be subject to written approval of the USOC not unreasonably withheld and the City shall provide at its own expense such security measures with respect to usage of the first floor of the USOC Condominium by the City or such tenants of the City as the USOC may reasonably require, which measures may include a separate staircase or other entryway improvements.

1.7 Transfer of Title. Fee title ownership of the USOC Condominium shall transfer, free and clear of leases, subleases and any monetary encumbrances, to the USOC upon the expiration of the scheduled term of the PFA-City-USOC Sublease related to the USOC Condominium (unless such PFA-City-USOC Sublease has terminated prior thereto) or if the USOC exercises the Lease Purchase Buyout as provided in Section 6.1(a) hereof.

1.8 City's Obligation to Seek Remedies. If at any time within ten (10) years from the date of the delivery of the USOC Condominium from LandCo to the City, the USOC believes there are material construction defects with the Building, the City, at the request of and on behalf of the USOC, agrees to seek all appropriate remedies reasonably available under law against LandCo or the appropriate party for such construction defects.

ARTICLE II

OLYMPIC TRAINING CENTER IMPROVEMENTS

2.1 OTC Phases. Subject to the terms of this Agreement, the OTC Improvements shall be divided into two phases.

2.2 OTC Improvements Phase I; OTC Tenant Agreement. A deposit under the OTC Escrow Agreement shall be funded in the amount of \$13,000,000, for all design, development, construction and other costs or expenses, including attorneys' fees, arising from or relating to the OTC Improvements ("**OTC Improvements Phase I**") that will be available to the USOC no later than 90 days following the execution of this Agreement and is expected to be comprised of the following:

(a) The City's PFA will issue COPs in an amount sufficient to deposit \$9,500,000 (the "**COP OTC Proceeds**") in an escrow account established under the USOC Olympic Training Center Escrow Agreement (the "**OTC Escrow Agreement**") in the form attached as Exhibit G hereto and will be made available to the USOC to fund the OTC Improvements Phase I in accordance with the OTC Escrow Agreement. The COPs will be secured by the Mortgaged Property and will not require any encumbrance of the OTC Improvements or any other USOC property.

(b) El Pomar Foundation has agreed to match up to \$1,500,000 of donations made to fund construction of the OTC Improvements Phase I. This amount shall be deposited to an account separate from the COP OTC Proceeds under the OTC Escrow Agreement and will be made available to the USOC to fund the OTC Improvements Phase I in accordance with the OTC Escrow Agreement.

(c) Colorado Springs community leaders believe that the full amount of the El Pomar challenge grant (\$1,500,000) can be raised within 90 days from the date of execution of this Agreement. Funds raised by the City from community leaders in the amount of \$1,500,000 shall be deposited to an account separate from the COP OTC Proceeds under the OTC Escrow Agreement and will be made available to the USOC to fund the OTC Improvements Phase I in accordance with the OTC Escrow Agreement.

(d) The Colorado Office of Economic Development has provided or will provide a grant to the City in the amount of \$500,000 to retain the USOC in the City of Colorado Springs. The City shall deposit such \$500,000 grant to an account separate from the COP OTC Proceeds under the OTC Escrow Agreement and such amount will be made available to the USOC to fund OTC Improvements Phase I in accordance with the OTC Escrow Agreement.

2.3 Disbursement of Funds by Escrow Agent. The OTC Escrow Agreement and all accounts therein shall be held by a Colorado Springs headquartered institution, with the ability to administer the OTC Escrow Agreement, such institution shall be selected by the City, and subject to the reasonable approval by the USOC; provided, however, that if such institution is not available in Colorado Springs, the USOC shall be permitted to select an institution that is based elsewhere in the State of Colorado (the "**Escrow Agent**") pursuant to the OTC Escrow Agreement and subject to Section 5.2(f) hereof. The COP OTC Proceeds shall be used only for the purpose of providing funds to the USOC to fund or reimburse the USOC for its funding of the OTC Improvements Phase I incurred after the issuance of the COPs. All other funds held under the OTC Escrow Agreement shall be used only for the purpose of providing funds to the USOC to fund or reimburse the USOC for its funding of the OTC Improvements Phase I incurred before or after the issuance of the COPs.

2.4 Construction Management. The USOC shall manage the construction of the OTC Improvements Phase I and may select a development manager and shall select a general contractor satisfactory to the USOC to handle such construction on behalf of the USOC, so long as the development manager and general contractor are headquartered in the City of Colorado Springs, provided that if the USOC is unable to identify a development manager and general contractor headquartered in the City of Colorado Springs financially and otherwise capable to handle such OTC Improvements Phase I in the City of Colorado Springs, the USOC shall be permitted to select a development manager and general contractor headquartered elsewhere in the State of Colorado. Notwithstanding the foregoing, the City expressly acknowledges and agrees that CB Richard Ellis, or a related entity, shall have the right to serve as development manager for such OTC Improvements Phase I, at the option of the USOC, even if such party is not located in Colorado Springs, provided in all cases that a general contractor shall be utilized meeting the requirements set forth above.

2.5 Installation of New Stoplight. The four-way stoplight and signalization for the new OTC entrance at the intersection of Union and Williamette Streets shall be constructed by the City and shall be functioning no later than June 30, 2010. The City's obligation is limited to the acquisition and installation of the stoplight and signalization. Such construction shall not include any cost of constructing the new OTC entrance. The cost of the streetlight and its installation paid by the City shall be attributed to the \$3,000,000 to be provided by the City under Section 2.6 in order to fund the OTC Improvements Phase II as provided in this Agreement; provided, however, such attributed costs shall not exceed \$300,000 and the USOC shall have access to review invoices for such attributed costs.

2.6 OTC Improvements Phase II. "**OTC Improvements Phase II**" shall be the improvements at the OTC the funding for which shall be made available by the City to the USOC in the amount of \$3,000,000 on or before twenty-five (25) months after the mutual execution of this Agreement. The City shall use its best efforts to deliver the \$3,000,000 to the Escrow Agent, to be held pursuant to the OTC Escrow Agreement and used by the USOC in accordance with the OTC Escrow Agreement to fund OTC Improvements Phase II. In the event that the full \$3,000,000 (less the up-to \$300,000 contributed by the City to the stoplight as described in Section 2.5) has not been deposited by or at the direction of the City to those certain accounts under the OTC Escrow Agreement on or before twenty-five (25) months after the mutual execution of this Agreement, the City agrees that (i) it shall immediately deliver and record a quit claim deed in favor of the USOC for its reversionary rights in the OTC, and (ii) the payments to be made as a Lease Purchase Buyout or as liquidated damages in the various circumstances provided in Article VI shall be reduced by the dollar amount which is the difference between \$3,000,000 and the amount which is deposited under the OTC Escrow Agreement (or attributed to such amount as provided in Section 2.5) in order to fund the OTC Improvements Phase II.

2.7 Excess Funds. All funds on deposit in accounts of the OTC Escrow Agreement for OTC Improvements Phase I (including interested deposited therein) shall be reimbursed to the contributing entity if the funds are not expended by the USOC for the design and construction of such OTC Improvements Phase I within four (4) years of the date all development approvals (such as land use approvals and building permits) are received by the USOC for such OTC Improvements Phase I (amounts remaining in the accounts, other than the account containing the COP OTC Proceeds which shall go to the City, to be reimbursed to the contributors prorata); provided, however, the USOC shall be able to carry-over up to 10% of funds allocated for OTC Improvements Phase I to funds for the OTC Improvements Phase II, if reasonably required by the construction schedule for the OTC Improvements. All funds on deposit in accounts of the OTC Escrow Agreement for OTC Improvements Phase II (including interested deposited therein) shall be reimbursed to the City if the funds are not expended by the USOC for the design and construction of such OTC Improvements Phase II within four (4) years of the date all development approvals are received by the USOC for such OTC Improvements Phase II. The USOC shall use reasonably prompt efforts to apply for all development approvals described herein upon the occurrence of the OTC Phase I Funding Date for the OTC Improvements Phase I, and upon the full deposit of the \$3,000,000 for the OTC Improvements Phase II. In the event this Agreement is terminated by the USOC pursuant to Section 7.1, or the PFA-City-USOC Subleases are terminated, any funds that have not been expended by the USOC for the OTC Improvements (including interested deposited therein) shall be reimbursed to the contributing entity within thirty (30) days of such termination; provided, however, the USOC shall have the right to utilize funds held under the OTC Escrow Agreement for all expenses for OTC Improvements Phase I incurred by the USOC for: (a) work performed prior to the date of termination; and (b) work contracted by or with third parties for a time period not to exceed sixty (60) days after such termination (and use of such funds may include payment of termination penalties).

2.8 Recognition for Contributors. After the occurrence of the OTC Phase I Funding Date, as part of the OTC Improvements, the USOC agrees to construct, in its

reasonable discretion, a permanent recognition display within a publicly visible portion of the Olympic Training Center to show appreciation for all individuals and entities donating \$30,000 or more to fund the OTC Improvements under Sections 2.2 and 2.6 of this Agreement.

ARTICLE III

NATIONAL GOVERNING BODIES BUILDING

3.1 Title. The City represents and warrants that it owns the land and building located at 30 Cimino Drive in Colorado Springs (referred to in this Agreement as the "**NGB Building**") in fee simple, free and clear of any liens or encumbrances. The City further represents and covenants that it has the legal right to sell, lease or transfer the NGB Building to the USOC and that the NGB Building shall remain free and clear of any lien or encumbrance other than those consented to by the USOC.

3.2 Environmental. The Parties agree to the following environmental terms and representations:

(a) As used in this Agreement, the following terms have the following meanings:

(i) "**Environmental Law**" means all applicable federal, state and local statutes, laws, ordinances, regulations, rules, resolutions, orders, writs, injunctions, common law rulings, governmental orders and agreements, judgments and decrees, now or hereinafter in effect, relating to the protection of human health, safety or the environment or the Release of Hazardous Materials, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended.

(ii) "**Hazardous Materials**" means all materials, wastes and substances listed, regulated or defined under any Environmental Law, and including (i) radon gas, (ii) lead and lead-based paint, (iii) infectious, carcinogenic or mutagenic materials, or (iv) mold in a condition, location or type that may pose a risk to human health or safety or the environment, or that may cause damage to property.

(iii) "**Release**" means any presence, emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, storm drain, publicly owned treatment works, or waste treatment, storage, or disposal systems.

(iv) "**Remediation**" means any investigation, clean-up, removal action, remedial action, restoration, repair, response action, corrective action, monitoring, sampling and analysis, installation, reclamation, closure, or post-closure in connection with the suspected, threatened or actual Release of Hazardous Materials.

(b) The City represents that, based on its actual knowledge: (i) none of the following are present on the NGB Building: (A) underground improvements, including but not limited to treatment or storage tanks, or underground piping associated with such tanks, used currently or in the past for the management of Hazardous Materials; (B) any dump or landfill or other unit for the treatment or disposal of Hazardous Materials; (C) filled in land or wetlands; (D) PCBs; (E) toxic mold; (F) lead-based paint; or (G) asbestos-containing materials; and (ii) there has been no Release of Hazardous Materials at, on, under, or from the NGB Building in each case such as could reasonably be expected to result in liability under Environmental Law.

(c) Each Party shall give written notice to the other Party within five business days of obtaining knowledge of any of the following (except that in the case of an imminent threat to human health or the environment, immediate notice shall be required): (i) any material proceeding, inquiry, notice, or other communication by or from any governmental or non-governmental entity regarding the Release of any Hazardous Materials at, on, under, affecting or from the NGB Building, or injury on, near or affecting the NGB Building; (ii) all material claims, demands, suits and the like, whether by a governmental agency or otherwise, relating to the environmental condition of the NGB Building; and (iii) the receipt of any material notice or discovery of any material information regarding any Release of Hazardous Materials at, on, under, affecting or from the NGB Building or other environmental defect or injury on, near or affecting the NGB Building.

(d) Remediation.

(i) Upon discovery of a Release of Hazardous Materials by any Party at, on, under or from the NGB Building that (a) violates Environmental Laws; (b) requires Remediation under Environmental Law; (c) poses a threat to human health (including but not limited to the health of USOC's employees, guests, invitees, licensees), or the environment; (d) interferes with USOC's ability to use the NGB Building for the purposes set out in Article III of this Agreement; or (e) results in contamination at levels that exceed the published clean-up standards of the State of Colorado or other governmental entities which have established applicable standards (the "**Governmental Authority**"), the City shall promptly commence (within 15 days or such lesser time as may be required by law or exigent circumstances) and diligently pursue to completion, Remediation of such Release in accordance with this Section 3.1(d)(i); and

(ii) The City shall: (A) provide written notification to the USOC that it intends to perform Remediation prior to commencing any such Remediation; (B) select a qualified consultant to oversee the Remediation, subject to the approval of the USOC, whose approval shall not be unreasonably withheld; (C) provide the USOC with a reasonable opportunity to comment in advance upon any material written communications, filings, reports, correspondence or other writings given to any Governmental Authority in connection with such Remediation and consider timely provided comments in good faith; (D) to the extent practical, provide the USOC with a reasonable opportunity to participate in any meetings with any Governmental Authority regarding the Remediation; (E) comply with applicable laws; (F) minimize costs in

conducting any Remediation; (G) allow the USOC or their agents reasonable access to the NGB Building for purposes of observing the Remediation so long as such USOC and its agents do not interfere with the Remediation; (H) keep the USOC reasonably informed of the progress of any such Remediation and the schedule for completing such Remediation; and (I) within 5 days of receipt, provide to the USOC copies of all material written communications, filings, reports, correspondence or other writings, photographs or materials received from any person (including any Governmental Authority) in connection with any such Remediation. All costs and expenses related to such Remediation shall be paid by the City including, without limitation, reasonable costs incurred by the USOC in connection with monitoring or review of such Remediation and displacement resulting from the Remediation. In the event the City shall fail to promptly commence or cause to be commenced, or fail to diligently prosecute to completion, any Remediation required by this Section 3.2(d), the USOC may, but shall not be required to, cause such Remediation to be performed and all costs and expenses so incurred shall become immediately due and payable from the City to the USOC.

(e) To the extent expressly permitted by law, the City shall release and hold harmless the USOC from liability under Environmental Laws arising from or related to facts, circumstances, or conditions at, on, under or from the NGB Building existing, initiated or occurring prior to the date of occupancy of the NGB Building by the USOC. This provision shall survive the termination of this Agreement.

3.3 Lease/Renovation of NGB Building. Upon issuance of the COPs, the City shall enter into the PFA-City-USOC Lease described in Section 3.4 relating to the NGB Building and shall be at an annual rental rate of \$1.00. The USOC shall be obligated to pay all operating expenses relating to the NGB Building. The USOC shall not be responsible to pay any property taxes, including but not limited to those characterized as possessory interest taxes, levied against the NGB Building, as further described in Section 1.4. The City shall at its own expense renovate the NGB Building pursuant to the Plans and Specs, the renovations to be completed no later than December 31, 2009.

3.4 Actions Required by City. The City shall use its best efforts to cause the following to occur on or before forty-five (45) days after the execution and delivery of this Agreement: (i) unless the City shall determine to internally fund the same, to arrange for the issuance of COPs by the PFA pursuant to the Indenture in an amount (net of reserves and costs of issuance) which shall be sufficient to pay for the NGB Improvements (primarily to reimburse the City for costs in connection therewith and retirement of internal loans, including a loan from Colorado Springs Utilities); (ii) unless the City shall determine to internally fund the same, to enter into a COP Lease Purchase Agreement with respect to the Mortgaged Property, which COP Lease Purchase Agreement shall provide for annual renewal terms, subject to annual appropriation and extension and renewal by the City, of 30 years, in form and substance typical of such leases entered into by Colorado municipalities under Colorado law and not constituting debt of the municipality or a multi-fiscal year obligation, (iii) to enter into a PFA-City-USOC Lease with the PFA with respect to the NGB Building, which PFA-City-USOC Lease shall provide for a term of 30 years and prepayment by the City of all rent due from the City to the PFA upon execution and delivery, and (iv) to enter into a PFA-City-USOC Sublease with the USOC with respect to

the NGB Building for a term of 30 years whereby in consideration of the public purposes referred to in Recital C above, (A) so long as the USOC maintains its national headquarters in the USOC Condominium, the City shall sublease the NGB Building to the USOC under such PFA-City-USOC Sublease for the NGB Building at an annual rental rate of \$1.00, provided however that the USOC shall also be responsible to pay for all operating expenses relating to the NGB Building, but shall not be obligated to pay property taxes as a result of its occupancy and (B) the City shall grant the USOC the right to purchase the NGB Building and the USOC shall agree to make certain payments, not as a penalty but as liquidated damages, to the City under the circumstances set forth in Article VI.

3.5 Transfer of Title. Fee title ownership of the NGB Building shall transfer, free and clear of leases, subleases and any monetary encumbrances, to the USOC upon the expiration of the scheduled term of the PFA-City-USOC Sublease related to the NGB Building (unless such PFA-City-USOC Sublease has terminated prior thereto) or if the USOC exercises the Lease Purchase Buyout as provided in Section 6.1(a) hereof.

ARTICLE IV

AFFILIATION AND MARKETING RELATIONSHIP; DELIVERY OF QUITCLAIM DEEDS

4.1 Affiliation and Marketing Relationship. The USOC and the City agree to the affiliation and marketing relationship which is incorporated into this Agreement as Exhibit C, which relationship shall no longer be in effect upon the earlier of (i) the termination of this Agreement by either Party or (ii) expiration of this Agreement by its terms.

4.2 Delivery of Quitclaim Deeds. The USOC agrees that a quitclaim deed in favor of the City to the USOC Banning Lewis Ranch Property, and the City agrees that, to the extent such a deed has not been previously delivered as provided in Section 2.6, a quitclaim deed in favor of the USOC for its reversionary rights in the OTC, shall be delivered and recorded on the 19th anniversary date of the issuance of the COPs, so long as the USOC continues to maintain its national headquarters at the USOC Condominium or within the corporate boundaries of the City. If the USOC determines not to maintain its national headquarters within the corporate boundaries of the City for such period, the deeds as so delivered under this Section 4.2 shall not be subject to such recording. The USOC shall cooperate with the City in order to support the City's efforts to resolve any title issues associated with the USOC Banning-Lewis Ranch Property, provided that the USOC makes no representation and provides no guarantee as to the ability to so resolve such title issues relating to the USOC Banning Lewis Ranch Property.

ARTICLE V

ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Additional City Representations, Warranties and Covenants. The City represents and warrants to, and covenants with, the USOC as follows:

(a) The execution, delivery and performance of this Agreement, the PFA-City USOC Subleases and the PFA-City-USOC Lease (collectively, the "**City Agreements**"), by the City have been duly authorized by the City Council of Colorado Springs, and except as otherwise provided herein no additional or further act by any other governmental authority is required to authorize such execution, delivery and performance other than approval of the COP Lease Purchase Agreements and the PFA-City-USOC Subleases by the City Council and approval of the COPs, the COP Lease Purchase Agreements and the Indenture by the Board of Directors of the PFA.

(b) The City Agreements are not prohibited by, and does not conflict with, any other agreement, judgment or decree to which the City is a party or is otherwise subject.

(c) The execution, delivery and performance of the City Agreements by the City will not violate the Charter, the Colorado Springs Code or any ordinance or resolution of the City. As of the Effective Date, the City has not received any notice asserting any noncompliance in any material respect by the City with applicable law relating to the transactions contemplated hereby; and the City is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other Governmental Authority which is in any respect material to the transactions contemplated hereby.

(d) No suit is pending against the City which could have a material, adverse effect upon the City's performance under the City Agreements. There are no outstanding judgments against the City which could have material, adverse effect upon the City's performance under the City Agreements.

5.2 Additional USOC Representations, Warranties and Covenants. The USOC represents and warrants to, and covenants with the City as follows:

(a) The USOC is duly organized and validly existing under the laws of the United States. The execution, delivery and performance of this Agreement by the USOC has been duly authorized by the USOC and no additional or further act by any other governmental authority or entity is required to authorize such execution, delivery and performance.

(b) This Agreement is not prohibited by, and does not conflict with, any other agreement, judgment or decree to which the USOC is a party or is otherwise subject.

(c) The execution, delivery and performance of this Agreement by the USOC will not violate the USOC charter, or its bylaws or the laws of the United States or the laws of any other jurisdiction, agency or governing body to which the USOC is subject. As of the Effective Date, the USOC has not received any notice asserting any noncompliance in any material respect by the City or any other entity with applicable law relating to the transactions contemplated hereby; and the USOC is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency

or other governmental authority which is in any respect material to the transactions contemplated hereby.

(d) No suit is pending against the USOC which could have a material, adverse effect upon the USOC's performance under this Agreement. There are no outstanding judgments against the USOC which could have material, adverse effect upon the USOC's performance under this Agreement.

(e) Except with respect to occupants of the first floor of the USOC Condominium during the term of the USOC First Floor Condominium Sub-sublease, the USOC and any other entity, if applicable, that will use or occupy the USOC Condominium, the NGB Building and the OTC Improvements Phase I are and will be organizations described in Section 501(c)(3) of the Code, the USOC shall provide or cause to be provided to the City letters from the Internal Revenue Service evidencing the same, the use of the USOC Condominium, the NGB Building by such organizations and the OTC Improvements Phase I by the USOC will be in furtherance of its 501(c)(3) purpose and will not give rise to unrelated business taxable income to such extent that the exclusion from federal income taxation of interest on the COPs will be adversely affected, and the USOC shall cause any other organizations using the same to certify that such use will be in furtherance of their 501(c)(3) purpose and will not give rise to unrelated business taxable income (or if such certification cannot be obtained, the USOC shall provide the City with an opinion of nationally recognized bond counsel to the effect that such use will not adversely affect the exclusion of interest on the COPs from federal income taxation). Notwithstanding the foregoing, portions of the facilities financed with the COP proceeds may be used without regard to the provisions of this clause (e) provided that (i) all property financed with proceeds of the COPs is owned by a 501(c)(3) organization or governmental unit, and (ii) not more than 3% of the proceeds of the COPs (net of any reasonably required reserves) are used in a private business use (including any unrelated trades or businesses of a 501(c)(3) organization, determined by applying section 513(a) of the Code), or not more than 3% of the payment of the principal of, or the interest on, the COPs is secured by any interest in property used in a private business use or payments in respect of such property, or to be derived from payments in respect of property used or to be used in a private business use. For this purpose, the use of COP financed property is treated as a direct use of the COP proceeds. Both actual and beneficial use is treated as use of the property, including use by ownership, lease, management contract (excluding certain "qualified contracts"), arrangements which convey a special legal entitlement, or on the basis of a special economic benefit conveyed. The amount of private business use is determined by comparing the amount of time a facility is used in a private business use as a fraction of the total time for all actual use. The measurement of use of a portion of a facility is determined by treating that portion as a separate facility. Special rules apply to the use of common areas, private business use property which has a fair market value in excess of the property not so used, incidental use, forward-starting arrangements, and change in ownership. In all respects, the determination of use is to be made in conformance with sections 141 and 145 of the Code, and the regulations promulgated thereunder.

(f) Except with respect to occupants of the first floor of the USOC Condominium during the term of the USOC First Floor Condominium Sub-sublease, the USOC and any other entity, if applicable, that will use or occupy the USOC Condominium, the NGB Building and the OTC Improvements Phase I shall cooperate with the City and the PFA in terms of entering into such agreements, as of the time the COPs are issued or thereafter, as shall be reasonably necessary in order for the interest on the COPs (representing an interest in the COP Lease Purchase Agreements) to be, and remain, exempt from taxation for federal income tax purposes.

5.3 Mutual Covenants.

(a) The City and the USOC, whenever and as often as each shall be reasonably requested to do so by the other Party hereto, shall execute or cause to be executed any additional documents, take any additional actions and grant any additional approvals consistent with the provisions of this Agreement as may be necessary or expedient to consummate the transactions provided for in, and to carry out the purpose and intent of, this Agreement.

(b) If the City or the USOC acquires knowledge of any matter that may constitute a breach of any of its representations, warranties or covenants set forth herein which arises after the Effective Date, it shall promptly give notice of the same to the other Party hereto.

(c) If a Party claims relief in respect of a Force Majeure Event under this Section 5.3(c), it shall be deemed not to be in breach of this Agreement and shall not be liable to the other Party for its failure to perform or any delay in the performance or other non-performance of its obligations under this Agreement to the extent that its performance is adversely affected by the Force Majeure Event until such time as its performance ceases to be so affected. The USOC's rights to terminate this Agreement under Section 7.1 shall further be suspended for the time period of any Force Majeure Event about which it has received notice from the City which is affecting the City's ability to perform. The affected Party may not claim relief for a Force Majeure Event unless it has first notified the other Party of its occurrence as soon as reasonably practicable giving full particulars of the nature of the event and the effect the Force Majeure Event is having on the affected Party's performance of this Agreement. For so long as the affected Party continues to claim relief for a Force Majeure Event, it shall provide the other Parties with regular reports describing the measures it is taking, or proposing to take, to alleviate the effects of the event and such information as the other Parties reasonably request. For purposes of this Agreement, "**Force Majeure Events**" are defined as the following events or circumstances to the extent beyond the reasonable control of the affected Party: acts of God and the effects of the natural elements, fires and explosions, and acts of war, revolution, civil commotion, riots, public disorder and terrorism.

ARTICLE VI

LEASE PURCHASE BUYOUT

6.1 Lease Purchase Buyout and Related Liquidated Damages.

(a) The USOC may exercise a Lease Purchase Buyout of the USOC Condominium and the NGB Building (all but not only one of the foregoing) under this Section 6.1 prior to the expiration of the scheduled term of the PFA-City-USOC Subleases of the USOC Condominium and the NGB Building on any date on or after the 15th anniversary date of the issuance of the COPs but before the 25th anniversary of the issuance date of the COPs. Upon the USOC's payment of amounts necessary to satisfy the requirements for a Lease Purchase Buyout as set forth in this Section 6.1, the City shall cause the PFA to transfer title to the USOC Condominium and NGB Building to the USOC. A Lease Purchase Buyout under this Section 6.1(a) with respect to the USOC Condominium and the NGB Building shall be satisfied by the USOC upon payment to the City (or to the PFA at the direction of the City) of an amount sufficient to fully pay or defease (in accordance with the Indenture) a prorata portion of each maturity of the COPs outstanding attributable to the financing of the acquisition, construction and improvement of the USOC Condominium and NGB Building. Such prorata portion shall be a percentage of each maturity of the total COPs equal to (i) proceeds of the COPs used for the USOC Condominium and the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) as set forth in Sections 1.2(a) and 3.4 hereof divided by (ii) proceeds of the COPs used for the USOC Condominium, the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) plus \$9,500,000.

(b) On or after a Lease Purchase Buyout by the USOC under Section 6.1(a), the USOC agrees to pay the City, as liquidated damages, the amounts under the applicable circumstances as provided in paragraphs (i) and (ii) below:

(i) If, on or after the Lease Purchase Buyout, the USOC continues to maintain its national headquarters in the USOC Condominium and occupies the NGB Building or the USOC moves its national headquarters to another location within the corporate boundaries of the City, the USOC shall not be required to pay any additional amounts to the City, provided, however, that the USOC agrees to pay the applicable liquidated damage payments set forth in paragraph (ii) below if the USOC subsequently moves its national headquarters out of the City's corporate boundaries at any time prior to the 25th anniversary date of the issuance of the COPs.

(ii) In the event of a Lease Purchase Buyout by the USOC on a date on or after the 15th anniversary date of the issuance of the COPs but before the 25th anniversary date of the issuance of the COPs, and the USOC moves its national headquarters out of the City's corporate boundaries, the USOC shall pay to the City at the time of such move, as liquidated damages, an amount determined based upon the year in which such move occurs as set forth in the table below (the number of such year being based upon the year in which such move occurs following the anniversary date of the issuance of the COPs) equal to the respective percentages of (A) all regularly scheduled principal and interest paid by the PFA on the prorata portion of the COPs allocable to the

USOC Condominium and the NGB Building through the date of the Lease Purchase Buyout (such prorata portion being deemed to be the percentage equal to (i) proceeds of the COPs used for the USOC Condominium and the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) as set forth in Sections 1.2(a) and 3.4 hereof divided by (ii) proceeds of the COPs used for the USOC Condominium, the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) plus \$9,500,000) and (B) any cash contributions made by the City for the acquisition, construction or improvement of the USOC Condominium and the NGB Building through that date which have been previously disclosed in writing to the USOC in advance of making such contributions:

Year	Percentage
Year 16	50%
Year 17	45%
Year 18	40%
Year 19	35%
Year 20	30%
Year 21	25%
Year 22	20%
Year 23	15%
Year 24	10%
Year 25	5%

(c) The Parties agree that the USOC shall have no obligation, financial or otherwise, to the City for payments other than the payments set forth in this Section 6.1 in the event of a Lease Purchase Buyout by the USOC.

(d) In the event of a Lease Purchase Buyout by the USOC on a date when the City or the PFA is the owner of the first floor and lower basement level of the Building, the City agrees that the USOC shall have the option to purchase title to the first floor and lower basement level, or any portion thereof, at any time during the six month period following the date the Lease Purchase Buyout is exercised by the USOC. If this option to purchase title is not exercised by the USOC during such six month period, the USOC shall have the right, for a six month period every five (5) years from the date of the Lease Purchase Buyout, to purchase such title as provided in this Section 6.1(d). The price for the purchase by the USOC of title to the first floor and lower basement level, or any portion thereof, shall be based upon an appraisal of such space conducted by an independent appraiser mutually acceptable to the USOC and the City. Upon the USOC's payment of an amount necessary to satisfy the requirements of this Section 6.1(d), the City (or the PFA at the City's direction) shall transfer to the USOC its fee title interest in

such purchased space, the USOC shall be the sole owner of such purchased space and shall be entitled to sell, lease or transfer and vacate such purchased space without restriction.

6.2 Liquidated Damages Upon Sublease Termination and No Lease Purchase Buyout.

(a) The PFA-City-USOC Subleases shall be deemed terminated in the event that the USOC is no longer occupying the USOC Condominium as the national headquarters for the USOC. In the event of any such termination, the Parties agree that amounts payable by the USOC to the City described in this Section 6.2 shall be the sole remedy available to the City in connection with any such termination. Notwithstanding anything to the contrary contained herein, the taking of property through the power of eminent domain by any public authority, or conveyed by owner of such property to an authority in lieu of such taking (a condemnation) shall not be a termination, or deemed to be a termination, as described and applied in this Article 6.

(b) If the USOC terminates the PFA-City-USOC Subleases by moving its national headquarters out of the City's corporate boundaries at any time before the 15th anniversary date of the issuance of COPs, the USOC shall pay the City, as liquidated damages, an amount equal to all regularly scheduled principal and interest paid by the PFA on the prorata portion of the COPs allocable to the USOC Condominium and the NGB Building through the date of such termination and any cash contributions made by the City for the acquisition, construction or improvement of the USOC Condominium and the NGB Building through that date (such prorata portion being deemed to be the percentage equal to (i) proceeds of the COPs used for the USOC Condominium and the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) as set forth in Sections 1.2(a) and 3.4 hereof divided by (ii) proceeds of the COPs used for the USOC Condominium, the NGB Building (or if internally funded by the City the amount thereof, including an amount equal to the amount owed by the City on a loan from Colorado Springs Utilities) plus \$9,500,000, and the USOC shall forfeit its rights to acquire an ownership interest in the USOC Condominium or the NGB Building by means of the Lease Purchase Buyout described in Section 6.1(a) or otherwise. If all of the costs of issuance for the COPs are not paid out of the proceeds of the COPs, then the USOC shall pay to the City, in addition to the amounts set forth above, a pro rata portion of such additional costs of issuance (using the percentage otherwise determined above in this clause (b)) as liquidated damages.

(c) If the USOC terminates the PFA-City-USOC Subleases by moving its national headquarters out of USOC Condominium at any time during years 16-25 and has not exercised its right to acquire the USOC Condominium and the NGB Building by means of a Lease Purchase Buyout described in Section 6.1(a), the USOC shall pay to the City the applicable liquidated damages relating to the year of such termination as set forth in Section 6.1(b) and shall thereafter forfeit its rights to acquire an ownership interest in the USOC Condominium or the NGB Building by means of the Lease Purchase Buyout described in Section 6.1(a) or otherwise.

(d) The amounts payable by the USOC to the City under the circumstances set forth in this Article VI shall be automatically adjusted without further agreement of the Parties in accordance with and to the extent provided in Section 2.6.

(e) The provisions of this Article VI shall survive the issuance and payment or defeasance of the COPs, the execution and delivery or termination of the COP Lease Purchase Agreements and the execution and delivery and termination of the PFA-City-USOC Subleases, or any other event other than the termination of this Agreement by the USOC under Section 7.1 in which event the payments due as described in this Article VI shall not be applicable even upon the circumstances described in this Article VI.

ARTICLE VII

TERMINATION AND EXPIRATION; CONDITIONS PRECEDENT

7.1 Termination by the USOC. This Agreement provides for the Parties to use their best efforts to satisfy certain obligations as set forth herein. Notwithstanding such best efforts by the Parties, if the \$13,000,000 amount to fund OTC Improvements Phase I is not on deposit in those certain accounts held under the OTC Escrow Agreement on or before December 31, 2009, or the Delivered Product is not provided by the City pursuant to the Plans and Specs and the USOC Condominium is not available to the USOC for occupancy by the USOC by March 31, 2010 (provided, however, that if prior to March 15, 2010 the City provides written notice to the USOC that March 31, 2010 cannot be satisfied due to circumstances beyond the direct control of the City, said date shall be extended to May 30, 2010, based on a certification that is reasonably acceptable to the USOC), or if the NGB Building is not available to the USOC for occupancy by NGB employees by March 31, 2010, the USOC shall at any time after any such date have the right in its sole discretion to terminate this Agreement and shall have no further obligations to the City including no obligation to pay any costs, penalties or damages of any amount under any agreement between the City and the USOC, and no obligation to continue to have its national headquarters within the corporate boundaries of the City. The USOC shall also have the right to terminate this Agreement and the PFA-City-USOC Subleases (both PFA-City-USOC Subleases, but not only one) based on a default by the City on the terms described in Section 7.2. The City shall have no right to terminate this Agreement or the PFA-City-USOC Subleases other than based on a default by the USOC, and if there is such occurrence, only on the terms described in Section 7.2.

7.2 Terminations and Remedies Upon Default. In the event that any Party fails to satisfy any obligation of such Party under this Agreement (except for those relating to a PFA-City-USOC Sublease), a representation made by any Party in this Agreement is found to have been inaccurate, the Party may give the other Party written notice of such default. If such default has not been cured by the respective Party within 30 days from the date of such notice, then the other Party shall have the right to bring legal action for specific performance or for payment of amounts due hereunder and shall have the right to pursue all rights and remedies available to it under law. In the event that an Event of Default (as defined in the PFA-City-USOC Subleases) has occurred under either PFA-City-USOC

Sublease, and the applicable cure period contained therein has expired, the City shall have the right, as its exclusive remedies under the PFA-City-USOC Subleases, to terminate both such PFA-City-USOC Subleases, or to seek specific performance or reimbursement of amounts due thereunder.

7.3 Expiration of this Agreement. This Agreement shall expire by its terms, without further notice or approval, immediately upon the earlier of (i) the date the USOC moves its national headquarters out of the City's corporate boundaries, except that Article VI shall survive to the extent provided in Section 6.4, or (ii) the 30th anniversary date of the issuance of the COPs.

7.4 Conditions Precedent to Issuance of COPs. The issuance of the COPs by the PFA is subject to its best efforts, and to the following occurring before or simultaneously with the issuance of the COPs: (i) the City and the USOC entering into the PFA-City-USOC Subleases (and such PFA-City-USOC Sublease not being subject to termination except as provided in Section 7.1 of this Agreement), and (ii) all other representations and warranties contained in Article V hereof being true and correct.

7.5 Conditions to Certain USOC Obligations. The USOC agrees to enter into the PFA-City-USOC Subleases on or about the date of execution and delivery of this Agreement. The date on which the last of the following events occurs shall be the "**Conditions Precedent Satisfaction Date**": (a) \$13,000,000 has been deposited and is held under the OTC Escrow Agreement for the benefit of the USOC; (b) the USOC Condominium is available for occupancy by the USOC; (c) the Delivered Product has been provided for use by the USOC; (d) COPs have been issued by the City or the PFA as described in this Agreement; (e) the Condominium Declaration has been recorded; and (f) the NGB Building is available for occupancy by the NGB employees. The PFA-City-USOC Subleases shall be effective only upon the Conditions Precedent Satisfaction Date, as further described in the PFA-City-USOC Subleases. Notwithstanding anything contained herein to the contrary, the City agrees the Conditions Precedent Satisfaction Date shall not occur on or during the period of February 5, 2010 through and including March 5, 2010. Both Parties agree that the execution and delivery of the PFA-City-USOC Subleases shall not be rescinded or terminated unless and until terminated in accordance with Section 7.1 for the USOC, and Section 7.2 for the City. Furthermore, the USOC shall have no obligation to make payments for Incremental Improvement Costs unless and until the City has paid for \$2,700,000 of improvements as described in Section 1.1(d), and the OTC Phase I Funding Date has occurred.

ARTICLE VIII

MISCELLANEOUS

8.1 Notices, Demands and Communications Among the Parties. Formal notices, demands and communications between the Parties shall be sufficiently given if dispatched by registered mail postage pre-paid, return receipt requested to the principal offices of the Parties as set forth in this Section 8.1. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party

may from time-to-time designate by mail. Any such notice, demand or communication shall be deemed to have been received 72 hours after having been dispatched.

If to City:

City of Colorado Springs, Colorado
Attn: City Manager
30 S. Nevada, Suite 601
Colorado Springs, CO 80903

With a copy to:

City Attorney
30 S. Nevada, Suite 501
Colorado Springs, CO 80903

If to USOC:

United States Olympic Committee
One Olympic Plaza
Colorado Springs, CO 80909
Attention: Chief Executive Officer and General Counsel

With a copy to:

Hogan & Hartson LLP
One Tabor Center, Suite 1500
1200 Seventeenth Street
Denver, CO 80202
Attn: Helen Atkeson

8.2 Compliance with Laws. During the term of this Agreement, the City and the USOC each shall, in connection with their respective performance under this Agreement, comply with all applicable laws.

8.3 Survival of Covenants and Warranties. Except as provided in Section 7.1, the representations, warranties and covenants contained in this Agreement (including the provisions of Article VI and Section 5.2(e) and (f)) shall survive the termination of this Agreement and no action taken pursuant to or related to this Agreement shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, condition or agreement herein.

8.4 Governing Law. It is the intention of the Parties hereto that this Agreement and the rights and obligations of the Parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Colorado and the Charter of the City of Colorado Springs and the City Code, 2001 as amended. Further, in the event of any

dispute, exclusive venue shall lie in El Paso County for state claims and in the U.S. District Court for the District of Colorado for Federal claims.

8.5 Execution in Counterparts. This Agreement may be executed in any number of counterparts all of which are identical. Each counterpart of this Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

8.6 Effective Date. The Effective Date of this Agreement shall be the date when this Agreement has been signed by the USOC and the City. Time is of the essence of this Agreement.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

The undersigned have executed this Agreement this ____ day of _____, 2009.

**CITY OF COLORADO SPRINGS,
COLORADO**

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

**CITY OF COLORADO SPRINGS
CITY ATTORNEY'S OFFICE**

Patricia K. Kelly, City Attorney/Chief Legal Officer

UNITED STATES OLYMPIC COMMITTEE

By: _____
Name: _____
Title: _____

DRAFT JULY 23, 2009

EXHIBIT A
FORMS OF PFA-CITY-USOC LEASES

EXHIBIT B
FORMS OF PFA-CITY-USOC SUBLEASES

EXHIBIT C
AFFILIATION AND MARKETING RELATIONSHIP

It is in the mutual interests of the USOC and the City of Colorado Springs to develop a formal affiliation and it is agreed that the City and the USOC intend such an affiliation. The USOC will grant these rights for the term of this Agreement, and such rights shall no longer be granted upon the earlier of the termination or expiration of this Agreement by its terms. The main points of the relationship are as follows:

1. The City will be given use rights to the USA 5-ring logo and a mutually agreed to USOC designation(s) and commercial access to Olympic themes, terminology, and imagery for use in the City's marketing programs.
2. The City will have the right to use the USOC emblem and the mutually agreed upon designation(s) in the United States, including all 50 states, the District of Columbia and all territories and possessions of the United States that are not subject to a different national Olympic committee.
3. The City will have the right to publicly use the designation "Official Hometown of the USOC," or other comparable language mutually agreed to by the parties identifying the City as the USOC's headquarters.
4. Each and every proposed use of USOC marks would require pre-approval by the USOC's marketing division.
5. The City will be recognized in sponsor-type signage at the Olympic Training Center in Colorado Springs, and the USOC agrees to reasonably cooperate in the City's marketing efforts, including presence on the USOC website in identity similar to USOC Partners.
6. The USOC agrees to work with the City in periodically providing Olympic athlete appearances for City events, and in the event the City wants to develop public relations outreach efforts, the USOC agrees to reasonably cooperate with the City.
7. The USOC will provide the City with an account representative to assist the City in utilizing this marketing relationship, and the City will provide the USOC with a sole representative from the City to serve as the contact to the USOC's account representative.

EXHIBIT D
PFA PURCHASED PROPERTY

(1) delivery of Condominium Units 200, 300, 400, 500 and 600, 27 South Tejon Commercial Condominiums according to the Amended and Restated Declaration thereof filed for record in the records of the office of the Clerk and Recorder of El Paso County, State of Colorado on _____, 2009, at Reception No. _____, and as defined and described in the Condominium Map for 27 South Tejon Commercial Condominiums recorded on _____, 2009, at Reception No. _____, in said records; and (2) completion of all common elements of the building located at 27 South Tejon Street, Colorado Springs, Colorado, including, but not limited to bike lockers, showers, and elevators (but specifically not including the USOC specific interior finishings, furnishings, signage, and all other non-structural or non-mechanical improvements for the first floor lobby entrance).

EXHIBIT E
STREETSCAPE PLAN OVERVIEW

Improvement of streetscape adjacent to the PFA Purchased Property to include:

- Provide all necessary demolition required for streetscape improvements
- Back fill large coal chute at SE corner of building
- Replace all of the curb & gutter surrounding the building
- Install the pedestrian bump out and planters as detailed in the Downtown Action Plan
- Install two (2) new stormwater catch basins as needed and connect to existing stormwater lines
- Provide new street trees and landscaping
- Connect and extend irrigation system for street trees and landscape
- Connect and extend streetlight conduit for new streetlights
- Install new street light bases. (wiring, poles and fixtures provided by CSU)
- Pour new sidewalk around exterior of building, including new ADA pedestrian ramps (Structured lids and waterproofing of under sidewalk vaults provided by developer)
- Install pavers between sidewalk and curb & gutter
- Provide and install pedestrian amenities bench, bike rack & trash can

EXHIBIT F
CITY DELIVERABLES

1. PFA Purchased Property
2. All of City's and/or PFA's right, title and interest to Common Elements and Limited Common Elements appurtenant to the PFA Purchased Property as set forth in that certain Amended and Restated Condominium Declaration for 27 South Tejon Commercial Condominiums
3. All of City's and/or PFA's voting rights as a member of the 27 South Tejon Commercial Condominium Association, Inc., a Colorado non-profit corporation
4. All building core and shell structural elements and finishes to: the Lobby Entrance and Common First Floor Spaces; the Condo Unit 200 lobby and restrooms; and the Condo Unit 300, 400, 500, & 600 lobbies, all in accordance with the plans, specifications, approved add alternates and LEED addendum, created by OZ Architecture, dated March 5, 2009 (the "**Plans and Specs**" as defined in the EDA). HVAC and electrical systems shall incorporate LEED requirements into the build out per the Plans and Specs (paint, finishes, materials, etc. should be LEED compliant). The finishes to include:

Lobby Entrance (Ground Floor of Building) –

- Marlite wall coverings
- Tile
- Cabling, telephone and data service brought in to telephone and MDF closets
- Security conduit/electrical requirements
- Paint
- Wall coverings
- Doors and Hardware
- Lobby Light fixtures
- Way-finding signage
- Reception desk
- Drywalls and ceiling

Common First Floor Spaces (Ground Floor Restrooms and Bike Lockers) -

- Counter tops
- Doors and Hardware (Rear entry/alley to be widened for ease of entry and rear entry corridor also to be widened by an additional 6" per 7/1/2009 discussion with the City). The back entry corridor should be designed as

an alternate entry for USOC employees to replace the 3rd floor entry from the bridge

- Tile
- Drywalls and ceiling
- Floor Coverings & Base
- Paint
- Toilet Partitions
- Toilet Accessories
- Plumbing
- Mechanical
- Light Fixtures & Power
- Bike racks installed
- Lockers and showers installed

Condo Unit 200 Lobby and Restrooms

- Marlite wall coverings
- Tile
- Drywalls and ceiling
- Floor Coverings & Base
- Paint
- Mechanical
- Light Fixtures & Power
- Toilet Partitions
- Toilet Accessories
- Plumbing
- Way-finding signage

Condo Unit 300, 400, 500, & 600 Lobby Finishes

- Marlite wall coverings
- Tile
- Floor coverings & Base
- Paint
- Wall Coverings
- Lobby Light Fixtures

The total cost of the work provided is estimated at \$248,806

EXHIBIT G
OTC ESCROW AGREEMENT